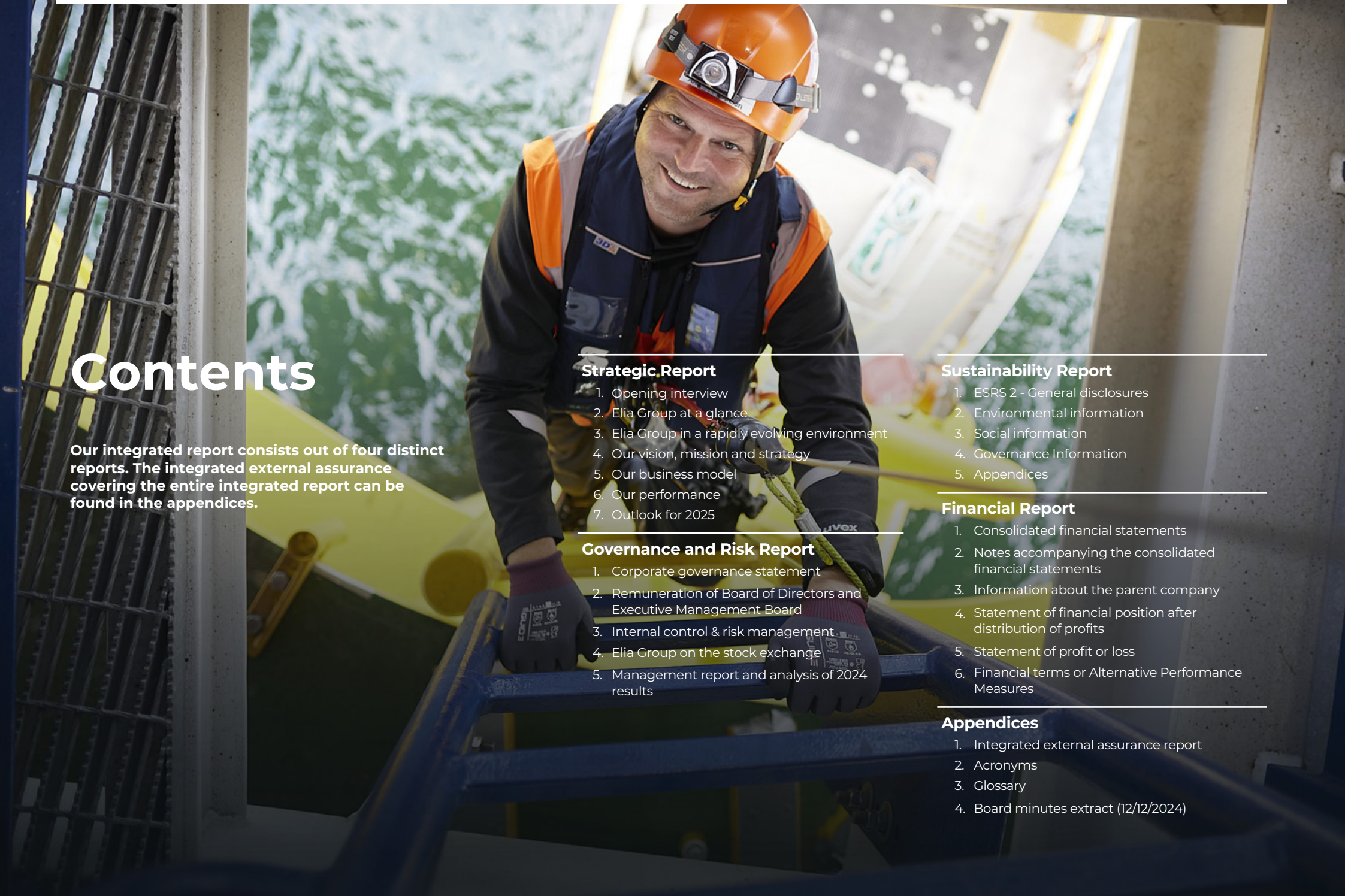
elia group

# Securing Clean Competitiveness

Annual Integrated Report 2024



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**Our integrated report consists out of four distinct reports. The integrated external assurance covering the entire integrated report can be found in the appendices.**


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# Strategic Report

**No transition without transmission. Our strategic investments are essential to enable the electrification, to meet rising electricity demands and to increasingly integrate renewable energy sources into the grid.**
**We are committed to operating in the interest of society, ensuring a sustainable and reliable energy future for all.**

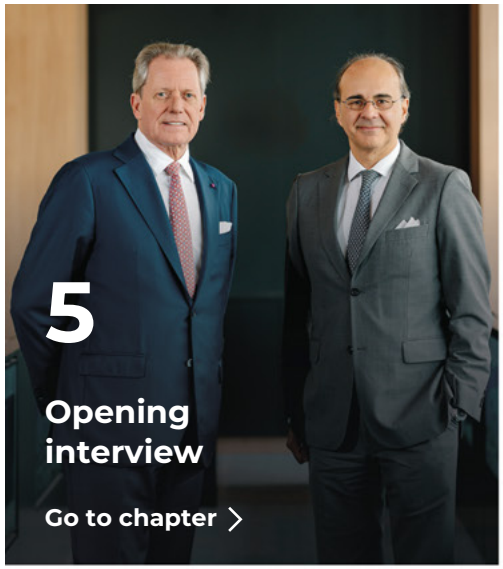
## “Europe is decarbonising and industrialising at the same time.

Our companies need predictability, for their investments and innovation. And yes, they can rely on us. In this logic, we will enshrine our 90% target for 2040 in our European Climate Law. Our companies need to plan their investments for the coming decade already today. And this is not only about business. For our young people, 2030, 2040, 2050 is around the corner. They know that we have to reconcile climate protection with a prosperous economy. And they would never forgive us if we do not rise to the challenge. So, this is not only a matter of competitiveness, but also a matter of intergenerational fairness.”

**Ursula Von Der Leyen, President of the European Commission, Statement at the European Parliament Plenary on 18 July 2024**

OVERVIEW

# Strategic Report



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Opening interview
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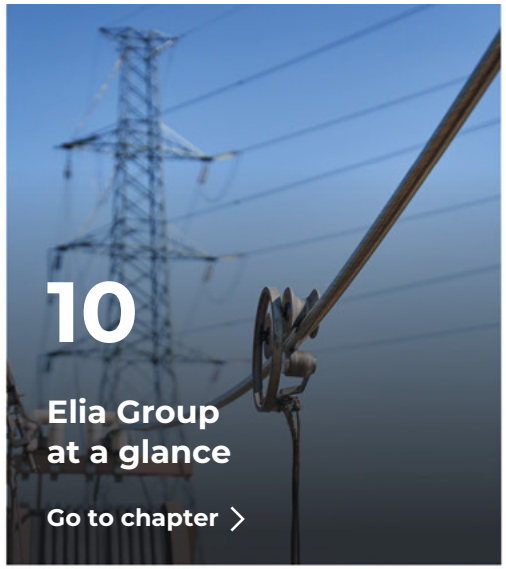

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Elia Group at a glance
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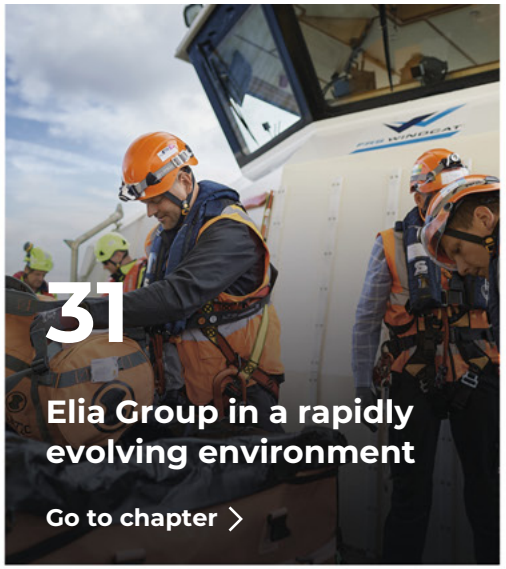

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Elia Group in a rapidly evolving environment
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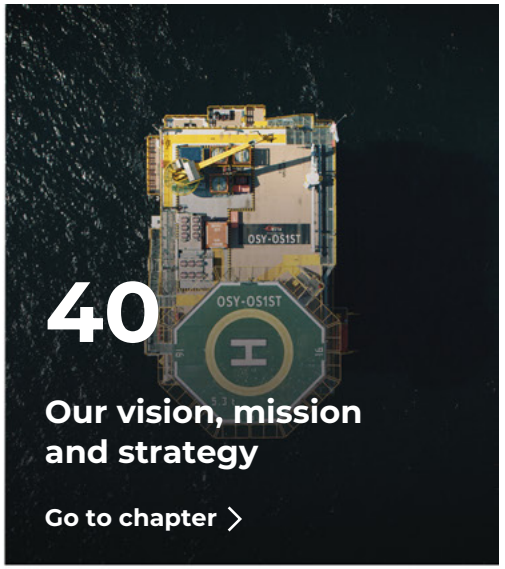

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Our vision, mission and strategy
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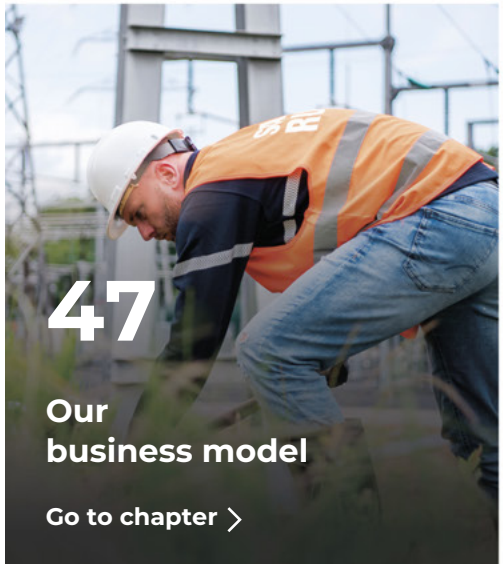

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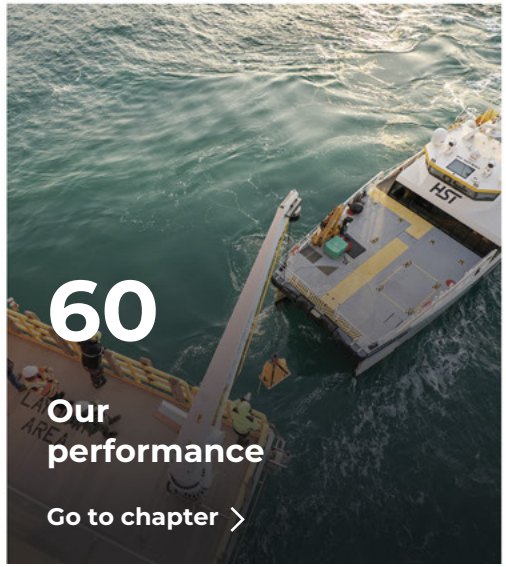

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Our performance
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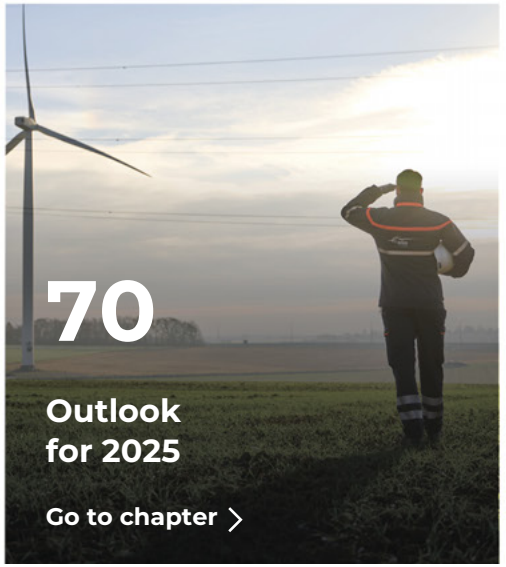

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1. OPENING INTERVIEW

# It’s getting real.

*Interview with Bernard Gustin and Geert Versnick, Elia Group’s CEO and President of the Board of Directors, respectively*

**In 2024, Elia Group undertook its largest investment programme ever, established its first partnership with a U.S. company, and welcomed an unprecedented number of new employees into its workforce. This growth was planned. However, the task of advancing the energy transition is becoming increasingly challenging. In addition to the shifting geopolitical context, the rising cost of the transition and how to finance it are being hotly debated.**

**Bernard Gustin:** "Looking back at 2024, one can only conclude that the energy transition is in full swing. As a society, we want to decrease our dependence on fossil fuels. This decarbonisation goes hand in hand with electrification - for which we need a lot of new infrastructure that must be ready on time. Our growth strategy was outlined years ago. Implementing it is very challenging because the context in which we are operating has changed. We have therefore reached a difficult moment. Despite this, our societal objective remains unchanged. Let us not forget that the transition is a societal revolution which we are collectively undertaking for the benefit of future generations."

**Geert Versnick:** "In 2025, it will be important for us to demonstrate that we are very conscious of costs as we execute our plans. Although benefits will be generated in the long term, the energy transition will cost a lot of money. And those who are investing in it need financing means. As a reference shareholder, we have strengthened ourselves to meet future financial challenges. This means we are supporting the further growth of Elia Group. The fact that Fluxys SA, the Belgian gas transmission system operator,along with Publi-T through NextGrid Holding, has decided to support Elia Group's capital needs means that we can view the energy transition from a holistic perspective. Both electrons and molecules have a role to play in the shift to net zero."

**With Elia Group acquiring a minority stake in the American company energyRe Giga, 2024 was also an important year for its internationalisation.**

**Bernard Gustin:** "We are, now more than ever, a multinational company. Due to the scale of our CAPEX plan in Germany, our foreign activities are larger than those in Belgium. Now we've expanded our activities to cover the United States. On paper, the country holds a lot of potential in terms of the energy transition, but we want to learn about it and develop our activities there gradually. The re-election of President Trump has created a sense of nervousness about the future development of offshore wind; however, via energyRe Giga, we are primarily involved in transmission activities that are urgently needed. Given that our activities are undertaken across different regions, they fall under different regulatory frameworks. Both our portfolio and related risks and opportunities are diversified, which makes us attractive as a growth company. Meanwhile, the activities of our consultancy firm Elia Grid International (EGI) are increasing. Through its 77 employees, EGI is recognised to deliver high-level consultancy but also keeps the Group's finger on the pulse, so monitoring and understanding new trends. We must not underestimate the importance of this for all other entities of Elia Group."

**There are doubts about affordability and the speed at which we can make progress on the energy transition. How can this be explained?**

**Bernard Gustin:** "The energy markets are under pressure. Due to supply chain shortages, prices of equipment are rising, and projects are becoming more expensive. However, it remains a fact that the climate crisis is getting worse and that Europe is still far too dependent on fossil fuels. We have to solve these issues. It is clear that the context in which we are operating is more challenging. But let us not forget the reason for the energy transition: greater independence from fossil fuels and a stronger energy policy that protects the competitiveness of European industry and the wellbeing of our families. It is more important than ever for us to drive the transition in a smart way."

**What role can Elia Group play in debates about the best way to approach and make progress on the energy transition?**

**Geert Versnick:** "The fact that we are an international group of transmission system operators makes us really unique. We are putting high emphasis on innovation and digital technologies to remain a frontrunner. Our experience and knowledge mean we are very well placed to provide input into ongoing political and societal discussions. Our reports and studies are well respected, and we have a strong reputation in this regard. We will continue to deliver excellent research for policymakers and the sector more widely."

**2025 will be an important political year, given that new governments will be established in Belgium and Germany, that it will be the first working year of the second von der Leyen Commission, and that it will be the start of President Trump's second term in office. What impact could these events have on the Group?**

**Bernard Gustin:** "History is an important teacher for the future. We will need to carefully assess the sensitivities of these new governments. Our new leaders will also need to understand the context in which we made certain decisions and the governments we took them with. It is important that we can continue to implement the energy transition.

This must be done in a way that is conscious of costs and does not waste any time - because we're undertaking this for future generations. Some objectives must be achieved in the 2030s to meet increasing electricity needs. The 2030s— that's just around the corner!"

"It is important that we can continue to implement the energy transition. This must be done in a way that is conscious of costs and does not waste any time. The 2030s are just around the corner!"

**Bernard Gustin**
CEO, Elia Group

**Given this, does it help to have a reference shareholder that is linked to local politics?**

**Geert Versnick:** "Our shareholder structure is quite unique. We can call on the financial markets via the stock exchange. At the same time, we have shareholders that are deeply anchored in Belgian and German society with Publi-T[1] and KfW[2] Moreover, there is something very specific about both Publi-T and KfW. Many shareholders—even if they invest in a company for the long term—look for an exit strategy. For an average investor, 7 to 8 years is considered to be a long-term commitment. But in our industry, that is a very short amount of time. The day an exit is prepared, something changes. The objectives of the shareholder and company may then differ. Therefore, it is enormously important for Elia Group to be able to rely on reference shareholders who do not have an exit in mind."

**Is Elia Group ready for potential re-adjustments of the future German government?**

**Geert Versnick:** "Our stakeholders often forget that Elia Group's activities are larger in Germany than in Belgium. Our teams can move from one entity to another, to deliver impact and grow their competences working across the Group. When we begin undertaking activities in a new location, such as in the U.S., people with strong experience and knowledge use the new opportunities and are ready to add value there. In Germany, we are recognised as a reliable partner and an operational expert. We have developed a business model that functions in a way that we can rapidly adapt and suit the needs of an evolving society."

**To achieve its expected level of growth, Elia Group hired a record number of new employees in 2024. The fight for talent seems to have been won.**

**Bernard Gustin:** "Our objectives have indeed been met. When I see what kind of company Elia Group has become in recent years, we have done well. We are an attractive company for different types of candidates and we welcomed lots of great talents into the Elia Group family. But we must do even better. We have strong assets. We are technologically innovative, have a nice growth story that has sustainability embedded at its heart, and work in the interest of society. Besides finding the right people, we have to reinforce our efforts to retain them, to give our current and future talents the best opportunities to succeed, because the quality of our employees is what makes all the difference."

## Highlights from 2024

**What stood out for you in 2024?**

**Bernard Gustin:** "I was deeply impressed by my visit to the construction site in Vlissingen where the foundations of the Princess Elisabeth Island are being built. It is important for Belgium to realise leading projects such as the island. In Germany, , we finalized substantial grid projects, such as the new Uckermark overheadline or the offshore connection to the windpark Baltic Eagle. And we started constructing the underground DC connection SuedOstLink. Only time will tell, but our collaboration with energyRe Giga could be a turning point in the history of Elia Group, just like our partnership with 50Hertz was. However, what struck me most was that during a crisis, such as the storm that hit Mechelen last summer in Belgium and the one hitting der Meißen area in Germany, Elia Group's true culture shines through. We communicate a lot about our investment programme and its financing, but the heart of our work involves ensuring that the lights stay on around the clock."

**Geert Versnick:** "I completely agree with that. Whenever an incident occurs, the availability and sense of duty of our employees towards both industrial customers and the public is very clear. It is only when I travel abroad that I realise how privileged we are in terms of our electricity supply. The quality of our grid is extremely high, meaning that we experience minimal outages. Society does not appreciate that enough. Therefore, our employees deserve all the praise and a big round of applause for their work last year."

"Our teams move from one entity to another, working across the Group dynamic. When we begin undertaking activities in a new location, such as in the U.S., people are immediately available and ready to add value."

**Geert Versnick**
Chairman, Elia Group

[1] Publi-T is the Belgian municipal holding company and is the reference shareholder of Elia Group (44.79%).
[2] The German investment bank KfW has a minority stake (20%) in Eurogrid, the holding company which owns the German transmission system operator 50Hertz. Elia Group owns the remaining 80% stake in 50Hertz.

## What are your main priorities for 2025?

**Bernard Gustin:** "How do we maintain our vision and objectives while smartly evolving our activities while taking the expectations of our stakeholders into account? This will be an important task for us over the coming year. It is crucial for us not to proceed with full speed on all dimensions of our business; instead, we need to consider and propose alternatives both in the execution and in the financing of our activities. At the same time, we must not deny that climate events, such as the storm in Mechelen in the summer of 2024, also carry societal costs."

**Geert Versnick:** "Listening to expectations while highlighting the societal importance of the energy transition and pointing out the need to run a reliable and successful our business model. Elia Group is a growth company that offers a high degree of certainty for its investors. This does not mean we should implement our activities without being pragmatic. Separately, there is an urgent need for debates to be held about the energy transition and its implications at local and European levels. Given that high amounts of investment must be made in the energy transition, how can we protect industry and households from further price increases throughout it? Which energy projects are most interesting for Europe's electricity grid as a whole, rather than just for countries which are directly connected to them? And how can we intensify, de-risk, and finance the latter so that they actually come to fruition?"

# 1.1. Our integrated reporting journey

**Elia Group's 2023 Integrated Annual Report, "Fully Charged for Change," was recognized by the Belgian Institute of Registered Auditors as the best sustainability report by a listed company. At the Belgian Awards for Sustainability Reports, judges praised Elia Group for its ongoing integration of sustainability into its strategy and engagement with stakeholders. The 2023 report marked the first time Elia Group combined financial and non-financial information into a single document.**

Our journey toward <IR> began in 2021 with the adoption of an integrated thinking approach, allowing us to better understand and communicate how the company creates, sustains, and diminishes value over time. This approach led us to make significant changes in how we discuss our governance model, strategy, business model, and overall performance.

In 2022, we built on this foundation by conducting a double materiality assessment and aligning our climate disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. We also initiated our first Group-wide environmental, social and governance (ESG) external assurance process.

In our 2023 report, we combined our sustainability and financial reports into a single, unified Annual Integrated Report for the first time. By taking a proactive approach, we moved beyond simply meeting the Global Reporting Initiative's sustainability framework requirements, focusing instead on aligning our reporting with the European Sustainability Reporting Standards (ESRS). After thoroughly assessing the ESRS guidelines, we improved our reporting processes, introduced new metrics, and aligned our practices across all entities. We also strengthened our data collection processes to ensure consistent and transparent communication with our external stakeholders.

For the 2024 reporting year, we proudly announce our full compliance with the Corporate Sustainability Reporting Directive (CSRD). Our Integrated Annual Report combines financial and sustainability disclosures, aligning with the CSRD's double materiality principle. This shows how our business model, strategy, and operations both impact and are impacted by environmental, social, and governance factors. To enhance collaboration, we implemented a new tool in 2023, streamlining real-time data sharing across departments. Additionally, we have consolidated our assurance report with external auditors for independent verification of our financial and sustainability information, ensuring data reliability and integrity. These efforts underscore our commitment to sustainable growth, transparency, and accountability in all business operations.

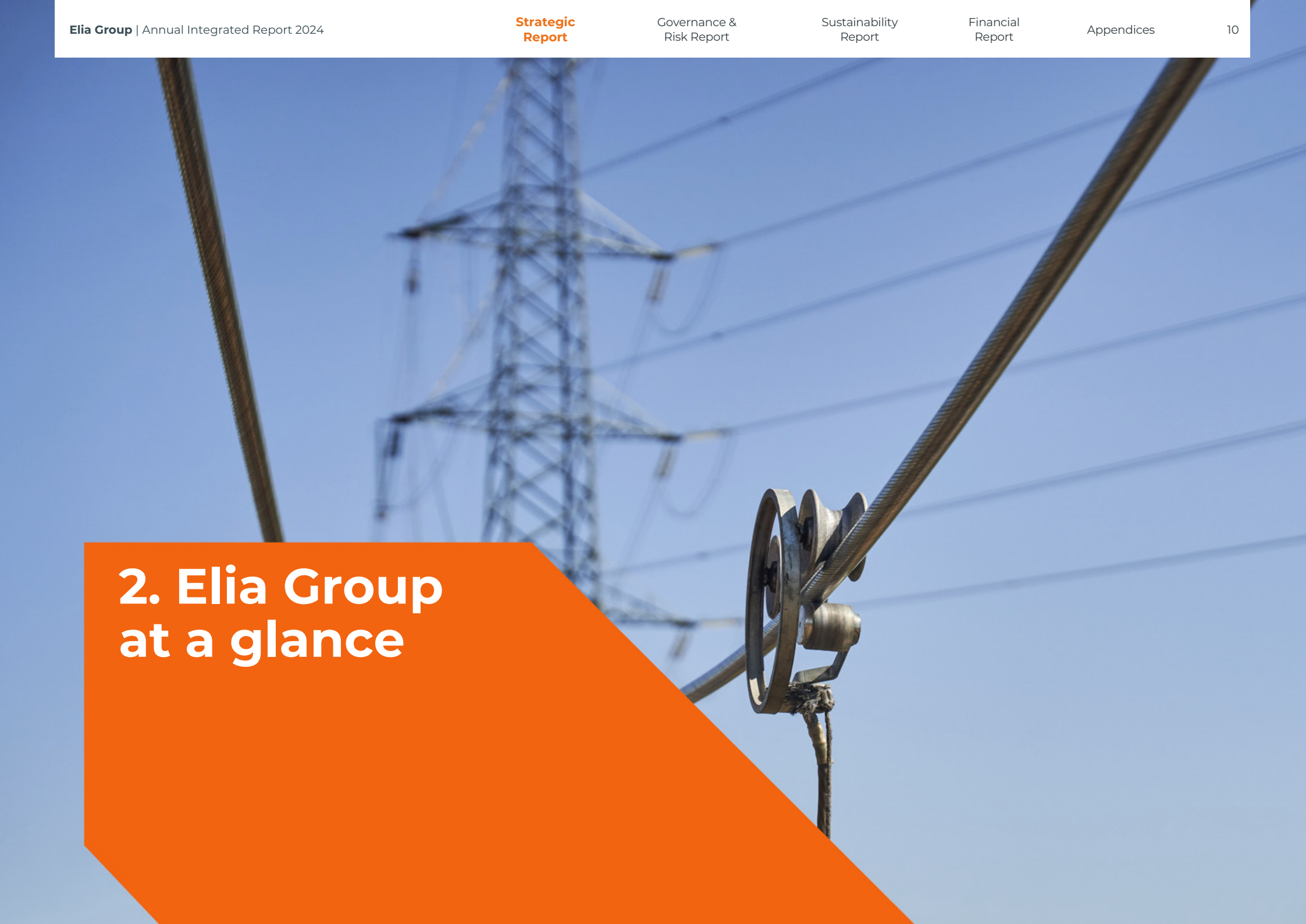
## Board approval

**The Elia Group Board of Directors applied its collective mind in preparing this report. It acknowledges its responsibility for ensuring its integrity and for its alignment with the <IR> Framework.**

**Bernard Gustin**

**Geert Versnick**

Note: 'Elia Group SA/NV', 'Elia Transmission Belgium SA/NV' and '50Hertz Transmission GmbH' are used throughout this document to refer to the legal names of each company, whilst the following are used to refer to their trade names: 'Elia Group'; 'Elia Transmission Belgium' or 'ETB'; and '50Hertz Transmission' or '50Hertz'.

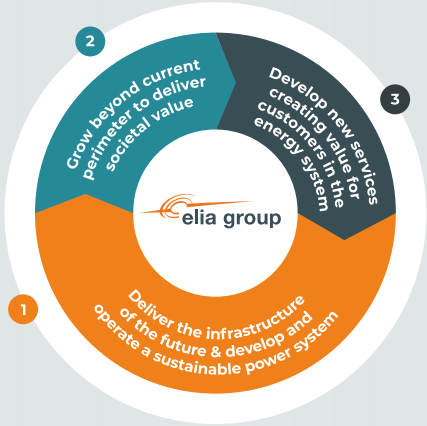


# 2. Elia Group at a glance

# 2.1. Who we are & what we do

**Elia Group operates critical energy infrastructure at the heart of Europe through two transmission system operators: Elia Transmission Belgium (ETB) in Belgium and 50Hertz in northeastern Germany. Nemo Link, connecting Belgium to Great Britain, is one of the world's top-performing HVDC subsea interconnectors. Our unique position and commitment to innovation and collaboration has led us to develop some of the world's first projects of their kind.**

**By harnessing the expertise we have gained in our regulated markets, we have secured our position as a global energy partner, allowing us to keep growing by applying that experience in our non-regulated markets. Our consultancy company, Elia Grid International (EGI) has offices around the globe to support customers in complex power-system challenges.**



**19,741 km**
of high-voltage power lines and cables

WindGrid
Elia Group
re.alto

WindGrid operates internationally, while re.alto operates in Europe

**Deliver the infrastructure of the future & develop and operate a sustainable power system**

**Grow beyond current perimeter to deliver societal value**

**Develop new services creating value for customers in the energy system**

elia | Elia Group

ETB is the Belgian TSO for high-voltage (30 kV to 70 kV) and extra-high-voltage (110 kV to 380 kV) electricity. It has a natural monopoly as the country's only TSO and is driving its energy transition. ETB's grid, which lies at the heart of Europe's energy system, is highly interconnected. As demonstrated by its work on the world's first artificial energy island - the Princess Elisabeth Island - the company is a front-runner in offshore energy development. ETB's strategic focus is on getting ready for a 50% increase in electricity consumption across its control area by 2032.

50hertz | Elia Group

50Hertz is a TSO which holds a natural monopoly in the north and east of Germany. It is a crucial player in the realisation of the German energy transition. Its extra-high-voltage grid (150 kV, 220 kV and 380 kV) covers seven states, including the city states of Berlin and Hamburg, and serves 18 million people. 50Hertz also connects wind farms located in the Baltic Sea to its onshore grid; its projects will soon stretch to the North Sea, too. Its strategic focus is on ensuring that 100% of electricity consumption across its control area is met by green electricity by 2032.

nemolink

The Nemo Link interconnector is a joint venture between ETB and National Grid Interconnector Holdings Limited, a subsidiary of the British electricity and gas utility company National Grid Plc. Commissioned in January 2019, Nemo Link was the first HVDC subsea interconnector to link Belgium to Great Britain and it adheres to its own cap and floor regulation. Its cables have a voltage of ~400 kV and it allows the trade of up to 1,012 MW of electricity between both countries.

egi Elia Grid International

Elia Grid International (EGI) is an international engineering consultancy company which specialises in addressing complex power system challenges. Its multidisciplinary team of experts offers strategic, technical and regulatory advice in all fields related to on- and offshore power transmission, as well as a range of specialist solutions. EGI is able to harness the expertise of ETB and 50Hertz, each with a solid track record in delivering high-quality projects over many decades. Its clients comprise TSOs, regulators, public authorities and private developers which are primarily located in Europe, the Middle East, Southeast Asia and North America.

WindGrid energyRe | Elia Group

WindGrid focuses on the development of international (offshore) electricity transmission solutions. It does this by leveraging the Group's expertise and experience and supporting partners to connect offshore wind farms to onshore grids and to deploy HVDC transmission solutions to bring clean electricity to consumption centres. WindGrid is contributing to the acceleration of the energy transition across the globe and maintaining the Group's relevance in the long term. Beginning of 2024, WindGrid announced its intention to acquire a 35.1% stake in energyRe Giga, a clean energy company in the U.S. that mainly develops on- and offshore transmission solutions.

realto

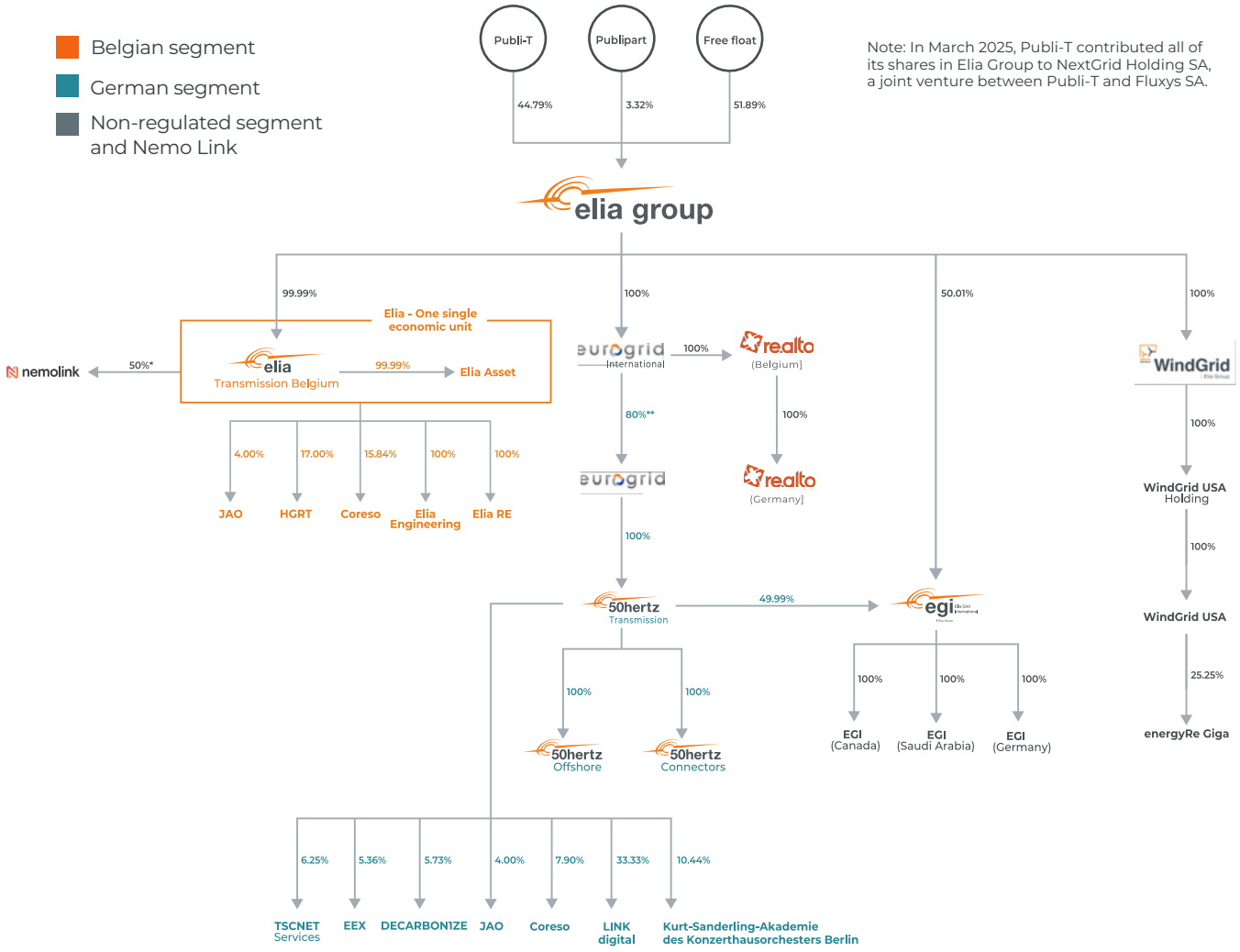
re.alto is a European marketplace dedicated to the exchange of energy data and services. The start-up enables the exchange of energy data through its innovative Application Programming Interface (API) platform. In doing so, it is supporting the energy sector to move towards a more widespread adoption of energy-as-a-service business models, ultimately encouraging the establishment of a consumer-centric energy sector and a low-carbon society.

SET Ventures

Elia Group invested in SET Ventures, Europe's leading energy venture capital fund, to support digital innovation in the energy sector. By collaborating with promising start-ups, Elia Group will be staying up to date with the latest trends and newest innovations.

# 2.2. Legal structure

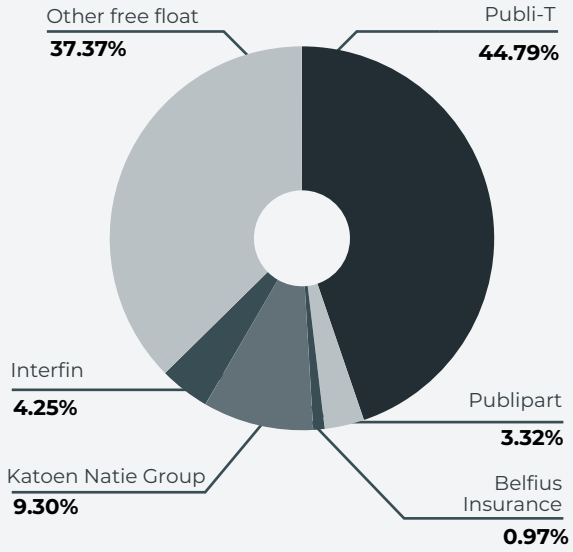
- Belgian segment
- German segment
- Non-regulated segment and Nemo Link




Note: In March 2025, Publi-T contributed all of its shares in Elia Group to NextGrid Holding SA, a joint venture between Publi-T and Fluxys SA.

*National Grid owns 50% of Nemo Link
**KFW holds 20% of Eurogrid GmbH
***According to Nasdaq's methodology based on European Sustainable Finance Disclosure Regulation

## Shareholder structure
### as at 31 December 2024




**23.9%**

of outstanding shares are held by institutional investors

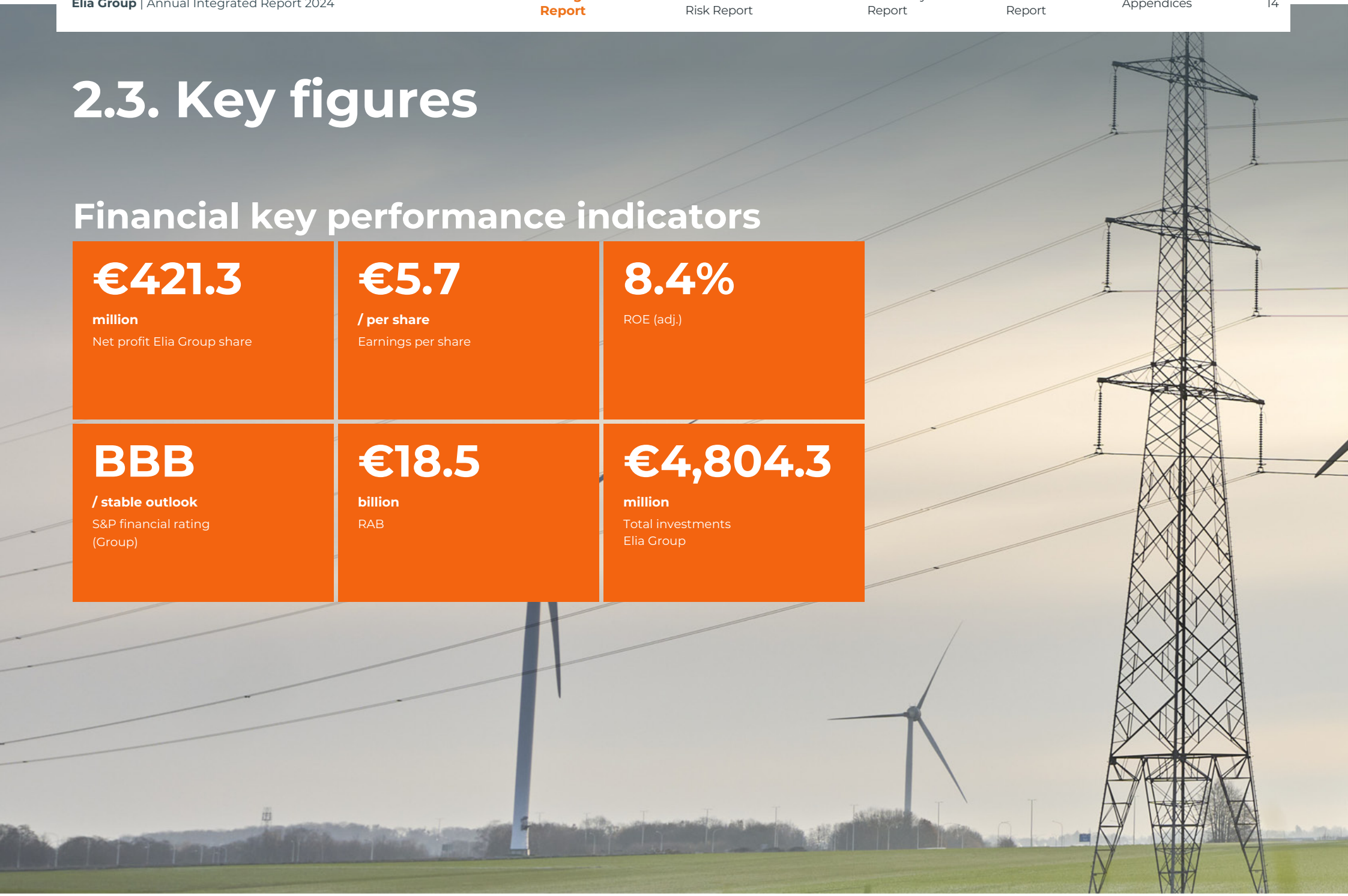
**49.4%**

of institutional shares are held by ESG focused funds***

# 2.3. Key figures

## Financial key performance indicators

| | | |
|---|---|---|
| **€421.3**<br>**million**<br>Net profit Elia Group share | **€5.7**<br>**/ per share**<br>Earnings per share | **8.4%**<br>ROE (adj.) |
| **BBB**<br>**/ stable outlook**<br>S&P financial rating (Group) | **€18.5**<br>**billion**<br>RAB | **€4,804.3**<br>**million**<br>Total investments Elia Group |



# Non-financial key performance indicators

**4,020**
Number of employees

**3.1**
Total Recordable Injury Rate (TRIR) of employees

**14.3**
**/ low risk**
Non-financial rating / Sustainalytics risk rating (Group)

**24.5%**
Women in total workforce

**3.7%**
Absenteeism rate

**99.8%**
EU Taxonomy aligned CAPEX

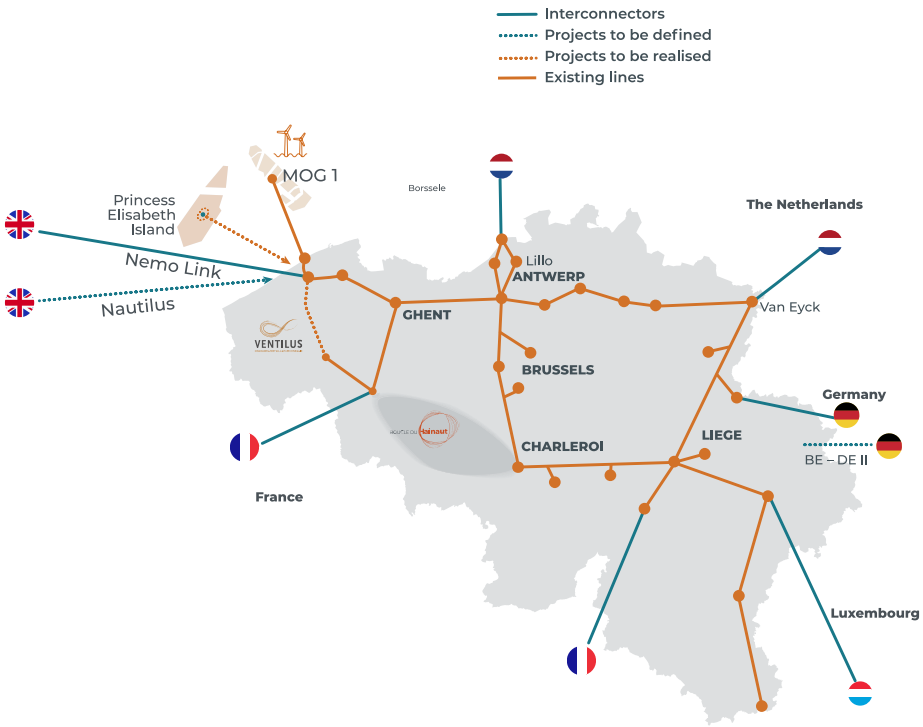
**65**
Number of nationalities represented by our staff

**>99%**
Grid reliability (resilience)

**793.9**
**kt CO2e**
Scope 1 emissions & Scope 2 emissions [3]

[3] Current target: -28% absolute reduction of scopes 1 and 2 by 2030 compared to 2019

# 2.4. Key projects 2025-2028




## Belgium

In May 2023, the Belgian government approved ETB's Federal Development Plan for 2024-2034. The increase in renewable energy sources and the widespread electrification of transport and heating have led to urgent needs, necessitating further investments in the grid.

Between 2025 and 2028, ETB will invest to enhance both its onshore and offshore infrastructure. These investments are focused on strengthening the grid's core, improving Belgium's integration into the European electricity network through interconnectors, and readying the system for increased renewable energy integration.

Key projects include those on the map to the left. One leading project is Princess Elisabeth Island - the world's first energy island, connecting offshore wind energy from the North Sea to the mainland, with a design promoting maritime biodiversity. Next to Nemo Link a potential second point-to-point connection from the UK to the Belgian onshore grid (Nautilus) is currently being explored.

Moreover, the Ventilus and Boucle du Hainaut projects will increase the grid's capacity, ensuring large amounts of offshore energy can be integrated into the system and transported across the country.

A significant portion of the investment budget will be allocated to the maintenance and reinforcement of existing infrastructure. Indeed, ETB continuously reinforces its 380 kV high-voltage grid, upgrading existing corridors and strengthening its exchange of electricity with neighbouring countries. For example, the Brabo project will enhance electricity transmission and make it easier for Belgium to trade power with the Netherlands, and Baekeland reinforces the grid in Ghent's Seaport with a new 380 kV to 150 kV station and substation for industrial connection.

Our four core societal tasks

| | |
|---|---|
| **Grid management** | **System operations** |
| **Market facilitation** | **Trusteeship** |

*Grid Development Plan

# Germany

50Hertz is expanding the country's energy infrastructure in order to achieve the European and German climate targets. In addition to the expansion of the onshore grid, one focus is the integration of offshore wind farms in the Baltic and North Seas. In the Baltic Sea, the Ostwind 3 grid connection (300 MW) is under construction, the approval process is underway for the OST-6-1 project (900 MW) and procurement, technical preparations, and early approval processes have begun for the Ostwind 4 (2 GW) and Bornholm Energy Island projects (together with Energinet from Denmark). In the North Sea, 50Hertz will integrate a large amount of electricity into the grid with 2 GW of offshore wind (LanWin3 project) using 525kV HVDC technology. Cables and converters have already been ordered. The LanWin6 project, with a similar configuration, is also in the pipeline.

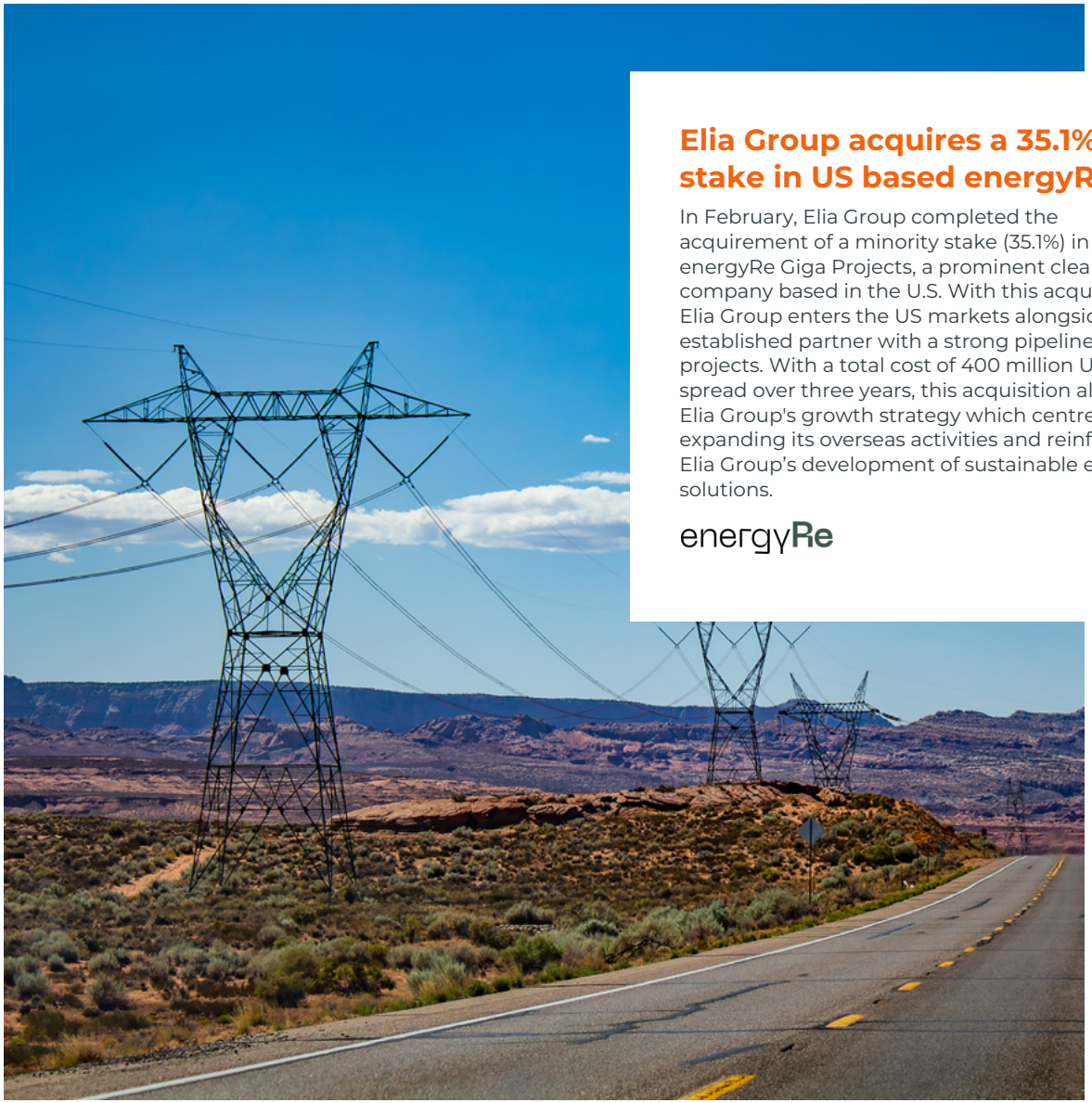
Three onshore HVDC corridors are under construction or in the approval phase. The SuedOstLink and SuedOstLink+ corridors will transport renewable energy from northern and eastern Germany to southern load centres. A further NordOstLink HVDC line is required between the North Sea coast and the starting point of SuedOstLink+ in Mecklenburg-Western Pomerania. This project is currently undergoing a new, faster approval procedure

In 2024, significant commissionings included Ostwind 2, which was completed ahead of schedule and 25% under budget. Additionally, the Nordring and Uckermark (South) Line, two new extra-high-voltage lines, will substantially aid in transporting renewable energy to Brandenburg and Berlin, helping Germany and Europe meet their climate goals.

Our four core societal tasks

| | |
|---|---|
| **Grid management** | **System operations** |
| **Market facilitation** | **Trusteeship** |

# 2.5. Highlights



## Elia Group acquires a 35.1% stake in US based energyRe Giga

In February, Elia Group completed the acquirement of a minority stake (35.1%) in energyRe Giga Projects, a prominent clean energy company based in the U.S. With this acquisition, Elia Group enters the US markets alongside an established partner with a strong pipeline of projects. With a total cost of 400 million US dollars spread over three years, this acquisition aligns with Elia Group's growth strategy which centres on expanding its overseas activities and reinforcing Elia Group's development of sustainable energy solutions.

energyRe

## Five years of remarkable results for both Nemo Link and the MOG

Since its commissioning 5 years ago, the Nemo Link subsea interconnector has enabled 29.6 TWh of electricity to be exchanged between the UK and Belgium. In 2024, Nemo Link had been in operation for five years without interruption (excluding maintenance periods). Its excellent operational and commercial performance has resulted in the repayment of more than €200 million to Belgian and British consumers. These remarkable results were celebrated in January 2024 at an event attended by the Belgian Minister for Energy and the British Ambassador to Belgium.

Since its commissioning in 2019, the Modular Offshore Grid (MOG) has transported more than 14.75 TWh of electricity from 4 offshore wind farms back to the Belgian mainland. In January 2024, one of the MOG's cables that links the Rentel platform to the mainland failed following a serious incident. 400 metres of damaged cable had to be replaced, which took our teams several months to complete. During the highly complex repair work, the alternative transmission route via the MOG platform worked perfectly, enabling all four connected wind farms to continue generating and transmitting electricity back to the mainland.

## ETB and 50Hertz celebrated as 'top companies'

At the start of 2024, ETB was named as one of Belgium's 'Top Employers' for the seventh year in a row, with its overall score increasing from 88% to 90%. The jury highlighted ETB's strengths regarding wellbeing at work and Diversity, Equity and Inclusion.

Moreover, 50Hertz was once again awarded the 'Top Company' label by the Kununu employer comparison platform. Its score was calculated based on the many positive reviews it had received from job applicants and employees. It maintained its average employee rating of 4.4 stars (out of a maximum of five), which was calculated based on double the amount of reviews it had received the year before.

## Caisson construction yard opened in Vlissingen

In April, a government delegation that included the Belgian Prime Minister Alexander De Croo visited the construction site in Vlissingen where the caissons (or foundations) of the Princess Elisabeth Island are being constructed. The caissons are due to be installed on the seabed from April 2025 onwards, where they will form the outer walls of the island.

In June, the contracts for the installation of 330 km of high-voltage alternating current (HVAC) cables and substations were awarded to several consortia. This HVAC equipment will form the connection point for receiving an initial amount (2.1 GW) of the electricity generated by wind farms in the Princess Elisabeth Zone (PEZ) and transporting it back to shore.

The artificial energy island will be located in the PEZ, which is Belgium's second offshore wind zone, and will play an essential role in the country's energy transition.

## Record financing secured for the group

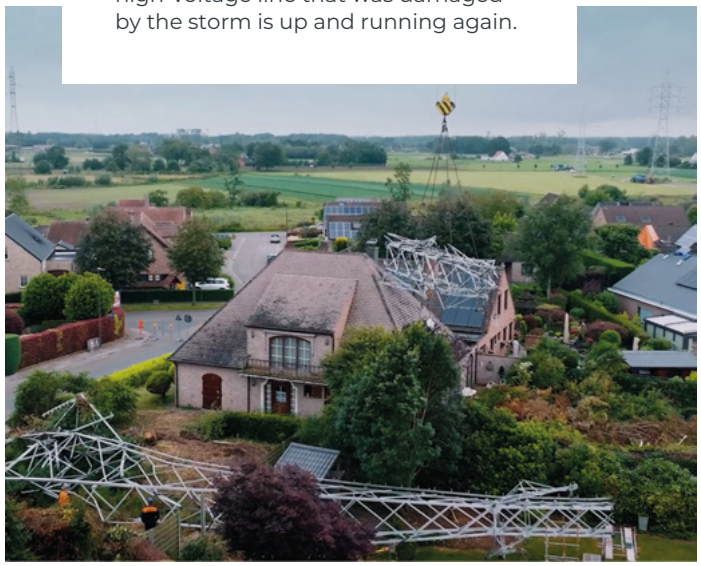
Elia Group and its subsidiaries have achieved record-breaking financing milestones to drive the energy transition. In January, Elia successfully placed an €800 million green bond, with proceeds allocated to financing green projects aligned with its decarbonisation strategy. In October, Elia secured a €650 million green credit facility from the European Investment Bank (EIB) to fund the Princess Elisabeth Island, reinforcing its leadership in integrating offshore wind capacity into Europe's energy grid.

Meanwhile, Eurogrid GmbH, the parent company of 50Hertz, raised €3 billion through its largest-ever green bond issuance, demonstrating its strong access to the capital market. Additionally, a €600 million capital increase for Eurogrid GmbH was completed by shareholders Elia Group and KfW, reflecting confidence in 50Hertz's investments in strengthening Europe's energy infrastructure. These achievements highlight the Group's commitment to sustainable growth and the integration of renewable energy.

## Maintenance teams swing into action after severe storms

In June, a violent storm caused serious damage to two 380 kV high-voltage lines located in the 50Hertz control area in Lusatia. A considerable number of pylons were toppled over or seriously damaged, although the electricity supply to the area was uninterrupted and remained stable. No injuries were reported.

A fierce storm that swept across Belgium in July caused nine high-voltage pylons to fall over in Leest near Mechelen. Elia's teams erected a backup line for the area in a record time. It will remain in service until the high-voltage line that was damaged by the storm is up and running again.



## All permits secured for Ostwind 3

50Hertz was given the green light to start work on its Ostwind 3 project in 2024. Ostwind 3 will allow the energy generated by the 300 MW Windanker offshore wind farm in the Baltic Sea to be fed into the German grid. Permits were secured throughout the year for the 100 km offshore route, 4 km onshore route and the new substation in Stilow. For the first time ever as part of the project, 50Hertz is fully planning, constructing and operating the offshore substation for Windanker in addition to the cable systems that will connect the wind farm to its onshore transmission grid.

## HVDC contracts secured for LanWin3 and Ostwind 4

50Hertz awarded an Engineering, Procurement, Construction and Installation (EPCI) contract to a consortium consisting of Siemens Energy and Dragados Offshore for its first project in German North Sea. The LanWin3 project will connect a 2 GW offshore wind farm to the (onshore) NordOstLink, a new high-voltage direct current (HVDC) line which has yet to be built.

50Hertz also appointed the GE Vernova and Drydocks World consortium to construct its first DC grid connection in the Baltic Sea: Ostwind 4. The work covers both an offshore converter platform and an onshore converter station. 50Hertz is the first TSO to deploy 2 GW / 525 kV technology in this sea basin. The wind farm concession area was purchased by Total Energies.

## ETB awards 945 km of onshore AC cables

ETB awarded the contracts for onshore AC cables, amounting to €135 million, to three major European high-voltage cable manufacturers: NKT GmbH & Co. KG, Nexans Benelux SA and Prysmian Group. The cables will be delivered between 2025 and 2027 and will meet the needs of over 120 projects featured in Belgium's Federal Development Plan 2024-2034, so supporting the electrification of society. The new cables will be particularly vital for Belgian industry, and will also support the connection of new generation capacity to the grid over the coming years.

## Two papers on the benefits of offshore wind in Europe

During the WindEurope conference in Bilbao in April, Elia Group and the Danish wind developer Ørsted launched 'Making Hybrids Happen': a paper aimed at helping Europe overcome the barriers that are impeding the development of hybrid projects. The paper proposes novel approaches to offshore development, including the adoption of regional planning at sea basin level and the establishment of Offshore Investment Banks for Europe's sea basins.

In October, Elia Group launched its 2025 viewpoint, entitled 'Going Like the Wind', that explores how to unlock the clean energy potential held by Europe's seas. It outlines how, between 2030 and 2050, international collaboration, the de-risking of investments and spatial planning in offshore wind development could lower the cost of Europe's energy transition by more than €1,000 billion. The paper explains how maintaining the current status quo would put clean competitiveness at risk and would mean missing out on significant efficiency savings.

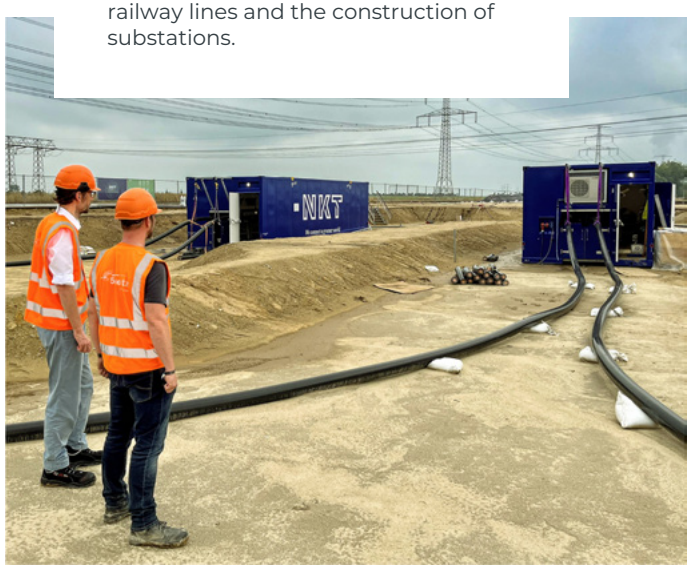
## 50Hertz commissions the Nordring

The Nordring, a new extra-high-voltage line, will contribute significantly to delivering a secure supply of (mainly renewable) electricity to the larger Berlin-Brandenburg area, so cementing it as an attractive economic region. The inauguration ceremony was attended by the Minister for Energy of the State of Brandenburg and the Mayor of Berlin.

## SuedOstLink milestones reached

In December, the Federal Network Agency (Bundesnetzagentur) gave 50Hertz the go-ahead for the 84 kilometre-long section B of the SuedOstLink. For the sections A1 and A2 the approval is predicted for 2025. The SuedOstLink is one of the most important projects for Germany's energy transition, as it will efficiently transmit electricity from the north to the south of the country. Construction work on 50Hertz's section was able to begin immediately following the BNetzA's decision.

The BNetzA had already approved early construction work before this. In October, open trench work began on two sections of the SuedOstLink project in Thuringia and Saxony. This followed work that was started in March and included drilling work under roads, bodies of water and railway lines and the construction of substations.



## Elia publishes blueprint for the Belgian electricity system

In its 'Belgian Electricity System Blueprint 2035-2050', Elia looked further ahead than the usual 10-year time frame it adopts for its reports on security of supply and grid development. The Blueprint aims to support Belgium's governments as they shape the desired energy mix for the period 2035-2050, so that necessary changes to the high-voltage grid can be completed in time. As the paper highlights, several options are available, each carrying different economic and technical impacts. The paper demonstrates how not taking a decision would be the costliest option under every scenario and would double Belgium's dependence on electricity imports by 2050 (compared with 2020).

## Elia Group's Board of Directors announces a new Executive Management Board

At the end of the year, Bernard Gustin was announced as the new CEO of Elia Group; he started his new role on 15 January 2025. By appointing Mr. Gustin, the Board of Directors opted for continuity. At the time of his appointment, Mr. Gustin was an Independent Director and Chairman of Elia Group. Catherine Vandenborre, who took on the role of Elia Group's interim CEO in September 2023, decided to shift the direction in which she will take her career. She will assist the Group throughout the transition phase until 30 June 2025. Before taking on the role of interim CEO, Catherine had been the Group's CFO. On 1 April 2025, Marco Nix will replace her as CFO of Elia Group. Mr. Nix served as the CFO of 50Hertz for nearly 10 years.

# 2.6. Value chain

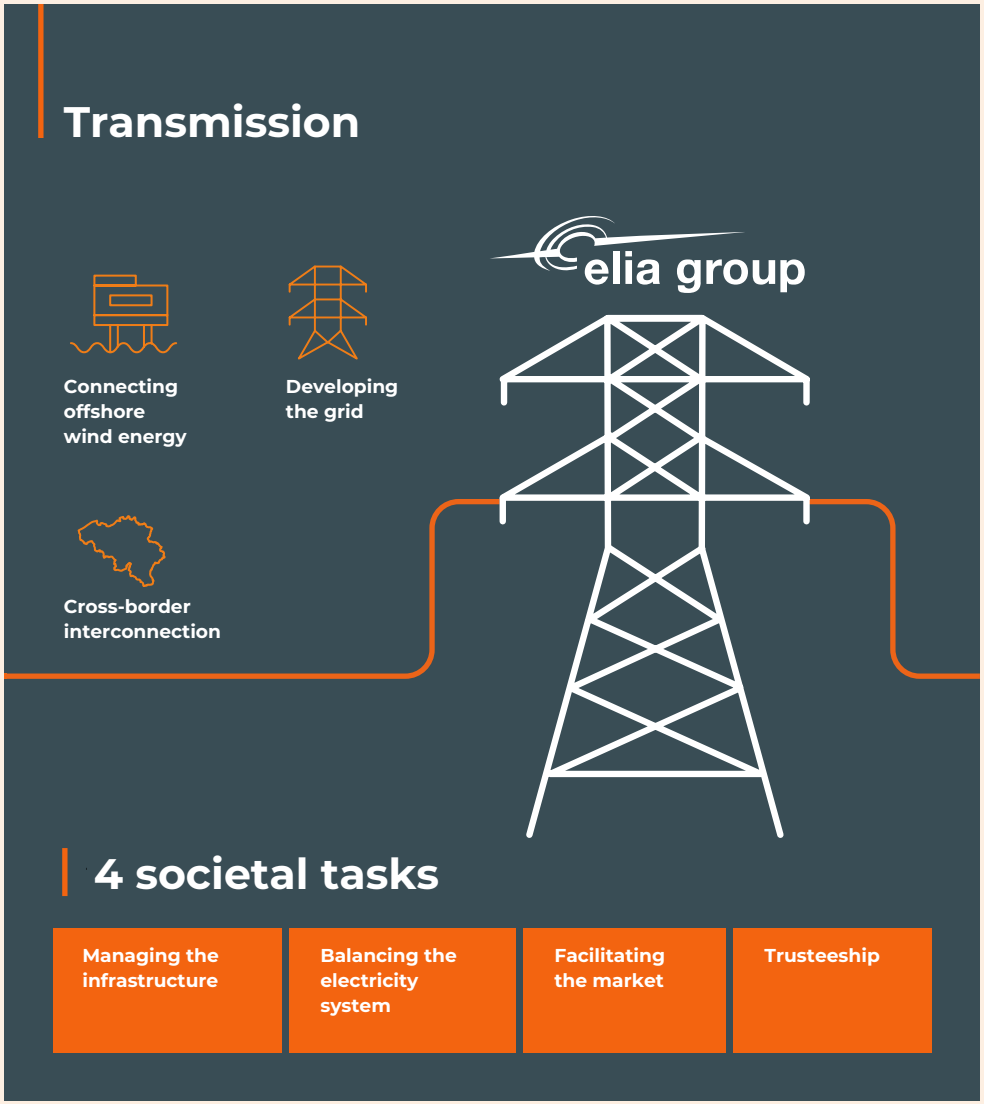
## We connect generation and consumption

### Generation

Renewable energy

Conventional energy

### Transmission




### Consumption

Consumers

Industrial clients

Stakeholders

# Presence across the value chain

**Governments & regulators**
**Shareholders/inverstors**

**Press/ general public**
**European system operator**

**Local Communities**

Stakeholders

## Upstream

**Electricity Generators (classic or renewable)**

**Services suppliers such as consultants or software**

**Manufacturers of grid equipment and related supply chain**

System Operation

Transmission Operation

**Decarb on1ze GmbH**

**TSCNET Services GmbH**

**JAO SA**

**Coreso SA/NV**

**EEX**

**HGRT SAS**

**Elia Re.**

**Nemo Link**

Stakeholders

## Own operations

**Employees**
**Engineers, technicians, date analysts, project managers, support staff...**

**Executives and leadership**
**responsible for strategic planning, decision-making and overall TSO operations.**

Stakeholders

## Downstream

**Distribution system operators**

**Energy suppliers**

**Energy services providers**

**Industrial clients**

**End consumers**

System Operation

## Upstream activities

- Education of labour force
- Generation of electricity
- Provision of Ancillary Services and Congestion management services
- Manufacturing electricity grid assets
- Logistics and transportation
- Reinsurance

## Own operations activities

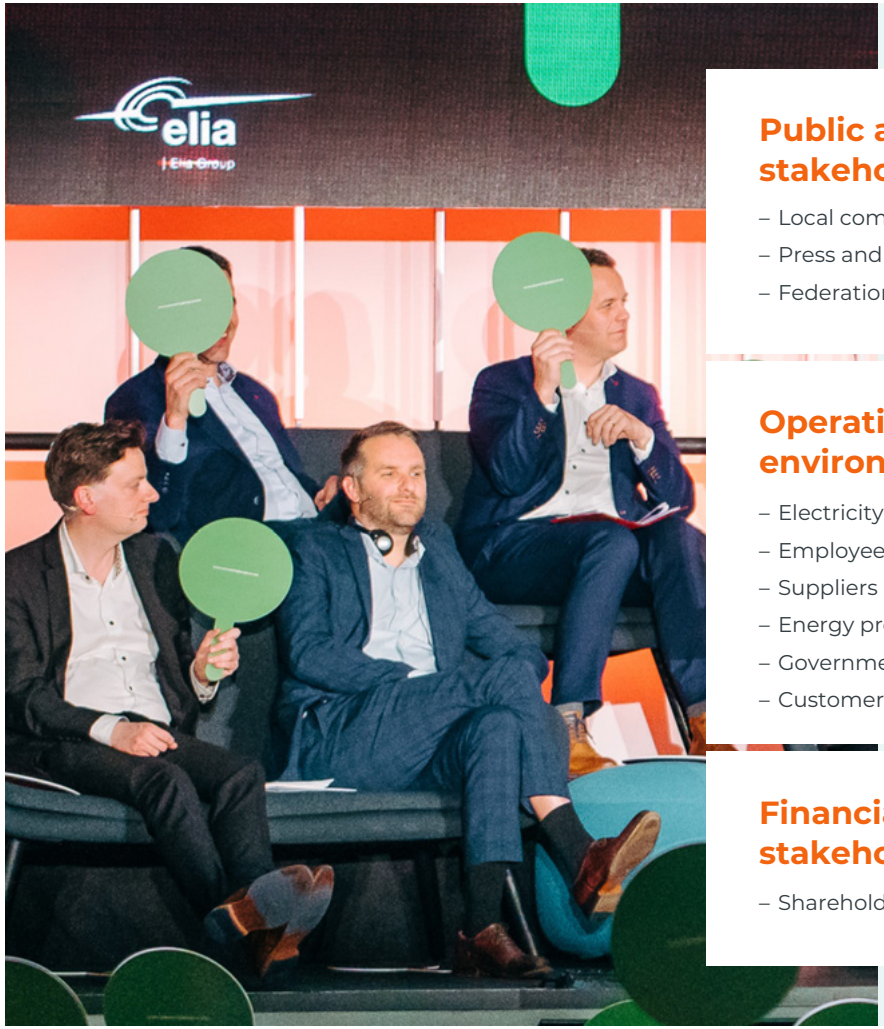
- Operating the electricity system
- Developing and managing the electricity transmission grid infrastructure on- and offshore
- Facilitating the electricity market
- Selected trusteeship activities

## Downstream activities

- Distribution of electricity
- Consumption of electricity
- Generation of electricity
- Activities in other energy sectors (gas, heat...)
- Recycling of material

# 2.7. Stakeholder interactions

*We interact with our stakeholders on a regular basis, forming transparent and effective relationships with each relevant group. They inform our business activities in multiple ways: their feedback is incorporated into our daily work; their needs and interests are reflected in our activities. For more information, please refer to 'SBM 2 - Interests and views of stakeholders' in the sustainability report.*




## Public and social stakeholders

- Local communities
- Press and general public
- Federations, NGO and academics

## Operating and business environment

- Electricity system operators
- Employees
- Suppliers
- Energy producers
- Government and public authorities
- Customers and consumers

## Financial stakeholders

- Shareholders and investors

elia group

"A stable power grid is of the utmost importance if we want to achieve our decarbonisation goals. This was one of our criteria for investing in Belgium."

**Manfred Van Vlierberghe**
CEO
ArcelorMittal

"As part of this hackathon, we developed a smart charging solution for businesses. We will now explore how we might be able to collaborate with Elia Group."

**Arnaud Debray**
Member of Elexide, winner of the Hackathon 2024

"The North Sea stands as the most advanced offshore wind region globally. Achieving a meshed grid will require coordinated planning. Close collaboration amongst system operators across the North Sea will be essential for moving forward."

**Ben Wilson**
President, National Grid Ventures

"De-risking projects is vital, as it makes them more affordable for everyone involved. To facilitate this, we need clear boundary conditions and a defined timeline outlining what needs to be accomplished and by when. This clarity allows for project execution that can be consistenly repeated, leading to the operational excellence required."

**Tim Holt**
Executive Board Member, Siemens Energy

"Transforming the energy system will require massive investments that can only be realised by stimulating private capital to invest in both generation and networks. It is therefore of paramount importance to provide a suitable regulatory framework."

**Dr. Andreas Löschel**
Professor of Environmental/ Resource Economics & Sustainability at Ruhr-Universität Bochum

"Offshore wind energy is vital for Europe's decarbonisation. The industry must overcome challenges like human resource constraints, hybrid grid interoperability, and nature protection goals. Innovation is crucial to address and integrate new solutions effectively. Significant advancements in the offshore sector will stem from sophisticated energy hubs."

**Eva Schramm**
Head of Innovation at Elia Group

"The Princess Elisabeth Island project is a cornerstone for enhancing Belgium's and Europe's energy security and independence. This initiative not only strengthens Belgium's energy infrastructure but also fosters vital interconnections with neighbouring countries, thereby promoting increased regional cooperation."

**Robert de Groot**
Vice President of the European Investment Bank

# 2.8. Electricity generation & consumption

## Generation

### Elia Transmission Belgium

In 2024, Belgium set new solar generation records, with total solar output reaching 8,322 GWh, a 15.7% increase from 2023, and a peak monthly generation of 1,254 GWh in August. On 22 August, solar and wind power combined reached a quarter-hourly record of 9,931 MW, covering 93% of consumption.

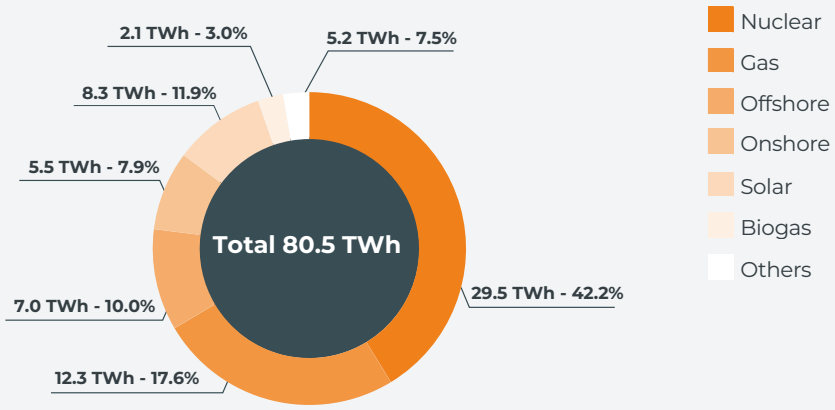
Renewables accounted for 29.8% of the electricity mix, a record share despite total renewable generation dropping to 20.8 TWh due to less favorable wind conditions. Offshore wind generation fell to 6,987 GWh due to maintenance issues, while onshore wind capacity grew by 4%. Nuclear energy represented 42.2% of the mix, continuing a gradual decline, and gas-fired generation hit an all-time low, driven by increased imports from France and higher renewable output.

### 50Hertz Transmission Germany

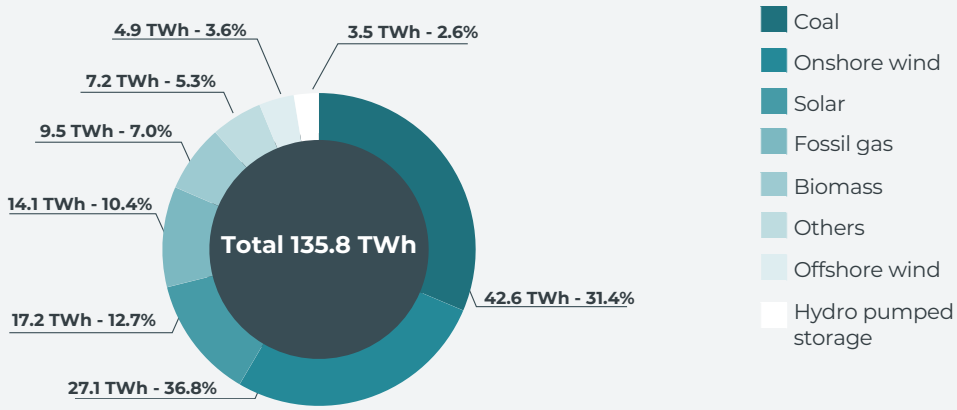
Generation from renewables increased slightly by 2% in 2024, reflecting steady growth in the renewable energy sector. However, wind generation did not perform as strongly as it did in 2023, with a decrease of 4% attributed to less favourable wind conditions during the fall of 2024.

In contrast, solar generation experienced a significant boost, increasing by 11.5%. This rise can be credited to a combination of more abundant sunshine throughout the year and the substantial addition of new PV plants. The expansion in solar capacity underscores the ongoing investment and progress in harnessing solar energy.

### ETB's electricity generation mix in 2024




### 50Hertz's electricity generation mix in 2024



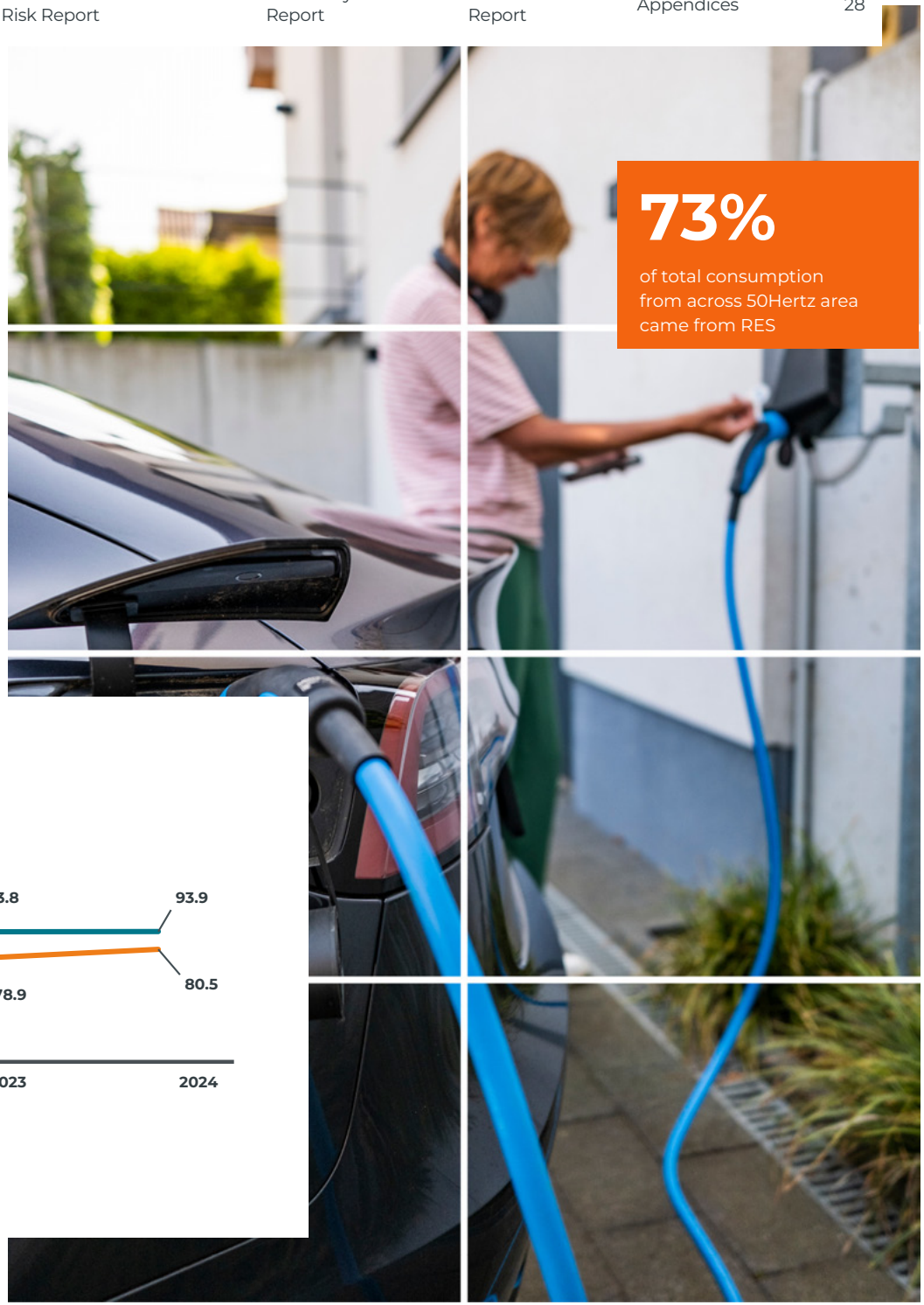
# Consumption

## Elia Transmission Belgium

Electricity consumption in 2024 was 80.5 TWh, up slightly compared to 2023 (78.9 TWh), but still below the average consumption seen during the five-year period from 2017 to 2021. However, this downward trend is a temporary phenomenon, and we expect to see a significant increase in electricity consumption in the coming years due to the electrification of society. Elia Transmission Belgium predicts that electricity consumption will double by 2050.

## 50Hertz Transmission Germany

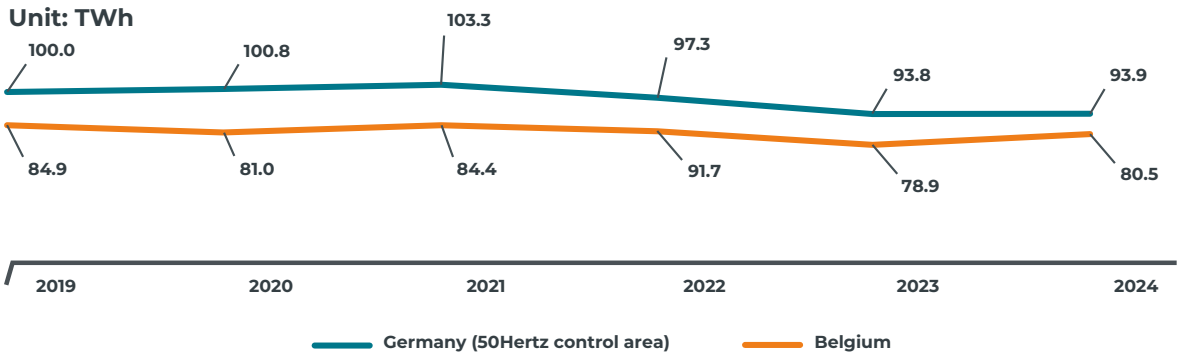
Electricity consumption across 50Hertz's area remained low in 2024 as the energy-intensive industry in Germany has yet to regain its momentum. The sustained low consumption levels reflect the ongoing challenges faced by the industry in adapting to high energy prices and increasing efficiency measures. Despite these challenges, Renewable Energy Sources (RES) generation demonstrated resilience, accounting for slightly more than 73% of the electricity consumption within the 50Hertz control area. This marks a continued commitment to sustainability and a significant contribution to the energy mix from renewable sources.



**73%**

of total consumption from across 50Hertz area came from RES

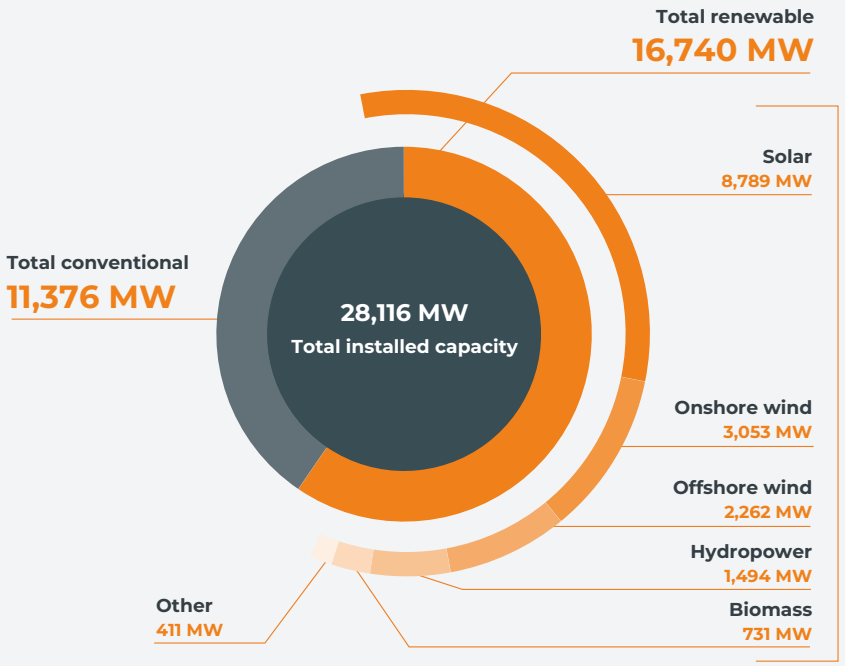
### Annual changes in renewable electricity consumption across our control areas*



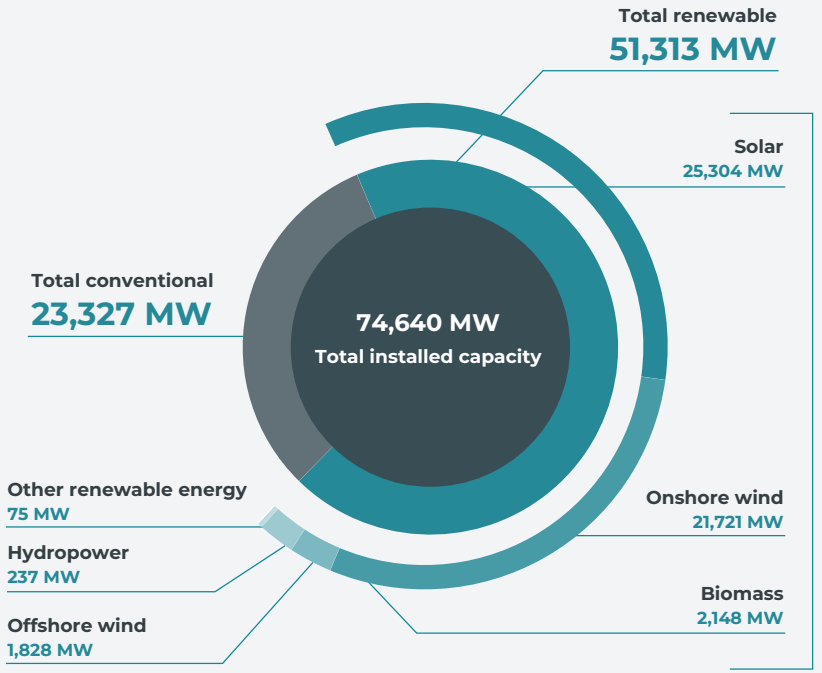

*according to the ENTSO-E category and scope of renewable sources

# 2.9. Installed capacity across our control areas

## Elia Transmission Belgium*




## 50Hertz Transmission Germany**

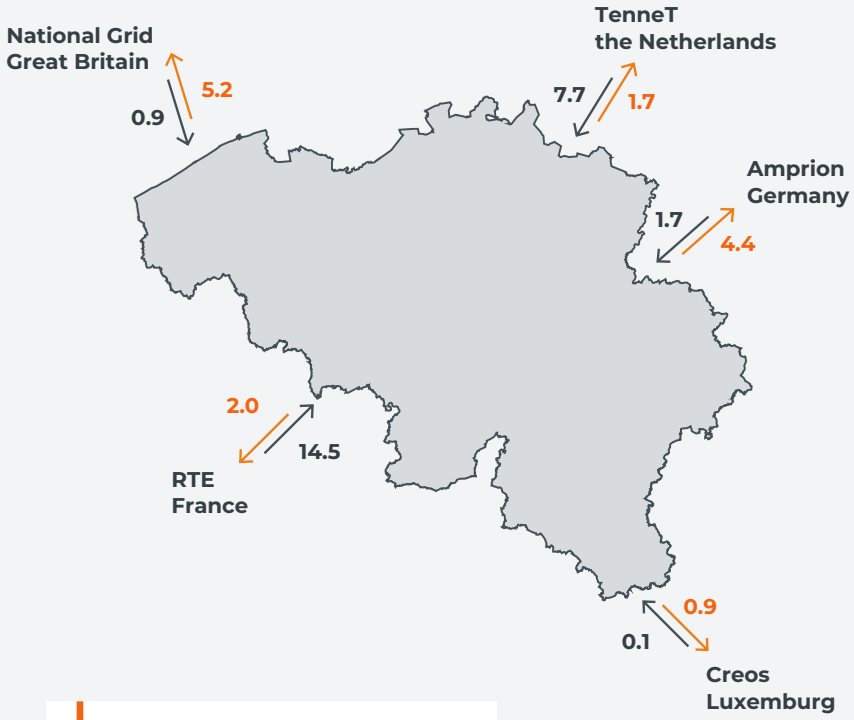



*in line with ENTSO-E category and scope of renewable sources
**status as of 31.12.2024 (calculated in January 2025 / source: MaStr Renewable Energies)

# 2.10. Electricity imports & exports

*Interconnectors allow electricity trading across borders, enhancing supply security and balancing prices. They help integrate renewable energy by enabling the exchange of surplus green energy. Interconnectors are therefore crucial for building an interconnected European electricity grid and market, supporting the EU's energy and climate goals.*

## ETB's grid area




**Net imports in 2024**

**10.8** TWh

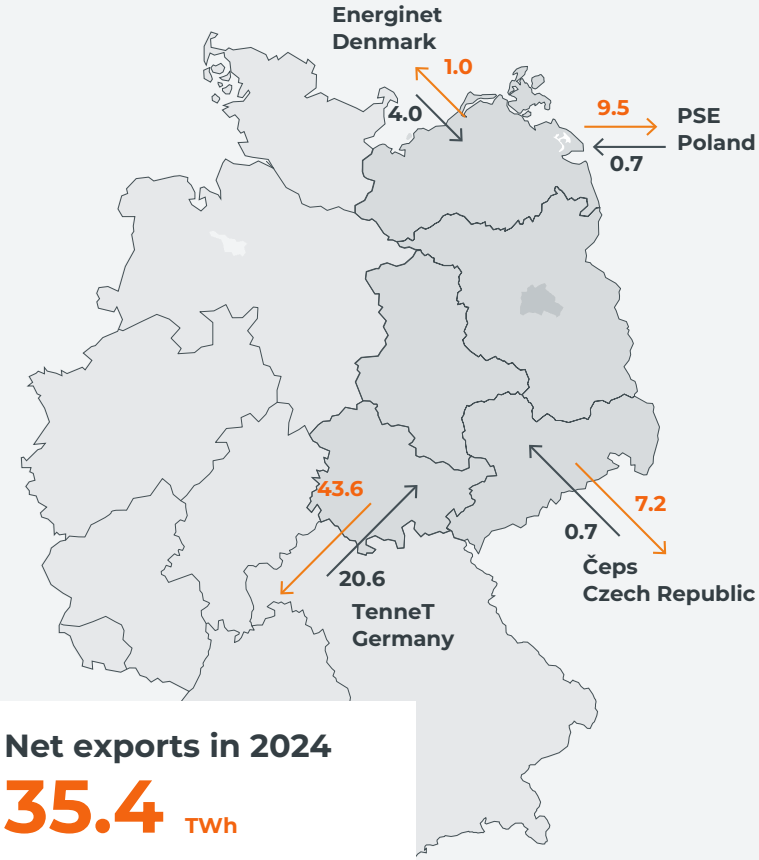
Total exports in 2024: 14.2 TWh

Total imports in 2024: 24.9 TWh

Export in TWh

Import in TWh

## 50Hertz's grid area

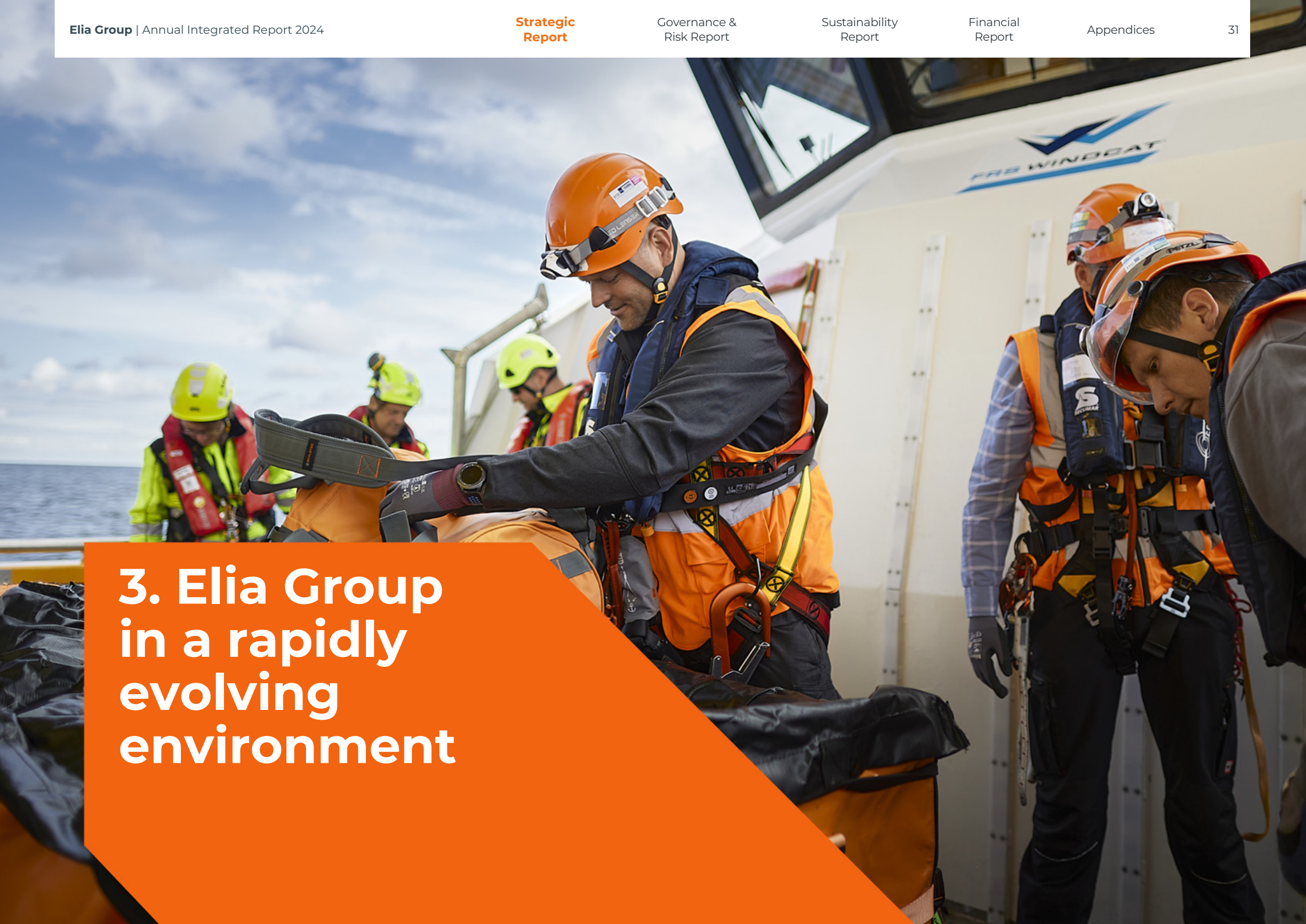



**Net exports in 2024**

**35.4** TWh

Total exports in 2024: 61.3 TWh

Total imports in 2024: 25.9 TWh




# 3. Elia Group in a rapidly evolving environment

# 3.1. Stepping stones on Europe's path to net zero

## 2019

**January**

European Green Deal, European Commission

## 2021

**July**

Fit for 55 package, European Commission

## 2022

**May**

REPowerEU Plan, European Commission

**August**

— North Sea Summit, Esbjerg

— Baltic Sea Energy Security Summit, Marienborg

## 2023

**January**

Corporate Sustainability Reporting Directive, European Parliament and Council

**February**

Green Deal Industrial Plan, European Commission

**April**

North Sea Summit, Ostend

## 2023

**May**

Baltic Offshore Wind Forum, Berlin

**October**

Wind Power Action Plan, European Commission

**November**

EU Action Plan for Grids, European Commission

## 2024

**March**

Net-zero industry act, European Parliament

**July**

New Clean Industrial Deal, European Commission

**September**

Draghi presented his report "The Future of European Competitiveness", European Commission

# 3.2. The five megatrends

*Our activities and ability to create value over the short, medium, and long term are heavily influenced by the contexts we operate in, including European and national targets and the megatrends in the energy sector, society, and industry.*

Megatrend
## 01
### Decarbonisation path reflecting competitiveness, sovereignty, and asset resilience

Megatrend
## 02
### Rising relevance of flexibility

Megatrend
## 03
### Digitalisation gaining momentum (boosted by AI)

Megatrend
## 04
### Supply chain challenges

Megatrend
## 05
### Increased regional cooperation vs. fragmented national responses

Megatrend

# 01

# Decarbonisation path reflecting competitiveness, sovereignty, and asset resilience

**The energy transition is now widely understood to be more than just beneficial for the climate. It must be driven while considering electrification needs, maintaining the competitiveness of industry, strengthening energy sovereignty, and ensuring asset resilience.**

The Russian invasion of Ukraine in 2022 and the energy crisis have taught Europe that access to renewable energy and electrification can offer long-term price stability, protect against inflation in the gas and electricity markets, and ensure sovereignty.

Europe has high climate ambitions and is combining its Green Deal goals with a industrial programme to strengthen industry - especially the supply chain needed to secure key asset components for the energy transition. This strategy, which will be at the core of the new Commission's programme, also considers the developments observed in other parts of the world. Partnerships across European countries are key to an efficient decarbonisation and electrification path. In the US, we equally support a cost-competitive transition towards clean electricity and provide solutions to transmit clean energy to the consumption centres, especially to enable digital industry to scale.

## Risks and opportunities

The delivery of our grid projects on time, within budget, and to a high quality depends on access to funding and supply chains, and needs permitting processes to be sped up to enable decarbonisation. Hiring the right staff with proper skills, especially in offshore development, HVDC systems, and digitalisation, is crucial for our success over the coming years. Our proactive approach to grid development helps us to stay ahead of the electrification needs of our society and industry. This supports economic competitiveness in Belgium, Germany, and Europe. In turn, this strengthens our reputation, which will lead to further growth opportunities. See '3. Internal contral and risk management'.

## Our response

- we focus on delivering the CAPEX programme validated by the Belgian Federal Development Plan and the German Network Development Plan
- we work on grid connection projects with grid customers
- we develop market design concepts and design meshed grid concepts and projects (on- and offshore)
- we emphasise concepts strengthening resilience and asset protection concepts

Megatrend

# 02

# Rising relevance of flexibility

**The energy transition is making the system more complex to operate and requires additional resources to maintain the adequacy, reliability, and efficiency of the electricity system – in particular, by valuing the flexibility that producers, storage providers, and industrial as well as household consumers can provide to the system.**

Besides the huge potential to value consumer flexibility at every level of the electricity system (from industry to households), storage- and producer-induced flexibility become more relevant as the penetration rates of variable renewables continue to rise. Storage of renewable energy via batteries or coupling with the heating and gas sectors through power-to-heat facilities or electrolysis will play an increasing role in the power system. Market and technical solutions must be strengthened to allow for adequate producer response in case of excessive renewables infeed (such as PV peaks).

As consumers, households and industries can also take control of their consumption and bills by avoiding costly price peaks. Industrial players have historically provided flexibility for the grid via ancillary services. More flexibility use cases from industry, SMEs, and even households are about to be unlocked once adequate market designs are introduced.

Flexible consumption also contributes to the security of supply, lowers the system costs, and reduces the capacity needs to secure adequacy.

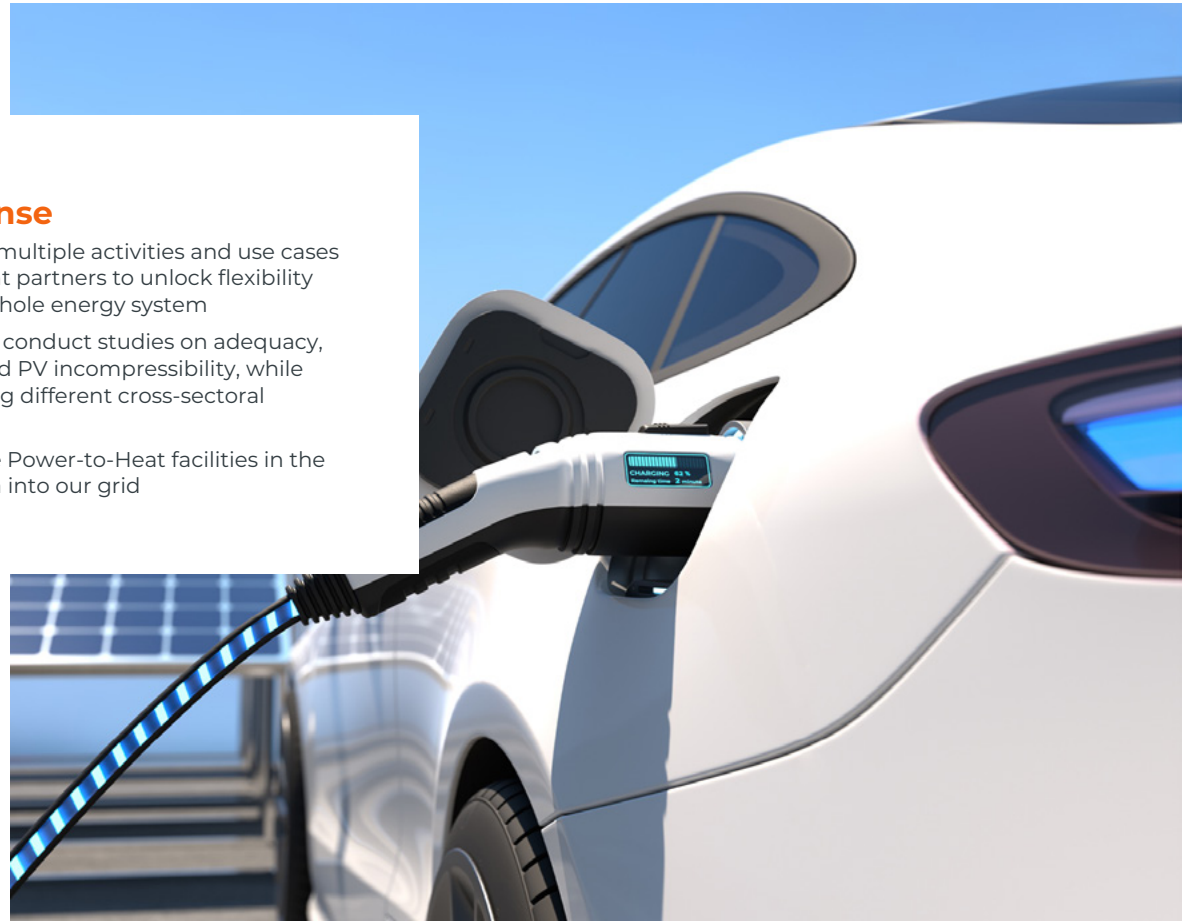
Additionally, seamless data access, allowing near real-time data to be shared with different market actors, will be required.

## Risks and opportunities

Flex-ready devices, policy changes to value flexibility at all levels, seamless data access, and the provision of energy services by third parties will need to be in place for consumers, storage providers, and producers at the right time so that they can help to balance the grid. This trend is allowing us to expand and strengthen the partnerships we hold with players from across the energy value chain, from various sectors. Successfully empowering all types of consumers to valorise their flexibility makes the energy transition more cost-efficient and reliable. See '3. Internal control & risk management'.

## Our response

- we work on multiple activities and use cases with different partners to unlock flexibility across the whole energy system
- we regularly conduct studies on adequacy, flexibility, and PV incompressibility, while also including different cross-sectoral aspects
- we integrate Power-to-Heat facilities in the 50Hertz area into our grid



Megatrend

# 03

# Digitalisation gaining momentum (boosted by AI)

**The development of new technologies and digitalisation has led to the power sector being increasingly coupled with other sectors, such as heating, transport, and industry. The rising complexity of the future system will be mastered with new digital solutions. Our way of working is evolving, bringing business expertise and digital expertise closer together. Our answer to managing this increased complexity is digitalisation, with artificial intelligence rapidly gaining importance.**

The rise of new technologies for monitoring, maintenance, and operation of assets, the system, and the electricity market is also contributing to system efficiency. The Internet of Things, IT to OT convergence, and artificial intelligence are leading to the deployment of smart grids. Data-supported decision-making and enhanced incident analysis and risk mitigation increase the resilience of the system.

Access to the right data and using it for quicker decision-making is essential for mastering the growing complexity and strengthening the reliability of the electricity system.

## Risks and opportunities

As digitalisation spreads, we are continuing to increase and improve our knowledge and skills related to cyber security and associated risks. We also need to ensure our workforce has the skills required to operate the new digital solutions. Successfully harnessing the right technology with a digital way of working will make our grid and system operation activities more resilient, reliable, and efficient. See '3. Internal control & risk management'.

## Our response

- we analyse and test AI utilisation across TSO activities
- we develop the MCCS (Modular Control Centre System) tool for future system operations to support the safe integration of more renewables into the system through a platform that allows flexibility, adaptability, and scalability over time
- we investigate different remote inspection technologies
- we evolve our way of working between business and IT to become more integrated, agile, and product-oriented
- we are working on setting up a sovereign IT technology platform

For more information on the MCCS tool, visit www.mccs.com

Megatrend

# 04

# Supply chain challenges

**As the energy transition across Europe progresses, we are facing more and more supply chain challenges for key components needed for this transition. The supply chains for key materials and components are getting increasingly stressed and tight. The US and China are putting a lot of effort into keeping and building up critical parts of the supply chain within their own countries.**

The supply chain landscape has recently undergone a massive shift. It has transitioned from a buyer's market, with relatively subdued levels of demand, to a supplier's market that is characterised by soaring levels of demand.

Raw materials are more expensive, wages have increased, and transportation costs are higher than ever. The impact of the war in Ukraine and the geopolitical tensions have increased these pressures.

This leads to the need to rethink the procurement approach. Orders are now being placed many years in advance, especially for specialised equipment. More standardisation is needed to scale production faster and realise economies of scale.

There is a new need for comprehensive and ongoing market analyses, active prospection, and supplier relationship management. The relationship with suppliers of scarce transmission equipment is key, and strategic partnerships play an important role in securing the grid investment plans in both Belgium and Germany, and the projects in the US.

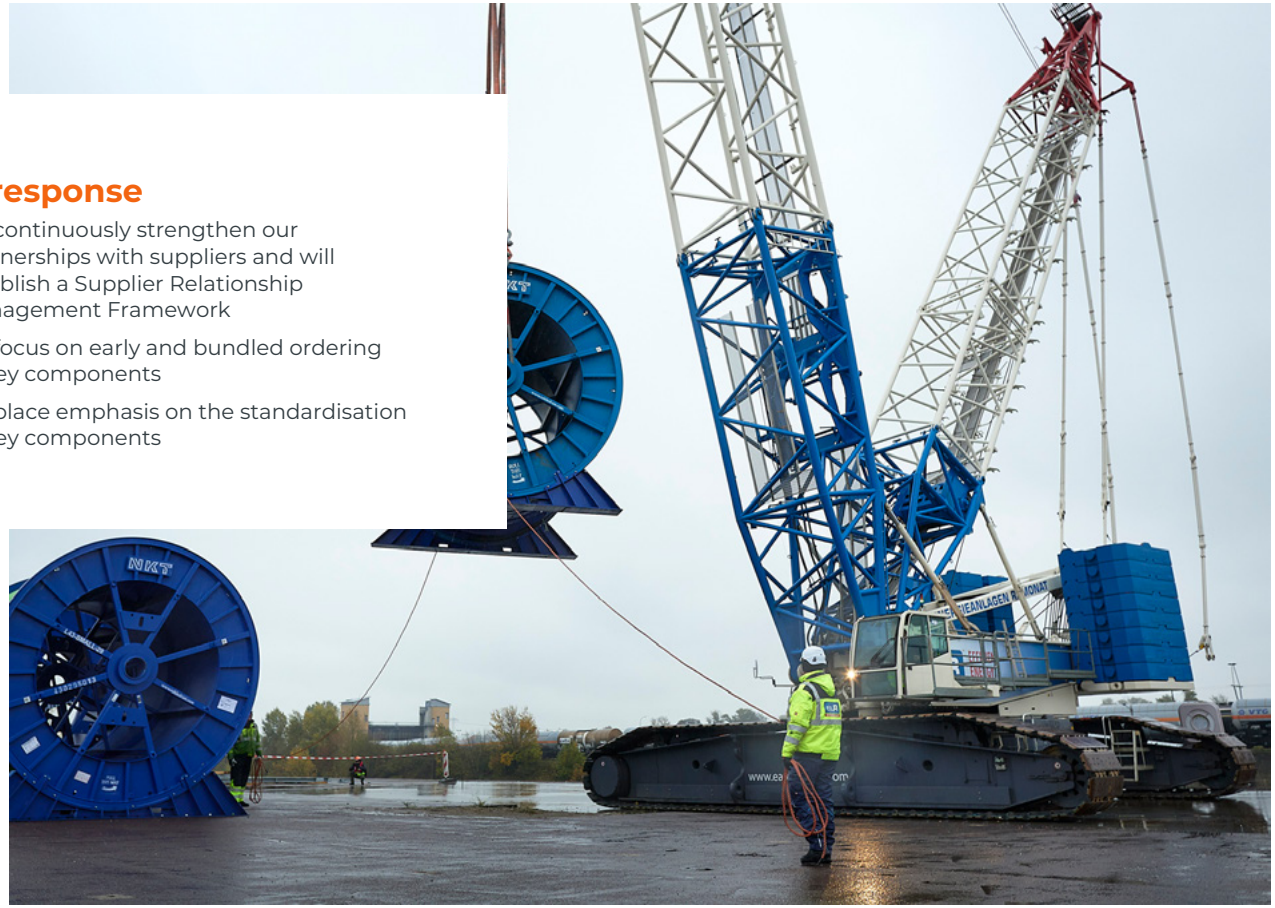
## Risks and opportunities

The Group depends on a limited number of key suppliers and their ability to deliver high-quality equipment and carry out infrastructure work in a timely manner. Any cancellation or delay could effect the desired contribution to a successful energy transition. Increases in the price of equipment and work lead to higher project costs, which in turn result in higher financing needs and costs for society.

Partnerships need to be established in time for their results to be enjoyed in order to scale production and reduce costs. Interoperability of assets (especially in HVDC technology) fosters liquidity in the supplier market and avoids lock-in with dedicated vendors. Despite these challenges, working with a wide range of partners will increase efficiency, allow best practices to be exchanged, and contribute to fast-forwarding the energy transition. See '3. Internal control & risk management'.

## Our response

- we continuously strengthen our partnerships with suppliers and will establish a Supplier Relationship Management Framework
- we focus on early and bundled ordering of key components
- we place emphasis on the standardisation of key components



Megatrend

# 05

# Increased regional cooperation vs. fragmented national responses

**The energy transition leads to a fundamental transformation of society. Besides the energy sector, it impacts all economic sectors, households, and even geopolitical relations. We see that some countries are increasing their transnational cooperation to raise effectiveness and efficiency, while others go for more national responses.**

In response to the growing complexity and interconnectedness of energy systems, regional cooperation can lead to more effective and efficient solutions to integrate renewable energy sources and allow for more electrification. Coordinated efforts across national borders can optimise grid management, enhance security of supply, and improve system reliability. Assuming countries are open to developing more (technical and market) cross-border solutions, TSOs can leverage shared infrastructure, as well as more liquid and effective energy markets. This allows energy and climate goals to be reached in a more secure and cost-efficient way.

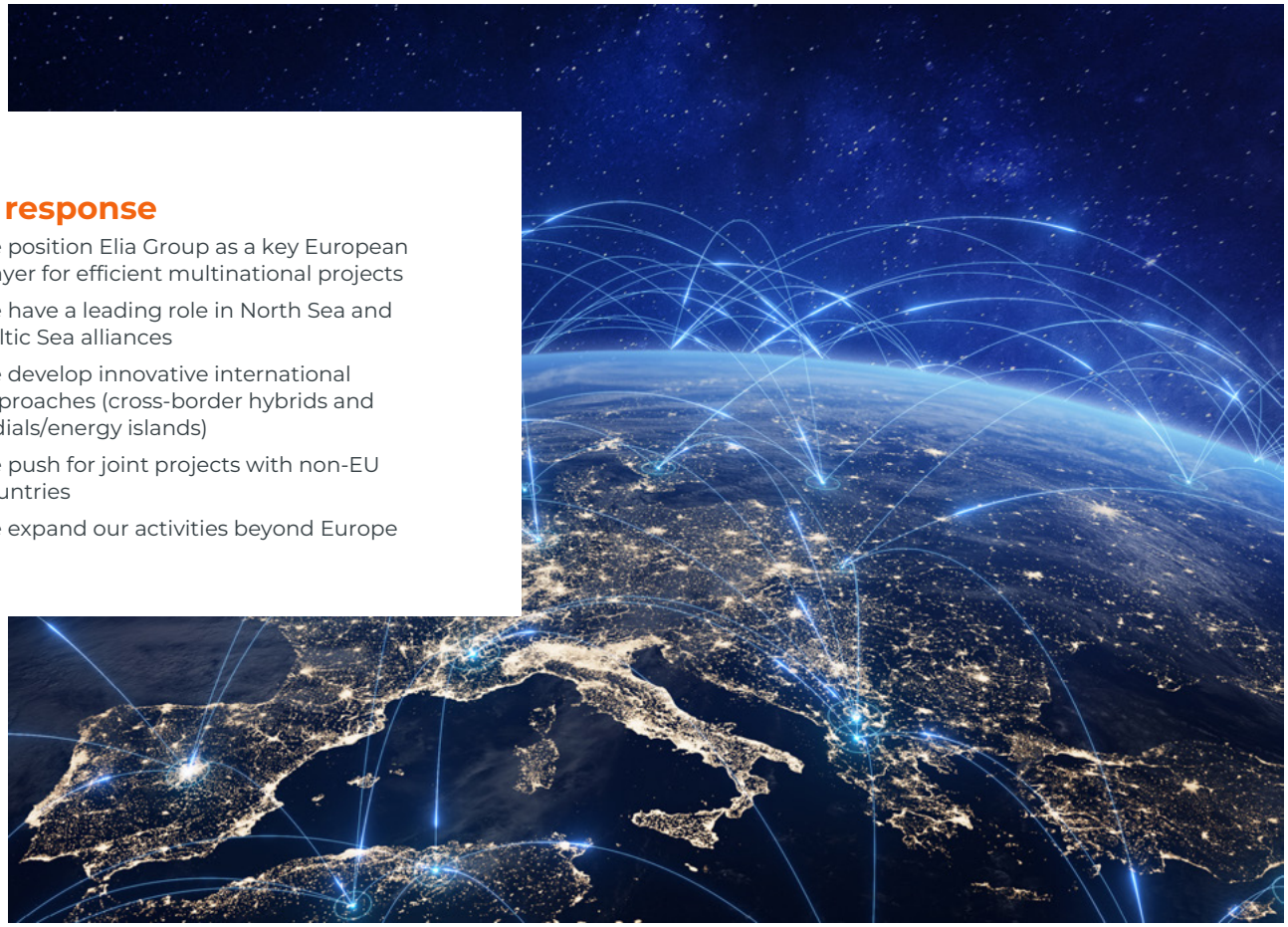
Despite the systemic advantages, some countries adopt more inward-focused strategies, prioritising national energy solutions intended to strengthen local sovereignty. This fragmentation leads to higher costs for society as a whole, as it results in a higher global need for assets due to an inefficient utilisation of resources and grid assets.

## Risks and opportunities

For TSOs, navigating this dichotomy requires a delicate balance. While fostering regional cooperation is essential for optimising grid deployment to achieve national and international objectives, they must also address domestic policy requirements and local stakeholder expectations. As the energy transition progresses, the ability of TSOs to adapt and align national and regional efforts will be crucial in ensuring a resilient, sustainable, and efficient energy future. See '3. Internal control & risk management'.

## Our response

- we position Elia Group as a key European player for efficient multinational projects
- we have a leading role in North Sea and Baltic Sea alliances
- we develop innovative international approaches (cross-border hybrids and radials/energy islands)
- we push for joint projects with non-EU countries
- we expand our activities beyond Europe



# 3.3. Regulatory changes

## Developments in Belgium

In Belgium, a new regulatory period began in 2024 and will run until 2027, with all parameters of this tariff methodology set. This followed the publication of the methodology in June 2022 and the completion of a public consultation, which led to an adapted tariff methodology aimed at (i) re-evaluating the fair margin and (ii) introducing a regulatory framework for the expansion of Modular Offshore Grid (MOG II – Princess Elisabeth Island).

The primary objective of these tariffs is to provide ETB with the necessary financial resources to fulfil its crucial role in advancing the energy transition, notably through an ambitious investment programme. As part of regulatory considerations, electricity transmission tariffs are scheduled to increase during the 2024-2027 time frame.

The tariff methodology for the period 2024-2027 is similar to the previous methodology (2020-2023), though the parameters for calculating the fair margin and the incentive framework have been revised. One significant change is that the risk-free rate (OLO) used for determining the fair margin is now floating instead of fixed. This change was driven by significant shifts in financial markets since the original tariff methodology was established in June 2022.

This suggests that the global remuneration during the 2024-2027 regulatory period is projected to increase by an additional fair remuneration of 1.49%, if the 10-year Belgian long-term obligation rate (Belgian OLO) remains at 3.27%, leading to a regulatory return of around 7.2% (compared with an initial regulatory return of around 5.7%).

The mechanism outlines that the new component of the fair remuneration (1.49% of remuneration) will increase or decrease in a proportional manner based on whether the average Belgian OLO for a given year in the regulatory period surpasses or falls below the reference of 3.27%. When the Belgian OLO falls within the range of 0% to 1.68%, the global remuneration remains at around 5.7%, as initially outlined in the tariff methodology published in June 2022.

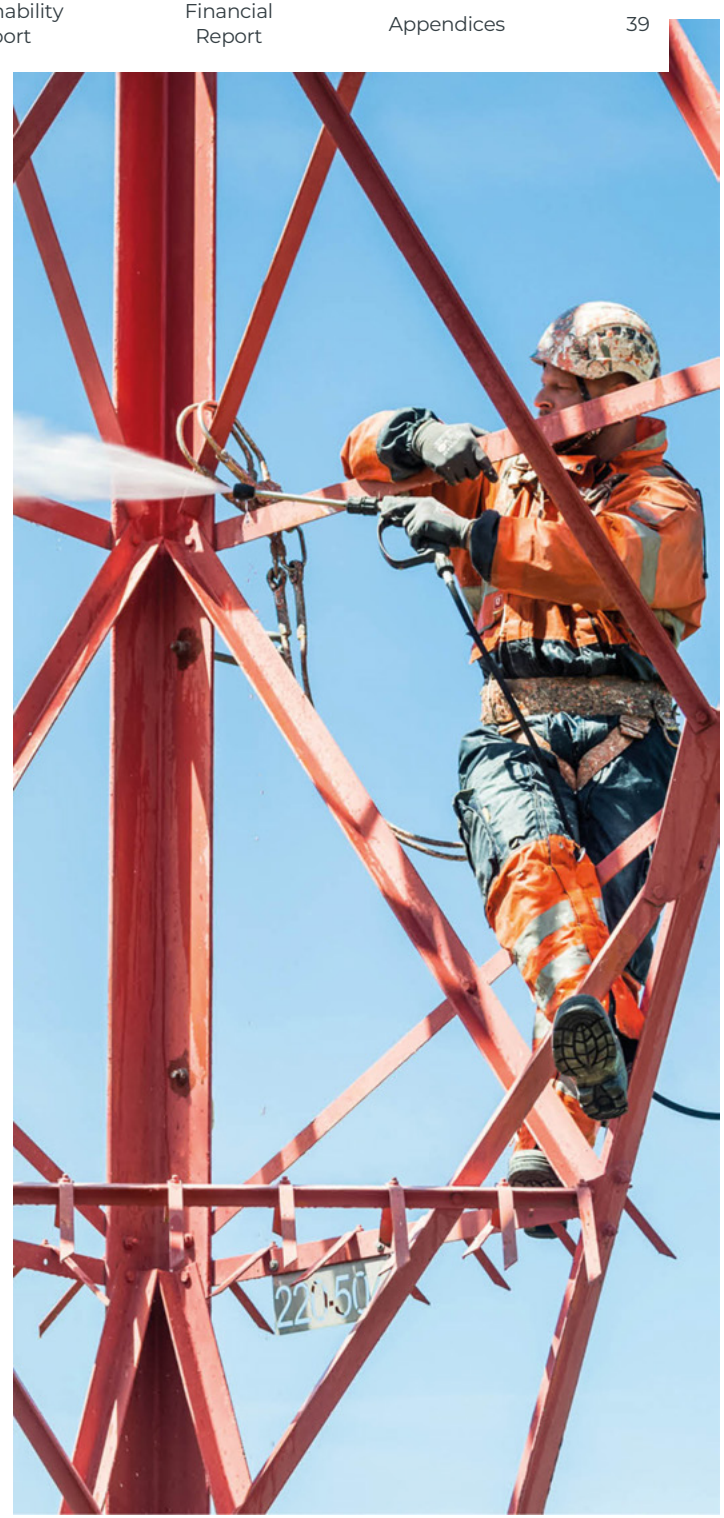
## Developments in Germany

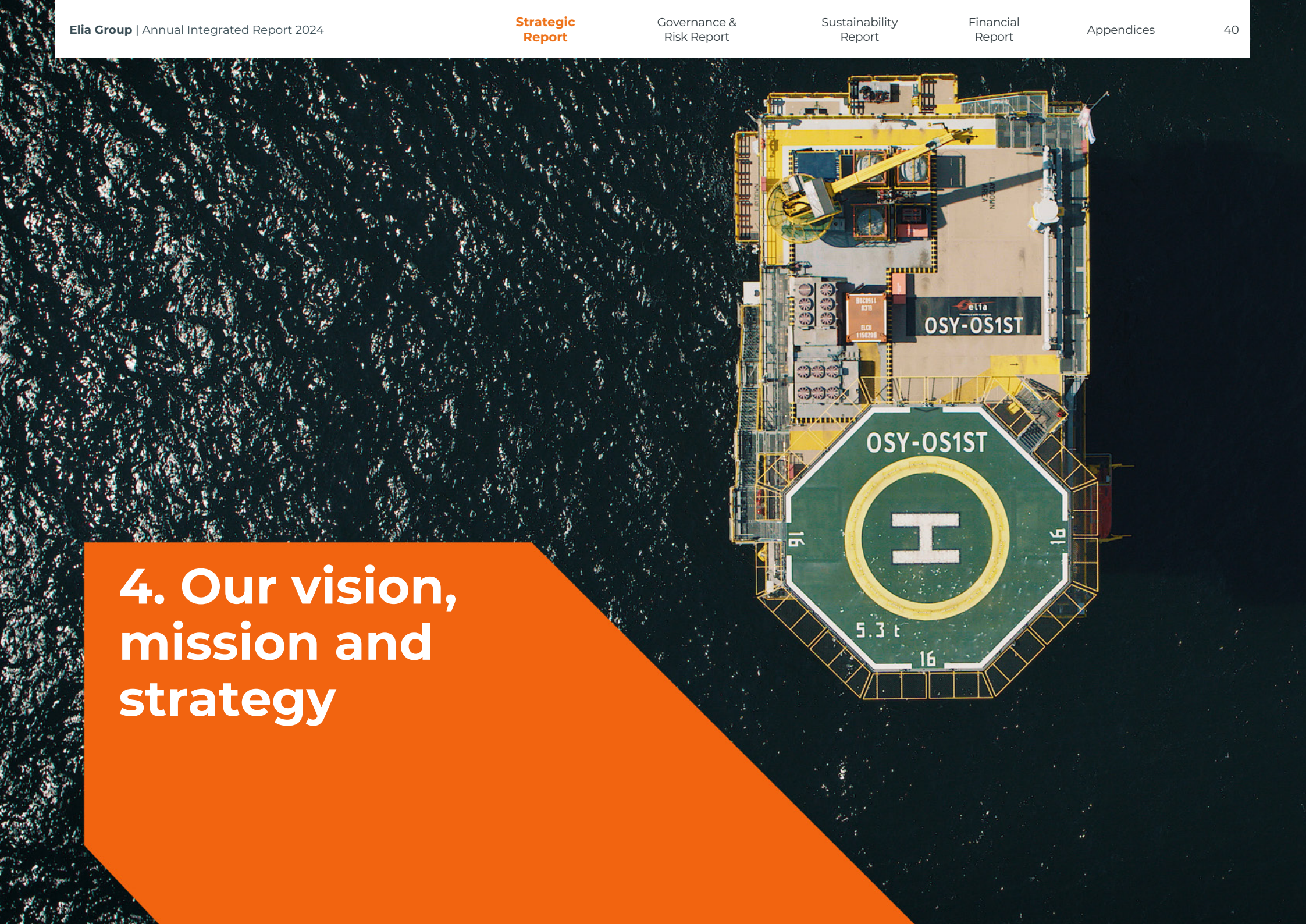
The German regulator plays a crucial role in shaping regulations and fostering a robust energy landscape. Recent decisions for the new regulatory period aim to maintain favourable economic conditions for our German TSO, aligning with Germany's ambitious goals of achieving energy sovereignty and climate neutrality by 2045.

In 2024, a new regulatory period commenced, covering the years 2024-2028. The regulations remain largely similar to the previous period (2019-2023), with a revenue cap regime for onshore business and a cost-plus model for offshore activities. The most significant change involves replacing the Investment Measures regime with a new Capital Cost Adjustment model that allows for annual adjustments of CAPEX investments. Additionally, new investments are now subject to a floating regulatory Return on Equity (ROE).

Starting in 2024, the regulatory ROE distinguishes between assets added until 2023 and those added from 2024. Plus, the Federal Network Agency (BNetzA) decided that existing investments up to 2023 and already-completed projects will continue to follow the initial unadjusted rate of 4.13% post-tax throughout the regulatory period. For new onshore investments starting in 2024, the ROE is determined annually, incorporating a fixed risk premium and an updated base interest rate. This adjustment raises the ROE from 4.13% to 5.6% post-tax for new projects added in 2024 (assuming a base rate of 2.6%). In October 2024, the BNetzA confirmed similar regulations for offshore assets, including the distinction between assets added until 2023 and those from 2024 onwards.

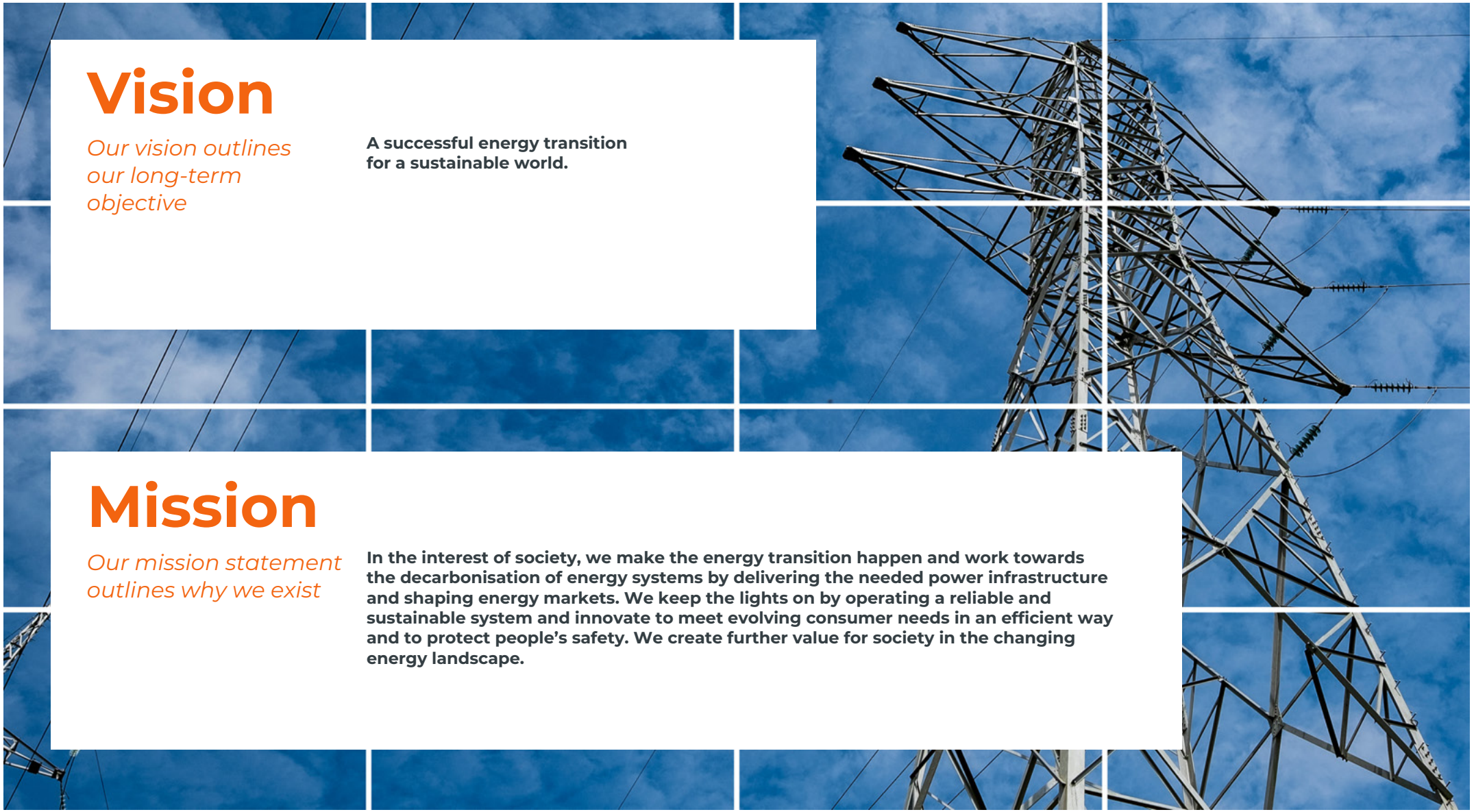
Regarding the revenue cap, 2021 will serve as the new base year for the period 2024-2028. The individual efficiency factor applied to 50Hertz remains at 100% for the regulatory period, directly contributing to the company's profitability. The general sectoral productivity has been determined at 0.86%, almost similar to the previous regulatory period. This factor measures the discrepancy between the price and productivity developments of the grid industry compared to the overall economy and impacts profitability.






# 4. Our vision, mission and strategy

# 4.1. Our vision & mission



## Vision

*Our vision outlines our long-term objective*

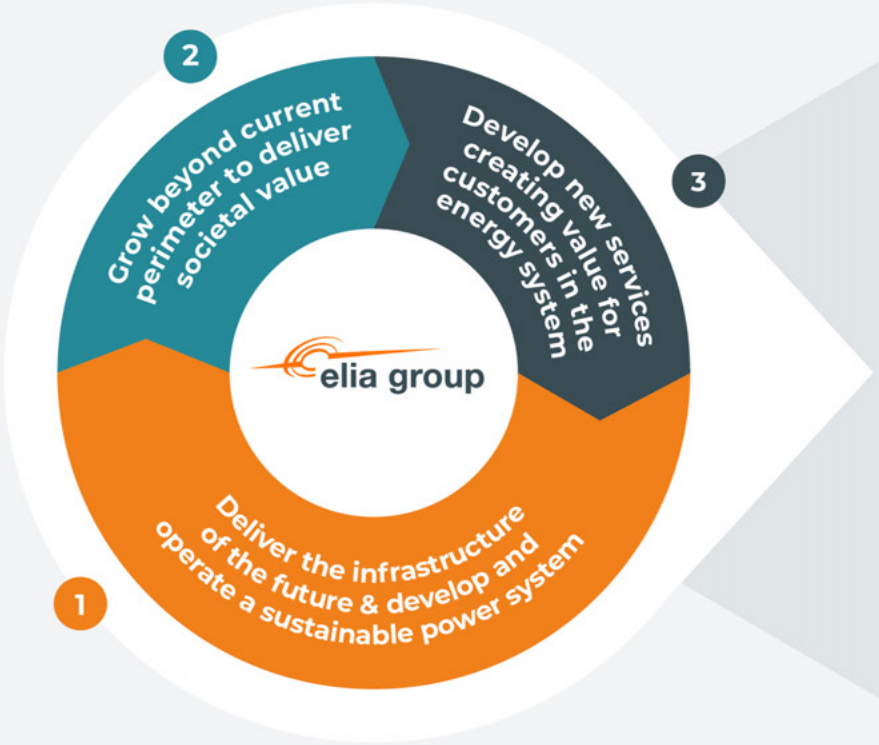
**A successful energy transition for a sustainable world.**

## Mission

*Our mission statement outlines why we exist*

**In the interest of society, we make the energy transition happen and work towards the decarbonisation of energy systems by delivering the needed power infrastructure and shaping energy markets. We keep the lights on by operating a reliable and sustainable system and innovate to meet evolving consumer needs in an efficient way and to protect people's safety. We create further value for society in the changing energy landscape.**

# 4.2. Our strategy



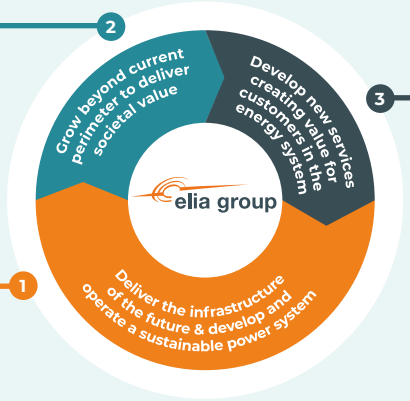

Growth ambitions

- **Timely CAPEX delivery**
- **Offshore growth**
- **Unlocking flexibility**

Key enablers

- **Supply chain**
- **Digital transformation**
- **Talent management**
- **Financing**

**Our strategy consists of three pillars of growth, which show where we want to be relevant in a sustainable way. These three pillars of growth are translated into seven strategic priorities which help everyone understand how they contribute to the realisation of our strategy.**




Pillar

# 01

## Our core focus & expertise

Elia Group is committed to keeping the lights on around the clock, designing, delivering and operating the transmission infrastructure of the future, helping to shape a suitable market design, and enabling the energy transition in our home markets of Belgium and Germany and, by extension, across Europe. Our CAPEX projects, which we are dedicated to delivering to a high standard of quality with a maximum focus on safety, actively contribute to shaping solutions that meet our stakeholder needs and create value for wider society. Enabling the operation of our system via digitalisation with a strong focus on enabling flexibility in the system is key.

Pillar

# 02

## Building on our core expertise

Our second pillar aims to expand our activities beyond their current perimeter in order to deliver additional societal value. Through WindGrid, we are leveraging the expertise we have gained through our regulated activities and are shaping new growth opportunities outside of our core markets. In 2024 we started to invest in new geographies through the investment in energyRe Giga in the U.S.

Pillar

# 03

## Building on our enabling efforts

Through our third pillar, we are delivering new services which create value for energy customers and digital tools which benefit the international energy ecosystem. We aim to achieve this by utilising and driving the digitalisation of the power sector and spurring innovation. Through our consultancy, EGI, we have developed a solid understanding of international markets and both detect and attract appealing business opportunities. Leveraging our experience with consumer centricity as part of our regulated activities, we are exploring and contributing to fostering a range of new opportunities - from sector coupling through to the provision of new digital services with partners like re.alto. Ultimately, these activities will further hasten the energy transition.

# 4.3. ActNow: our sustainability programme

ACT NOW
FOR A SUSTAINABLE WORLD

*Our action programme embeds sustainability into our core strategy and our business activities by establishing clear and quantifiable objectives for the entire Group to achieve - which are implemented through entity-specific actions and tracked at local level. As shown in the figure below, ActNow comprises five dimensions that are guided by the UN Sustainable Development goals.*

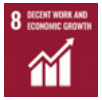
## Climate Action 01

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

## Environment & Circular Economy 02

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

## Health & Safety 03



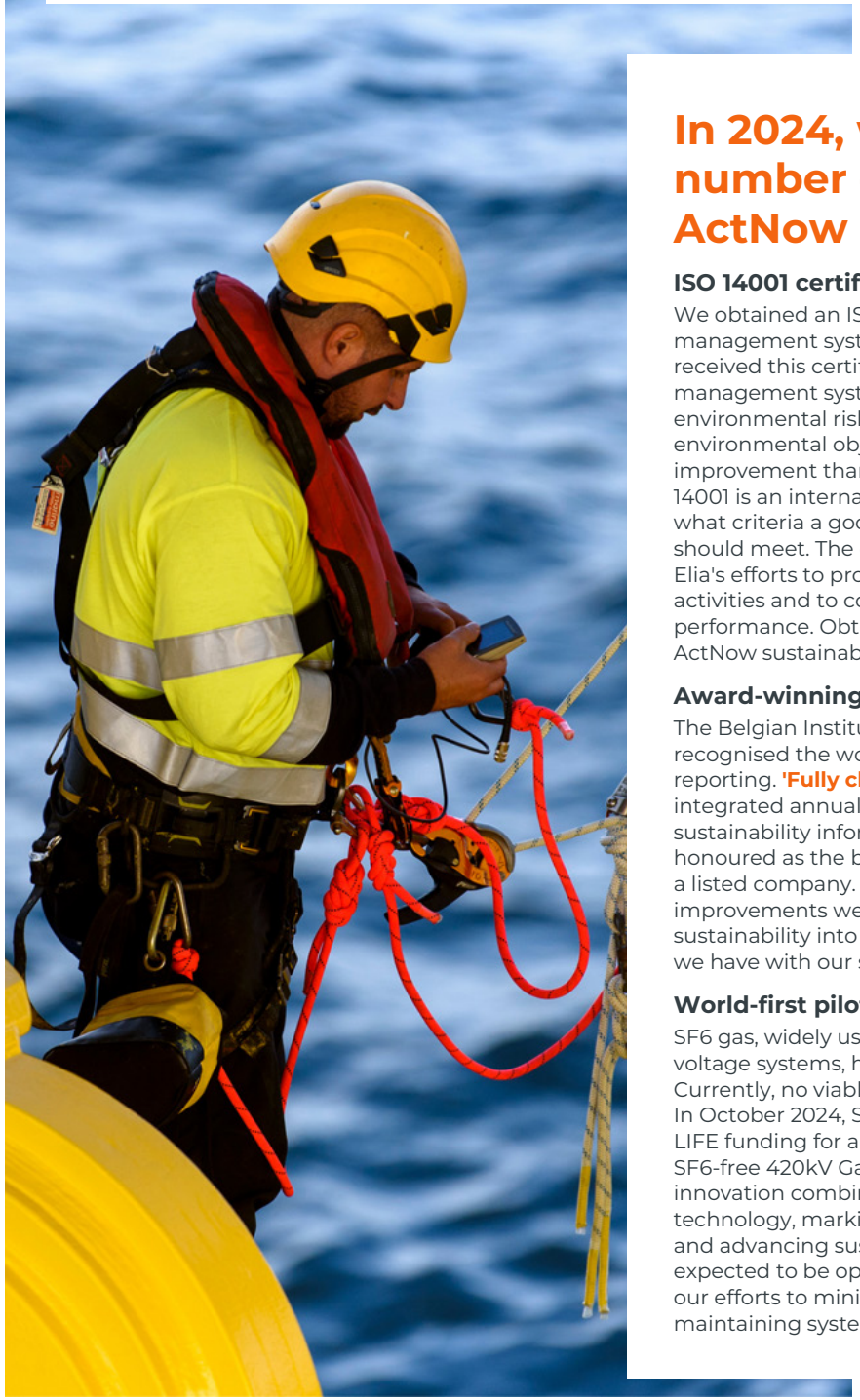

- Going for zero accidents
- Build our safety culture
- We are all safety leaders
- We strive for heath and wellbeing of our staff

## Diversity, Equity & Inclusion 04

- 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

## Governance, Ethics & Compliance 05

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



# In 2024, we reached a number of significant ActNow milestones.

### ISO 14001 certification

We obtained an ISO 14001 certification for our environmental management system at Elia Transmission Belgium. 50Hertz received this certification in 2022. An environmental management system allows companies to assess their environmental risks and define concrete and achievable environmental objectives. It also ensures continuous improvement thanks to monitoring and internal audits. ISO 14001 is an internationally accepted standard that indicates what criteria a good environmental management system should meet. The certification is an important recognition of Elia's efforts to protect the environment from the impact of its activities and to continuously improve its environmental performance. Obtaining it is a key objective within our ActNow sustainability programme.

### Award-winning integrated report

The Belgian Institute of Registered Auditors (IBR-IRE) has recognised the work we have invested in sustainability reporting. **'Fully charged for change'** is our very first fully integrated annual report (2023) that combines financial and sustainability information in one document. The report was honoured as the best sustainability report to be published by a listed company. The judges especially praised the steady improvements we have made in terms of integrating sustainability into our strategy and the numerous interactions we have with our stakeholders.

### World-first pilot for SF6-free 420kV GIS technology

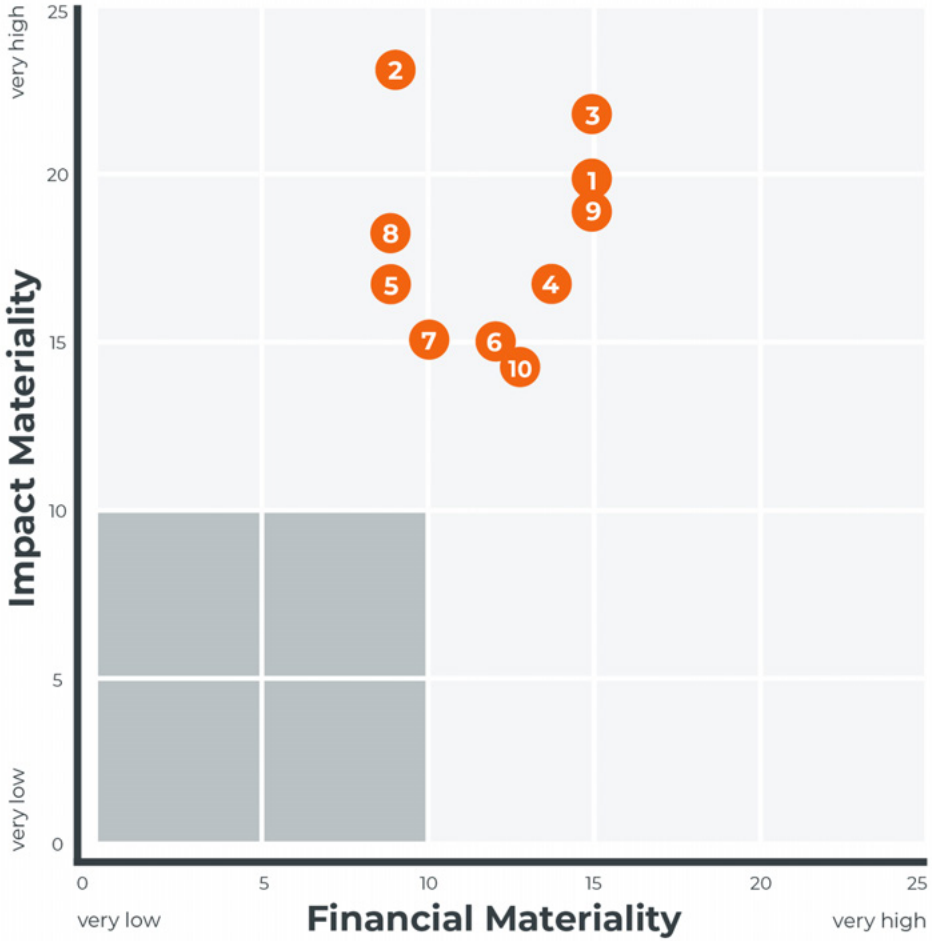
SF6 gas, widely used for its insulating properties in high-voltage systems, has a significant environmental impact. Currently, no viable alternatives exist for 420kV installations. In October 2024, Siemens Energy and Elia Group secured EU LIFE funding for a groundbreaking pilot project: the first-ever SF6-free 420kV Gas Insulated Switchgear (GIS). This innovation combines clean air insulation with vacuum CB technology, marking a key step towards reducing SF6 use and advancing sustainable high-voltage solutions. The pilot is expected to be operational in 2027. It is a major milestone in our efforts to minimize our environmental footprint while maintaining system reliability.

"With our sustainability programme, ActNow, Elia Group is playing its part to decarbonize society. By building the necessary infrastructure and shaping future energy markets, we are enabling the energy transition and helping the continent to reach net-zero by 2050. In addition, we are embedding sustainability into our business activities with clear objectives across five ActNow-dimensions: climate action, environment, health & safety, diversity and governance."

**Bernard Gustin**
CEO Elia Group

# 4.4. Double materiality matrix

*Our activities and ability to create value over the short, medium and long term are heavily influenced by the contexts we operate in, including European and national targets and the megatrends in the energy sector.*




| | Type of Capital | Material Topic and description |
|---|---|---|
| 1 | Financial | **Affordability, financeability and cost of the energy transition:** We ensure investment in the transmission grid infrastructure needed to decarbonise society in a cost-effective way. |
| 2 | Assets | **Security of supply:** As TSOs in Belgium and Germany, we act on behalf of national authorities to ensure the adequacy of power systems and transition to a net zero society in a secure and affordable way. |
| 3 | | **Grid development and system operations:** We deliver and operate a safe & reliable transmission grid infrastructure in line with the European Network Codes and national legislation. |
| 4 | Intellectual | **Procurement & supply chain:** We secure the delivery of the critical assets which are needed to realise our CAPEX programme. |
| 5 | | **IT security:** We protect our systems against cyber-attacks. |
| 6 | Employees and subcontractors | **Talent management & diverse workforce:** We attract, develop & retain talent, providing equal opportunities for all staff. |
| 7 | | **Health & safety:** We ensure the health, safety & wellbeing of our employees and subcontractors. |
| 8 | Society and relationships | **Effective governance practices:** We co-create with the society that we serve and future-proof our organisational structures and run our daily activities in a responsible and ethical way. |
| 9 | Environmental | **Sustainable system and net zero society:** We are driving the decarbonisation of the Belgian and German electricity systems by integrating renewable energy sources into our grids. |
| 10 | | **Sustainable corporate footprint:** We are a good corporate citizen since we minimise the ecological footprint of our activities. |

# 5. Our business model

# 5.1. Our business model

## Input

**Financial**
- Revenues from DSOs, clients who are directly connected to our grid, energy traders, end consumers and third parties
- Financing means through shareholders, investors and financial institutions

**€9.7 billion** of external debt funding secured in 2024

**Assets**
- Onshore and offshore assets, including lines, cables, substations and interconnectors
- Business, industrial and storage sites

**19,741 km** of lines and **880** substations

**Intellectual**
- TSO licences
- Knowledge about the energy sector, past studies, and research

**Employees & subcontractors**
- Expertise in a wide range of areas, from grid development through to legal and regulatory environments
- Diverse workforce gives us strength and ensures innovation

**4,020** employees (headcount based)

**Society & relationships**
- Information from peers, partners and networks about energy flows within and across borders
- Community interactions at early stages of our grid projects

**7** group association memberships

**Environmental**
- Natural landscapes, fauna, and flora
- We draw on raw materials like copper and steel throughout asset lifecycles

### Growth ambitions

Time CAPEX delivery

Offshore growth

Unlocking flexibility

### Key enablers

Supply chain

Digital transformation

Talent management

Financing

### Business activities

**System planning**

**Business facilitators**

**Service for electrification**

**Trusteeship**

**Market facilitation**

**System operations**

**Grid operations and maintenance**

**Infrastructure design and construction**

## Output

**Financial**
- Socioeconomic prosperity is generated for local communities
- The returns we make are reinvested to increase our financial strength

**8.4% RoE** (adj.)
**€4.8 billion** grid investments

**Assets**
- Our grid and assets are made more resilient, efficient and sustainable

**3,355 MW** connected offshore generation capacity
**563 km** of lines commissioned

**Intellectual**
- Knowledge and expertise that is acquired as a result of business experience, training and network collaboration is shared across the whole of the organisation

**5** vision papers

**Employees & subcontractors**
- Deepened expertise and skills in a wide range of areas, from grid development through to legal and regulatory environments
- Diverse workforce gives us strength and ensures innovation

**3.1 TRIR**
**24.5%** women in total workforce

**Society & relationships**
- Keeping the lights on around the clock, providing society with a reliable electricity supply
- Strengthened brand reputation, which reinforces our partnerships

**14.3** Sustainalytics ESG risk score (low risk)

**Environmental**
- Biodiversity aspects are addressed through mitigation and compensation measures
- We measure and are working on reducing our corporate impact on the climate

**793.9 ktCO2** eq total scope 1 and scope 2
**286.9 ha** forested areas managed through ecological aisles

# 5.2. The resources we rely on

*Known as the 'capitals' under the <ir> framework (see 'glossary'), we rely on the following six resources (input) to undertake our activities.*

## Financial resources

We depend on cash flow financing from a number of sources, such as:

**Revenues from:**

- DSOs and other parties that have access to our grid;
- clients who are directly connected to our grid;
- energy traders, for energy volumes imported or exported;
- end consumers, supplied via grid tariffs;
- third parties, for consultancy and other energy-related services.

**Financing means:**

- shareholders;
- debt investors;
- financial institutions. We are also responsible for processing financial flows (as part of our role as trustees in Belgium and Germany).

## Assets

We source and use the following manufactured assets:

- electricity assets and infrastructure, including our grid, substations, lines and cables;
- technology, from heavy machinery through to digital devices;
- business, industrial and storage buildings and sites;
- construction tools and equipment;
- public infrastructure and private facilities such as waste treatment plants.

## Intellectual resources

The collective intellectual capital that our organisation holds includes:

- our TSO licences, which give us the mandate to operate in Belgium and Germany;
- our past studies and research, which have allowed us to accumulate an in-depth understanding of specific areas related to energy systems;
- our processes, methods and systems, which ensure quality and uniformity in the way we approach our work.

## Employees and subcontractors

Our skilled workforce, alongside the subcontractors we hire, hold knowledge and expertise in a wide range of areas, such as:

- the legal and regulatory environments we work in;
- social, political and technological trends;
- (European) energy markets;
- financial, risk and project management;
- cutting-edge technologies and digital tools;
- consumer and societal needs;
- stakeholder engagement

## Society and relationships

We foster close interactions with society, engaging with our stakeholders on a regular basis. Examples of the stakeholder input that we rely on include:

- near-constant updates and information related to energy flows within and across borders;
- future electricity needs and socioeconomic changes;
- knowledge and understanding about technical, energy market and digital changes and innovations;
- knowledge and expertise to help shape our studies, research papers and grid development practices;
- local needs and expectations, to design and build our grid in line with the interests of society.

## Environmental resources

As we design and build our grid assets, we use the following natural resources:

- raw materials, including water, minerals, metals, gases, and wood;
- landscapes and habitats, including farmland, forests and marine environments.

# 5.3. Our business activities

## 5.3.1. System planning

*We define electricity system needs*

**Our system planning teams plan and develop the on- and offshore grid infrastructure that allows the integration of increasing amounts of renewable energy into the system, supports the accelerated pace of electrification, and facilitates security of supply in Belgium, Germany and Europe more widely. They also make recommendations for a suitable electricity market design to accompany these changes. Their work feeds into national and Europe-wide publications, so ensuring that the energy system of the future will be efficient, reliable and secure.**

Our work in this area can be clustered around three main activities, as follows;

- Identifying and investigating future energy system scenarios whilst taking into account changes in neighbouring countries and other sectors, such as the electrification of heat and mobility.
- Developing robust and cost-efficient grid investment plans for our home countries that ensure that the future electricity grid will match the needs of society.
- Exploring whether Belgium, Germany and Europe will have sufficient generation, storage and reserve capacity to meet the future demand for electricity, and recommending courses of action to our home governments based on our findings.

The development of offshore renewable energy infrastructure – and the barriers standing in the way of this – was a key attention point for European actors in 2024. Member States and their TSOs continued to focus on shaping the offshore grids of the future; given the high cost of offshore projects, the sharing out of their costs, benefits and risks in a fair manner featured as a leading topic of discussion. Elia Group's 2024 viewpoint, 'Going Like the Wind', aims to support policymakers as they navigate different related options.

Areas such as the need to ensure that electricity networks have enough reserve capacity and that grid infrastructure can both meet the rising demand for electricity and connect increasing RES to the system continued to draw focus.

### Key considerations

Key considerations that our teams are guided by when undertaking system planning activities include:

- ensuring a high level of electricity network availability and reliability, especially as the system becomes more dispersed, localised, and dependent on intermittent RES and flexible prosumer-owned appliances;
- the proactive planning and building out of our grid, given the long lead time of infrastructure projects, so that the electricity needs of households, industry and society more widely are met on time;
- having a sound understanding of new technologies which are likely to take off;
- ensuring that the recommendations we make and plans we publish are efficient;
- engaging with stakeholders in a transparent manner to ensure that our analyses, results and recommendations are sound.

TSOs furthered their work with distribution system operators to facilitate the predicted rise in household flexibility assets (such as electric vehicles and heat pumps) and the development of flexibility markets. Publications such as Elia Transmission Belgium's 'Belgian Electricity System Blueprint for 2035-2050' reflected the need for policymakers to take clear decisions about what future energy mixes will be made up of as countries approach net zero.

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.2. Infrastructure design and construction

*We are building the grid of the future*

**Our infrastructure teams design and oversee the construction of state-of-the-art assets that support growing electrification and the integration of high amounts of renewable energy into electricity systems as our home countries work towards net zero.**

Once electricity system needs have been defined, our staff cluster projects together by considering their feasibility, the current status of our assets, and future system and sustainability requirements. They then move onto planning out and designing these projects and securing the required permits for them. They regularly and transparently interact with local and regional stakeholders as part of this to identify the best possible solutions in terms of technology, routing and the environment. Once project permits have been granted, and specific work within each project has been tendered out and awarded to contractors, our solid governance structures ensure that our projects are finished on time, within budget and to a high standard, with possible risks taken into account.

Both the aftermath of the COVID-19 pandemic and Russian war in Ukraine continued to be felt in 2024, meaning that global supply chain shortages and high prices for raw materials persisted. These were intensified by the sharp rise in demand for high-voltage equipment from TSOs and industry as the latter worked towards meeting electrification targets.

Prominent discussion topics across Europe included the need to speed up and reduce the complexity of permit-granting procedures and the compatibility and interoperability of technologies. Elia Group also continued to focus on reducing the carbon footprint of its infrastructure projects and upgrade parts of its grid in Belgium and Germany.

## Key considerations

Key considerations that involve the construction of new infrastructure or the upgrading of current assets include:

- ensuring the health and safety of our staff and subcontractors;
- ensuring the security of the grid and serving our customers and end consumers with electricity;
- enabling the system and market integration of renewable energy;
- ensuring efficiency, both in terms of costs and processes;
- adhering to legal obligations and regulatory frameworks;
- from an early stage onwards, actively interacting with local communities, NGOs and relevant authorities;
- using innovative technology and assets that are more efficient and sustainable;
- supporting biodiversity and limiting the negative impact of our projects on the environment;
- navigating political sensitivities whilst providing robust evidence for our projects.

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.3. Grid operations and maintenance

## *We operate and maintain safe and reliable infrastructure*

**We operate and maintain the transmission grid in a safe, reliable, sustainable and efficient manner, so that it fulfils the needs of our users.**

Staff in our 4 maintenance zones in Belgium and 10 regional maintenance sites in Germany secure the highest possible level of grid availability and reliability for electricity consumers and producers through the maintenance of our overhead lines, underground cables, substations, interconnectors, subsea cables and other offshore assets. They track, manage and maintain these assets, their performance, associated risks and costs throughout their life cycles. These tasks are becoming increasingly difficult, since the number and type of assets linked to the expansion of our grid, the number of ageing assets in our portfolio, the intermittent nature of RES and associated volatility of electricity flows and sustainability-related concerns are all growing. Innovative digital technology, such as AI-based predictive maintenance, is key for enabling our employees to keep abreast of these developments.

Grid operation and maintenance activities continued to be affected by disruptions to global supply chains in 2024. Additionally, ongoing concerns about the sustainability of electricity infrastructure were raised, particularly in terms of climate resilience (and the need for grids to be upgraded so that they can withstand extreme events such as flooding), carbon footprint (as grids are expanded and transformed to accommodate higher amounts of RES) and their impact on natural environments. These were accompanied by an increased focus on the need to keep assets secure in the face of external threats (via increased monitoring activities and security equipment). Moreover, as the energy transition is underway, electricity grids are being pushed to their limits. This increased stress and reduction in opportunities for planned outages to occur is requiring more flexibility from electricity systems and maintenance staff. It also requires new, talented and skilled staff – of which there is a shortage – and smarter and automated operational procedures, tools and systems.

### Key considerations

Key considerations for our teams as they work to prevent or quickly address outages include:

- ensuring the health and safety of our staff and subcontractors;
- monitoring and securing the highest level of grid availability and reliability on a 24/7 basis;
- ensuring efficiency, including by harmonising the methods and tools used across the Group;
- lowering the carbon footprint of our assets by replacing harmful substances and materials, using new technologies to upgrade them and further increasing their recycling rate;
- managing the risks associated with our assets and optimising their use and lifetime;
- supporting biodiversity and natural habitats around our assets;
- communicating openly with local communities, NGOs and relevant authorities;
- accessing and using innovative technology that will assist with all of the above.

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.4. System operations

## *We keep the lights on around the clock*

**ETB and 50Hertz are responsible for keeping the lights on around the clock for over 30 million people in Belgium and the north and east of Germany. As reflected by our grid's reliability level of at least 99%, our control centre staff are dedicated to the secure transmission of electrical power, even as the energy transition triggers significant changes to the system.**

Our work on carrying ultimate responsibility for the balance between electricity supply and demand across our control areas can be divided into six main activities, as follows.

- Balance management: this involves ensuring the balance between the amount of electricity injected into the system and the amount of electricity that is consumed on a continuous, real-time basis.
- Voltage management: this covers making sure that voltage levels remain within the appropriate limits, reducing losses, preventing assets from being damaged and avoiding the risk of voltage collapse.
- Congestion management: this involves optimising the grid's topology, adapting the set points of phase shifting transformers as well as other load flow controlling devices, and/or coordinating and altering generation or load patterns (known as redispatching) to change the physical flows of electricity across our grids to relieve congestions.
- Enabling maintenance and construction work and the connection of new customers (generators and consumers) to the grid: before isolating parts of the grid to allow maintenance work or projects to be undertaken safely, our teams must undertake predictive calculations to make sure that the outage doesn't cause operational issues.
- Emergency management: this involves addressing any grid or system security incidents as quickly as possible and limiting the impacts of disturbances so that they don't cause cascading effects within or even outside of the borders of ETB and 50Hertz's control areas.
- These activities are becoming progressively more complex: power flows are becoming increasingly volatile given the sharp rise in intermittent RES, cross-border electricity trading, and the arrival of new flexible technologies and players. The rise in electricity generation from RES is also leading to the grid becoming overloaded on a more frequent basis. In turn, these developments are triggering the need for improved load and generation forecasting. Cooperation amongst TSOs and DSOs is commonplace, and the Group is moving towards the automation of some of its system operations activities as a way of managing this increased complexity.

Increasing coordination between Member States was furthered throughout 2024 as renewable energy levels continued to rise and electricity continued to be shared across borders. This was accompanied by explorations of new technologies and the need to ensure that the workforce of the future has the right skills needed to manage an increasingly complex system that is being pushed to its operational limits. For example, Elia Group made clear progress on its Modular Control Centre System (MCCS) – a digital platform that will provide system operators with a more holistic view of the status of the electricity grid and will allow them to more efficiently manage electricity flows across it.

### Key considerations

Key considerations that our staff are guided by include:

- ensuring network availability and reliability on a continuous basis;
- ensuring cost and process efficiency;
- ensuring that legal and regulatory requirements are met;
- engaging in daily transparent communication about the state of the network and measures that need to be taken to keep the system stable with other TSOs, DSOs, regional coordination centres, market parties and regulators;
- responding to the integration of assets that can provide decentralised flexibility for the grid;
- sourcing, designing and applying the use of innovative digital technologies.

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.5. Market facilitation

## *We facilitate the development of the electricity system*

**As market facilitators, ETB and 50Hertz have ultimate responsibility for ensuring that the balance between demand and supply is maintained across their control areas. They do this by employing flexibility that is provided by balancing service providers (BSPs) and, when the need arises, by procuring ancillary services.**

Our teams are working towards the establishment of an integrated European energy market which strengthens security of supply and delivers fair prices for consumers. As energy systems come to rely more heavily on intermittent RES, corresponding reforms to energy markets are needed to unlock further flexibility and safeguard security of supply in our home countries.

The teams working in the area of market facilitation focus on a number of areas, as follows.

- Firstly, they advocate for a stable framework which attracts investments that can support the spread of sustainable electrification across society. They participate in consultation mechanisms to support increases in RES, flexible demand and possible back-up production units.
- Secondly, they work on further developing existing markets for system services such as balancing – this involves our teams aiming to integrate new kinds of assets that can participate in providing balancing services. Our teams in Germany are also developing markets for reactive power, inertia and black start capability.
- Thirdly, they support the integration of national and European energy markets, so that electricity can be broadly used, the intermittent nature of RES can be better dealt with, and so that consumers benefit from high security of supply and competitive electricity prices. They also encourage market reforms which allow consumers to valorise the use of their flexible appliances, help to balance the grid, and benefit from an efficient electricity system.

Europe's new electricity market design rules were adopted in May 2024 and entered into force two months later. These new rules aim to protect consumers from extreme and highly volatile energy prices, build a renewables-based energy system and help Europe to secure its energy sovereignty.

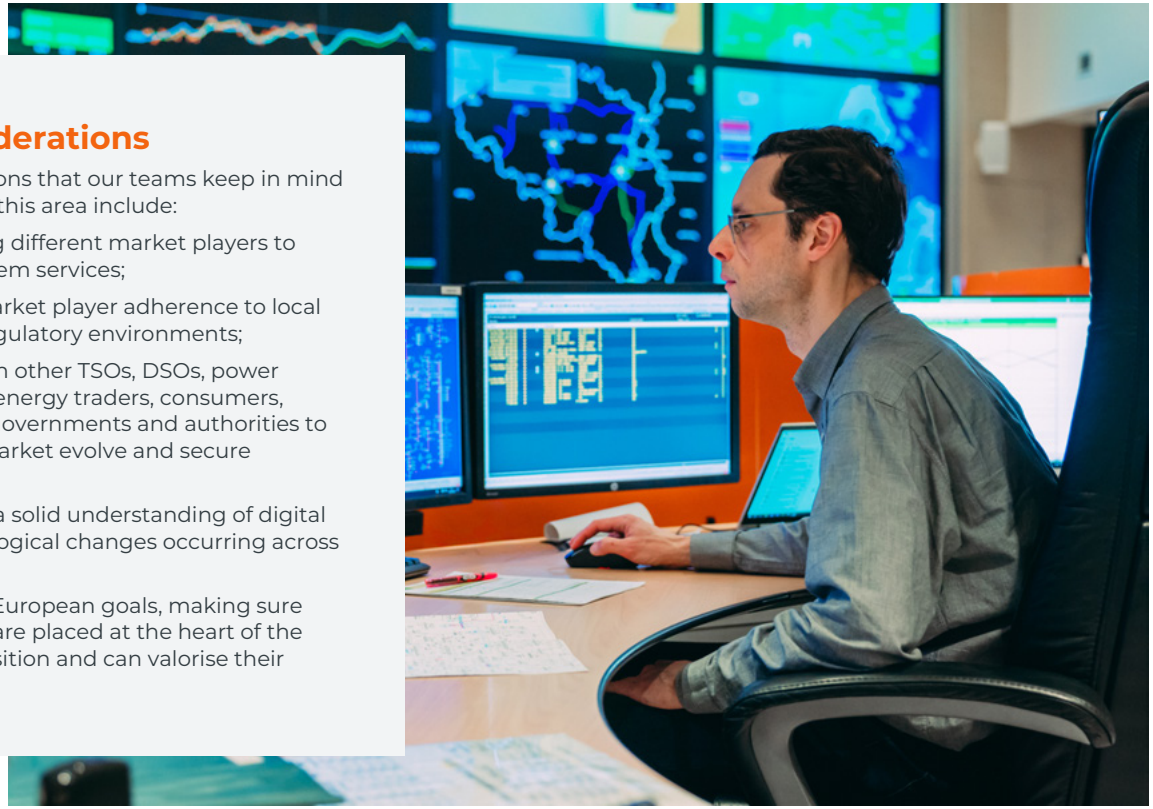
Alongside this, prominent discussions were held regarding the need to improve the integration of new RES into Member States' grids. Indeed, Elia Group was one of the earliest actors from across Europe to raise issues linked to the uncontrolled infeed of renewable energy, or 'incompressibility' (which include, amongst other things, negative market prices and risks for the electricity grid).

Throughout 2024, stakeholders from across the sector in Germany advocated for amendments to the law to mitigate these issues. In Belgium, a three-year action plan was drafted and began to be rolled out to ensure that load and RES production react to market price signals in an efficient manner.

### Key considerations

Key considerations that our teams keep in mind as they work in this area include:

- encouraging different market players to provide system services;
- ensuring market player adherence to local legal and regulatory environments;
- working with other TSOs, DSOs, power exchanges, energy traders, consumers, regulators, governments and authorities to make the market evolve and secure liquidity;
- developing a solid understanding of digital and technological changes occurring across society;
- in line with European goals, making sure consumers are placed at the heart of the energy transition and can valorise their flexibility.



*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.6. Trusteeship

*We coordinate and process legal levy systems*

**The German and (federal and regional) Belgian legislators have transferred part of the responsibility for applying and processing legal levy systems that promote environmentally friendly technologies to the TSOs in their respective countries; in Belgium's case, these responsibilities cover ensuring the availability of capacities that will secure the adequacy of its electricity system[4].**

ETB and 50Hertz therefore act as trustees, collecting levies from consumers in Belgium (at regional level) and Germany and playing an important organisational role in the remuneration of the producers of electricity generated by RES, some combined heat and power (CHP) plants (which qualify for such remuneration – known as 'qualitative CHP') or capacity-providing market participants. Regarding the federal level in Belgium, the levies have been replaced by excise taxes; the collection of these has been transferred to the government's finance ministry (FPS Finance).

## Green certificate mechanisms in Belgium

In Belgium, ETB must fulfil its public service obligation related to green and CHP certificates. These certificate mechanisms operate differently across the country's different regions or waters. As a general rule, specific electricity producers are legally entitled to receive green or CHP certificates in exchange for the production of electricity from RES or via qualitative CHP plants. These certificates are distributed to producers by public authorities. As stipulated by law and in accordance with its public service obligations, ETB is required to buy these certificates for a fixed or variable minimum price. The financing for regional certificates is provided: by grid tariff surcharges that are imposed on grid users (based on their net offtake of energy) or through auctions, during which the certificates are sold back to market players, to the extent the law requires ETB to organise these auctions in order to reduce the grid tariff surcharges that result from the purchase of the certificates; or through fixed amounts paid by the state to ETB on a regular basis.

Additionally, electricity suppliers are required to return, on an annual basis, a predetermined quota of certificates to the regional public authorities, meaning that they must purchase a certain number of such certificates throughout the year, either from a producer or from ETB.

## Capacity remuneration mechanisms in Belgium

One of ETB's public service obligations is the management of the country's capacity remuneration mechanism (CRM),

which was introduced by the government to guarantee Belgium's long-term security of supply. In line with this,

ETB is responsible for contracting capacity from different market participants that is then made available to the system during the winter months. The capacity auctions are held at least one year in advance of the actual time at which the capacity needs to be available. ETB is refunded by the Belgian state for both the costs of organising the CRM and payments made to market participants for their contracted capacity volumes.

## Energy surcharges in Germany

In Germany, TSOs are responsible for coordinating energy surcharges in accordance with the Energy Financing Act (Energiefinanzierungsgesetz, or EnFG). The costs 50Hertz incurs for processing these surcharges are remunerated via the surcharges themselves and do not affect the company's earnings.

## EEG

The renewables surcharge, or EEG surcharge, was introduced in 2000 to support the expansion of green electricity production - mainly from solar, wind, biomass and hydropower plants. In line with this, the producers of electricity generated from renewable energy are granted a guaranteed amount of remuneration for 20 years.

Depending on the nature of the producer, their financial income is linked either to the market price obtained for their electricity and a market premium surcharge which covers the difference between this and the guaranteed remuneration; or to a feed in tariff (FIT). In the latter case, 50Hertz and the country's three other TSOs are responsible for selling the electricity on the market. Both the market premium surcharge on the one hand and the difference between the market price obtained and the guaranteed remuneration (FIT) on the other are covered by a levy and paid out by TSOs to DSOs and producers.

Up until 2022, this levy was paid by consumers through the EEG surcharge. In order to ease the financial burden on consumers, the German Government reduced the renewables surcharge for consumers from 1 July 2022 to 0 cent/kWh and decided to end it on 1 January 2023. Since then, TSOs have claimed federal grants from the German government to reward producers of green energy.

## KWKG

A similar mechanism is in place to support the expansion of CHP plants in Germany (known as 'Kraft-Wärme-Kopplung', or KWK). 50Hertz collects the KWKG surcharge from electricity consumers, administrates it and coordinates its distribution to its KWK plant operators.

## Strompreisbremse mechanism

In December 2022, the German government transferred some of the responsibility for the 'Strompreisbremse' mechanism to the four German TSOs to limit the impact of high electricity prices on consumers from early 2023 onwards. Throughout 2023, TSOs received around €13 billion from the government which they then paid out to energy suppliers. The payments were made via separate bank accounts, so did not affect TSO liquidity. The German government decided to stop this mechanism on 31 December 2023.

[4] An electricity system is considered to be 'adequate' if it has sufficient capacity to meet the demand for electricity (via different means, including generation, imports, storage, demand-side management, etc.)

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.7. Services for electrification

*We facilitate electrification and decarbonisation at an affordable price*

**The Group delivers additional value for society via the provision of energy system services. These support electrification and the integration of renewable energy into systems both in Europe and beyond.**

## Energy Track & Trace

Developed by Elia Group alongside Danish and Estonian TSOs Energinet and Elering (respectively), Energy Track & Trace (ETT) allows large electricity consumers and retailers to track the transmission of green electricity across the grid, from where it is produced to where it is consumed. The tool's high temporal and locational resolution means that green electricity can be traced across European borders, providing users with near-real-time insights into the RES it comes from. The tool was developed as consumers demand higher levels of transparency about their sources of energy.

## EPIC

The Energy Portal Interface for Customers (EPIC) provides the Group's customers with high-quality and user-friendly digital services. These customers range from companies which are directly connected to our grid through to companies that operate across our energy landscape and use our services. EPIC gives them better control over their available services, their data, energy consumption, sustainability and energy strategies more generally.

## GreenGrid Compass

Along with TenneT Germany, Elia Group provides free access to live data about the share of renewable energy and the $CO_2$ intensity of electricity across all ENTSO-E bidding zones as part of the GreenGrid Compass project. The 'share of renewable energy' refers to the percentage of electricity generated by RES; the latter has a much lower $CO_2$ intensity – or amount of $CO_2$ emitted per unit of energy consumed – than electricity generated through the burning of fossil fuels. Elia Group provides this data to users via the project website and an API, allowing electricity consumers to have a better understanding of their $CO_2$ footprints.

## Netztransparenz Platform

Along with the three other German TSOs, 50Hertz publishes a variety of data sets on the Netztransparenz Platform. These include data sets that are legally required and balancing data publications. 50Hertz also publishes its own statistical report related to installed capacity, redispatching and load.

## Open Data Elia

This provides Elia Transmission Belgium's stakeholders with simple and open access to all of its public grid data, including power generation, load, balancing, transmission and congestion. Users can explore these data sets, create visualisations, export them in different formats and access them through APIs.

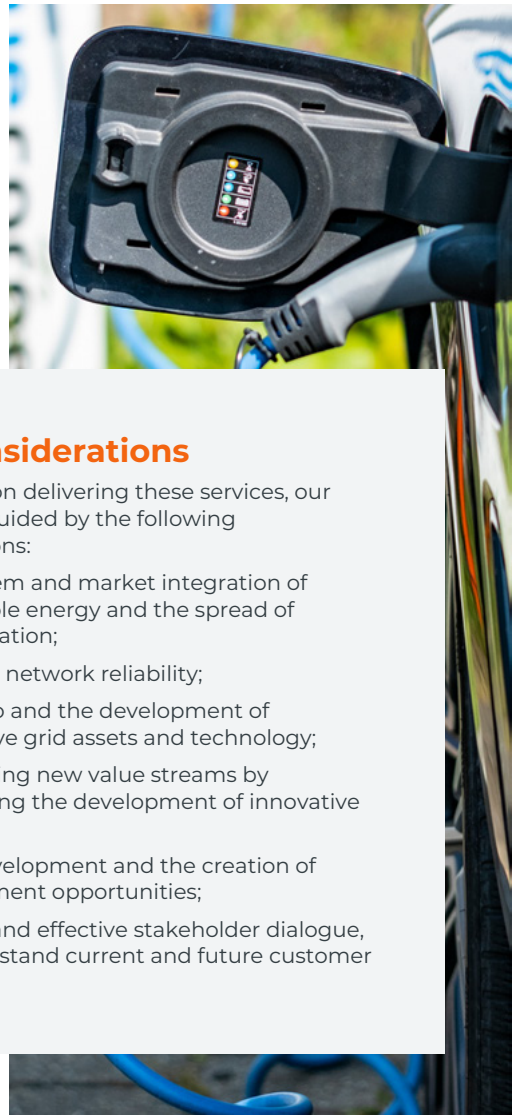
## traXes

The Group's developer portal gives energy transition entrepreneurs access, via APIs, to the building blocks they need to develop their own innovative products for customers or for their own internal processes. New use cases will therefore emerge, since these players are provided with improved and secure access to data related to the market and grid; customers; green certification and accounting; and transactions between energy accounts.

## Watts.Happening

Aimed at Belgian companies who wish to valorise the flexibility of their electrical assets, this publicly available tool provides users with a way to calculate how much money their companies could make by using their assets in a flexible way – so helping to balance the grid and integrate intermittent RES into the energy system.

As global decarbonisation efforts continued to be strengthened in 2024, so did the recognition that "digitalisation is [...] a key enabler — often a prerequisite — for many elements of the low-carbon energy system the world is building."[5] Through its growing offer of services for electrification, the Group is providing consumers with new insights, facilitating data-driven decision-making, and fostering digital innovations that support the establishment of a sustainable electricity system which carries high amounts of flexibility.



### Key considerations

In working on delivering these services, our teams are guided by the following considerations:

- the system and market integration of renewable energy and the spread of electrification;
- securing network reliability;
- access to and the development of innovative grid assets and technology;
- discovering new value streams by supporting the development of innovative services;
- skills development and the creation of employment opportunities;
- regular and effective stakeholder dialogue, to understand current and future customer needs.

[5] Det Norske Veritas (2024), 'Leading A Data-Driven Transition', https://www.dnv.com/publications/leading-a-data-driven-transition/

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.3.8. Business facilitators

*We are accelerating the energy transition*

**Our business facilitators – listed in alphabetical order, below – go beyond traditional corporate functions. Through the adoption of innovative and forward-thinking approaches, they make the Group's business model more competitive and sustainable, allowing us to be true accelerators of the energy transition, both in our home markets and abroad.**

## Communication

The Group's internal and external communications departments support the Group's strategy by disseminating its organisational narrative and purpose, building strong relationships with its stakeholders, and fostering buy-in for its activities.

Through its interactions with employees, the Group's Internal Communications Department facilitates a shared understanding of and commitment to the Group's activities and goals. Its provision of clear and timely information, organisation of staff events, and facilitation of dialogue across the Group promotes a sense of belonging amongst staff and boosts employee satisfaction, staff performance and wellbeing.

The Group's external communications activities are undertaken by its External Communication and Reputation Department and Project Communication Team. Through their interactions with a wide number of external stakeholders, these teams provide clear, accurate and up-to-date information about the Group's projects and activities, including during times of crisis. They strengthen the Group's ties with potential and existing local, national and international partners, and manage the organisation's reputation, including by communicating how its activities support the energy transition and socioeconomic prosperity in the countries in which it operates.

## Digital transformation

Over the past few years, the Group has been focusing on the digital transformation of its business. Between 2022 and 2023, the Digital Transformation Office played a pivotal role in embedding digitalisation and agility across the Group, laying the foundations for its transformation journey. Once the Group had reached the right level of maturity in this regard, the DTO's responsibilities were then integrated into business reporting lines.

In 2024, the Group began shifting to a new way of working called the 'product operating model', under which teams of business and IT specialists work together to deliver products, or digital solutions, that deliver value for internal or external customers. This new organisation streamlines the Group's operations and helps to drive efficiency and innovation. The Group is implementing this product operating model via its 5 current product clusters. The Digital Committee sets the ultimate goals for the organisation's digital transformation with approval from Elia Group's Management Board and Executive Committee.

Crucial to the Group's digital transformation is the pursuit of a change in mindset, which in turn will attract talented and skilled staff.

## Finance

Our Finance Department ensures that the Group has the necessary funding to maintain liquidity for our daily operations and support our investment programme as we work to decarbonise society. We have robust treasury, accounting, controlling, and risk management practices to secure efficiency, create value, ensure fair grid tariffs for consumers, and provide solid returns for investors.

As part of our sustainable financing efforts, we strive to remain a well-known, solid and trusted partner by continuously managing the risk profile of Elia Group and its entities, making us an attractive investment. Both the Green Finance Frameworks of ETB and Eurogrid demonstrate that our funding strategy is aligned with ActNow, our sustainability programme, highlighting our commitment to directing investments towards projects with clear environmental objectives. Additionally, our activities are aligned with the EU Taxonomy, a classification system for environmentally sustainable economic activities.

## Human resources

Our HR Department is responsible for recruiting the talented staff the Group needs to fulfil its strategic goals; leading on performance management; and providing employees with learning and development opportunities.

Finding the right staff with the necessary skills and potential to help the Group successfully drive the energy transition forward is a central area of focus for the HR department. In 2024, for example, it oversaw the hiring of over 530 FTE employees across the Group (net figure), and continued to strengthen the onboarding process via the Elia Group Academy, so ensuring that new hires could be quickly and efficiently welcomed into their teams and roles. For existing staff, the department launched a mentoring programme that is aimed at furthering staff growth and development. It also continued to provide staff with training sessions on conventional topics such as safety and technical skills. Moreover, it shaped and delivered a number of new training sessions that encouraged knowledge building in areas of key importance for the Group (including offshore development) and the advancement of strategic skills in the fields of diversity, equity and inclusion (DEI) and leadership.

## Innovation

The Innovation Department invests in the research and development of emerging technologies such as AI, cybersecurity, robotics, drones, sensors, new materials and many more. Remaining at the forefront of technological innovation ensures that Elia Group effectively addresses the challenges of the energy transition and transforms them into opportunities. As part of this, the department works with staff from across the company to continuously drive the testing and adoption of cutting-edge solutions that help to solve core business challenges. The biggest energy sector challenges that require significant breakthroughs are addressed through the department's Moonshot programme; the aim of each Moonshot is to reach measurable goals and develop visionary solutions for these challenges within compressed timeframes.

To maximise efficiency and speed up innovation across the Group, the department also teams up with different external partners – including industry peers, academic institutions, and global start-ups – to share knowledge, conduct research, and help to shape Europe's energy future. This provides the Group with new perspectives on cutting-edge innovations that drive efficiency in the operation and building of a reliable and sustainable electricity system. The department fosters further learning and speeds up the adoption of new practices by creating and joining innovation ecosystems. Examples of the latter include the InterOPERA consortium, a cross-industry

ecosystem for grid operations, and Elia Group's academic boards in Belgium and Germany.

The Innovation Department encourages employee-driven innovation by cultivating an innovative culture and facilitating the effective management of innovation-related activities across the organisation. Elia Group's staff are empowered to participate in the innovation process through the Group's internal incubator (The Nest) and through support with the inception, implementation and adaptation of their ideas. They are helped in this by agile coaches and developers.

## Legal

Our Legal Department provides teams with timely and practical advice, ensuring that the Group's activities are compliant with all relevant legal and regulatory requirements in the different jurisdictions in which it operates. It therefore supports teams with the management of different type of contracts, supports staff to understand legal and regulatory changes that might impact the Group, guides teams through permitting procedures, and handles any legal issues or questions that might arise.

## Procurement

Our Procurement Department establishes the Group's purchasing policies and procedures and purchases all goods and services. Whilst aspects such as the safety, efficiency, quality and pricing of materials or resources are considered, the department is also actively embedding ESG factors into its approach by encouraging suppliers from across the value chain to adopt sustainable practices and working with them to develop greener products.

Since the COVID-19 pandemic and Russian invasion of Ukraine, the department has been implementing measures to mitigate supply chain risks, so that the Group can secure the supplies it needs for its infrastructure projects.

## Strategy

The Strategy Department is responsible for identifying emerging challenges and (growth) opportunities for the Group, collecting and analysing data about the company's resources and performance, defining and implementing its strategy, providing senior leaders with decision-making support, and ensuring that the Group has the resources it needs to fulfil its mission.

As part of its annual strategic cycle, the department updates the Group's strategy based on its analyses of national and international developments and trends, evaluation of the shifting contexts the Group operates in, and horizon scanning exercises. The strategy is then translated into business roadmaps – high-level overviews of focus areas, objectives and milestones for the ensuing five-year period – which are implemented by different departments.

The department therefore relies on close interactions with a range of stakeholders to ensure that the Group's activities remain aligned with the interests of society and that the company stays resilient to political, legal, social and technological changes. Priority areas for the department in 2024 included the timely delivery of CAPEX, offshore investment and growth, and the unlocking of flexibility from across electricity systems.

*Please see the chapter entitled '3. Internal control & risk management' for further information about the risks and opportunities involved.*

# 5.4. The output of our activities

## Financial resources

Our investors receive a return on their financial backing of the Group's investment needs to drive the decarbonisation and electrification of society by developing and running a sustainable electricity system.
Our role as trustees of levy systems in Belgium and Germany ensures that renewable energy producers are financially supported and encourages the integration of environmentally friendly technologies into the grid.

## Assets

In carrying out our activities, our grid and assets are enhanced and rendered more resilient, efficient, and sustainable. This means they are able to facilitate the integration of rapidly growing amounts of renewable energy into the system and meet consumer demands for electrification. They are also rendered more robust in the face of climate change, and their negative impacts on onshore and offshore environments are kept to a minimum. We encourage the development of different assets through our work, as our teams continuously identify useful technology that could be used to fulfil new and increasing system requirements.

## Intellectual resources

The knowledge and skills developed within each of our subsidiaries are shared across teams and departments, meaning that our collective expertise, organisational processes, and systems are continuously refined and harmonised.
This collective knowledge means we are at the forefront of technological development in some areas.

## Employees and subcontractors

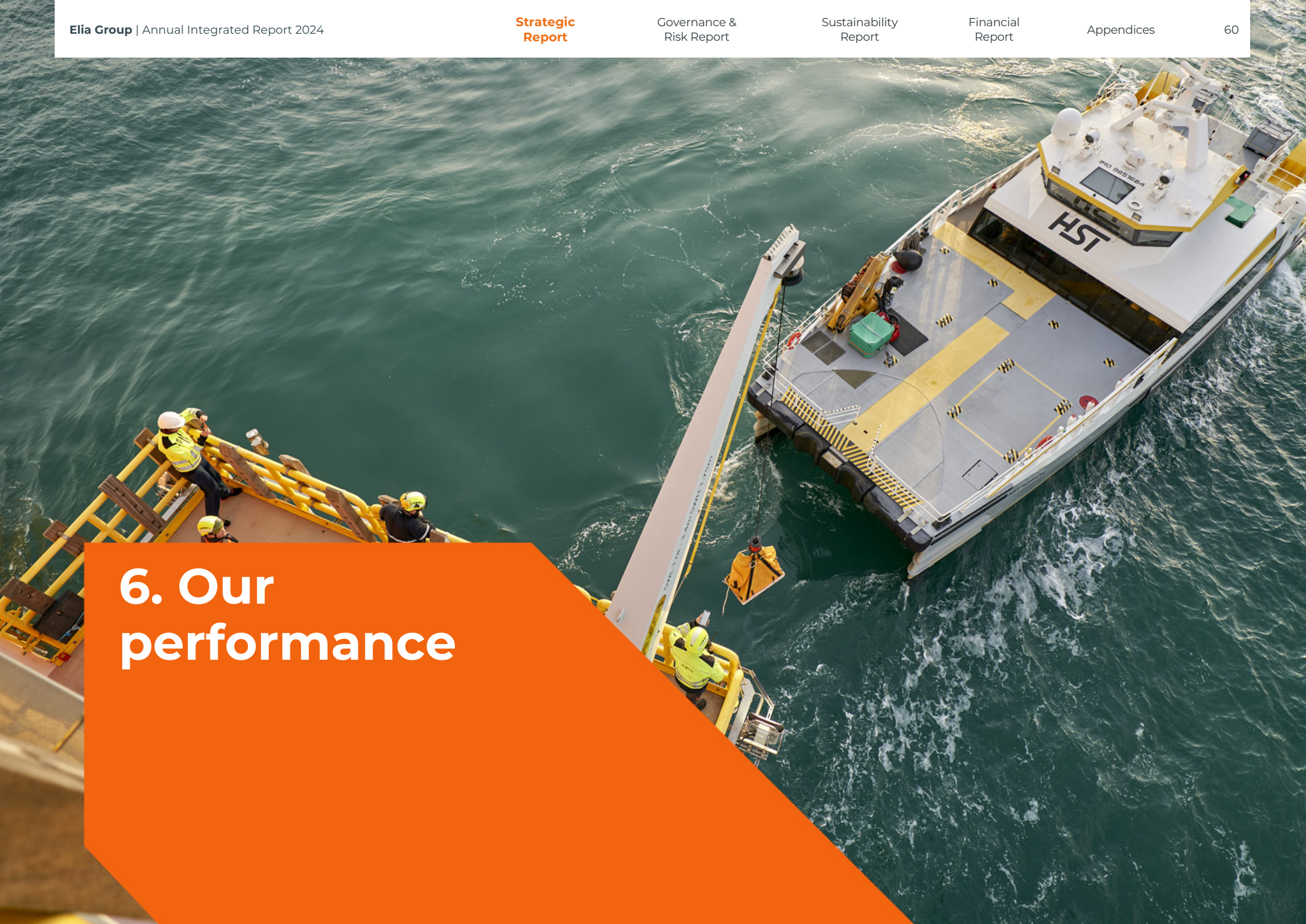
Our activities facilitate the development of our staff, enabling them to refine and deepen their skills and knowledge across a wide range of areas. The Group's employment of subcontractors further encourages this, facilitating the exchange of new skills and best practices among organisations and across the sector. Our staff need to keep widening their skill set, which is a challenging task given their demanding responsibilities. We seek to manage this by putting clear health and safety measures in place.

## Society and relationships

We provide society with a secure and reliable grid, integrating renewable energy resources (RES) into the system and supporting socioeconomic prosperity. We regularly interact with stakeholders to ensure that the positive impact of our activities can be maximised, to minimise risks and interruptions to the system, and to allow actors to respond to technological, capacity, and flexibility needs. Our grid projects can invite local resistance, so we address their concerns and limit possible harm to communities and landscapes.

## Environmental resources

Our infrastructure projects can cause harm to the environments in which they are constructed, which can trigger a need for broader maintenance works. However, we are strongly committed to limiting these effects by adopting innovative approaches, as well as mitigation and compensation measures. We often work alongside local partners and NGOs to ensure the measures are as effective as possible and can be scaled up.




# 6. Our performance

## In today's dynamic business landscape, we have been tasked with leading the decarbonisation of society and accelerating our activities to ensure net zero is achieved in time.

To effectively navigate these challenges and opportunities, we have established three categories of key performance indicators (KPIs): financial, sustainable and operational. These KPIs will serve as our guiding principles, helping us to take informed decisions to support our growth.

This performance chapter relates to our core TSO business activities, meaning that most of the KPIs included relate to ETB and 50Hertz specifically. Values for ETB and 50Hertz are either presented separately or consolidated for the Group by adding up the two figures. As we work on establishing a 'one Group, one mindset' approach, some KPIs relate to one or more of our entities. These are highlighted throughout the accompanying notes.

# 6.1. Financial performance KPIs

**As we navigate the challenges of the present while charting a course towards a sustainable future, our financial performance acts as a vital compass for our activities. Robust financial performance remains crucial for attracting the necessary resources to fuel our expansion. Our financial stability will provide us with the capacity to roll out our CAPEX plan and will make our business attractive to potential investors and partners. This chapter explores three pivotal KPIs that encapsulate Elia Group's financial strategy. Please refer to the glossary for the definitions of terms used. The numbers displayed are consolidated for Elia Group.**

## Regulatory asset base (RAB)[6]

Unit: €

**2024**

**€18.5 bn**

| 2023 | 2022 |
|---|---|
| **€14.4 bn** | **€12.6 bn** |

### Analysing the trend

Elia Group's RAB experienced a 27.8% increase in 2024, driven by the realization of our investment program. Over the next four years, we expect an annual RAB growth over 20%. This growth will be driven by a €26.8 billion capital expenditure (CAPEX) plan spanning our two regulated markets.

## Earnings per share

Unit: €

**2024**

**€5.7/share**

| 2023 | 2022 |
|---|---|
| **€4.4/share** | **€4.8/share** |

### Analysing the trend

EPS increased by 30% (+€1.3/share). This is the result of the execution of the investment plans in Belgium and Germany, coupled with a strong operational performance of the regulated entities and increased contribution from Nemo Link. Given the investment plans we have in place at ETB and Eurogrid over the next years, we expect the net profit Elia Group share to experience a compound annual growth rate of around 20%, based on current interest rate projections. In addition to this, we anticipate that we will achieve a double-digit level of growth in earnings per share over the next four years.

## ROE (Adj.)

Unit: %

**2024**

**8.4%**

| 2023 | 2022 |
|---|---|
| **6.9%** | **7.5%** |

### Analysing the trend

Elia Group reported an ROE (adj.) of 8.4%. For 2025, Elia Group anticipates that the net profit of Elia Group share will range between €490 million and €540 million.

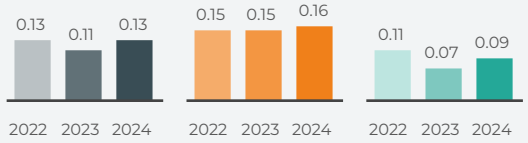
[6] Includes 100% of 50Hertz and represents both closing RAB figures for ETB and 50Hertz.

# 6.2. Sustainable performance KPIs

**As ActNow makes clear, our work on sustainability extends beyond the decarbonisation of the power sector. We are committed to making our activities carbon neutral, making our business processes more sustainable, and establishing a diverse workforce with a high level of wellbeing that is supported by clear organisational structures and procedures. This will enhance our work in the interest of society, strengthen our workforce, and demonstrate to stakeholders that we are a partner worth investing in. The following KPIs therefore track the progress we have made on 13 sustainable performance KPIs.**

## $SF_6$ leakage rate

Unit: %



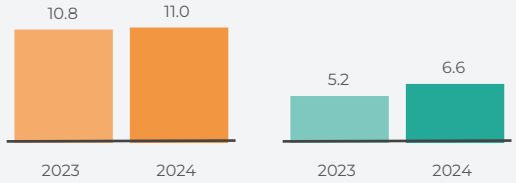

### Analysing the trend

SF6, an insulating and extinguishing gas, is crucial for our operations due to its excellent electrical properties, but its global warming potential is 24,300 times higher than CO2. Elia Group is committed to minimizing SF6 leakage and reducing its usage in new assets. Our goal is to keep the consolidated SF6 leakage rate below 0.25% by 2030 as part of our phaseout program.

In 2024, Elia Group's SF6 leakage rate remained very low overall. Although ETB saw a slight increase in leakage due to a few significant losses in new equipment, our monitoring systems prevented further leaks. Meanwhile, 50Hertz maintained a low leakage rate and improved the tightness of several switchgears.

## Scope 1 emissions[7]

Unit: $ktCO_2e$



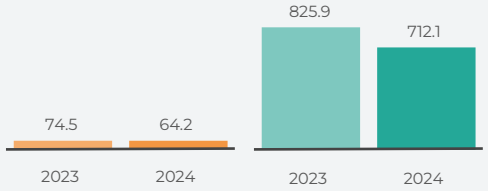

### Analysing the trend

In Germany, Scope 1 emissions rose due to increased SF6 and fleet emissions. While SF6 emissions were lower than most years since 2020, they were higher than the exceptionally low levels of 2023. Fleet emissions grew for the third year in a row due to higher mileage of conventionally-fueled vehicles, despite adding electric vehicles.

In Belgium, Scope 1 emissions stem mainly from SF6 leakage and diesel consumption. Diesel use has decreased thanks to fleet electrification, but rising SF6 emissions offset this, as even minor incidents have a significant impact. The expected increase in SF6-insulated installations for the energy transition will make reducing absolute SF6 leakage challenging.

## Scope 2 emissions[7]

Unit: $ktCO_2e$




### Analysing the trend

In Germany, grid losses decreased slightly, and a declining power mix emission factor significantly reduced total Scope 2 emissions, despite increased own energy consumption due to business expansion.

Looking ahead to 2030, Elia Group targets a 28% absolute reduction in Scope 1 and 2 emissions from 2019 levels. Excluding grid losses, the goal is to achieve carbon neutrality through location-based approaches and offsetting measures. This reflects our commitment to environmental sustainability and global climate efforts.

[7] Calculation updated in line with CSRD regulation

## Biodiversity: high voltage lines identified as critical for birds equipped with anti-collision devices

Unit: %

**2024**

# 78%

| 2023 | 2022 |
|---|---|
| **75%** | **62%** |

### Analysing the trend

Bird protection remained high on our priority list in 2024 and we continued our efforts to equip the most exposed power lines in our network with anti-collision devices. A notable achievement in 2024 was the installation of bird protection markers on an overhead line in a bird-sensitive area of Mecklenburg-Western Pomerania using a drone. In both countries, Germany and Belgium, we installed bird markers along 15 km of our lines in 2024.

## Biodiversity: ecological corridors implemented in forests (based on projects of ETB)[8]

Unit: %

**2024**

# 75%

### Analysing the trend

In 2024, we continued to create new ecological corridors in Belgium by altering the vegetation in our forest corridors. Following the initial intervention, vegetation is managed ecologically. Over 40 new hectares were developed under existing lines, and nearly 50 hectares were developed through an infrastructure project in Flanders, marking significant progress towards our 2030 target. By 2030, we aim to expand our ecological corridors program to cover 90% of the areas under our overhead lines.

## Biodiversity: ecological corridors implemented in forests (based on maintenance performed by 50Hertz)[8]

Unit: %

**2024**

# 98%

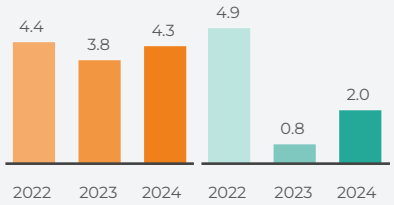
### Analysing the trend

In 2024, numerous forest corridors in Germany were managed ecologically in consultation with landowners and authorities. In total, 3,767 ha of forest areas were managed during maintenance under overhead lines this year. Of these, 3,686 ha were managed ecologically.
Please note that the definition and calculation methodology were changed in 2024. Therefore, the figures for 2022 and 2023 are not directly comparable with those for 2024.

[8] Calculation updated in line with CSRD regulation

## Total recordable injury rate (TRIR) of employees

Unit: #

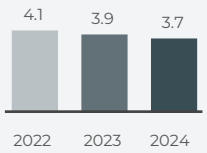



### Analysing the trend

In 2024, Elia Group maintained a TRIR rate below the limit of 6.3, with a target of 5.15 by 2030. Although slightly higher than in 2023, the overall trend is decreasing. This improvement highlights the effectiveness of our safety initiatives. With increasing construction and high-risk projects, we are committed to ongoing safety enhancements. Safety is a core component of our ActNow sustainability program, with projects and action plans focused on minimizing health and safety risks and reducing accidents.

## Absenteeism rate

Unit: %




### Analysing the trend

Elia Group's annual target is to keep the absenteeism rate below 5%. In 2024, we achieved a rate of 3.7%, well below our target and the industry average. We continually invest in our employees' wellbeing and remain committed to this, especially given the challenges posed by our significant investment plans and digital transformation ambitions. Mental health and wellbeing are integral to the ActNow sustainability program and are included in the global prevention plan and annual safety action plans.
The rate is calculated as: 100% minus the health rate.

## Employee turnover rate[9]

Unit: %

**2024**

**5.7%**

### Analysing the trend

The employee turnover rate remains stable and aligns with market trends of a more mobile workforce. In 2024, our workforce grew by over 500 employees. We ensure new hires feel welcome and prepared through an intensive onboarding journey (both at ETB and 50Hertz) covering strategy, culture, and safety, i.a. We also offer all employees numerous development and growth opportunities, including training through My Academy, internal mobility, and mentoring.

## Women in leadership positions[9]

Unit: %

**2024**

**23.5%**

### Analysing the trend

There has been an increase in female senior managers and directors, confirming a positive trend. Interviews with middle and senior managers identified barriers to taking on more responsibility. We support our female colleagues through role modeling, coaching, mentoring programs, and a women's network. In 2025, we will further these efforts by establishing a female leadership track.

## Women in the total workforce[9]

Unit: %

**2024**

**24.5%**

### Analysing the trend

We are progressing towards our goal of 25% women in the workforce by 2028, driven by a significant inflow of female hires. In 2024, over 500 new colleagues joined, with women making up 30%. This success results from using female job titles, inclusive language in job ads, positioning as an inclusive employer, and engaging organizations with potential female candidates.

[9] Calculation updated in line with CSRD regulation

## Environmental EU taxonomy aligned CAPEX

Unit: %

**2024**

# 99.8%

### Analysing the trend

Electricity transmission is a key activity enabling the energy transition, leading to a high percentage of taxonomy alignment for Elia Group's investments. This year, the few remaining PCB*-contaminated transformers of Elia Transmission Belgium were depolluted, further increasing the taxonomy alignment percentage of the Belgian TSO. Full details are available in the Sustainability Report.

*PCBs - polychlorinated biphenyls are a group of chemicals that were used in electrical equipment.

## Sustainalytics risk index score

Unit: #

**2024**

# 14.3

| 2023 | 2022 |
|---|---|
| **14.8** | **16.3** |

### Analysing the trend

Over the past few years, Elia Group has received low risk scores. We were able to improve our risk score by working on our ActNow programme and improving our reporting. Elia Group’s ESG risk rating places it within the top 4% in the electric utilities subindustry assessed by Sustainalytics. We will continue to focus on maintaining our low risk score even if the criteria become stricter.

# 6.3. Operational performance KPIs

**We develop and construct robust, reliable and innovative grid infrastructure that provides millions of consumers with electricity and will help our home countries to reach net zero. We harness the skills and expertise we have developed in Europe and apply these in new markets, so driving forward the energy transition abroad, too. Our high level of operational performance and sector-specific knowledge - illustrated by the 11 operational performance KPIs below - makes us an attractive partner for other TSOs, governments, NGOs and beyond.**

## Grid reliability (based on interuption time)

**Applies to Elia Transmission Belgium (30-380 kV)**

Unit: %

**2024**

**>99.9%**

| 2023 | 2022 |
|---|---|
| **>99.9%** | **>99.9%** |

### Analysing the trend

2024 was an exceptionally good year for grid reliability in Belgium. There was one major incident that affected the grid reliability value for the year. While it is not possible to forecast such incidents, we strive to eliminate interruptions entirely.

## Grid reliability (based on number of incidents)

**Applies to 50Hertz (220-380kV)**

Unit: %

**2024**

**99.8%**

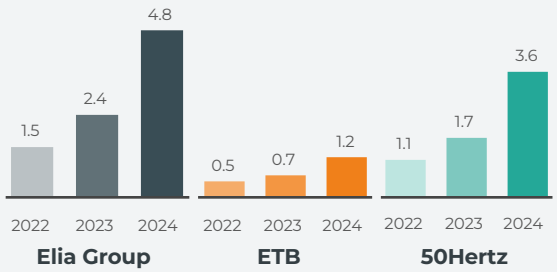
| 2023 | 2022 |
|---|---|
| **99.7%** | **99.8%** |

### Analysing the trend

In 2024, 50Hertz achieved better results compared to the previous year. Despite the total grid size increasing over the years, 50Hertz successfully maintained grid availability at a consistently high level.

## Total investments

Unit: € billion

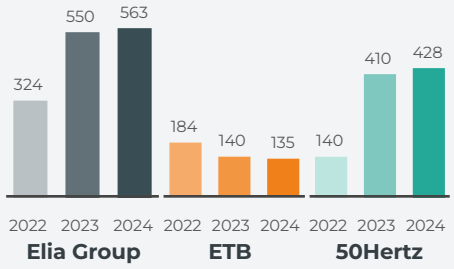



### Analysing the trend

Shown above is the gross CAPEX of Elia Transmission Belgium and 50Hertz minus client contributions. CAPEX is an important metric for the Group, since it affects the RAB that serves as a basis for its regulatory remuneration. In 2024, Elia Group invested a total of €4.8 billion in grid infrastructure. For the period 2025-2028, Elia Group plans to invest €26.8 billion across our regulated markets in Belgium and Germany.

## Length of new and upgraded lines

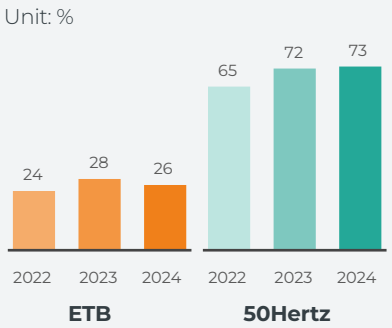
Unit: Km




### Analysing the trend

In Belgium, the length of new and upgraded lines for 2024 totaled 135 km, including new overhead lines and the reinforcement of existing lines (HTLS). The largest project in 2024 was the Jupille-Rimière reinforcement, covering 40 km. For 2025, 125 km of reinforcements and new links are planned, with more than 60 km dedicated to the Mercator-Bruegel reinforcement. In Germany, the length of new and upgraded lines for 2024 amounted to 428 km and included key projects such as Röhrsdorf – Weida, Bertikow – Vierraden and Pulgar – Vieselbach.

## Renewable energy share in electricity consumption

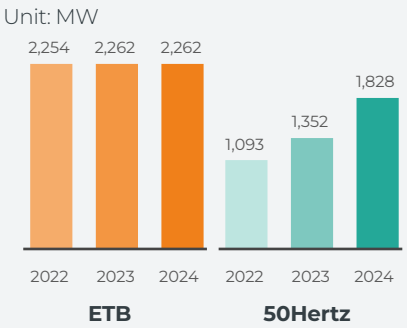



### Analysing the trend

In Belgium, the installed photovoltaic capacity increased significantly in 2024. However, the share of renewables in electricity consumption was slightly lower compared to 2023. This is due to two reasons: higher electricity consumption in 2024 and the fact that 2023 had exceptionally high wind production.

In 2024, electricity generated from renewable energy sources accounted for 73% of the electricity consumption in the 50Hertz area. While consumption levels remained similar to the previous year, renewable energy generation saw a slight increase.

## Connected offshore generation capacity

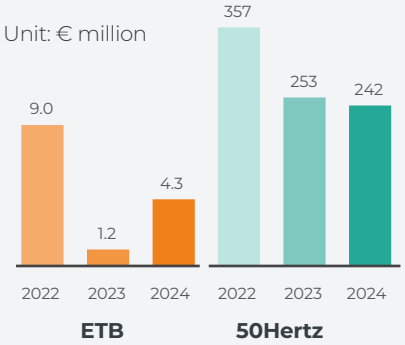



### Analysing the trend

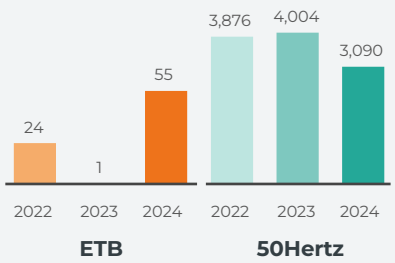
50Hertz completed the grid connection for the Baltic Eagle wind farm (476 MW) as part of the Ostwind 2 project and awarded contracts for offshore converter systems for the Ostwind 4 and Lanwin 3 projects. In 2025, priorities include executing cable laying for Ostwind 3 and securing the project pipeline.

No new offshore wind farms were connected in Belgium in 2024, keeping capacity at the same level. Ongoing works on Princess Elisabeth Island included seabed preparation, caisson production, HVAC cable contracts, and substation installation. In 2025, work will continue with the installation of caissons, onshore AC substation construction, and AC cable production.

## Cost of congestion management (redispatching)




## Congestion management volumes (redispatching)




### Analysing the trend

Redispatch volume and costs depend on multiple factors. For 50Hertz, the reason for the decrease in redispatch costs in 2024 is the reduction in redispatch volume within the 50Hertz control area. The decrease in conventional generation redispatch volume in 2024 can be attributed to favourable weather conditions and the completion of new transmission lines. However, the reduction in conventional generation redispatch was partly offset by an increase in redispatch from renewable generation. This is due to the growing capacities for photovoltaics and wind energy. In general, redispatch volume is expected to remain high until major transmission grid projects are completed, which will alleviate grid congestion. Restatement: 50Hertz cost of congestion management 2022 and 2023 have been recalculated to include conventional and renewable redispatch as well as 50Hertz share of cross-border redispatch.

For Elia Transmission Belgium, the volumes and costs associated with congestion management are typically triggered by specific planned outages in the network. In 2024, high redispatch volumes and costs occurred in August and September due to several planned maintenance activities on the 380 kV backbone.

## Number of WindGrid partnerships

WindGrid | Elia Group

### Analysing the trend

No new partnerships were signed in 2024. The focus has been less on new partnerships but more on bringing the leads into concrete projects. Progress was made on HansaLink which went from the Qualify stage to the Development stage (part of TYNDP 24 list + grid connection in UK signed).

## Hit rate for consultancy services

**(EGI)**

Unit: %

**2024**

**38%**

| 2023 | 2022 |
|---|---|
| **32%** | **27%** |

### Analysing the trend

The increase in the hit rate for consultancy services in 2024 can be attributed to several key factors. One significant change was the diversification of our business into new markets and opportunities across different regions and customer segments, in contrast to 2023 when our business was mainly concentrated in one country with a limited customer base. Additionally, our focus shifted towards more standard proposals, prioritizing projects with clear value and feasibility. This strategic shift enabled us to secure more contracts and improve our performance.

## Revenue from external clients

**(EGI, re.alto energy GmbH, WindGrid SA/NV & WindGrid USA LLC consolidated figures)**

Unit: €

**2024**

**9.0 million**

| 2023 | 2022 |
|---|---|
| **12.1 million** | **4.7 million** |

### Analysing the trend

The decrease in revenues from external clients compared to 2023 is attributable to lower international consulting revenues at EGI. The year 2023 was exceptional in this regard due to particularly large projects at EGI.

# 7. Outlook for 2025

## Europe is standing on the edge of transformative changes

The changing geopolitical context – from conflicts in Ukraine and the Middle East to shifting U.S. climate policies – is reshaping global energy strategies. In the past, decarbonisation, sustainability and environmental, social and governance (ESG) considerations were the focus. However, energy independence is now a key concern. Despite this change in perspective, electricity will always remain essential, meaning that Elia Group's investments continue to be critical.

"Europe is ready for change" – the words of the European Commission's President, Ursula von der Leyen, in early 2025 in Davos captured a growing optimism that Europe stands on the brink of transformative changes which are potentially as significant as those triggered by the COVID-19 pandemic. Europe has been presented with the chance to strengthen its leadership in the clean energy sector, especially as the U.S. slows its decarbonisation efforts. Regulations could become increasingly pragmatic as they aim to balance oversight with the flexibility needed to drive innovation and growth.

Aimed at getting Europe's economy back on track, the **Clean Industrial Deal** will focus on two priority areas which are closely interlinked: energy intensive industries and clean technology. A key component of supporting competitiveness and accelerating decarbonisation include reducing energy costs for industry.

The **Affordable Energy Action Plan** will propose measures to lower energy costs, remove barriers in cross-border markets, and encourage investments in energy infrastructure. This will include a **European Grid Pack** for the expansion, modernisation and digitalisation of grids via streamlined regulations, improved cross-border planning and simplified permitting.

To increase the speed of society's electrification, aid schemes will be put in place to accelerate the rollout of renewable energy and de-risk private investments in renewables, industrial decarbonisation, clean tech manufacturing and energy infrastructure. Additionally, there will be guidance on promoting the remuneration of flexibility in retail contracts and offering lower prices to voluntary industries and consumers who use electricity outside of peak hours.

## Mitigating risks to strengthen energy security and economic sovereignty

While many opportunities lie ahead for Europe, significant challenges also await the Union. Like all system operators in Europe, Elia Group is being affected by supply chains pressures, particularly regarding essential infrastructure such as high-voltage direct current (HVDC) systems and converters. However, market signals are now encouraging suppliers to expand, with clear long-term profitability leading up to 2040.

A **Clean Industrial State Aid Framework** aimed at reducing risks in clean tech manufacturing and energy infrastructure investment can instil confidence in long-term investments. This should encourage suppliers to enhance production capacity within Europe, thereby bolstering both its energy security and economic sovereignty.

However, it may be the case that industry will shift from rushing to meet 2030-33 deadlines to adopting a more sustainable and steady pace of change. This could help to balance demand, reduce bottlenecks, and ensure a healthier project pipeline over the next decade.

The U.S. government's decision to reverse its energy transition efforts is unfortunate for the fight against climate change. However, it might bring benefits for Europe's economy by diminishing the pull of subsidies from the U.S. Inflation Reduction Act, which aimed to boost green investment in the U.S. With the EU intensifying its decarbonisation efforts and supporting related research and development investments, Europe's appeal to green-focused investors, both internal and external, will likely grow.

## Towards more diversified financing

Executing Elia Group's ambitious investment plan requires diversified and innovative financing strategies. In the face of global economic uncertainties, Elia Group is leveraging its solid infrastructure base and sustainable activities to attract diverse funding sources beyond traditional bonds.

By tapping into a broader range of financial instruments and investor pools, Elia Group can support its ambitious growth and development plans, ensuring the continued modernisation and expansion of its energy infrastructure to meet future demands in a reliable and sustainable manner. Diversified financing can help it manage risks more effectively and is aligned with the Group's long-term strategic objectives, ultimately contributing to sustained value creation for all stakeholders.

## Long-term resilience rather than short-term gains

Elia Group recognises that the energy transition is as much about digital innovation as it is about physical infrastructure. The ongoing digitalisation of system operations culminating in the launch of the Modular Control Center System (MCCS) in 2026 will enhance grid management, efficiency, and resilience.

Internally, the Group is working on greater international talent mobility and fostering a culture of innovation. Its focus is on smart, scalable solutions like cross-border radials, multi-purpose power hubs, and integrating renewables with hydrogen storage. Exploring new storage solutions will also be crucial for improving grid flexibility, balancing costs, and mitigating price volatility, especially during periods of renewable overproduction.

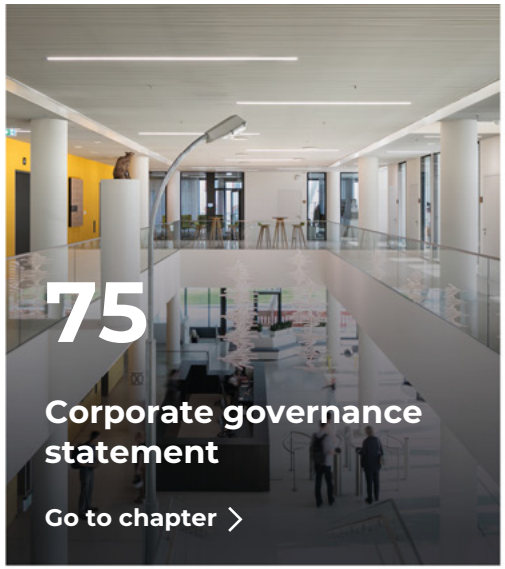
**To conclude, Elia Group is entering 2025 with a clear mission: to enable the energy transition in the countries it serves by building a future-proof, integrated, and sustainable electricity system. The Group is strategically navigating challenges from supply chain pressures to financing complexities while capitalising on policy support, technological innovation, and shifting geopolitical dynamics.**

# Governance & Risk Report

**No transition without transmission. Our strategic investments are essential to enable the electrification, to meet rising electricity demands and to increasingly integrate renewable energy sources into the grid. We are committed to operating in the interest of society, ensuring a sustainable and reliable energy future for all.**

OVERVIEW

# Governance & Risk Report



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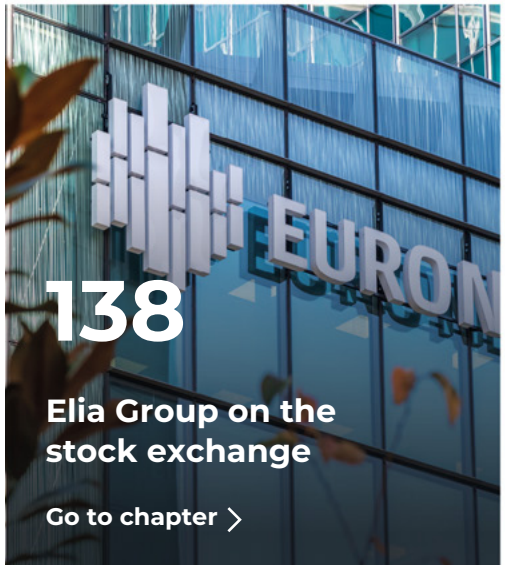

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# 1. Corporate governance statement

This corporate governance statement contains the main aspects of Elia Group SA/NV's corporate governance framework, including all relevant information on events affecting Elia Group SA/NV's governance during the financial year 2024. As regards the composition of the bodies of Elia Group SA/NV, this corporate governance statement reflects the situation within the company as per 31 December 2024.

In 2024, Elia Group SA/NV's corporate governance was based on the following pillars:

- The (Belgian) 2020 Code on Corporate Governance[10], which Elia Group SA/NV has adopted as its benchmark code;
- The (Belgian) Code of companies and associations[11];
- Elia Group SA/NV's articles of association[12];
- The Corporate Governance Charter of Elia Group SA/NV[13].

This corporate governance statement also includes the reasons for the deviations from the following provisions of the 2020 Code on Corporate Governance:

- Provision 5.6 on the maximum term of office of four years for a director;
- Provision 7.6 on the partial remuneration of a non-executive director in shares;
- Provision 7.9 on the setting of a minimum threshold of shares to be held by executives;
- Provision 9.1 on board evaluation.

In accordance with the Corporate Sustainability Reporting Directive ('CSRD') and its implementation under Belgian law, Elia Group SA/NV is required to produce a comprehensive sustainability report adhering to the European Sustainability Reporting Standards ('ESRS') as from its integrated annual report related to financial year 2024. These standards are applicable on a.o. governance and remuneration aspects. In this respect, we also refer to the Sustainability Report and Remuneration Report as part of this integrated annual report.

[10] The (Belgian) 2020 Code on Corporate Governance can be found on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be)
[11] The (Belgian) Code of Companies and Associations can be found on the website of the ministry of justice (http://www.ejustice.just.fgov.be/cgi_loi/wet.pl).
[12] The Articles of association of Elia Group SA/NV can be found on the website of Elia Group SA/NV (https://www.eliagroup.eu/en/about-elia-group/corporate-bodies).
[13] The Corporate Governance Charter of Elia Group SA/NV can be found on the website of Elia Group SA/NV (https://www.eliagroup.eu/en/about-elia-group/corporate-bodies).

# 1.1. Introduction on the changes within the Board of Directors

There were no new members appointed within the Board of Directors (or its advisory committees) in 2024[14]. On 12 December 2024, the Board of Directors of Elia Group SA/NV appointed Bernard Gustin as CEO and President of the Executive Management Board of Elia Group SA/NV as from 15 January 2025 onwards. Following this appointment as CEO, Bernard Gustin submitted his voluntary resignation as independent director of Elia Group SA/NV and its subsidiaries Elia Transmission Belgium SA/NV and Elia Asset SA/NV, which resignation became effective at the end of the meeting of the Board of Directors of 12 December 2024. As from 1st April 2025 onwards, Marco Nix becomes the full-time CFO of Elia Group SA/NV. Catherine Vandenborre, who assumed the role of CEO Ad Interim and CFO of Elia Group SA/NV has offered her voluntary resignation and will be staying on throughout a transition phase until 30 June 2025.[15]

[14] As there were no newly appointed members within the Board of Directors (or its advisory committees) in 2024, no assessment regarding similar position in public administration in the last two reporting periods (i.e. financial year 2023 and 2022) had to be executed for such new members.
[15] The press release of these appointments and resignations can be found on the website of Elia Group SA/NV (https://www.elia.be/en/press/2024/12/202412_pressrelease).

# 1.2. Composition of the management bodies on 31 December 2024

## Board of Directors[16]

### Chairman

— Geert Versnick, non-executive director appointed upon proposal of Publi-T SC/CV[17]

### Vice-chairman

— Bernard Thiry, non-executive director appointed upon proposal of Publi-T SC/CV[18]

### Directors

— Michel Allé, non-executive independent director[19]

— Pieter De Crem, non-executive director appointed upon proposal of Publi-T SC/CV[20]

— Laurence de l'Escaille, non-executive independent director[21]

— Frank Donck, non-executive independent director[22]

— Interfin SC/CV, permanently represented by Thibaud Wyngaard, non-executive director appointed upon proposal of Publi-T SC/CV[23]

— Roberte Kesteman, non-executive independent director[24]

— Dominique Offergeld, non-executive director appointed upon proposal of Publi-T SC/CV[25]

— Pascale Van Damme, non-executive independent director[26]

— Eddy Vermoesen, non-executive director appointed upon proposal of Publi-T SC/CV[27]

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[16] The Board of Directors of Elia Group SA/NV per 31 December 2024 was composed of 11 non-executive directors since Bernard Gustin resigned as non-executive independent director and Chairman of the Board of Directors of Elia Group SA/NV following his appointment as Chief Executive Officer by the Board of Directors on 12 December 2024.The Board of Directors does not include a representation of employees or workers. The workers and employees are duly and adequately represented within the work council established in accordance with the BCCA and the Belgian law of 20 September 1948 organizing the economy.

[17] Geert Versnick serves as Chairman of the Board of Directors as from 12 December 2024 in replacement of Bernard Gustin. Born in 1956, Mr. Versnick holds a Master of Laws from the University of Ghent, a certificate of Board Effectiveness from Guberna and a certificate of High Performance Boards from IMD. In addition, he attended the Board Education retreat organized by IMD and the AVIRA program organized by INSEAD (France). He is former lawyer with an extended political career, further to which he has been appointed honorary member of the House of Representatives from the Belgian Federal Parliament. He is also the Chairman of the Board of Directors of Publi-T SC/CV and a director of NextGrid Holding SA/NV since January 2025.

[18] Born in 1955, Mr. Thiry obtained a master in Economics from the University of Liège in 1979. He graduated at Stanford University (USA) and then obtained a PhD in Economics at the University of Liège in 1985. In 1989, he started his academic career at the University of Liège, which he continues as a professor at HEC-ULg School of Management (currently as professor emeritus). He was director of the CREG, chairman of Forem's management committee, and chairman of the Union nationale des mutualités socialistes. From 2008 to 2016, he was CEO of Ethias. Mr. Thiry currently serves as director of Publi-T, Publipart, vice-chairman of Publigaz and director of NextGrid Holding SA/NV since January 2025. He is also chairman of the Board of Directors of SOCOFE and of Solidaris Assurances and Intégrale Luxembourg.

[19] Mr. Allé is the former Chief Financial Officer of SNCB SA/NV (2013-2015) and SNCB Holding SA/NV (2005-2013). Prior to his functions with SNCB and SNCB Holding, he served as Chief Financial Officer of BIAC SA/NV (2001-2005). Born in 1950, Mr. Allé holds a Master in Physics Civil Engineering and a Master in Economics from the University of Brussels (ULB). Alongside his professional experience, he has a long academic experience with the University of Brussels (ULB) (Solvay Brussels School of Economics and Management & Ecole Polytechnique). Today, he is Honorary Professor of that same University.

[20] Mr. De Crem began his political career in 1989 as an attaché to the staff of Prime Minister Wilfried Martens. In 1994, he was elected Mayor of Aalter, a position he still holds today. He was elected to the Belgian Federal Parliament for the first time in 1995, and then served as President of the CD&V Group in the House of Representatives (2003-2007) and as chairman of the Home Affairs Committee in 2007. Mr. De Crem has served as Minister of Defense (2007-2014), State's Secretary of Foreign Trade (2014-2018), and Minister of Home Affairs and Security (2018-2020). He has also served as Deputy Prime Minister (2013-2014) and as the federal government's special envoy for the MYRRHA research project based in the Belgian Nuclear Research Centre (2017-2018). Born in 1962, Mr. De Crem holds a Master in Romance philology from the University of Leuven (KUL), a Master in European and International Law from the University of Brussels (VUB) and a Degree from Harvard Business School (APM).

[21] Mrs. de l'Escaille began her career at the European Bank for Reconstruction and Development before joining the International Monetary Fund. She continued her career at McKinsey & Company, where, as a Partner, she directed several major strategic and operational advisory programs in the energy and financial sectors. Alongside her mandates at Elia, Mrs. de l'Escaille serves as an independent non-executive director of BNP Paribas Fortis. She is also a member of Belgium's Commission for Nuclear Provisions. She holds a bachelor's degree from the University of Oxford and a master's degree from Johns Hopkins University.

[22] Born in 1965, in Aalter, Belgium, Mr Frank Donck holds a Master of Law Degree from the University of Ghent (Belgium) and a Master in Financial Management from the Vlerick Business School, Ghent (Belgium). He started his career as investment manager for Investco SA/NV (later KBC Private Equity SA/NV). He has since 1998 been the managing director of the family-owned investment company 3D SA/NV NV. He currently serves as chairman of the board of Atenor SA/NV. He serves as director of KBC Group and as independent director of Elia Group SA/NV, Barco SA/NV and Luxempart SA/NV. Mr. Donck is also a member of Belgium's Corporate Governance Commission.

[23] Mr. Wyngaard is first alderman of Uccle in charge of Public Works, Mobility, Parking and Sports. Prior to his political functions, he was with the Legal Department of the Royal Belgian Football Association (2006-2008). He served as an assistant and researcher at the Public Law Centre of the Université Libre de Bruxelles (2008-2010), where he currently serves as Assistant in the Faculty of Law. He served as political secretary of the Ecolo political group in the Parliament of the Brussels-Capital Region (2010-2018). He served as President of the Port of Brussels (2013-2014). He is Vice Chairman of the Board of Directors and the executive committee of Sibelga. He is also Chairman of the Audit Committee of Sibelga. He serves as Director (member of the Bureau) of Interfin and Publi-T and as director of NextGrid Holding SA/NV since January 2025. Born in 1983, Mr. Wyngaard holds a Master in Law with a major in public law from the University of Brussels (ULB), a Complementary Master in environmental law and public real estate law from the University Faculty of Saint-Louis.

[24] Ms. Kesteman is the former CEO (2008-2012) and CFO and HR Director (2002-2008) of Nuon Belgium SA/NV. She is the former Chairwoman of FEBEG. Born in 1957, Ms. Kesteman holds a Master in Commercial and Consular Sciences from the Vlaamse Economische Hogeschool Brussel and attended the International Corporate Finance Course at INSEAD (France).

[25] Ms Offergeld is the Chief Financial Officer of ORES SRL/BV (since 2008). She is Vice-Chairwoman of the Board of Directors of Publi-T SC/CV and director of NextGrid Holding SA/NV since January 2025.She held the function of deputy chief of staff of the Minister of Mobility (2014-2016) and of the Minister of Energy (2004-2008). She was General Counsel at SNCB Holding (2005-2008) and also chairwoman of the Board (2004-2005). She has exercised the function of expert of two Vice-Ministers of the Walloon Region (1999-2001) and federal State (2001 – 2004) and Credit analyst at the "Generale de Banque" (BNP Paribas Fortis) (1988-1999). She was also appointed as Belgocontrol Government Commissar (2014-2016), as Vice-President of the "Institut des Radio Eléments" (IRE) (2005-2013) and as Fluxys Government Commissar (2004-2008). Born in 1963, Ms. Offergeld holds a Master in Economics and Social Sciences from the University of Namur, a certificate of General Management from INSEAD (France) and a Certificate of Corporate Governance from Guberna.

[26] Ms. Van Damme was appointed as CEO Group Cordeel in February 2025. Previously, she used to be Vice President at Dell Technologies leading the multi Billion VMware business for Europe Middle East & Africa. Prior to her role as Managing Director, she led the Belgian and Luxembourgish Dell Technologies branches for eight years. Pascale previously led the company's public sales team in Belgium and later she was the Sales Transformation lead for Europe, Middle East and Africa, having joined Dell Technologies in 2004. Prior to Dell Technologies, Pascale spent five years as Director of Corporate Sales at Base and in key account management positions at Proximus, both key players in the telecom industry and TNT Express. She is actively working across the digital sector in her role as President of Agoria Digital Industries, the digital industries chapter of Belgium's industry and trade association. She has been recognised as a fervent sponsor of women in IT. She received Belgium's ICT Woman of the Year award (2014) and the European Digital Woman of the Year award (2017) and was named JUMP's Wo.Men@Work 2018 CEO Ambassador for Gender Equality. Pascale is also co-founder of BeCentral, the digital hub in Brussels, which aims at democratizing access to digital applications and the digital world. Mrs. Van Damme is President of the Royal Belgian Football Association.

[27] Born in 1952, Eddy Vermoesen received his academic training at the Royal Military Academy and the School for Military Directors. At KU Leuven, he obtained a master's degree in government management and public administration. Within Defence, he was budget manager of the Medical Service and later administrative director of the Military Hospital in Neder-over-Heembeek. He was also a member of the board of censors of the National Bank of Belgium. He currently serves as director of Publi-T, as director van NextGrid Holding SA/NV since January 2025 and vice-chairman of IGEAN (autonomy public company active within support services), and vice-chairman of FINEG (Financieringsholding voor Elektriciteits- en aardGasverkoop).

## Advisory committees to the Board of Directors

### Nomination and remuneration committee

- Dominique Offergeld, Chairwoman
- Roberte Kesteman
- Laurence de l'Escaille
- Pascale Van Damme
- Geert Versnick

### Audit committee

- Michel Allé, Chairman
- Frank Donck
- Roberte Kesteman
- Dominique Offergeld
- Eddy Vermoesen

### Strategic committee[28]

- Geert Versnick, Chairman
- Michel Allé
- Pieter De Crem
- Bernard Thiry
- Frank Donck, standing invitee
- Dominique Offergeld, standing invitee

## Joint auditors

- EY Réviseurs d'Entreprises SRL/BV, represented by Paul Eelen
- BDO Réviseurs d'Entreprises SRL/BV, represented by Michaël Delbeke

## Executive Management Board[29]

- Catherine Vandenborre (Chief Executive Officer ad interim and Chief Financial Officer)[30]
- Stefan Kapferer (Chief Executive Officer 50Hertz)
- Peter Michiels (Chief Alignment Officer)
- Michael Freiherr Roeder von Diersburg (Chief Digital Officer)
- Marco Nix (Chief Financial Officer ad interim)[31]
- Frédéric Dunon (Chief Executive Officer Elia Transmission Belgium SA/NV and Elia Asset SA/NV[32])

## Secretary General

- Siska Vanhoudenhoven

[28] On 31 December 2024, the strategic committee of Elia Group SA/NV was composed of 4 members following the appointment of Bernard Gustin as Chief Executive Officer by the Board of Directors on 12 December 2024 upon proposal of the nomination and remuneration committee, and therefore his resignation as a non-executive independent director and member of the strategic committee of Elia Group SA/NV as from 12 December 2024.
[29] Bernard Gustin was appointed as Chief Executive Officer of Elia Group SA/NV by the Board of Directors upon proposal of the nomination and remuneration committee on 12 December 2024 with effect from 15 January 2025.
[30] Catherine Vandenborre has offered her voluntary resignation as Chief Executive Officer Ad Interim and Chief Financial Officer on 12 December 2024. Bernard Gustin took over her role as Chief Executive Officer since 15 January 2025. Marco Nix will take over her role as full-time Chief Financial Officer as from 1st of April 2025. Catherine Vandenborre will assist Elia Group SA/NV throughout the transition phase until 30 June 2025.
[31] Marco Nix was appointed as Chief Financial Officer of Elia Group NV/SA by the Board of Directors on 12 December 2024 with effect from 1 April 2025, upon proposal of the nomination and remuneration committee.
[32] Frédéric Dunon was appointed as a member of the Executive Management Board of Elia Group SA/NV by the Board of Directors of Elia Group SA/NV on 5 March 2024 upon recommendation of the nomination and remuneration committee.

# 1.3. Board of Directors

**Geert Versnick**
**Chairman of the board**

**Bernard Thiry**

**Michel Allé**

**Roberte Kesteman**

**Pieter De Crem**

**Laurence de L'Escaille**

**Frank Donck**

**Thibaud Wyngaard (as permanent representative of Interfin SC/CV)**

**Dominique Offergeld**

**Pascale Van Damne**

**Eddy Vermoesen**

## Appointment procedure and term and expiry of directorships

As per 31 December 2024, Elia Group SA/NV's Board of Directors was composed of eleven members.[33] According to the articles of association, should one of more directorships fall vacant so that the Board of Directors temporarily counts less than twelve (12) members, the Board of Directors may, pending co-option or appointment of (a) new director(s) in accordance with article 12.3, validly deliberate and adopt decisions with the number of members that the Board of Directors shall have at that time.

At least three members of the Board of Directors are independent directors in the meaning of the applicable legal (article 7:87 of the Code of companies and association and provision 3.5 of the 2020 Code on Corporate Governance) and statutory (article 13.3 of the articles of association) provisions. All members are appointed by the general meeting of shareholders and may be dismissed by it.

The independent directors are proposed for appointment by the Board of Directors to the ordinary general meeting based on the recommendation of the nomination and remuneration committee. The non-independent directors are appointed by the ordinary general meeting upon proposal of Publi-T SC/CV, in accordance with article 13.2 of the articles of association of Elia Group SA/NV.

The directors of Elia Group SA/NV are appointed or reappointed for a maximum term of six years.

The maximum six-year term of the directorships deviates from the maximum four-year term recommended by the 2020 Code on Corporate Governance. The maximum six-year term is justified in light of the technical, financial and legal specificities and complexities that apply within the group and that require a certain level of experience achieved through continuity in the composition of the Board of Directors.

[33] Following the voluntary resignation of Bernard Gustin as independent director of Elia Group SA/NV on 12 December 2024, the Board of Directors was composed of eleven members instead of twelve as per 31 December 2024.

## Specific requirements for members of the Board of Directors

The articles of association stipulate that the Board of Directors is composed exclusively of non-executive directors.

In addition, in accordance with the articles of association, the members of the Board of Directors may not be members of the supervisory board, the Board of Directors or bodies that legally represent an undertaking that fulfils any of the following functions: production and/or supply of electricity, and/or production and/or supply of natural gas. Nor may the members of the Board of Directors carry on any other function or activity, whether remunerated or not, in favor of an undertaking falling under the preceding sentence.

In addition to the legal requirements regarding their independence (see above), the independent directors are appointed partly for their knowledge of financial management and partly for their relevant technical knowledge of the company's activities.

In accordance with the articles of association and the Code of companies and associations, at least one third of the directors must be of the opposite sex to the remaining two thirds.

In accordance with the Corporate Governance Charter of Elia Group SA/NV and in line with the provision 5.5 of the 2020 Code on Corporate Governance, members of the Board of Directors may not accept more than five directorships in listed companies.

For the composition of the advisory committees, specific skills are required.

In addition to the legal and statutory selection criteria, the Board of Directors has approved on 23 July 2024, in application of provision 5.1 of the 2020 Corporate Governance Code, additional criteria applicable to all new directors. All these criteria can be found in the Corporate Governance Charter of Elia Group SA/NV published on the websites www.elia.be (under 'About Elia', 'Corporate Governance', 'Articles of association & Corporate Governance Charter') and www.eliagroup.eu (under 'About Elia Group', 'Corporate governance', 'Articles of association & Corporate governance charter').

The composition of the Board of Directors guarantees that decisions are taken in the interest of Elia Group SA/NV. This composition is based on a gender mix and on diversity in general, as well as on the complementarity of skills, experience and knowledge. Additionally, when renewing the directorships of the members of the Board of Directors, care must be taken to ensure that a linguistic balance is achieved and maintained within the group of directors of Belgian nationality.

To further enhance the Board of Directors' social and environmental expertise and guarantee that appropriate skills and expertise are available or will be developed to oversee sustainability matters, customized training programs, focusing on Elia Group strategic material topics, are available to the board members, in collaboration with subject matter experts.

## Current composition of the Board of Directors

As per 31 December 2024, the Board of Directors was composed of eleven directors. Five directors are independent non-executive directors (45%), in the meaning of article 7:87 of the Code of companies and associations and provision 3.5 of the 2020 Code on Corporate Governance. The six other non-executive directors (55%) are non-independent directors appointed by the ordinary general meeting upon proposal of Publi-T SC/CV, as per the current shareholder structure and article 13.2 of the articles of association of Elia Group SA/NV (see also the 'Shareholder structure' section of this statement).

| **Diversity within the Board of Directors**<br>**Number of directors on 31 December 2024** | | **2024** |
|---|---|---|
| Men (64%) | Aged 35 < 54 | 1 (9%) |
| | Aged ≥ 55 | 6 (55%) |
| Women (36%) | Aged 35 < 54 | 1 (9%) |
| | Aged ≥ 55 | 3 (27%) |

## Changes in the composition of the Board of Directors

Bernard Gustin tendered his voluntary resignation as non-executive independent director and Chairman of the Board of Directors of Elia Group SA/NV with effect from 12 December 2024 in view of his appointment as Chief Executive Officer of Elia Group SA/NV by the Board of Directors as from 15 January 2025 onwards.

## Term and expiry of directorships

The directorships of Roberte Kesteman and Dominique Offergeld were renewed at the ordinary general meeting of 2023 for a six-year term, starting after the ordinary general meeting held on 16 May 2023 and expiring immediately after the 2029 ordinary general meeting relating to the financial year ending on 31 December 2028.

Frank Donck's directorship expires immediately after the 2027 ordinary general meeting relating to the financial year ending on 31 December 2026.

Geert Versnick, Pieter De Crem and Interfin SC/CV's (permanently represented by Thibaud Wyngaard) directorships will expire immediately after the 2026 ordinary general meeting relating to the financial year ending 31 December 2025.

The directorships of Michel Allé, Laurence de l'Escaille and Pascale Van Damme will expire immediately after the 2025 ordinary general meeting relating to the financial year ending 31 December 2024.

For the sake of clarity, the end of term of the mandate of each director referred to above is also mentioned in the following chart:

| | **End of term immediately after the ordinary general meeting to be held in** | **(relating to financial year ending)** |
|---|---|---|
| Geert Versnick, Chairman | 2026 | (2025) |
| Bernard Thiry, Vice-Chairman | 2029 | (2028) |
| Michel Allé | 2025 | (2024) |
| Pieter De Crem | 2026 | (2025) |
| Laurence de l'Escaille | 2025 | (2024) |
| Frank Donck | 2027 | (2026) |
| Interfin SC/CV | 2026 | (2025) |
| Roberte Kesteman | 2029 | (2028) |
| Dominique Offergeld | 2029 | (2028) |
| Pascale Van Damme | 2025 | (2024) |
| Eddy Vermoesen | 2029 | (2028) |

| End of term immediately after the ordinary general meeting to be held in | Number of directors |
|---|---|
| 2025 | 3 |
| 2026 | 3 |
| 2027 | 1 |
| 2029 | 4 |

In accordance with the provisions of the articles of association, the Board of Directors is supported by three advisory committees: the nomination and remuneration committee, the audit committee and the strategic committee. The Board of Directors ensures that these advisory committees operate in an efficient manner.

## Competences of the Board of Directors

Elia Group SA/NV has a one-tier ("système moniste/ monistisch system") structure as governance model. The Board of Directors has, in accordance with article 17.2 of the articles of association, the power to perform all acts necessary or useful for achieving the statutory purpose, with the exception of those acts reserved by law or by the articles of association to the general meeting. Thus, the Board of Directors has inter alia the following powers:

1° approval/amendment of the general, financial and dividend policy of the company, including the strategic orientations or options for the company as well as the principles and problems of a general nature, in particular with regard to risk management and personnel management;

2° approval, follow-up and amendment of the business plan and budgets of the company;

3° without prejudice to other specific powers of the Board of Directors, entering into any commitment where the amount exceeds fifteen million euros (EUR 15,000,000), unless the amount as well as its main characteristics are explicitly provided for in the annual budget;

4° decisions on the corporate structure of the company and of the companies in which the company holds a participation, including the issue of securities;

5° decisions on the incorporation of companies and on the acquisition or transfer of shares (regardless of the manner in which these shares are acquired or transferred) in companies in which the company directly or indirectly holds a participating interest, insofar as the financial impact of this incorporation, acquisition or transfer exceeds two million five hundred thousand euros (EUR 2,500,000);

6° decisions on strategic acquisitions or alliances, significant divestments or transfers of core activities or assets of the company;

7° significant changes to accounting or tax policies;

8° significant changes in the activities;

9° decisions concerning the launch of or acquisition of participations in activities outside the management of electricity networks;

10° strategic decisions to manage and/or acquire new electricity networks outside Belgium;

11° in relation to (i) Elia Transmission Belgium SA/NV and Elia Asset SA/NV: monitoring their general policy as well as the decisions and matters referred to in 4°, 5°, 6°, 8°, 9° and 10° above; (ii) the key subsidiaries designated by the Board of Directors (other than Elia Transmission Belgium SA/NV and Elia Asset SA/NV): the approval and monitoring of their general policy as well as the decisions and matters referred to in 1° to 10° above; (iii) the subsidiaries other than the key subsidiaries: the approval and monitoring of their general policy as well as the decisions and matters referred to in the 4°, 5°, 6°, 8°, 9° and 10° above;

12° exercising general supervision on the Executive Management Board; in that context, the Board of Directors shall also supervise the way in which the business activity is conducted and developed in order inter alia to assess whether the company's business is being conducted in a due and proper way;

13° the powers granted to the Board of Directors by or by virtue of the Belgian Code of companies and associations or the articles of association.

In the framework of the risk management competence of the Board of Directors, the Board of Directors approved a reference framework for internal control and risk management, established by the Executive Management Board, that is based on the COSO II framework. The Board of Directors has also appointed a Compliance Officer who is responsible for monitoring the company's compliance with laws and regulations and for applying the relevant internal guidelines. The Compliance Officer reports at least once a year to the Board of Directors on the execution of his mission.

With respect to the exercise of its supervision oversight responsibilities (see item 12° above), the Board of Directors is at least responsible for the following:

- exercising general supervision on the Executive Management Board; in that context, the Board of Directors shall also supervise the way in which the business activity is conducted and developed in order to, inter alia, assess whether the company's business is being conducted in a due and proper way;
- monitoring and reviewing the effectiveness of the advisory committees of the Board of Directors;
- taking all necessary measures to ensure the integrity and timely publication of the financial statements and other significant financial and non-financial information communicated to shareholders and potential shareholders;
- approving an internal control and risk management framework, set up by the Executive Management Board and evaluating the implementation of this framework. The Board of Directors also describes in the annual report the main features of the internal control and risk management systems of Elia Group SA/NV;
- supervising the performance of the statutory auditors and the internal audit function, taking into account the review carried out by the audit committee.

The special general meeting of shareholders held on 18 May 2021 conferred the power to the Board of Directors to acquire the company's own shares, without the total number of own shares held by Elia Group SA/NV pursuant to this power exceeding 10% of the total number of shares, for a compensation that cannot be lower than 10% below the lowest closing price in the thirty days preceding the transaction and not higher than 10% above the highest closing price in the thirty days preceding the transaction.

This power is conferred for a period of five years as from 4 June 2021. It applies to the Board of Directors and, to the extent necessary, to any third party acting on behalf of the company.

The extraordinary general meeting of Elia Group SA/NV held on 21 June 2024 decided to authorize the Board of Directors to increase the share capital of Elia Group SA/NV, subject to certain conditions set out in the articles of association and in the special report submitted by the Board of Directors to the extraordinary general meeting of Elia Group SA/NV held on 21 June 2024 (the so-called

"authorized capital"). One of those conditions relates to the maximum amount of the capital increase. More precisely, Elia Group's Board of Directors is authorized to increase the capital of Elia Group SA/NV by maximum cumulative amounts equivalent to 50% of its capital as it existed on 21 June 2024 in case the capital increases take place with a preference right and, in all other cases, by a maximum amount equivalent to 20% of its capital as it existed on 21 June 2024.

## Meetings and decision-making

The Board of Directors meets whenever required in the interests of the company and at least once per trimester. It must be convened whenever the company's interests so require and whenever at least two directors so request. It deliberates validly in accordance with the rules that it lays down.

The meetings of the Board of Directors can be held via video conference, conference call or using other means of remote communication, provided that all the members agree and the organizational principles of the board are adhered to. The decisions of the Board of Directors can be taken in accordance with article 7:95, second paragraph of the Code of companies and associations by unanimous written agreement of the directors.

The Board of Directors constitutes a collegiate body in which the members strive for consensus in their deliberations.

The deliberations of the Board of Directors are set down in minutes. These minutes are filed in a special register.

## Activity report

In 2024, the Board of Directors of Elia Group SA/NV met seven times.

The Board of Directors primarily focused on strategic issues, the monitoring of the financial and regulatory situation of the company and its subsidiaries, including refinancing strategy, the digitalization, the progress on major investment projects, various governance matters, financial and non-financial reporting and communication to the market, the appointment process of a new CEO, the follow-up of the internal audits and risks (including ESG-related risks) and the cybersecurity framework.

Members who were unable to attend usually granted a proxy to another member. In accordance with article 19.4 of the articles of association of the company, members who are absent or unable to attend may grant a written proxy to another member of the Board of Directors to represent them at a given meeting of the Board of Directors and vote on their behalf at that meeting. However, no member of the Board of Directors can hold more than two proxies.

| Attendance rate | |
|---|---|
| Bernard Gustin, Chairman until 12 December 2024 | 7/7 |
| Geert Versnick, Chairman as from 12 December 2024 | 7/7 |
| Bernard Thiry, Vice-Chairman | 7/7 |
| Michel Allé | 7/7 |
| Pieter De Crem | 7/7 |
| Laurence de l'Escaille | 7/7 |
| Frank Donck | 6/7 |
| Interfin SC/CV (permanently represented by Thibaud Wyngaard) | 7/7 |
| Roberte Kesteman | 6/7 |
| Dominique Offergeld | 7/7 |
| Pascale Van Damme | 5/7 |
| Eddy Vermoesen | 7/7 |

## Conflict of interest

The directors of Elia Group SA/NV must strictly comply with the provisions of article 7:96 of the Code of companies and associations. The procedure of article 7:96 of the Code of companies and associations has been applied once in 2024, as Bernard Gustin had a conflict of interest of a patrimonial nature within the meaning of article 7:96 of the Code of companies and associations regarding the decision of the Board of Directors of 12 December 2024 to appoint him as Chief Executive Officer of Elia Group SA/NV with effect from 15 January 2025 onwards. The minutes of this meeting relating to this agenda item are attached to the annual report of Elia Group SA/NV in line with article 7:96 of the Code of companies and associations. In the case of sensitive or confidential information, directors consult with the Chairman of the Board of Directors, in accordance with the Corporate Governance Charter.

## Advisory committees

As set out above, in order to carry out its tasks and responsibilities effectively, the Board of Directors is supported by three advisory committees: the nomination and remuneration committee, the audit committee, and the strategic committee (see below).

In principle, an advisory committee makes recommendations to the Board of Directors in certain specific matters for which it has the necessary expertise. The power of decision itself rests exclusively with the Board of Directors. The role of an advisory committee is therefore limited to providing advice to the Board of Directors.

The Board of Directors monitors the effectiveness of the advisory committees.

Members of the executive and senior management may be invited to attend advisory committee meetings to provide relevant information and insights into their areas of responsibility.

Each advisory committee reports to the Board of Directors after each meeting.

## Secretary to the Board of Directors

The Board of Directors appointed a Secretary General who advises the Board of Directors on all matters of governance. The Secretary General performs all administrative duties of the Board of Directors (agenda, minutes, filing, etc.) and ensures the preparation of documents necessary to carry out the tasks of the Board of Directors.

The role of the Secretary General includes inter alia:

- supporting the Board of Directors and its committees on all governance matters;
- preparing the Corporate Governance Charter and the corporate governance statement;
- ensuring a good information flow within the Board of Directors and its committees and between the Executive Management Board and the Board of Directors;
- ensuring that the essence of the discussions and decisions at board meetings are accurately captured in the minutes; and

— facilitating onboarding of directors and assisting with professional development as required.

Directors have individual access to the Secretary General.

## Interactions with the Executive Management Board

The Chairman establishes a close relationship with the Chief Executive Officer and provides him/her with support and advice, while respecting the executive responsibility of the Chief Executive Officer.

The Chairman ensures effective interaction between the Board of Directors and the Executive Management Board.

There is a periodic, institutionalized interaction between the Board of Directors and the Executive Management Board in the form of a statutory reporting obligation on the part of the Executive Management Board to the Board of Directors.

The Chairman and Vice-Chairman of the Executive Management Board may, together or individually, participate in the meetings of the Board of Directors in an advisory capacity.

## Interactions with the shareholders

The Chairman of the Board of Directors ensures effective communication with shareholders and ensures that directors develop and maintain an understanding of the views of the shareholders and other significant stakeholders.

The Elia website also contains a calendar of periodic information and general meetings.

Shareholders and interested parties can always address their questions directly to the Investor Relations department (see here for contact details).

## Evaluation

In accordance with provision 9.1 of the 2020 Code on Corporate Governance, the Board of Directors is regularly assessed, in principle at least every three years. The last evaluation took place in the first half of 2022. The next evaluation is scheduled for the second half of 2025, slightly exceeding the planned timeframe. This limited deviation is explained by the need to ensure an optimal process, considering the Board of Director's busy agenda during the first half of the year.

In 2023, the nomination and remuneration committee prepared a new procedure in accordance with principle 9.2 of the 2020 Code on Corporate Governance for the evaluation of directors proposed for reappointment. This evaluation procedure is carried out by the nomination and remuneration committee and concerns:

— the attendance of the director at meetings of the board and, if applicable, the advisory committees to the board;

— the director's engagement in discussions and decision-making;

— the director's constructive involvement in discussions and decision-making.

The Chairman of the nomination and remuneration committee organizes an exit interview with the directors who are not nominated for reappointment.

The results of the evaluations carried out in accordance with principles 9.1 and 9.2 of the 2020 Code on Corporate Governance are discussed by the Board of Directors and, as the case may be, in accordance with principle 9.3 of the 2020 Code on Corporate Governance, all necessary measures deemed appropriate for the proper functioning of the Board of Directors are taken.

# 1.4. Nomination & remuneration committee

## Composition

The nomination and remuneration committee is composed of at least three and maximum five directors, of whom the majority are independent and at least one third non-independent.

As per 31 December 2024, the nomination and remuneration committee was composed of five non-executive directors, of whom three were independent.

## Competences

In addition to its usual support role to the Board of Directors, the nomination and remuneration committee is responsible, pursuant to article 7:100 of the Code of companies and associations and to article 16.1 of the articles of association, for advising and supporting the Board of Directors with regards to the appointment of directors, the CEO and the members of the Executive Management Board and making recommendations to the Board of Directors, in particular regarding the remuneration policy and the remuneration of the members of the Executive Management Board and of the Board of Directors.

In particular, the nomination and remuneration committee exercises the following powers:

— formulating proposals to the Board of Directors on the remuneration policy of the directors, the other executives referred to in article 3:6, § 3, last paragraph of the Code of companies and associations, and the members of the Executive Management Board and, if applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders' general meeting;

— formulating proposals to the Board of Directors on the individual remuneration of the directors, the other executives referred to in article 3:6, § 3, last paragraph of the Code of companies and associations, and the members of the Executive Management Board, including the variable remuneration (including, for the other executives referred to in article 3:6, § 3, last paragraph of the Code of companies and associations and the members of the Executive Management Board, exceptional remuneration in the form of bonuses) and long-term performance bonuses, whether or not linked to shares, in the form of stock options or other financial instruments, and severance payments, and, if applicable, on the proposals arising therefrom which the Board of Directors must submit to the shareholders' general meeting;

— preparing the remuneration report which the Board of Directors attaches to the corporate governance statement mentioned in article 3:6, § 2 of the Code of companies and associations (that is submitted for consultative vote to the ordinary general meeting);

— Commenting on the remuneration report at the ordinary general meeting.

The nomination and remuneration committee ensures that there are appropriate programs for talent development and for promoting diversity in leadership.

## Activity report

The nomination and remuneration committee met seventeen times in 2024, of which only five meetings have been remunerated in line with Elia Group SA/NV's remuneration policy.

| Attendance rate | |
|---|---|
| Dominique Offergeld, Chairwoman | 17/17 |
| Laurence de l'Escaille | 17/17 |
| Roberte Kesteman | 15/17 |
| Geert Versnick | 12/17 |
| Pascale Van Damme | 14/17 |

Once a year Elia Group SA/NV evaluates its management staff in accordance with its performance management policy. This policy also applies to members of the Executive Management Board. The nomination and remuneration committee approved the proposed collective and individual targets for the Executive Management Board for 2024. Accordingly, the nomination and remuneration committee evaluates the members of the Executive Management Board on the basis of a series of collective and individual targets, of both a quantitative and qualitative nature, also taking into account the feedback from internal and external stakeholders. The remuneration policy for members of the Executive Management Board includes, among other things, an annual variable remuneration and long term incentive (LTI) spread out over the multi-year regulation period. The annual variable remuneration, which is connected to Elia Group SA/NV's strategy, consists of two components: the attainment of collective quantitative targets and the individual performances, including progress on net profit, infrastructure projects, safety and culture, security of (electricity) supply linked to sustainability and efficiency targets. In addition, the remuneration policy foresees in the possibility to allocate exceptional cash bonuses for specific projects in specific, non-recurring cases.

During the financial year 2024, some changes have been made in comparison with the remuneration policy of 2023, to clarify certain aspects of the remuneration of members of the management board. This remuneration policy was approved by the ordinary general meeting held on 21 May 2024.

In addition, the nomination and remuneration committee prepared the remuneration report (financial year 2023) for consultative vote of the ordinary general meeting held on 21 May 2024.

In view of provision 7.6 of the 2020 Code on Corporate Governance, the Board of Directors has decided to follow the recommendation of the nomination and remuneration committee according to which a share based remuneration is not suitable within Elia Group SA/NV as (i) Elia Group's activities are by nature organized in such a way as to present a low risk profile and are focused on the long term and (ii) the shareholding structure is based on a reference shareholding that naturally pursues fixed long-term objectives and sustainability goals. In addition (and in deviation from provision 7.9 of the 2020 Code on Corporate Governance), the Board of Directors decided not to impose a minimum threshold of shares to be held by the members of the Executive Management Board. The Board of Directors is indeed of the opinion that the way in which the remuneration of the members of the Executive Management Board is structured sufficiently contributes to the long-term interests and the sustainability of the company (see also the remuneration report for explanations as to provisions 7.6 and 7.9 of the 2020 Code on Corporate Governance).

# 1.5. Audit committee

## Composition

The audit committee is composed of at least three and maximum five directors, of whom two shall be independent directors.

As per 31 December 2024, the audit committee was composed of five non-executive directors, three of whom are independent.

The articles of association provide that the members of the audit committee have a collective expertise in the field of the company's activities. At least one member of the audit committee must have sufficient expertise in terms of accounting and audit.

Pursuant to article 3:6, §1, 9° of the Code of companies and associations, the annual report must contain justification of the independence and accounting and auditing competence of at least one member of the audit committee. The internal rules of procedure of the audit committee require, in this respect, that all members of the audit committee have a collective expertise in Elia Group SA/NV's business and that at least one member of the audit committee has the necessary accounting and auditing expertise required to exercise the role of the audit committee. The experience of Michel Allé, Chairman of the audit committee, and of Dominique Offergeld, member of the audit committee, are described in detail below.

Michel Allé (non-executive independent director of Elia Group SA/NV, Elia Transmission Belgium SA/NV and Elia Asset SA/NV since 17 May 2016 and Chairman of the audit committee) has master degrees in physics civil engineering and economics (both from the Université Libre de Bruxelles (ULB)). Alongside his academic career as a professor of economics and finance (Solvay Brussels School, ULB's Ecole Polytechnique), he worked for many years as a Chief Financial Officer. In 1979, he began his career in the service of the Prime Minister, as an advisor in the Science Policy Department. He was appointed director of the National Energy R&D Program in 1982 and then director in charge of Innovative Companies. In 1987 he joined the Cobepa group where he held many positions, including Vice-President of Mosane from 1992 to 1995. From 1995 to 2000 he was a member of the Cobepa group's executive committee. He then served as Chief Financial Officer of BIAC between 2001 and 2005 and as Chief Financial Officer of SNCB (Belgian Railways) between 2005 and 2015. He also has extensive experience as a director, including past and present roles at Telenet, Zetes, Eurvest (Nicols), D'Ieteren, Epic Therapeutics SA, Neuvasq Biotechnologies SA and Dreamjet Participations SA and Lineas SA. He has chaired the Zetes audit committee.

Dominique Offergeld (non-executive non-independent director of Elia Group SA/NV, Elia Transmission Belgium SA/NV and Elia Asset SA/NV, appointed upon proposal of Publi-T SC/CV) has a degree in economics and social science (specialisation: public economics) from the Université Notre Dame de la Paix in Namur. She has taken various extra-academic programs, including the General Management Program at Cedep (INSEAD) in Fontainebleau (France). She started her career at the Générale de Banque (now BNP Paribas Fortis) in the corporate finance department in 1988, and was subsequently appointed as specialist advisor to the vice-president and minister for economic affairs of the Walloon Region in 1999. In 2001 she became advisor to the deputy prime minister and minister for foreign affairs. Between 2004 and 2005, she was deputy director of the office of the minister for energy, subsequently becoming general

advisor to the SNCB holding company in 2005. She was previously director of (among others) Publigas and government commissioner at Fluxys. She was also Chairwoman of the Board of Directors and the audit committee of SNCB. Between 2014 and 2016, she was director of the minister for mobility's strategy unit, with responsibility for Belgocontrol and the SNCB. She has been CFO of ORES since August 2016, a position she also held between 2008 and 2014. She is also vice-President of Publi-T SC/CV and director of NextGrid Holding SA/NV.

## Competences

In addition to its usual support role to the Board of Directors, the audit committee is, pursuant to article 7:99 of the Code of companies and associations and article 15.1 of the articles of association, in particular responsible for:

- examining the accounts and exercising control over the budget;
- monitoring the financial reporting process;
- monitoring the information to be included in the so called non-financial statements of the annual reports (which are currently included in a sustainability report by the company) according to Belgian and European legislation as well as the financial information requested by the strategic committee and forming the basis for the compliance with the Taxonomy legislation and CSRD by the Elia group;
- monitoring the effectiveness of the company's internal control and risk management systems;
- monitoring the internal audit and its effectiveness;
- monitoring the statutory audit of the annual accounts, including follow-up on questions raised and recommendations made by the statutory auditors and, as the case may be, by the auditor responsible for monitoring the consolidated accounts;
- reviewing and monitoring the independence of the statutory auditors and, as the case may be, of the auditor responsible for monitoring the consolidated accounts, in particular regarding the provision of additional services to the company;
- formulating a proposal to the Board of Directors for the (re)appointment of the statutory auditors, as well as making recommendations to the Board of Directors regarding the conditions of their appointment;
- as the case may be, investigating the issues giving rise to the resignation of the statutory auditors, and making recommendations regarding all appropriate actions in this respect;
- monitoring the nature and extent of the non-audit services provided by the statutory auditors;
- reviewing the effectiveness of the external audit process.

The internal rules of the audit committee foresee that the audit committee is empowered to investigate any topic within its competence (financial or non-financial matters) and shall have the necessary working resources to this extent. The audit committee may also seek the advice of internal and external experts to achieve its missions.

The audit committee makes recommendations on the selection, (re)appointment and resignation of the Head of Internal Audit.

At the beginning of each year, the audit committee asks the Head of Internal Audit for his or her "Annual Work Plan". The Audit Committee ensures that an appropriate balance is struck between financial and operational audit work. This "Annual Work Plan" is communicated by the Head of Internal Audit to the Executive Management Board at the same time.

The audit committee evaluates at least once a year the effectiveness of the internal control and risk management systems with the Head of Internal Audit, the external auditors and any experts whose intervention the committee considers necessary.

The purpose of this evaluation is to ensure that the main risks (including risks related to fraud and compliance with applicable laws and regulations) are properly identified, managed and reported.

The audit committee reviews the comments on internal control and risk management included in this company's annual report.

In addition, the audit committee reviews the specific arrangements in place for the company's employees to raise concerns, in confidence, about possible irregularities in financial reporting or other matters.

The audit committee may investigate any matter that falls within its competences. For this purpose, it the required resources, has access to all information, with the exception of confidential commercial data regarding grid users, and can call on internal and external experts for advice.

## Activity report

The audit committee met eleven times in 2024, of which only five meetings have been remunerated, in line with Elia Group SA/NV's remuneration policy.

| Attendance rate | |
|---|---|
| Michel Allé, Chairman | 11/11 |
| Frank Donck | 8/11 |
| Roberte Kesteman | 11/11 |
| Dominique Offergeld | 11/11 |
| Eddy Vermoesen | 11/11 |

In 2024, the audit committee examined the 2023 annual accounts, under both Belgian GAAP and IFRS as well as the half-yearly results as at 30 June 2024 and the 2024 quarterly results, in accordance with Belgian GAAP and IFRS rules. The audit committee also reviewed the yearly budget process and the Elia Group Business Plan for 2025-2029, including the financial policy and fundings.

In addition, the audit committee followed up the risk management activity and took note of the internal audits carried out and the recommendations made. The audit committee follows an action plan for each internal audit carried out, in order to improve the efficiency, traceability and awareness of the areas audited and thus reduce the associated risks and assure that the control environment and risk management are appropriate. The audit committee followed the various action plans from a number of perspectives (timetable, results, priorities) on the basis, among other things, of an activity report from the Internal Audit department. The audit committee noted the strategic risks and the ad-hoc risk analyses based on the environment in which the Elia group operates.

The audit committee also reviewed and discussed the ESG KPI's in the ESG audit debriefing from Elia's joint auditors, the cost increase of the MOG II project (Princess Elisabeth Island) and the CSRD project (including in the context of the double materiality assessment) and the ISO 14001 certification.

# 1.6. Strategic committee

## Composition

The strategic committee is composed of not more than five directors, two of whom are independent.

As per 31 December 2024, the strategic committee was composed of four directors, one of whom was independent.[34]

Two directors are invited on a permanent basis to the meetings of the strategic committee.

## Competences

The Strategic Committee has an advisory role and is responsible for providing advice and recommendations to the Board of Directors on the matters entrusted to it. In accordance with provision 4.2 of the Belgian Code on Corporate Governance, the strategic committee has no decision-making powers and has therefore no authority to decide on the strategy of Elia Group SA/NV.

The strategic committee is responsible for providing advice and recommendations to the Board of Directors regarding the company's business development activities and international investment policy in the broad sense of the term, including the method of financing.

The strategic committee also advices the Board of Directors on the sustainability policy of Elia Group SA/NV as well as on the reporting of non-financial information in the annual report according to the Belgian and European legislation.

The strategic committee examines the issues raised, without prejudice to the role of the other advisory committees set up within the Board of Directors.

## Activity report

The strategic committee met eight times in 2024, of which only five meetings have been remunerated, in line with Elia Group SA/NV's remuneration policy.

| Attendance rate | |
|---|---|
| Geert Versnick, Chairman | 8/8 |
| Michel Allé | 7/8 |
| Pieter De Crem | 8/8 |
| Bernard Gustin (until 12 December 2024) | 7/8 |
| Bernard Thiry | 7/8 |

[34] On 31 December 2024, the strategic committee of Elia Group SA/NV was composed of 4 members since Bernard Gustin resigned as non-executive independent director en Chairman of the Board of Directors of Elia Group SA/NV following his appointment as Chief Executive Officer by the Board of Directors on 12 December 2024.

# 1.7. Executive Management Board

**Catherine Vandenborre**
**Chief Executive Officer ad interim & Chief Financial Officer**

**Stefan Kapferer**
**Chief Executive Officer 50Hertz**

**Frédéric Dunon**
**Chief Executive Officer Elia Transmission Belgium SA/NV and Elia Asset SA/NV**[35]

**Marco Nix**
**Chief Financial Officer ad interim**

**Michael Freiherr Roeder Von Diersburg**
**Chief Digital Officer**

**Peter Michiels**
**Chief Alignment Officer**

## Composition of the Executive Management Board on 31 December 2024

As mentioned above, Elia Group SA/NV has a one-tier structure ("système moniste/monistisch system") as governance model. In accordance with the possibility provided for by article 7:121 of the Code of companies and associations, and pursuant to its articles of association, the Board of Directors delegated the day-to-day management to an Executive Management Board (Collège de gestion journalière/College van dagelijks bestuur).

[35] Frédéric Dunon was appointed as a member of the Executive Management Board of Elia Group SA/NV by the Board of Directors of Elia Group SA/NV on 5 March 2024 upon recommendation of the nomination and remuneration committe.

## Competences of the Executive Management Board

In accordance with Article 17.3 of the articles of association, the Executive Management Board is responsible for, within the limits of the rules and principles of general policy and the decisions adopted by the Board of Directors of the company, all acts and decisions that do not exceed the needs of the daily management of the company, as well as those acts and decisions that do not justify the intervention of the Board of Directors for reasons of minor importance or urgency, including:

1° the day-to-day management of the company, including all commercial, technical, financial, regulatory and personnel matters related to this day-to-day management of the company, including, inter alia, all commitments (i) when the amount is less than or equal to 15 million euros (EUR 15,000,000) or (ii) when the amount as well as its main characteristics are explicitly provided for in the annual budget;

2° the regular reporting to the Board of Directors on its operational activities in the company in execution of the powers granted in accordance with article 17.3 of the articles of association, with due observance of the legal restrictions regarding access to commercial and other confidential data relating to net users and the processing thereof and the preparation of the decisions of the Board of Directors, including in particular: (a) timely and accurate preparation of the annual accounts and other financial information of the company in accordance with the applicable accounting standards and company policy, and the appropriate communication thereof; (b) preparation of the adequate publication of key non-financial information about the company; (c) preparation of the financial information in the half-yearly statements that will be submitted to the audit committee for advice to the Board of Directors as part of its general task of monitoring the financial reporting process; (d) implementation of internal controls and risk management based on the framework approved by the Board of Directors, without prejudice to the follow-up of the implementation within this framework by the Board of Directors and the investigation conducted by the audit committee for this purpose; (e) submitting to the Board of Directors the financial situation of the company; (f) making available the information necessary for the Board of Directors to carry out its duties, in particular by preparing proposals on the policy issues set out in article 17.2 of the articles of association (see the competences of the Board of Directors above);

3° the regular reporting to the Board of Directors on its policy in the key subsidiaries designated by the Board of Directors and the annual reporting to the Board of Directors on its policy in the other subsidiaries and on the policy in the companies in which the company directly or indirectly holds a participating interest;

4° all decisions relating to proceedings (both before the Supreme Administrative Court and other administrative jurisdictions, as well as before the ordinary courts of law and arbitration tribunals) and in particular decisions in the name and for the account of the company to file, amend or withdraw an appeal and to appoint one or more lawyers to represent the company;

5° all other competences delegated by the Board of Directors.

The Executive Management Board has all competences necessary, including the power of representation, and sufficient margin for manoeuvre to exercise the competences that have been delegated to it and to propose and implement a corporate strategy, without prejudice to the competences of the Board of Directors.

In 2024, the Executive Management Board focused among others, on the financing of the group, on the discussion of the sustainability report, the setting of collective targets including a target on the sustainability performance, the validation of the double materiality assessment in the context of the CSRD, the mentoring program for promising talents (HR), the strategic evolution of the group, the reduction of 50% of use of SF6 gas by 2030 in the context of the Act Now Program, DEI (diversity, equity, inclusion) reporting and the security of assets.

## Meetings and decision-making

The Executive Management Board meets at least once a month. A member of the Executive Management Board who is unable to attend usually grants a proxy to another member of the Executive Management Board. A proxy can be given through every means of written communication (of which the authenticity can be reasonably determined) to another member of the Executive Management Board, in accordance with the internal rules of procedure of the Executive Management Board. However, no member may hold more than two proxies. In 2024, the Executive Management Board met on sixteen occasions.

Each quarter, the Executive Management Board submits a written report to the Board of Directors. The Executive Management Board reports at each meeting of the Board of Directors on all its responsibilities, in particular the management by the Elia Group of the transmission system activities in the main Belgian and German affiliates of the Elia group (Elia Transmission Belgium SA/NV, Elia Asset SA/NV and 50Hertz Transmission GmbH). As part of its reporting in 2024, the Executive Management Board kept the Board of Directors informed on the company's/the group's financial situation, the follow-up of its investment program (including the monitoring and development of major investment projects), the follow-up on the infrastructure of the Elia group (including as to maintenance and operations), the evolutions in the energy policy field (including the main decisions taken by regulators and administrations), human resources matters, safety and security issues, M&A/business development matters and the evolution of the share price. The Executive Management Board also follows-up the most important risks of the Elia group and their mitigation measures in this regard as well as the recommendations of the internal audit.

## Changes in the composition of the Executive Management Board

The composition of the Executive Management Board changed in 2024. In March 2024, Frédéric Dunon, Chief Executive Officer of Elia Transmission Belgium SA/NV and Elia Asset SA/NV, became a member of the Executive Management Board of Elia Group SA/NV.

The composition of the Executive Management Board is based on diversity, as well as on the complementarity of skills, experience and knowledge. When searching for and when appointing new members of the Executive Management Board, special attention is paid to diversity parameters in terms of age, gender and complementarity.

| Diversity within the Executive Management Board<br><br>Number of executive board members on 31 December 2024 | | |
|---|---|---|
| | Aged 35 < 54 | 3 (50%) |
| Men (83%) | Aged ≥ 55 | 2 (33%) |
| | Aged 35 < 54 | 1 (17%) |
| Women (17%) | Aged ≥ 55 | 0 (0%) |

# 1.8. Joint auditors

The ordinary general meeting of Elia Group SA/NV held on 16 May 2023 reappointed EY Réviseurs d'Entreprises SRL/BV and BDO Réviseurs d'Entreprises SRL/BV as auditors of the company for a period of three years. Their mandate will expire immediately after the 2026 ordinary general meeting, relating to the financial year ending 31 December 2025. EY Réviseurs d'Entreprises SRL/BV is represented for the exercise of this office by Paul Eelen. BDO Réviseurs d'Entreprises SRL/BV is represented for the exercise of this office by Michaël Delbeke. Additionally, the ordinary general meeting held on 21 May 2024 resolved to entrust EY Réviseurs d'Entreprise SRL/BV and BDO Réviseurs d'Entreprises SRL/BV with the task of providing assurance on the company's consolidated sustainability report, for a two-year period ending immediately after the ordinary general meeting to be held in 2026.

# 1.9. Significant events in 2024

## Amendments to the articles of association on 21 May 2024

The extraordinary general meeting of Elia Group SA/NV of 21 May 2024 approved the proposed amendment to the object of the company. The reason for the amendment is that the former statutory description of the object of the company was still the same as when the company fulfilled itself the task of transmission system operator. However, since 1 January 2020, the transmission system operator is no longer Elia Group SA/NV, but its subsidiary Elia Transmission Belgium SA/NV. Moreover, the amended articles of association allow Elia Group NV/SA to invest on an ancillary basis in other activities of the energy sector provided that these other activities do not conflict with the main object of the Elia Group SA/NV.

## Amendments to the articles of association on 21 June 2024

On 21 June 2024, the extraordinary general meeting of Elia Group SA/NV decided to amend the articles of association. The amendments to the articles of association relate to the insertion of a clause authorizing the Board of Directors to increase the share capital of Elia Group SA/NV, subject to certain conditions set out in the articles of association and in the special report submitted by the Board of Directors to the extraordinary general meeting of Elia Group SA/NV held on 21 June 2024 (the so-called "authorized capital"). Elia Group SA/NV's Board of Directors is now authorized to increase the capital of Elia Group SA/NV by maximum cumulative amounts equivalent to 50% of the existing capital of the company on the date on which the general meeting approved the authorization in case the capital increases take place with a preference right and, in all other cases, by a maximum amount equivalent to 20% of the existing capital of the company on the date on which the general meeting approved the authorization, being 21 June 2024. This authorization for capital increases is valid as from 2025.

The latest version of Elia Group SA/NV's articles of association is available in full on the company's website (www.eliagroup.eu, under 'About Elia Group', 'Corporate governance').

## Appointment of Bernard Gustin as CEO and subsequent resignation as director and Chairman

On 12 December 2024, the Board of Directors of Elia Group SA/NV appointed Bernard Gustin as CEO and President of the Executive Management Board of Elia Group SA/NV as from 15 January 2025 onwards. Following this appointment as CEO, Bernard Gustin submitted his voluntary resignation as director of Elia Group SA/NV and its subsidiaries Elia Transmission Belgium SA/NV and Elia Asset SA/NV, which resignation became effective at the end of the meeting of the Board of Directors of 12 December 2024. As from 1st April 2025 onwards, Marco Nix becomes the CFO of Elia Group SA/NV. Catherine Vandenborre, who assumed the role of CEO Ad Interim and CFO of Elia Group SA/NV has offered her voluntary resignation and will be staying on throughout a transition phase until 30 June 2025.[36]

## Other significant events

For the other significant events in 2024, see section Highlights of this report.

# 1.10. Code of Conduct, code of Ethics and Corporate Governance Charter

## Code of conduct

Following the entry into force of European Regulation No. 596/2014 on market abuse ('Market Abuse Regulation'), Elia Group SA/NV amended its code of conduct. The code of conduct aims to prevent members of key personnel and persons discharging managerial responsibilities in the group from potentially breaking the law on the abuse of privileged information and market manipulation. The code of conduct lays down a series of regulations and communication obligations for transactions by those individuals 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 monitoring of the financial sector and other financial services. This code of conduct is available on the website www.elia.be (under 'About Elia', 'Corporate Governance', 'Articles of Association & Corporate Governance Charter').

## Code of ethics

Elia Group SA/NV's code of ethics defines what Elia Group SA/NV deems as correct ethical conduct and sets out the policy and a number of principles on the avoidance of conflicts of interests. Acting honestly and independently with respect to all stakeholders is a key guiding principle for the behavior of all of our employees.

[36] The press release of these appointments and resignations can be found on the website of Elia Group SA/NV (https://www.elia.be/en/press/2024/12/202412_pressrelease).

The Board of Directors and the Executive Management Board regularly communicate about these principles in order to clarify the mutual rights and obligations of the company and its employees.

## Corporate Governance Charter and internal rules of procedure of the Board of Directors, the advisory committees within the Board of Directors and the Executive Management Board.

The Corporate Governance Charter and the internal rules of procedure of the Board of Directors, the advisory committees within the Board of Directors and the Executive Management Board can be found on the website www.elia.be (under 'About Elia', 'Corporate Governance', 'Articles of Association & Corporate Governance Charter'). 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 exhaustively reiterated in the internal rules of procedure of the Board of Directors and of the Executive Management Board.

# 1.11. Disclosure obligations

*Transparency rules - notifications*

### DISCLOSURE BASED ON THE ACT OF 2 MAY 2007 ON MAJOR SHAREHOLDINGS

In 2024, Elia Group SA/NV received no notifications within the meaning of the Act of 2 May 2007 on disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions, and within the meaning of the Royal Decree of 14 February 2008 on disclosure of major shareholdings.

Transparency notifications previously received are available on Elia Group SA/NV's website (Transparency declarations).

## Disclosure based on the act on takeover bids of 1 April 2007

On 23 November 2007 Publi-T SC/CV communicated to the company that it held on 1 September 2007 more than 30% of the securities with voting rights in the company. No update of this notification was received.

The shareholder structure on 31 December 2024, based on the transparency notifications received by Elia Group SA/NV up to that date, is the following:

## Shareholder structure:

| Shareholder | Number of shares (= denominator) | Type of shares | % of shares | % of voting rights |
|---|---|---|---|---|
| Publi-T | 32,931,025 | Class B & C | 44.79 % | 44.79 % |
| Publipart | 2,437,487 | Class A & B | 3.32 % | 3.32 % |
| Belfius Insurance | 714,357 | Class B | 0.97 % | 0.97 % |
| Katoen Natie Group | 6,839,737 | Class B | 9.30 % | 9.30 % |
| Interfin | 3,124,490 | Class B | 4.25 % | 4.25 % |
| Other free float | 27,474,727 | Class B | 37.37 % | 37.37 % |
| **Total** | **73,521,823** | | **100.00 %** | **100.00 %** |

## Items to be disclosed pursuant to article 34 of the Royal Decree of 14 November 2007

In accordance with article 3:6, §2, 7° of the Code of companies and associations, Elia Group SA/NV discloses hereafter the items referred to under article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

# 1.12. Capital structure

On 31 December 2024, the capital of the company amounted to € 1.833.762.393,56, represented by a total of 73.521.823 shares, among which 1.836.054 Class A Shares (2,50% of the total share capital and voting rights), 38.844.937 Class B Shares (52,83% of the total share capital and voting rights) and 32.840.832 Class C Shares (44,67% of the total share capital and voting rights). All shares have no par value and are fully paid-up.

## Situation on 31 December 2024

Class A and Class C shares are respectively held by Publipart SA/NV and Publi-T SC/CV. Pursuant to article 4.3 of the articles of association, all shares have the same rights irrespective of the class to which they belong, unless otherwise provided for in the articles of association.

In this context, the articles of association provide that certain specific rights are attached to Class A and Class C shares with respect to (i) the appointment of members of the Board of Directors (article 13.2) and (ii) the approval of decisions of the general meeting (articles 28.2 and 33.1).

## Restriction on the transfer of shares

Articles 4.3 and 4.4 of the articles of association provide restrictions as to shareholding by electricity and/or natural gas companies within the meaning of the Belgian Act of 29 April 1999 on the organisation of the electricity market and the Belgian Act of 12 April 1965 on the transport of gaseous and other products through conduits or if otherwise performing any of the functions of production or supply of electricity and/or natural gas.

Besides, Class A and C shares are subject to a preemptive right to the benefit, respectively of Class C and A shareholders, in accordance with article 9 of the company's articles of association.

## Holders of securities with special control rights

See above for Class A and C shareholders rights.

## Control mechanism of any employee share scheme where the control rights are not exercised directly by the employees

There is no employee share scheme with such a mechanism.

## Restrictions on the exercise of voting rights

Article 4.3 of the articles of association provides that voting rights attached to shares held directly or indirectly by electricity and/or natural gas companies within the meaning of the Belgian Act of 29 April 1999 on the organisation of the electricity market and the Belgian Act of 12 April 1965 on the transport of gaseous and other products through conduits, respectively, are suspended. In addition, article 11.2 of the articles of association stipulates that the company may suspend exercise of the rights attaching to securities that are subject to joint ownership, usufruct or pledge until such time as one person has been designated as the holder of these rights vis-a-vis the company.

## Shareholders' agreement

The company is not aware of provisions of a shareholders' agreement that would restrict the transfer of shares or the exercise of voting rights otherwise than as stipulated in the articles of association.

## Appointment and replacement of directors

The appointment and replacement of directors are governed by articles 12 and 13 of the articles of association. Their main provisions are described above.

## Rules for amendment of the articles of association

The rules governing the amendment of the company's articles of association are provided by the Code of companies and associations as well as by article 29 of the articles of association. The articles of association may be amended by an extraordinary general meeting convened for that purpose. The object of the proposed amendments must be stated on the agenda. The extraordinary general meeting shall only validly adopt such resolution if at least 50% of the share capital is present or represented and with a majority of 75% of the votes cast, whereby abstentions are not taken into account either in the numerator or in the denominator. If the attendance quorum is not met at a first general meeting, a second general meeting may be convened and will decide without any attendance quorum requirement. If the amendments to the articles of association relate to the rights attached to a or several class(es) of shares, the quorum and majority requirements abovementioned apply within each category of shares. For certain specific matters (e.g. amendment of the purpose of the company), higher voting majorities may apply. Pursuant to article 28.2 of the articles of association, as long as the Class A and/or Class C shares represent more than twenty-five per cent (25%) of the total number of shares, no decision can be adopted by the general meeting, without prejudice to the majority provided for in the articles of association and the Code of Companies and Associations, unless such decision is approved by a majority of the Class A and/or Class C shares that are present or represented. If, in the case of an increase in the capital of the company, the Class A and/or Class C shares are diluted and no longer represent more than twenty-five per cent (25%) of the total number of shares, the Class A and/or the Class C shares will retain the aforementioned right as long as the Class C shares represent more than fifteen per cent (15%) of the total number of shares.

## Powers of the Board of Directors, in particular to issue and buy back shares

With regard to the powers of the Board of Directors in general, reference is made to the section 'Competences of the Board of Directors' (see above).

The special general meeting of shareholders of 18 May 2021 conferred the power to the Board of Directors to acquire the company's own shares, without the total number of own shares held by the company pursuant to this power exceeding 10% of the total number of shares, for a compensation that cannot be lower than 10% below the lowest closing price in the thirty days preceding the transaction and not higher than 10% above the highest closing price in the thirty days preceding the transaction.

This power is conferred for a period of five years as from 4 June 2021. It applies to the Board of Directors of the company and, to the extent necessary, to any third party acting on behalf of the company. It also applies to the direct and, to the extent necessary, indirect subsidiaries of the company.

This power does not affect the possibilities of the Board of Directors, in accordance with the applicable legal provisions, to acquire own shares if no power by virtue of the articles of association or power by the General Meeting is required for this purpose.

Within the above framework, Elia Group SA/NV has entered into a liquidity agreement with Exane BNP Paribas providing the latter with the mandate to purchase and sale Elia Group SA/NV shares on the regulated market of Euronext Brussels. Exane BNP Paribas is acting on behalf and for the account of Elia Group SA/NV and within the framework of a discretionary mandate as authorized by the extraordinary general meeting of 18 May 2021. The purpose of the liquidity contract is to support the liquidity of the Elia Group SA/NV shares listed on Euronext Brussels.

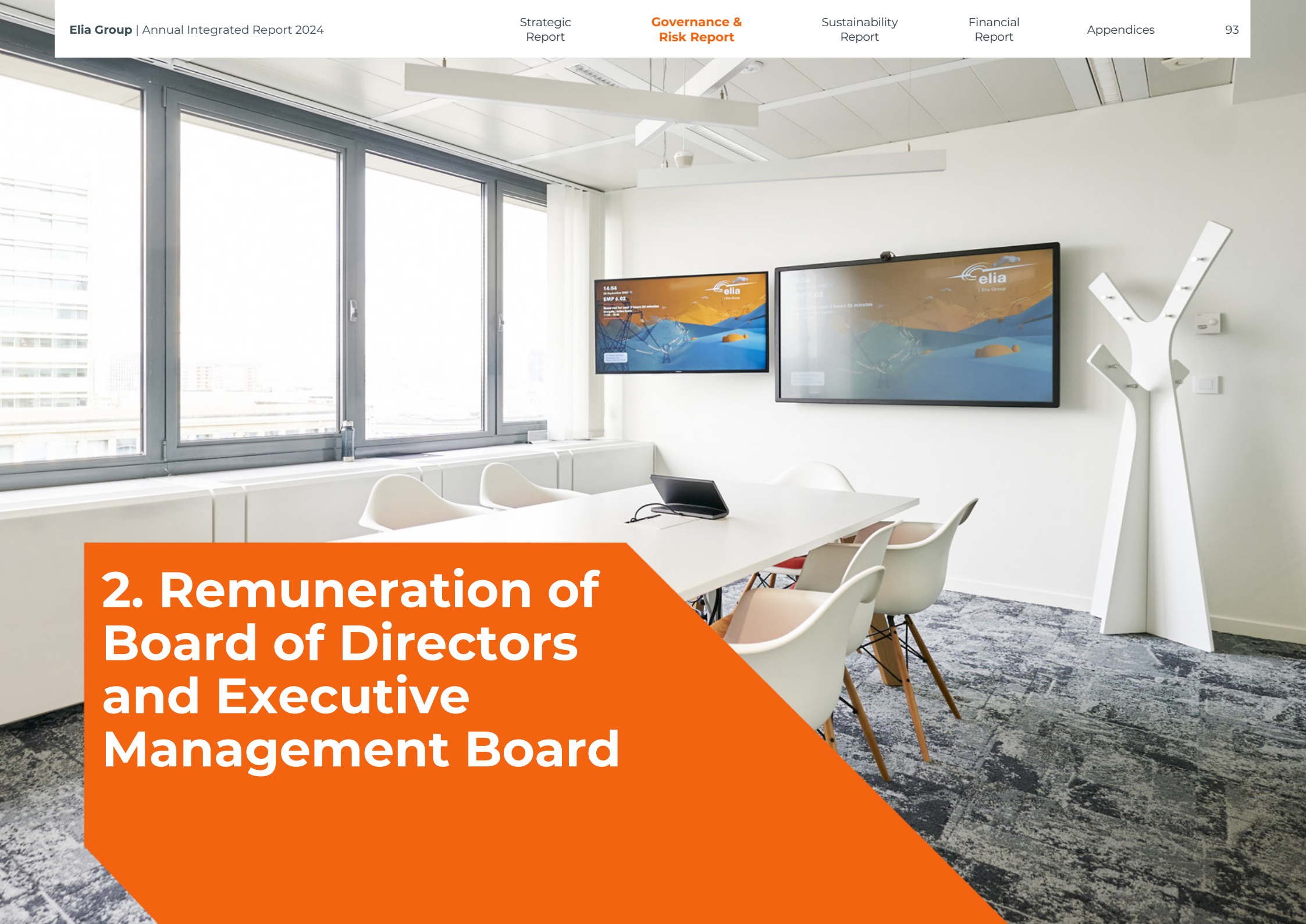
The extraordinary general meeting of Elia Group SA/NV held on 21 June 2024 decided to authorize the Board of Directors to increase the share capital of Elia Group SA/NV, subject to certain conditions set out in the articles of association and in the special report submitted by the Board of Directors to the extraordinary general meeting of Elia Group SA/NV held on 21 June 2024 (the so-called "authorized capital"). One of those conditions relates to the maximum amount of the capital increase. More precisely, Elia Group's Board of Directors is authorized to increase the capital of Elia Group SA/NV by maximum cumulative amounts equivalent to 50% of its capital as it existed on 21 June 2024 in case the capital increases take place with a preference right and, in all other cases, by a maximum amount equivalent to 20% of its capital as it existed on 21 June 2024.

## Significant agreements that may be impacted by a change of control of the company

There are no such agreements.

## Agreements between Elia Group SA/NV and its directors or employees providing for compensation if the directors resign or are made redundant without valid reason or if the employment of the employees ceases because of a takeover bid

No specific dismissal arrangements have been agreed outside the legal framework.




# 2. Remuneration of Board of Directors and Executive Management Board

**This remuneration report relates to the remuneration of the members of the Board of Directors and of the Executive Management Board of Elia Group SA/NV during the financial year 2024.**

This remuneration report is based on the remuneration policy as last amended the Ordinary General Meeting of 21 May 2024.

This remuneration policy was drafted and approved by the Board of Directors of 29 March 2024 on the basis of a reasoned opinion of the Nomination and Remuneration Committee of Elia Group SA/NV on 21 March 2024.

The remuneration policy can be consulted using the following hyperlink: https://investor.eliagroup.eu/en/elia-group-share/shareholder-meetings/2024-may-shareholders-meeting-details

# 2.1. Total remuneration of the members of the Board of Directors

The Board of Directors of Elia Group SA/NV is composed of 12 non-executive board members. The present report gives an overview of their remuneration for all their mandates within Elia Group.

Two members of the Board of Directors of Elia Group SA/NV are not member of the Board of Directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV, namely Frank Donck en Pascale Van Damme.

## 2.1.1 Fixed remuneration

The fixed remuneration of the directors consists of an annual base salary of €25,000 for Elia Group SA/NV, €12,500 for Elia Transmission Belgium SA/NV and €12,500 for Elia Asset SA/NV and an attendance fee per meeting of the Board of Directors of €1,000 for Elia Group SA/NV, €500 for Elia Transmission Belgium SA/NV and €500 for Elia Asset SA/NV, starting with the first Board meeting attended by the director. The base salary of the Chairman of the Board of Directors is composed out of an annual base salary of €60,000 for Elia Group SA/NV, €25,000 for Elia Transmission Belgium SA/NV and €25,000 for Elia Asset SA/NV and an attendance fee per meeting of the Board of Director of €1,500 for Elia Group SA/NV, €750 for Elia Transmission Belgium SA/NV and €750 for Elia Asset SA/NV.

The annual base salary for each member of the Audit Committee is set at €6,000 for the Audit Committee of Elia Group SA/NV, €3,000 for the Audit Committee of Elia Transmission Belgium SA/NV and €3,000 for Elia Asset SA/NV. The attendance fee, starting with the first meeting attended by the member, for each member of the Audit Committee is set at €1,150 per meeting of Audit Committee of Elia Group SA/NV, at €575 per meeting of the Audit Committee of Elia Transmission Belgium SA/NV and at €575 per meeting of the Audit Committee of Elia Asset SA/NV.

The remuneration of the Chairman of the Audit Committee (Elia Group SA/NV) is composed of an annual base salary of €10,000 and an attendance fee set at €1,300 per committee meeting.

The remuneration of the Chairman of the Audit Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV) is composed of an annual base salary of €4,000 and an attendance fee set at €650 per committee meeting.

The annual base salary for each member of the Nomination and Remuneration Committee (Elia Group SA/NV) and of the Strategic Committee (which only exists in Elia Group SA/NV) is set at €4,000 per committee. The attendance fee, starting with the first meeting of the Nomination and Remuneration Committee / Strategic Committee attended by the member, for each member of such committee is set at €1,000 per committee meeting.

The remuneration of the Chairman of the Nomination and Remuneration Committee (Elia Group SA/NV) and of the Chairman of the Strategic Committee (Elia Group SA/NV) is composed of an annual base salary of €8,000 and an attendance fee set at €1,300 per committee meeting.

The annual base salary for each member of the Remuneration Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV) and of the Corporate Governance Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV) is set at €2,000 per committee. The attendance fee, starting with the first meeting of the Remuneration Committee / Corporate Governance Committee attended by the member, for each member of such Remuneration Committee / Corporate Governance Committee is set at €500 per committee meeting.

The remuneration of the Chairman of the Remuneration Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV) is composed of an annual base salary of €3,500 and an attendance fee set at €650 per committee meeting.

The remuneration of the Chairman of the Corporate Governance Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV) is composed of an annual base salary of €3,000 and an attendance fee set at €650 per committee meeting.

The above mentioned attendance fees are submitted to the additional following limitation: a maximum of eight attendance fees per year is allowed for the meetings of the Board of Directors and a maximum of five attendance fees per year is allowed for the meetings of an advisory committee, even if there are more than eight meetings of the Board of Directors or more than five meetings of a committee per year.

Notwithstanding the preceding paragraphs, the attendance fees of the directors of Elia Transmission Belgium SA/NV and Elia Asset SA/NV who are also directors of Elia Group SA/NV are limited to 30% of the amounts of the above mentioned attendance fees at Elia Transmission Belgium SA/NV and Elia Asset SA/NV.

The annual base salaries and attendance fees are indexed each year in January according to the consumer price index for the month of June 2023.

The annual base salaries and attendance fees cover all expenses, with the exception of (a) expenses incurred by directors domiciled outside Belgium during the exercise of their mandate (such as transport and subsistence expenses), insofar these directors are domiciled outside Belgium at the time of their appointment or, if the directors in question change their domicile after their appointment, after approval of the Nomination and Remuneration Committee (Elia Group SA/NV) and the Remuneration Committee (Elia Transmission Belgium SA/NV and Elia Asset SA/NV), (b) all expenses incurred by directors in the event a meeting of the Board of Directors is organized outside Belgium (e.g. in Germany) and (c) all expenses incurred by directors during their travels abroad in the framework of their mandate, at the request of the Chairman or the Vice-Chairmen of the Board of Directors.

All costs and fees are charged to the relevant company's operating expenses.

At the end of each first, second and third quarter an advance on the annual fees is paid to the directors. A final settlement is made in December of the current year.

The table below reflects the total fixed remuneration (including indexation) paid out to each director for all mandates within the Elia Group during the financial year 2024 in execution of the rules set out above.

| Directors | Fixed remuneration | | |
|---|---|---|---|
| | Annual base salary (in €) | Attendance fees (in €) | Total fixed remuneration (in €) |
| Bernard Gustin | 116,663.0 | 18,624.8 | 135,287.8 |
| Dominique Offergeld | 82,893.0 | 27,141.4 | 110,034.4 |
| Frank Donck[37] | 31,724.0 | 10,846.0 | 42,570.0 |
| Geert Versnick | 63,448.0 | 21,076.4 | 84,524.4 |
| Interfin CV -Thibaud Wyngaard (permanent representative) | 51,168.0 | 8,288.4 | 59,456.4 |
| Michel Allé | 73,681.0 | 21,025.4 | 94,706.4 |
| Pieter De Crem | 63,449.0 | 17,191.2 | 80,640.2 |
| Roberte Kesteman | 77,775.0 | 24,276.2 | 102,051.2 |
| Laurence de l'Escaille | 63,449.0 | 17,191.2 | 80,640.2 |
| Pascale Van Damme | 29,677.0 | 9,207.0 | 38,884.0 |
| Eddy Vermoesen | 63,448.0 | 15,430.6 | 78,878.6 |
| Bernard Thiry | 55,261.0 | 13,403.4 | 68,664.4 |
| **Total** | **772,636.0** | **203,702.0** | **976,338.0** |

[37] Frank Donck's fees are paid to the company Ibervest NV. Frank Donck is not a director in Elia Transmission Belgium SA/NV and Elia Asset SA/NV.

The tables below give a detailed overview of the fixed remuneration (including indexation) paid out to each director for their mandates within Elia Group SA/NV, Elia Transmission Belgium SA/NV and Elia Asset SA/NV respectively.

**Fixed remuneration of the directors in Elia Group SA/NV**

| | Board of Directors[38] | | Audit Committee[39] | | Strategic Committee[40] | | Remuneration Committee[41] | | |
|---|---|---|---|---|---|---|---|---|---|
| **Elia Group SA/NV directors** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Total (in €)** |
| Bernard Gustin, Chairman of the Board of Directors | 61,402.0 | 10,745.0 | | | 4,093.0 | 5,115.0 | | | 81,355.0 |
| Dominique Offergeld, Chairman of the Nomination and Remuneration Committee | 25,584.0 | 7,161.0 | 6,140.0 | 5,885.0 | | | 8,187.0 | 6,650.0 | 59,607.0 |
| Frank Donck | 25,584.0 | 6,138.0 | 6,140.0 | 4,708.0 | | | | | 42,570.0 |
| Geert Versnick, Chairman of the Strategic Committee | 25,584.0 | 7,161.0 | | | 8,187.0 | 6,650.0 | 4,093.0 | 5,115.0 | 56,790.0 |
| Interfin CV - Thibaud Wyngaard (permanent representative) | 25,584.0 | 6,138.0 | | | | | | | 31,722.0 |
| Michel Allé, Chairman of the Audit Committee | 25,584.0 | 7,161.0 | 10,234.0 | 6,650.0 | 4,093.0 | 3,069.0 | | | 56,791.0 |
| Pieter De Crem | 25,584.0 | 7,161.0 | | | 4,093.0 | 5,115.0 | | | 41,953.0 |
| Roberte Kesteman | 25,584.0 | 6,138.0 | 6,140.0 | 5,885.0 | | | 4,093.0 | 5,115.0 | 52,955.0 |
| Laurence de l'Escaille | 25,584.0 | 7,161.0 | | | | | 4,093.0 | 5,115.0 | 41,953.0 |
| Pascale Van Damme | 25,584.0 | 5,115.0 | | | | | 4,093.0 | 4,092.0 | 38,884.0 |
| Eddy Vermoesen | 25,584.0 | 7,161.0 | 6,140.0 | 4,708.0 | | | | | 43,593.0 |
| Bernard Thiry | 25,584.0 | 7,161.0 | | | 4,093.0 | 4,092.0 | | | 40,930.0 |
| **Total** | **342,826.0** | **84,401.0** | **34,794.0** | **27,836.0** | **24,559.0** | **24,041.0** | **24,559.0** | **26,087.0** | **589,103.0** |

[38] An attendance fee has been granted for 7 out of the 7 meetings of the Board of Directors of Elia Group SA/NV held in 2024.
[39] An attendance fee has been granted for 5 out of the 11 meetings of the Audit Committee of Elia Group SA/NV held in 2024.
[40] An attendance fee has been granted for 5 out of the 8 meetings of the Strategic Committee of Elia Group SA/NV held in 2024.
[41] An attendance fee has been granted for 5 out of the 17 meetings of the Nomination and Remuneration Committee of Elia Group SA/NV held in 2024.

| | Fixed remuneration of the directors of Elia Transmission Belgium SA/NV who are also directors of Elia Group SA/NV[42] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Board of Directors[43] | | Audit Committee[44] | | Corporate Governance Committee[45] | | Remuneration Committee[46] | | |
| **Elia Transmission Belgium SA/NV directors** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Total (in €)** |
| Bernard Gustin, Chairman of the Board of Directors | 25,584.0 | 1,382.4 | | | | | | | 26,966.4 |
| Dominique Offergeld, Chairman of the Nomination and Remuneration Committee | 12,792.0 | 1,075.2 | 3,070.0 | 882.0 | 2,047.0 | 768.0 | 3,582.0 | 997.5 | 25,213.7 |
| Geert Versnick | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| Interfin CV - Thibaud Wyngaard (permanent representative) | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| Michel Allé, Chairman of the Audit Committee | 12,792.0 | 1,075.2 | 4,093.0 | 997.5 | | | | | 18,957.7 |
| Pieter De Crem | 12,792.0 | 921.6 | | | 2,047.0 | 768.0 | 2,047.0 | 768.0 | 19,343.6 |
| Roberte Kesteman, Chairman of the Corporate and Governance Committee | 12,792.0 | 921.6 | 3,070.0 | 882.0 | 3,070.0 | 997.5 | 2,047.0 | 768.0 | 24,548.1 |
| Laurence de l'Escaille | 12,792.0 | 921.6 | | | 2,047.0 | 768.0 | 2,047.0 | 768.0 | 19,343.6 |
| Eddy Vermoesen | 12,792.0 | 1,075.2 | 3,070.0 | 705.6 | | | | | 17,642.8 |
| Bernard Thiry | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| **Total** | **140,712.0** | **10,598.4** | **13,303.0** | **3,467.1** | **9,211.0** | **3,301.5** | **9,723.0** | **3,301.5** | **193,617.5** |

[42] Ms Saskia Van Uffelen and Ms Els Neirynck are directors of Elia Transmission Belgium SA/NV, but are not directors of Elia Group SA/NV. Their remuneration is therefore not disclosed in the present remuneration report, in accordance with applicable legislation. However, please note that their remunerations are in line with the remuneration policy and, thus, in line with the remuneration of the other directors of Elia Transmission Belgium SA/NV.
[43] An attendance fee has been granted for 7 out of the 7 meetings of the Board of Directors of Elia Transmission Belgium SA/NV held in 2024.
[44] An attendance fee has been granted for 5 out of the 7 meetings of the Audit Committee of Elia Transmission Belgium SA/NV held in 2024.
[45] An attendance fee has been granted for 5 out of the 10 meetings of the Corporate Governance Committee of Elia Transmission Belgium SA/NV held in 2024.
[46] An attendance fee has been granted for 5 out of the 5 meetings of the Remuneration Committee of Elia Transmission Belgium SA/NV held in 2024.

| | Fixed remuneration of the directors of Elia Asset SA/NV who are also directors of Elia Group SA/NV [47] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Board of Directors[48] | | Audit Committee[49] | | Corporate Governance Committee[50] | | Remuneration Committee[51] | | |
| **Elia Asset SA/NV directors** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Annual base salary (in €)** | **Attendance fees (in €)** | **Total (in €)** |
| Bernard Gustin, Chairman of the Board of Directors | 25,584.0 | 1,382.4 | | | | | | | 26,966.4 |
| Dominique Offergeld, Chairman of the Nomination and Remuneration Committee | 12,792.0 | 1,075.2 | 3,070.0 | 882.0 | 2,047.0 | 768.0 | 3,582.0 | 997.5 | 25,213.7 |
| Geert Versnick | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| Interfin CV - Thibaud Wyngaard (permanent representative) | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| Michel Allé, Chairman of the Audit Committee | 12,792.0 | 1,075.2 | 4,093.0 | 997.5 | | | | | 18,957.7 |
| Pieter De Crem | 12,792.0 | 921.6 | | | 2,047.0 | 768.0 | 2,047.0 | 768.0 | 19,343.6 |
| Roberte Kesteman, Chairman of the Corporate and Governance Committee | 12,792.0 | 921.6 | 3,070.0 | 882.0 | 3,070.0 | 997.5 | 2,047.0 | 768.0 | 24,548.1 |
| Laurence de l'Escaille | 12,792.0 | 921.6 | | | 2,047.0 | 768.0 | 2,047.0 | 768.0 | 19,343.6 |
| Eddy Vermoesen | 12,792.0 | 1,075.2 | 3,070.0 | 705.6 | | | | | 17,642.8 |
| Bernard Thiry | 12,792.0 | 1,075.2 | | | | | | | 13,867.2 |
| **Total** | **140,712.0** | **10,598.4** | **13,303.0** | **3,467.1** | **9,211.0** | **3,301.5** | **9,723.0** | **3,301.5** | **193,617.5** |

[47] Ms Saskia Van Uffelen and Ms Els Neirynck are directors of Elia Asset SA/NV, but are not directors of Elia Group SA/NV. Their remuneration is therefore not disclosed in the present remuneration report, in accordance with applicable legislation. However, please note that their remunerations are in line with the remuneration policy and, thus, in line with the remuneration of the other directors of Elia Asset SA/NV.
[48] An attendance fee has been granted for 7 out of the 7 meetings of the Board of Directors of Elia Asset SA/NV held in 2024.
[49] An attendance fee has been granted for 5 out of the 7 meetings of the Audit Committee of Elia Asset SA/NV held in 2024.
[50] An attendance fee has been granted for 5 out of the 10 meetings of the Corporate Governance Committee of Elia Asset SA/NV held in 2024.
[51] An attendance fee has been granted for 5 out of the 5 meetings of the Remuneration Committee of Elia Asset SA/NV held in 2024.

## 2.1.2 Variable remuneration

The members of the Board of Directors do not receive any variable remuneration.

## 2.1.3 Pension

The members of the Board of Directors do not receive any additional remuneration or contribution to finance any pension costs.

## 2.1.4 Other components of remuneration

The members of the Board of Directors do not receive any remuneration other than the fixed remuneration.

## 2.1.5 Extraordinary items

The members of the Board of Directors have not received any non-recurring remuneration in the financial year 2024.

## 2.1.6 Total remuneration of the members of the Board of Directors in 2023 and in 2024

The total remuneration of the members of the Board of Directors in 2024 for all their mandates within the Elia Group amounted to €976,338.0 and is reflected in the table under heading 2.1.1., as no other remuneration than fixed remuneration has been paid to the members of the Board of Directors during the financial year 2024.

The total remuneration of the members of the Board of Directors in 2023 for all their mandates within the Elia Group amounted to €965,722.3. No other remuneration than fixed remuneration has been paid to the members of the Board of Directors during the financial year 2023.

# 2.2. Total remuneration of the members of the Executive Management Board

The Executive Management Board of Elia Group SA/NV was composed of 6 members in 2024. As a reminder, since 6 September 2023, Catherine Vandenborre has been appointed as Chief Executive Officer ad interim and Chief Financial Officer and, as from 10 November 2023, Marco Nix has been appointed as Chief Financial Officer ad interim.

Three of the members (Catherine Vandenborre, Chief Executive Officer ad interim and Chief Financial Officer, Peter Michiels, Chief Corporate Affairs, and Frédéric Dunon, Chief Executive Officer Elia Transmission Belgium SA/NV et Elia Asset SA/NV) also serve as member of the Executive Management Board of Elia Transmission Belgium SA/NV and of Elia Asset SA/NV. Two of the members (Stefan Kapferer Chief Executive Officer 50Hertz Transmission GmbH and Marco Nix, Chief Financial Officer ad interim) also serves as member of the Executive Management Board of 50Hertz Transmission GmbH. One member (Michael Freiherr von Roeder von Diersburg) exclusively acts as member of the Executive Management Board of Elia Group SA/NV.

All the members of the Executive Management Board of Elia Group SA/NV have employee status[52].

All components of the remuneration are reported in gross amounts, before deduction of withholding tax and social security contributions.

## 2.2.1 Fixed remuneration

The table below gives an overview of the total fixed remuneration, i.e. the base salary paid in cash to the members of the Executive Management Board of Elia Group SA/NV for the services rendered by them to any company of the Elia Group during the financial year 2024.

| Member of the Executive Management Board | Annual base salary (in €) | Other advantages (in €) |
|---|---|---|
| Catherine Vandenborre<br>Chief Financial Officer<br>Chief Executive Officer ad interim | 453,053.4 | 38,005.3 |
| Marco Nix<br>Chief Financial Officer ad interim | 313,376.6 | 11,146.9 |
| Stefan Kapferer<br>Chief Executive Officer 50Hertz | 469,117.6 | 13,613.1 |
| Frédéric Dunon[53]<br>Chief Executive Officer Elia Transmission Belgium / Elia Asset | 435,981.2 | 37,059.1 |
| Michael Freiherr Roeder Von Diersburg<br>Chief Digital Officer | 350,087.7 | 18,356.0 |
| Peter Michiels<br>Chief Alignement Officer | 358,971.6 | 54,466.8 |
| **Total** | **2,380,588.1** | **172,647.2** |

[52] The employment agreements of Catherine Vandenborre, Peter Michiels and Frédéric Dunon are subject to Belgian law and the agreements of Stefan Kapferer, Marco Nix and Michael Freiherr von Roeder von Diersburg are subject to German law. Some of the agreements subject to German law are "Geschäftsführer" agreements.

[53] On 5 March 2024, Frédéric Dunon was appointed as member of the Executive Management Board of Elia Group SA/NV. He was previously already a member of the Executive Management Board of Elia Transmission Belgium SA/NV and Elia Asset SA/NV.

## 2.2.2 Variable remuneration

The table below gives an overview of the total variable remuneration in 2024 of the members of the Executive Management Board of Elia Group SA/NV for the services rendered by them to the companies of the Elia Group during the financial year 2024.

| Member of the Executive Management Board | One-year variable variable (in €)[54] | Multi-year variable (in €) |
|---|---|---|
| Catherine Vandenborre<br>Chief Executive Officer | 264,563.9 | 0[55] |
| Marco NIX<br>Chief Financial Officer | 78,152.0 | 73,687.0[56] |
| Stefan Kapferer<br>Chief Executive Officer 50Hertz | 211,544.0 | 130,321.0[57] |
| Frédéric Dunon<br>Chief Executive Officer Elia Transmission Belgium / Elia Asset | 176,253.1 | 96,619.3[58] |
| Michael Freiherr Roeder Von Diersburg<br>Chief Digital Officer | 130,232.6 | 68,191.0[59] |
| Peter Michiels<br>Chief Alignement Officer | 146,422.2 | 77,099.4[60] |
| **Total** | **1,007,167.8** | **445,917.6** |

The amount of the variable remuneration reported is paid in cash, with the exception of a portion intended for the Pension Bonus Plan for members of the Executive Management Board who are also members of the Executive Board of Elia Transmission Belgium SA/NV and Elia Asset SA/NV (subject to Belgian law).

The remuneration policy deals with the determination of an appropriate balance between fixed and variable remuneration.

In accordance with provision 7.10 of the Corporate Governance Code 2020, the short term variable remuneration has been capped. The remuneration policy provides for the following caps for the short term as for the long term variable remuneration:

- for the short term: max. 34% for the Chief Executive Officer and 29% for the other members of the Executive Management Board of the total fixed and variable remuneration;
- for the long term: max. 20% for the Chief Executive Officer and 22% for the other members of the Executive Management Board of the total fixed and variable remuneration.

The requirements of section 7:91, second paragraph of the Belgian Code of Companies and Associations do not apply since Board of Directors of Elia Group SA/NV is composed of 12 non-executive board members.

## 2.2.3 Pension

The table below gives an overview of the total pension contributions paid for the members of the Executive Management Board of Elia Group SA/NV for the services rendered by them to any company of the Elia Group during the financial year 2024.

All pension plans for members of the Executive Management Board of Elia Group SA/NV for their services provided to any of the company of the Elia Group during the financial year 2024 were of the defined contribution type, with the amount paid before tax being calculated on the basis of the annual fixed remuneration.

All pension contributions are fixed.

| Member of the Executive Management Board | Total contributions (in €) |
|---|---|
| Catherine Vandenborre<br>Chief Financial Officer<br>Chief Executive Officer ad interim | 148,503.7 |
| Marco Nix<br>Chief Financial Officer ad interim | 77,099.9 |
| Stefan Kapferer<br>Chief Executive Officer 50Hertz | 114,540.2 |
| Frédéric Dunon<br>Chief Executive Officer Elia Transmission Belgium / Elia Asset | 74,824.2 |
| Michael Freiherr Roeder Von Diersburg<br>Chief Digital Officer | 0.0[61] |
| Peter Michiels<br>Chief Alignement Officer | 76,432.5 |
| **Total** | **491,400.5** |

## 2.2.4 Other components of the remuneration

The other benefits granted to the members of the Executive Management Board of Elia Group SA/NV for their services provided to any company of the Elia Group

[54] The amount of the short-term variable remuneration mentioned is that after the voluntary acceptance by the members of the Executive Management Board, in concertation with the Board of Directors, to waive, in view of the current context, part of their variable remuneration linked to short-term collective objectives. The short-term collective objectives were achieved at a rate of 111%. The members of the Executive Management Board considered it appropriate to limit the achievement of the objectives to 90%. This waiver has an impact on the amount of the short-term collective remuneration (please also refer to point 2.6.2 below).
[55] This amount relates to the multi-year variable remuneration (reference period 2024-2027) that was assigned during the financial year 2024 and will be paid, in part in March 2026 on condition that the member concerned is still employed on 31 March 2026, and, in part in March 2028 on condition that the member concerned is still employed on 31 March 2028. As Catherine Vandenborre has chosen to reorient her professional career from July 2025, she will no longer be employed on 31 March 2026 and will not meet the conditions for the payment of multi-annual remuneration for the 2024-2027 reference period. During the 2024 financial year, Catherine Vandenborre received a pay-out of € 340,968.5 relating to the 2020-2023 reference period.
[56] This amount relates to the multi-year variable remuneration and will be paid in 2027. During the 2024 financial year, Marco Nix has received a pay-out of €67,288.8 relating to a multi-year variable remuneration assigned during the financial year 2021.
[57] This amount relates to the multi-year variable remuneration and will be paid in 2027. During the 2024 financial year, Stefan Kapferer has received a pay-out of 154,550.4 relating to a multi-year variable remuneration assigned during the financing year 2021.
[58] This amount relates to the multi-year variable remuneration (reference period 2024-2027) that was assigned during the financial year 2024 and will be paid, in part in March 2026 on condition that the member concerned is still employed on 31 March 2026, and, in part in March 2028 on condition that the member concerned is still employed on 31 March 2028. During the 2024 financial year, Frédéric Dunon has received a pay-out of €277,912.9 relating to the 2020-2023 reference period.
[59] This amount relates to the multi-year variable remuneration that will be paid in 2027. During the 2024 financial year, Michael Freiherr von Roeder von Diersburg has received a pay-out of €88,104.0 relating to a multi-year variable remuneration assigned during the financing year 2021.
[60] This amount relates to the multi-year variable remuneration (reference period 2024-2027) that was assigned during the financial year 2024 and will be paid, in part in March 2026 on condition that the member concerned is still employed on 31 March 2026, and, in part in March 2028 on condition that the member concerned is still employed on 31 March 2028. During the 2024 financial year, Peter Michiels has received a pay-out of €302,776.7 relating to the 2020-2023 reference period.
[61] Michael Freiherr von Roeder von Diersburg did not receive pension contributions for the financial year 2024.

during the financial year 2024, including guaranteed income in the event of long-term illness or an accident, healthcare and hospitalisation insurance, invalidity insurance, life insurance, energy tariff allowances, assistance with public transport costs, provision of a company car and related costs and other minor benefits, are in line with the regulations applying to all company executives and local market standard.

## 2.2.5 Extraordinary items

A non-recurring cash bonus of €294,000 was awarded to Catherine Vandenborre for her services provided as CEO ad interim as from 1st January 2024 to 31 December 2024, on the condition that she is still working for Elia Group SA/NV on 31 March 2025 (please also refer to point 2.7 below).

A non-recurring cash bonus of €120,000 was awarded to Marco Nix in 2024 for his services provided as CFO ad interim as from 1st January 2024 to 31 December 2024, on the condition that he is still working for Elia Group SA/NV on 31 March 2025.

## 2.2.6 The relative share of fixed and variable remuneration

The table below gives an overview of the relative share of fixed and variable remuneration of the members of the Executive Management Board of Elia Group SA/NV for their services provided to any company of the Elia group during the financial year 2024.

To determine the relative share of fixed and variable remuneration, the relative share of the fixed remuneration was obtained by dividing the sum of the fixed components (in particular: the fixed remuneration (including the other benefits) and the pension contributions) by the amount of the total remuneration, multiplied by 100. The relative share of the variable remuneration was calculated by dividing the sum of the variable components (i.e. the variable remuneration and the extraordinary items of the remuneration) by the amount of the total remuneration, multiplied by 100.

| Member of the Executive Management Board | Relative share of fixed remuneration | Relative share of variable remuneration |
|---|---|---|
| Catherine Vandenborre<br>Chief Financial Officer<br>Chief Executive Officer ad interim | 53.38 % | 46.62 % |
| Marco Nix<br>Chief Financial Officer ad interim | 59.64 % | 40.36 % |
| Stefan Kapferer<br>Chief Executive Officer 50Hertz | 63.60 % | 36.40 % |
| Frédéric Dunon<br>Chief Executive Officer Elia Transmission Belgium / Elia Asset | 66.75 % | 33.25 % |
| Michael Freiherr Roeder Von Diersburg<br>Chief Digital Officer | 65.00 % | 35.00 % |
| Peter Michiels<br>Chief Alignement Officer | 68.67 % | 31.33 % |
| **Average** | **62.84 %** | **37.16 %** |

## 2.2.7 Total remuneration of the members of the Executive Management Board in 2024

| | Fixed remuneration | | Variable remuneration | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Member of the Elia Group SA/NV Executive Management Board** | **Annual base salary (in €)** | **Other benefits (in €)** | **One-year variable (in €)** | **Multi-year variable (in €)** | **Extraordinary items (in €)** | **Pension contributions (in €)** | **Total remuneration (in €)** | **Relative share of fixed remuneration** | **Relative share of variable remuneration** |
| Catherine Vandenborre<br>Chief Financial Officer<br>Chief Executive Officer ad interim | 453,053.4 | 38,005.3 | 264,563.9 | 0.0 | 294,000.0 | 148,503.7 | 1,198,126.2 | 53.38 % | 46.62 % |
| Marco Nix<br>Chief Financial Officer ad interim | 313,376.6 | 11,146.9 | 78,152.0 | 73,687.0 | 120,000.0 | 77,099.9 | 673,462.5 | 59.64 % | 40.36 % |
| Stefan Kapferer<br>Chief Executive Officer 50Hertz | 469,117.6 | 13,613.1 | 211,544.0 | 130,321.0 | 0.0 | 114,540.2 | 939,135.9 | 63.60 % | 36.40 % |
| Frédéric Dunon<br>Chief Executive Officer Elia Transmission Belgium / Elia Asset | 435,981.2 | 37,059.1 | 176,253.1 | 96,619.3 | 0.0 | 74,824.2 | 820,736.9 | 66.75 % | 33.25 % |
| Michael Freiherr Roeder Von Diersburg<br>Chief Digital Officer | 350,087.7 | 18,356.0 | 130,232.6 | 68,191.0 | 0.0 | 0.0 | 566,867.3 | 65.00 % | 35.00 % |
| Peter Michiels<br>Chief Alignement Officer | 358,971.6 | 54,466.8 | 146,422.2 | 77,099.4 | 0.0 | 76,432.5 | 713,392.5 | 68.67 % | 31.33 % |
| **Total** | **2,380,588.1** | **172,647.2** | **1,007,167.8** | **445,917.6** | **414,000.0** | **491,400.5** | **4,911,721.2** | **62.84 %** | **37.16 %** |

# 2.3. Share-based remuneration

## Board of Directors

The members of the Board of Directors do not receive any share-based remuneration.

In view of article 7.6 of the Corporate Governance Code 2020, the Remuneration Committee has examined in 2020 whether a share-based compensation should be granted to the members of the Board of Directors as from 2021.

The Board of Directors of November 2020 has followed the recommendation of the Remuneration Committee and has decided that until further notice such share-based remuneration is not suitable within Elia Group SA/NV as (i) Elia's activities are by nature organized in such a way as to present a low risk profile and are focused on the long-term and (ii) the shareholding structure is based on a reference shareholding that naturally pursues fixed long-term objectives and sustainability goals.

## Executive Management Board

The members of the Executive Management Board do not receive any share-based remuneration.

The members of the Executive Management Board, however, have the possibility to acquire Elia Group SA/NV shares either via the capital increases reserved for the staff of Elia Group SA/NV and its Belgian subsidiaries or via an offer to acquire shares for the staff of 50Hertz Transmission GmbH.

In addition, the members of the Executive Management Board are free to buy Elia Group SA/NV shares on the market, while taking into account the MAR legislation.

In derogation from article 7.9 of the Corporate Governance Code 2020, the Board of Directors has decided that there is no minimum threshold of shares to be held by the members of the Executive Management Board.

As at 31 December 2024, the members of the Executive Management Board held the following number of shares of Elia Group SA/NV:

| Elia Group SA/NV Member of the Executive Management Board | Date | Number of shares |
|---|---|---|
| Catherine Vandenborre | | |
| Chief Financial Officer | | |
| Chief Executive Officer ad interim | 31.12.2024 | 1,479 |
| Marco Nix | | |
| Chief Financial Officer ad interim | 31.12.2024 | 550 |
| Stefan Kapferer | | |
| Chief Executive Officer 50Hertz | 31.12.2024 | 600 |
| Frédéric Dunon | | |
| Chief Executive Officer Elia Transmission Belgium / Elia Asset | 31.12.2024 | 2,878 |
| Michael Freiherr Roeder Von Diersburg | | |
| Chief Digital Officer | 31.12.2024 | 504 |
| Peter Michiels | | |
| Chief Alignement Officer | 31.12.2024 | 1,337 |
| **Total** | **31.12.2024** | **7,348** |

# 2.4. Severance pay

No severance pay was made in 2024.

# 2.5. Any use of the right to claim-back

Premiums paid for the previous period may be recovered in cases of proven fraud or financial statements containing significant errors.

During the financial year 2024 there was no reason to exercise this right to claim-back.

# 2.6. Information on how the remuneration complies with the remuneration policy and how performance criteria were applied

## 2.6.1 Information on how the remuneration complies with the remuneration policy

Subject to what is set you under point 2.7 hereunder, the total compensation paid out to the members of the Executive Management Board in the financial year 2024 is aligned with the remuneration policy and application of performance criteria. As reflected in the table under point 2.2.7, the total remuneration is made out of (i) base salary, (ii) other benefits, (iii) short-term (one year) variable pay (STI), (iv) long-term (multi-year) variable pay (LTI) and (v) pension contributions.

The level of the fixed remuneration (determined by the use of the Hay method and in line with practice in the energy/utility sector) ensured that the companies of Elia Group could rely on professional and experienced management. The granting of the short-term bonus ensured the realization of the individual and collective objectives that translate the Elia Group's strategic ambitions as set out in the remuneration policy, i.e.: (i) Financial Performance, (ii) Sustainable Growth, (iii) Sustainable Operations et (iv) Transformation and Culture. The long-term success of Elia Group was further stimulated by the long-term incentive plan, including long-term objectives of 3 different orders for the years 2024-2027: (i) Financial Performance, (ii) Sustainable Growth and (iii) Sustainable Operations..

## 2.6.2 Information on how performance criteria were applied

### Short-term variable remuneration

The first pillar of variable remuneration is based on the achievement of a number of targets/objectives set by the Nomination and Remuneration Committee at the beginning of the year 2024 ('short-term incentive plan') (STI), it being understood that variable remuneration linked to short-term objectives (for individual as well as collective objectives) may vary between 40% and 60%[62] (50% to 75%[63] for the CEO) of the fixed remuneration. The total short-term variable remuneration is capped at:

— max. 24% (25% for the CEO) of total fixed and variable remuneration if all objectives are reached at 100% (zone B);

— max. 29% (34% for the CEO) of total fixed and variable remuneration if all objectives are reached at their maximum (zone C).

These amounts are determined at the end of each year based on the degree of achievement of each of the short-term objectives criteria (Zone A, B or C), it being understood that, by pursuant to the strict principles introduced in the remuneration policy, below the achievement threshold set for Zone A, the objectives are considered as not having been sufficiently achieved and do not give entitlement to any remuneration. Thus, the four categories of short-term objectives require the following minimum thresholds:

(i) Financial Performance: minimum 90% achievement

(ii) Sustainable Growth: minimum 75% achievement

(iii) Sustainable Operations: minimum 50% achievement

(iv) Transformation and Culture: minimum 90% achievement

With regard to **individual short-term objectives**, the table below gives an overview of the individual targets, their relative weight and their degree of achievement.

[62] Assuming that all short-term objectives have been reached at their maximum (i.e. overperformance versus business plan).
[63] Assuming that all short-term objectives have been reached at their maximum (i.e. overperformance versus business plan).

| Member Executive Management Board | Individual short-term targets (KPIs) Measurement criteria | Relative weighting of the performance criteria | Result-degree of achievement |
|---|---|---|---|
| Catherine Vandenborre | Business growth in the EU and the USA in accordance with the business plan | 20 % | 104 % |
| Chief Financial Officer | Digital transformation | 20 % | |
| Chief Executive Officer ad interim | Financing new infrastructure (capital raises and diversification of the shareholding base) | 25 % | |
| | Organisation & Talent | 15 % | |
| | Promotion of Elia Group and of the brand | 20 % | |
| Stefan Kapferer | Improve financing and decrease of the liquidity risk | 25 % | 119 % |
| Chief Executive Officer 50Hertz | Further strengthening EG's relevance in Germany | 25 % | |
| | Tapping cost-cutting potential | 25 % | |
| | Grid development | 25 % | |
| Frédéric Dunon | Grid development | 20 % | 104 % |
| Chief Executive Officer Elia Transmission Belgium / Elia Asset | Flexibility | 20 % | |
| | Reputation | 20 % | |
| | Stakeholders management | 20 % | |
| | Transformation and preparation for the future | 20 % | |
| Michael Freiherr Roeder Von Diersburg | Keep the operational environnement | 25 % | 100 % |
| Chief Digital Officer | Reinforcement and evolution of the systems and the AI | 25 % | |
| | Expansion by implementation of Cloud and Digital platforms | 25 % | |
| | Change management | 25 % | |
| Peter Michiels | Talents development and knowledge sharing | 30 % | 108 % |
| Chief Alignement Officer | Organisation development (succession planning) | 20 % | |
| | Culture | 15 % | |
| | Digital transformation | 15 % | |
| | Transformation and preparation of the future | 20 % | |

Given the fact that **individual short-term objectives** were achieved, the individual short-term remuneration awarded in relation with the financial year 2024 amounts to €87,626.2 (not including €294,000 as ad interim CEO special bonus) for Catherine Vandenborre, to €21,062.9 for Marco Nix[64], to €66,990.0 for Stefan Kapferer, to €58,376.8 for Frédéric Dunon, to €42,010.5 for Michael Freiherr von Roeder von Diersburg, and to €49,728.3 for Peter Michiels.

With regard to the **collective short-term targets**, the table below gives an overview of the overall collective short-term targets of the Executive Management Board members, their relative weight and their degree of achievement.

[64] It is to be noted that as Marco Nix's short-term collective objectives and the associated remuneration are exclusively linked to his role in the management of 50Hertz Transmission GmbH and not to his ad interim position within Elia Group SA/NV, this waiver has no effect on him.

| Collective short-term targets | Belgium & Germany Measurement criteria | Relative weight | Degree of achievement | | Result-degree of achievement | Impact of the voluntarily waiver |
|---|---|---|---|---|---|---|
| Financial performance | Net profit of Elia Group attributable to the shareholders (including non-regulated) | 30 % | Strong net profit delivery (150% of realisation) | Zone C | 45 % | 36.4 % |
| Sustainable growth | Realization of top infrastructure projects ETB/50Hz<br>Development objectives Excelsior / Wingrid / Re.alto | 30 % | Targets partially achieved on delivery of top infrastructure projects<br>Low performance on development targets | Zone A | 15 % | 12.1 % |
| Sustainable operations | Grid Quality (consolidated)<br>Safety (TRIR) on group level | 20 % | Excellent results regarding grid quality and safety performance | Zone C | 27.5 % | 22.3 % |
| Transformation and culture | Recruitment progress<br>Group reputation / DEI<br>Implementation of product organisation | 20 % | Recruitment targets reached<br>Underperformance regarding reputation targets<br>Other targets reached | Zone B | 23.75 % | 19.2 % |
| **Total (total cap: max. 150%)** | | **100 %** | | | **111.25 %** | **90 %** |

As reflected in the table above, the majority of the short-term collective objectives have been achieved but, in view of the current context, the members of the Executive Management Board, in concertation with the Board of Directors, have voluntarily agreed to waive part of their variable remuneration linked to the short-term collective objectives to which they would normally be entitled. The short-term collective objectives have been achieved at a rate of 111.25%. Despite the solid fundamentals, good results and strategic course of Elia Group SA/NV, the latter is not immune to external market factors. In line with their long-term vision and within the research of a sustainable perspective, the members of the Executive Management Board have agreed to a balanced and responsible reduction in their collective short-term variable remuneration. With such voluntary waiver, Catherine Vandenborre's short-term variable collective remuneration amounted to €176,937.6, that of Stefan Kapferer to €144,554.0, that of Frédéric Dunon to €117,876.3, that of Michael Freiherr von Roeder von Diersburg to €88,222.1, and that of Peter Michiels to €96,693.9. Without such voluntary waiver, Catherine Vandenborre's short-term variable collective remuneration amounted to €214,989.2, that of Stefan Kapferer to €158,543.0, that of Frédéric Dunon to €139,068.7, that of Michael Freiherr von Roeder von Diersburg to €109,101.4, and that of Peter Michiels' to €119,628.9. As Marco Nix's short-term collective objectives and the associated remuneration are exclusively linked to his role in the management of 50Hertz Transmission GmbH and not to his ad interim position within Elia Group SA/NV, this waiver has no effect on him. His short-term collective variable remuneration amounts to €57,089.1. By waiving this remuneration, the members of the Executive Management Board demonstrate their desire to contribute to the long-term interests of Elia Group SA/NV and its shareholders. The Board of Directors values this effort by the members of the Executive Management Board, which demonstrates a strong commitment of all the corporate bodies to the long-term growth of Elia Group.

## Long-term variable remuneration

The second pillar of the variable remuneration is based on multi-year criteria set for four years ('long-term incentive plan') (LTI)) for the member of the Executive Management Board who are also member of the Executive Management Board of Elia Transmission Belgium SA/NV and Elia Asset SA/NV (governed by Belgian law) and on a three year period for Michael Freiherr von Roeder von Diersburg and the members of the Executive Management Board who are also members of the Executive Management Board of 50Hertz Transmission GmbH (governed by German law) ('long-term incentive plan') (LTI)), it being understood that such variable remuneration linked to collective long-term objectives may vary between 30% and 45[65] % of fixed remuneration. The total long-term variable remuneration is capped at:

- max. 18% (17% for the CEO) of total fixed and variable remuneration if all long-term objectives are reached at 100% (zone B);
- max. 22% (20% for the CEO) of total fixed and variable remuneration if all long-term objectives are reached at their maximum (zone C).

These amounts are determined at the end of each year based on the degree of achievement of each of the long-term objectives criteria (Zone A, B or C), it being understood that, pursuant to the strict principles introduced in the remuneration policy, below the threshold set for Zone A, the objectives are considered to have been insufficiently achieved and do not give entitlement to any remuneration. Thus, the three categories of long-term objectives require the following minimum thresholds:

(i) Financial Performance: minimum 90% achievement

(ii) Sustainable Growth: minimum 90% achievement

[65] Assuming that all long-term objectives have been reached at their maximum (i.e. overperformance versus business plan).

(iii) Sustainable Operations: minimum rating maintained

The table below gives an overview of the overall collective long-term objectives of the Executive Management Board members for the financial year 2024, their relative weight and their degree of achievement.

| Collective long-term targets (reference period 2024-2027) | KPI's Measurement criteria | Relative weighting of the performance criteria | Result - degree of achievement | | Degree of achievement in figures |
|---|---|---|---|---|---|
| Financial performance | Attracting financing (green and other)<br>Maintain of S&P rating minimum at BBB | 35 % | Level of targeted financing obtained<br>Unchanged S&P rating | Zone B | 39.9 % |
| Sustainable growth | Kilometres of new lines upgraded or expanded - Capex ETB | 35 % | Hansa project stopped by the Swedish government.<br>Low ETB Capex | Zone A | 8.49 %[66] |
| Sustainable operations | Maintain ESG top tier rating | 30 % | Score obtained in October 2024 – Improvement by 5% | Zone B | 25.1 % |
| **Total (total cap: max. 150%)** | | **100 %** | | | **73.49 %** |

[66] The 'Sustainable Growth' objective is evaluated on the basis of three sub-criteria, with a respective weighting of 50%, 25% and 25%. Specifically, for the 2024 financial year, a result of less than 90% was obtained for two of the three sub-criteria (with a weighting of 50% and 25% respectively), while for the third sub-criterion (with a weighting of 25%) a result of 97% was obtained. Therefore, it is only for this third sub-criterion that a long-term variable remuneration was granted. This leads to an overall result of 8.49% for the 'Sustainable Growth' objective.

## 2.7. Derogations and deviations from the remuneration policy and from the procedure for its implementation

There are some deviations from the remuneration policy as this policy was approved in 2024 with regard to the ratios between the different components of the remuneration of Catherine Vandenborre, in her capacity as CEO ad interim of Elia Group SA/NV:

Such deviations can be explained by the absence of long-term variable remuneration (LTI) (reference period 2024-2027) since Catherine Vandenborre will no longer be employed on 31 March 2026 and will therefore no longer meet the conditions for the award of long-term variable remuneration (LTI) (reference period 2024-2027).

For the other members of the Executive Management Board, the ratio of long-term variable remuneration to annual fixed remuneration is lower than that provided for in the remuneration policy of Elia Group SA/NV. This is mainly due to predetermined ambitious objectives, with the consequence that the long-term variable remuneration is lower than usual..

Furthermore, the one-off cash bonus of €294,000 awarded to Catherine Vandenborre in 2024 for her services as CEO ad interim of Elia Group SA/NV from 1 January 2024 to 31 December 2024 (see point 2.2.5 above) is higher than the amount of variable remuneration linked to short-term objectives (€264,563.9), which requires a derogation from the remuneration policy as permitted by section 5 of such remuneration policy.

The Board of Directors, on the reasoned advice of the Nomination and Remuneration Committee, has made use of this possibility to exceptionally derogate from the said remuneration policy with regard to the maximum amount of a one-off cash bonus. The exceptional circumstances result from the fact that Catherine Vandenborre assumed the role of CEO ad interim throughout the year 2024. It should be noted that the fact that Catherine Vandenborre voluntarily waived part of the short-term variable remuneration (see point 2.6.2 above) accentuated the difference between the one-off cash bonus and the variable remuneration linked to short-term objectives.

The Board of Directors, upon the advice of the Nomination and Remuneration Committee, has decided to review the remuneration policy for members of the Executive Management Board in 2025.

## 2.8. Comparative information on the evolution of remuneration and the Elia Group performance

The table below first gives an overview of the evolution in time over the last five years of respectively the total remuneration of the members of the Board of Directors of Elia Group SA/NV for all their mandates within the Elia Group and of the total remuneration of the members of the Executive Management Board of Elia Group SA/NV for all their mandates within the Elia Group

The table below also gives an overview of the evolution of the performances of Elia Group.

The average remuneration (on a full-time equivalent basis) of the employees of the Elia Group in 2024 amounts to €105,533.7. The average remuneration of all employees is calculated as the total (IFRS-based) labor costs (exclusive social security contributions of the employer) divided by the number of employees on an FTE basis.

The ratio between the highest remuneration of a member of the Executive Management Board and the lowest remuneration of an employee of the Elia Group, expressed on a full-time equivalent basis, in 2024 was 28.55.

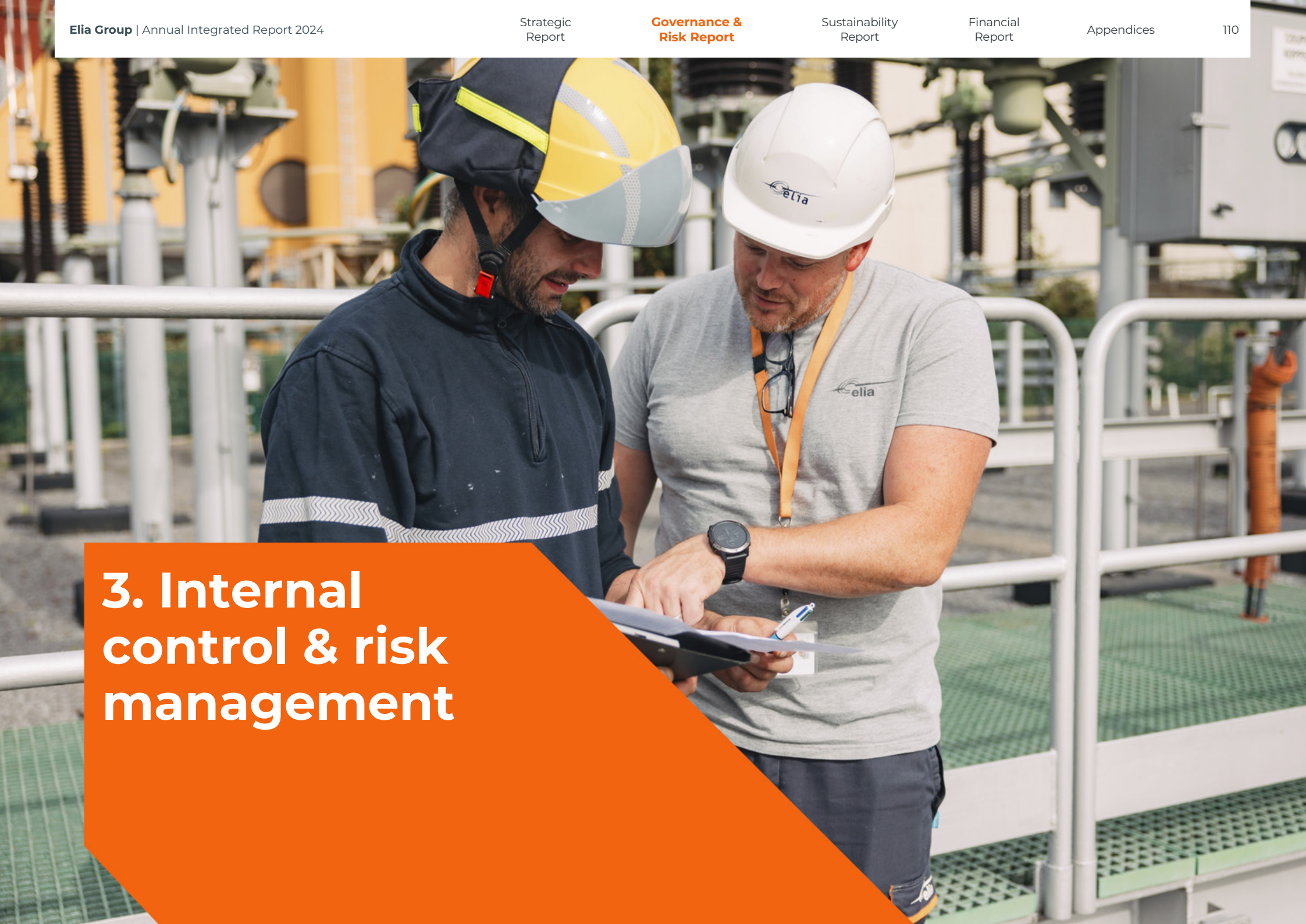
| Total remuneration of the members of the Board of Directors of Elia Group SA/NV (in €) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Annual change** | **2020** | **2021 vs. 2020** | **2021** | **2022 vs. 2021** | **2022** | **2023 vs. 2022** | **2023** | **2024 vs. 2023** | **2024** |
| Board of Directors | 844.529,7 | 9 % | 923.888,6 | 9 % | 1.005.415,2 | (4)% | 965.722,3 | 1 % | 976,338.0 |

| Total remuneration of the members of the Executive Management Board of Elia Group SA/NV (in €) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Annual change** | **2020** | **2021 vs. 2020** | **2021** | **2022 vs. 2021** | **2022** | **2023 vs. 2022** | **2023** | **2024 vs. 2023** | **2024** |
| Total | 3.199.058,4 | 10 % | 3.533.715,6 | 23 % | 4.345.790,5 | (5)% | 4.128.015,8 | 20 % | 4,911,721.2 |
| CEO | 949.206,4 | 12 % | 1.063.598,0 | 27 % | 1.348.810,4 | (36)% | 860.403,0 | 39 % | 1,198,126.2 |
| Other members | 2.249.852,0 | 10 % | 2.470.117,6 | 21 % | 2.996.980,0 | 9 % | 3.267.612,8 | 14 % | 3,713,595.1 |

| Performance of Elia Group | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Annual change (in million euros)** | **2020** | **2021 vs. 2020** | **2021** | **2022 vs. 2021** | **2022** | **2023 vs. 2022** | **2023** | **2024 vs. 2023** | **2024** |
| Turnover | 2.473,6 | 16 % | 2.859,7 | 44 % | 4.113,3 | (4)% | 3953.6 | 4 % | 4,102.9 |
| EBIT | 578,5 | (7)% | 540,1 | 11 % | 599,4 | 13 % | 674,4 | 35 % | 912.2 |
| Normalised net income | 308,1 | 7 % | 328,3 | 24 % | 408,2 | 1 % | 411.4 | 25 % | 512.5 |

## 2.9. Information on shareholder vote

The general meeting of shareholders of Elia Group SA/NV of 21 May 2024 approved (with advisory vote) the 2023 remuneration report of Elia Group SA/NV with a majority of 96.94%.

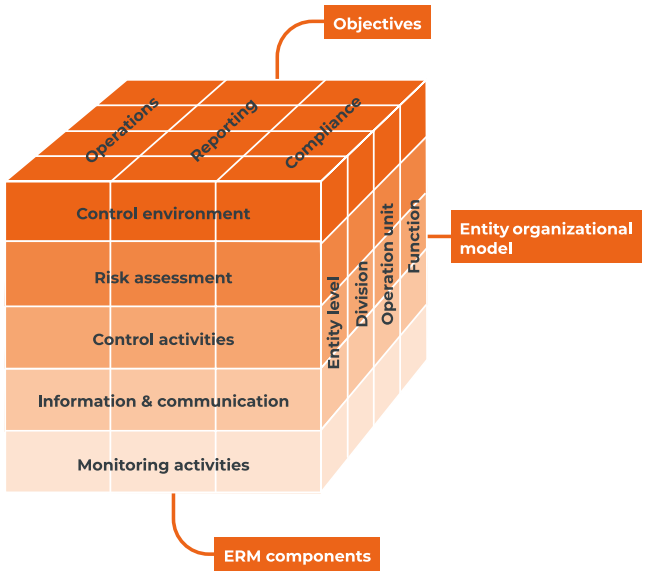


# 3. Internal control & risk management

# 3.1. Risks and opportunities management system

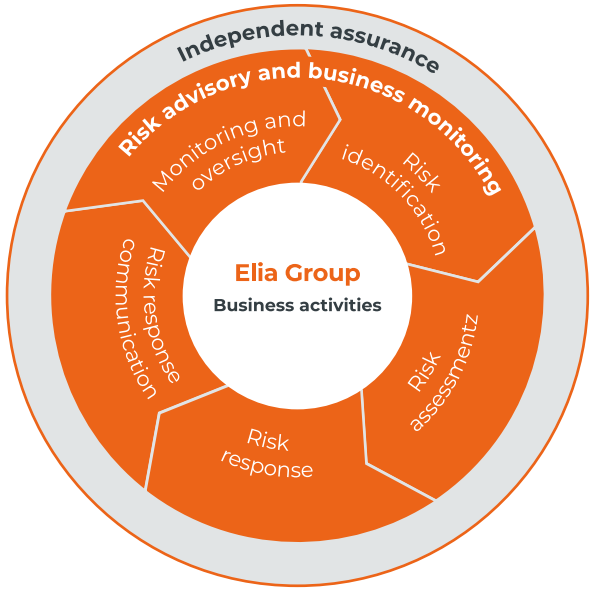
At Elia Group, we see Enterprise Risk Management (ERM) not simply as a mere functional unit but rather as a process that connects our people facing risks and opportunities in their daily activities with our governing bodies. They all share a common objective to provide reasonable assurance regarding the achievement of our strategy and our objectives relating to operations, reporting and compliance.

Following regulatory standards and industry codes, our organization has achieved an effective system of internal control with all ERM components present and functioning together in an integrated manner.




## 3.1.1 Our integrated framework

Our enterprise risk management is indeed part of an integrated framework of internal controls that ensures our operations are conducted in a controlled, efficient and sustainable manner by identifying, assessing and managing risks.




**Elia Group Culture**

The framework puts together the essential components, expected from our ERM and is aligned to industry standards and regulatory codes. It is intended to support in the systematic creation of checks and balances in a proportionate way to reduce our group's risk exposure. This framework for risk management enables Elia Group to be a trusted company that demonstrates due care in managing risks at all levels of the organization in a timely, proportionate, and transparent manner, supported by an effective hierarchy of governance bodies. This risk and opportunities management system allows us to identify, understand and manage the effect uncertainties have on the achievement of our objectives.

The framework is a concrete application of the "3 lines model", as developed by the IIA (Insitute of Internal Auditors), which distinguishes the following layers:

1st line of defense - Business activities: Those providing products and services to our customers and facing risks on a daily basis. They have the primary responsibility for managing organisational risks through designing and implementing appropriate mitigating controls rests with operational management who own and manage risks.

2d line of defense – Risk advisory and business monitoring: Reporting to senior management, the second line comprises risk management and compliance functions to help build and/or monitor the first line of defence controls. They review activities and key risks to ensure compliance with company's objectives, legal and regulatory requirements and alignment with our strategic objectives.

3d line of defense – Independent assurance: Internal audit provides independent assurance of the adequacy and effectiveness of our enterprise risk management and broader internal control environment.

There is a close alignment between our ERM and the double materiality assessment performed in line with the Corporate Sustainability Reporting Directive (CSRD). The output of this assessment is fed back into our risk and opportunity process. Similarly, impacts, risks and opportunities identified during the year serve as input for the annual double materiality assessment. This demonstrates how the Group is applying integrated thinking and supports the Group's ability to create and sustain value over time.

Key highlights of our governance framework in respect to enterprise risk management:

| Risk Framework/ documents | Concerned actors | Action | Result |
|---|---|---|---|
| **Risk policy Group risk report** | Board of Directors & Audit Committee | Challenge risk reporting<br>Validation of the Group's strategy | Oversight from the top of the organisation<br>Tone setting |
| **Risk policy Group risk report** | Executive Management Boards (both at Group and TSO levels) | Challenge risk reporting<br>Validation of the organisation's risk appetite<br>Definition of the strategy | Oversight from the top<br>Tone setting |
| **Maintain corporate risk register** | Group & local risk departments | Processing of contextual information<br>Preparation of the Group's risk reporting exercise<br>Support for risk assessment<br>Advice to business<br>Monitoring of progress on action plans | Holistic view of risks and uncertainties<br>Consistent risk assessment |
| **Management of business risks**<br>**Maintain business risk register**<br>**Business continuity plans** | Accountable directors and senior management | Translation of strategy into roadmaps<br>Oversight of business risks<br>Input to Group risk reporting<br>Coordination of action plans | More resilient processes |
| **Maintain business risk register** | Action owners | Carrying out action plans | Risk reduction |

## 3.1.2 Risk identification

Risk identification is carried out at different levels across the organization.

At operational level, our business activities consider risk as part of their daily activities and identify emerging and changing risks in a highly dynamic business environment. Management ensures business activities are monitored internal controls are effective and gaps to strengthen those internal controls are addressed. Risk management's role is to ensure those activities are integrated in a bottom-up approach to ensure a true and fair view for our governing bodies.

At strategic level, we continuously identify new threats to the execution of our strategy or unforeseen impediments endangering the progress of our mitigation plans. The Risk Manager and the Executive Management Boards interact and look out for any changes that may call for the relevant risk assessment and associated action plans to be amended. This dialogue takes place as part of the risk management process, typically during the presentation of the Group and Local risk reports or during ad hoc risk exercises. The role of Risk management in this top-down approach is also to ensure that strategic actions are properly translated by business activities.

Simultaneously employing a top-down and bottom-up approach enables Elia Group to identify and, where possible, anticipate forthcoming threats and react to any incidents that occur inside or outside of the organization which might affect the attainment of our objectives.

## 3.1.3 Risk assessment

Risk dimensions: Potential damage is expressed in terms of Continuity of supply, Health & Safety, Reputation, Profit & losses or Cashflow.

Criticality of the risk considers likelihood of occurrence and impact. Likelihood of occurrence:

| | | |
|---|---|---|
| **5** | Nearly sure | There is a >80% risk that the event will occur once in the year<br>Validation of the Group's strategy |
| **4** | Probable | There is a >80% risk that the event will occur once every 3 years |
| **3** | Possible | There is a >80% risk that the event will occur once every 10 years |
| **2** | Low | There is a risk between 20 and 80% that the event will occur once every 10 years |
| **1** | Very low | There is a risk lower than 20% that the event will occur once every 10 years |

Impact : (in practice, the scale is translated in specific criteria for each risk dimension):

| | |
|---|---|
| **5** | Very high |
| **4** | High |
| **3** | Medium |
| **2** | Low |
| **1** | Very Low |

We also assess when a risk is likely to emerge, as outlined in the table below, by assessing the time before material damage are experienced: Actual, short (<1y), medium (<5y) or long term (>5y).

| **Assessment of the impact of risks in accordance with different time frames (in years)** | | | |
|---|---|---|---|
| | **From** | **To** | **Examples** |
| **Short-term risks** | 0 | 1 | Operational risks such as those related to security of supply and cyber-attacks could materialise within a year or two. Exceptions: extreme weather events and climate risks. Their frequency of return is typically in the order of 1 in every 100 years. This justifies the widening of the time frame for short-term risks: between 0 and 5 years. |
| **Medium-term risks** | 2 | 5 | The tariff methodologies are set for periods of 4 years in Belgium and 5 years in Germany. Exception: for climate risks, a different range is used, spanning from 5 to 10 years. |
| **Long-term risks** | 6 | 10 | The network development plans that we publish, which outline the future investments which are needed in the national transmission networks, each span periods of 10-20 years. Our sustainability ambitions, outlined in the ActNow programme, include targets for 2030 and 2040. Exception: as we explore different climate scenarios and undertake vulnerability assessments, longer time horizons are considered: 2050 and 2085. These horizons are aligned with the lifetime of major investments and new assets. This justifies the use of a wider range for what is considered to be 'long-term': between 10 to 80 years. |

## 3.1.4 Risk management

An assessment of the criticality of each substantive risk is carried out by group and local risk management staff along with relevant internal stakeholders. Criticality is a combination of the likelihood of a risk's occurrence, its estimated impact, and the effectiveness of control and mitigation measures that would reduce the risk's likelihood and/or impact.

Finally, we assess the development of these risks by assessing how their criticality has changed since the previous reporting exercise.

| | |
|---|---|
| **Risk dimension or equivalent** | Metrics highlighting the substantive nature of risks |
| **Continuity of supply** | Number of people impacted by supply disruption. A threshold of 250 thousand people is considered as substantive. |
| **Reputation** | An example of a substantive reputational impact would be a failure to deliver transmission infrastructure that supports the integration of renewable energy in a timely way. |
| **Cash flow** | Risks which, if they materialise, would lead to at least 10% of our total available liquidity being impacted. |
| **Profit and loss** | Risks which, should they materialise, would lead to an impact of 1.5% on our profit and loss. |
| **Health and safety** | Risk which, if they materialise, would lead to staff injuries and/or staff absences from work. |
| **Threat to the implementation of our strategy or to value creation** | Any threat which, if it materialises, may have and adverse impact on the implementation of our strategy. As an example, a threat to value creation in line with our key strategic initiatives concerning grids, system operations, market facilitation or to supporting the energy transition and especially its decarbonisation dimension. |

The outcome of the risk assessment is compared with our risk appetite, the level of risk that we are prepared to accept in pursuit of our objectives, and before action is deemed necessary to reduce the risk. If the impact of risks is higher than our appetite, action plans are implemented to mitigate the risks so that their impact decreases to an acceptable level. Risk matrices have been developed per risk dimension to facilitate this assessment. Departments translate the risk matrices into their own business context to ensure consistent and transparent risk management.

The Group Risk Reports were reviewed twice in 2024 by the Board of Directors and Audit Committee; alongside the Executive Management Boards. The latter contributed to the evaluation of the measures adopted in response to different risks. Action plans or specific, theme-based risk assessments were carried out whenever there was a perception of potential threats or opportunities.

Elia Group continually re-evaluates the adequacy of its risk management approach. Evaluation procedures include monitoring activities carried out as part of normal business operations and specific ad hoc assessments of selected topics. The Internal Audit Team plays a key role in these monitoring activities, as it conducts independent reviews of key financial and operational procedures, including risk mitigating actions. The findings of these reviews are reported to the Audit Committee to help it monitor internal control and risk management systems and corporate reporting procedures.

# Top risks 2024

## Overview

| | | | Time to impact | | | Business activities | |
|---|---|---|---|---|---|---|---|
| # | Risk | Criticality | Now | Short term | Mid term | Core activities | Transversal activities |
| 1 | Affordability | | ● | | | | |
| 2 | Supply chain | | ● | | | | |
| 3 | Financing | | | ● | | | |
| 4 | Digital | | | ● | | | |
| 5 | Electrification | | ● | | | | |
| 6 | Infrastructure projects | | | ● | | | |
| 7 | Business continuity | | ● | | | | |
| 8 | Continuity of supply | | | | ● | | |
| 9 | Talent & knowledge management | | ● | | | | |
| 10 | Health and safety | | | | ● | | |
| 11 | International trade barriers | | | | ● | | |

**Legend**

**Criticality:** Importance of risk based on impact and likelihood

**Time to impact:** Time left before material damage with short and mid terms referring to less than one and five years resp.

**Core activities**

- System planning
- Infrastructure design and construction
- Grid operations and maintenance
- System operations
- Market facilitation
- Trusteeship

**Transversal activities**

- Service for electrification
- Business facilitators

# Affordability

**The transition to a more electrified, efficient, renewable-rich energy system will reduce overall exposure to energy price volatility and enhance economic resilience. However, growing public criticism regarding the cost of infrastructure projects connecting renewable energy has heightened concerns about the affordability of the energy transition for European households and industry.**

## Root causes

### 1. Energy transition

The energy transition requires us to further develop our grid to ensure national climate ambitions are achieved. This involves balancing the energy trilemma: sustainability, affordability and energy security.

### 2. Project-by-project approach in offshore developments

Suboptimized planning negatively impacts cost optimization and long-term affordability. Cheaper alternatives imply significant grid leading investments though.

### 3. Lack of regulatory framework for hybrid interconnections

Lack of regulatory framework on both the European and national level.

### 4. Supply chain scarcity

A saturated market with high demand for electrical equipment and skilled labor drives prices up.

## Our response

**As our TSO subsidiaries are responsible for enabling the energy transition through transmission in their respective territories, we must further develop our grid while meeting objectives of sustainability, affordability and energy security.**

**We tackle this challenge by ensuring the cost-effectiveness of our activities, as outlined in Risk 2: Supply Chain.**

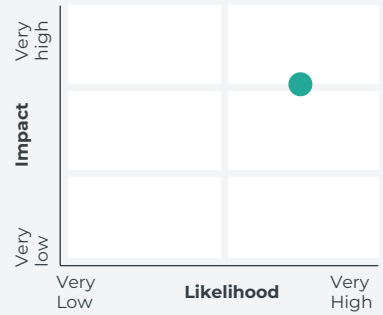
**Furthermore, as the Group is positioned at the heart of the energy transition in Europe, we have taken on an advocacy role for grid leading investment and appropriate market mechanisms through several initiatives:**

- The "Making Hybrids Happen" paper, co-signed with Orsted, proposes novel approaches to offshore development, such as the adoption of regional planning at sea basin level and the establishment of Offshore Investment Banks for Europe's sea basins. We continuously advocate for the implementation of these approaches.
- The "Blueprint" on the Belgian fuel mix highlights new long-term needs.
- The "Going Like the Wind" offshore study demonstrates the benefits of concerted actions at the EU level.

## Residual risk

| Risk dimension | Material topics |
|---|---|
| – Reputation<br>– Cashflow | – Affordability, financeability and cost of the energy transition |

### Criticality




### Time to impact

# Supply chain

**The Group depends on a limited number of suppliers and their ability to deliver high-quality equipment and/or carry out infrastructure work in a timely manner. Any cancellation or delay in the completion of the Group's projects could have an adverse effect on the Group's contribution to the energy transition and ultimately impact the Group's reputation and organic growth. Increases in the price of equipment and works lead to higher projects costs, which in turn results in higher financing needs.**

## Root causes

### 1. Supplier capacity

Limited supplier base for electrical equipment. High demand for materials resulting in long lead times. Shortage of work contractors for specialized services.

### 2. Price increase

Significant price increases for electrical equipment, especially for offshore equipment.

### 3. Supply chain resilience

Supply chains are complex, with multiple dependencies that may jeopardize availability of supplied goods and services (due to climate events, geopolitical risks).

## Our response

The supplier market (platforms, (HVDC) transformers, convertors, cables...) suffers from limited production capacity, which implies we need to pay a premium because there is no alternative. Increasing competition in Europe is necessary while also looking for alternatives outside of Europe (new suppliers identified in South Korea & Japan).

Therefore, the Group takes on an advocacy role as explained in the Risk 1: Affordability.

Furthermore, the Group tries to optimize its supply chain through:
Advancing on existing initiatives:
- Forecast improvements
- Enlargement of storage capacity
- Earlier order placement and reduced time for tenders
- Close follow-up of critical categories

Define new or reinforce initiatives:
- Anticipate supply bottlenecks
- Extend supplier base for long lead items
- Extend supplier base for works
- Technical standard & cost management

## Residual risk

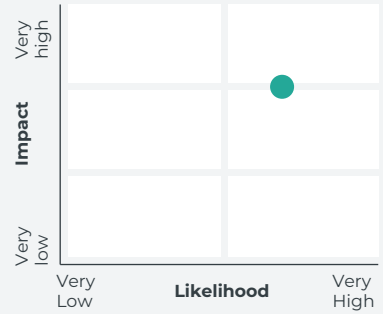
### Risk dimension

- Reputation
- Profit and loss

### Material topics

- Procurement & supply chain

### Criticality




### Time to impact

# Financing

**The ability of the Group to access global sources of financing to cover its financing needs and fund its plans and refinance its existing indebtedness is a key component of the Group's business and strategic plan. Additionally, the development of activities outside of the Group's regulated home markets may result in a lower predictability of results and cash flow. Finally, there may be an adverse impact on the Group's working capital resulting from trustee obligations.**

## Root causes

### 1. Credit worthiness risk

Future grid investments are putting our balance sheet under pressure. Substantial funding needs are required to support growth of regulated activities, challenging the Group's rating.

### 2. Solvency risk

Certain trustee obligations may temporarily impact the Group's working capital. Additionally, we must support the states in their adequacy mechanisms and RES initiatives through our respective TSOs.

### 3. Ability to finance our portfolio

Climate ambitions trigger a substantial investment program to deliver the energy transition. This leads us to repeated exposure to capital markets in order keep a healthy balance sheet.

## Our response

As our TSO subsidiaries are responsible for enabling the energy transition through transmission in their respective territories, we must ensure a good credit rating to maintain financial stability and investor confidence.

Therefore, we ensure our ability to attract long-term financing and maintain investor attractiveness by:

- Diversified (including green) financing sources in equity and debt instruments and good balancing of the maturities of its funding.
- Successful (green) bond issuances in 2024 by ETB, Eurogrid & Elia Group.
- Measures to improve profitability and continuous efforts to attract new investors
- ETB has secured a substantial green credit line of €650 million from the European Investment Bank for the Princess Elisabeth Island.

We also manage our short-term cash flow through:

- Ring-fenced structure with separate S&P ratings for ETB, Elia Group and Eurogrid
- Solid liquidity position with supporting Revolving credit facility.
- Close monitoring of EEG mechanism.

## Residual risk

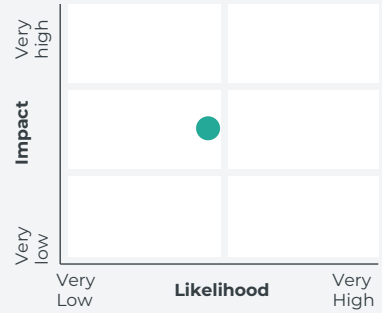
### Risk dimension

- Profit and loss

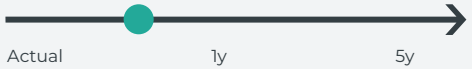
### Material topics

- Affordability, financeability and cost of the energy transition

### Criticality




### Time to impact



# Digital

**To address future challenges, the Group must digitally transform to become more agile, manage the increasing complexity of the power system, and ensure a secure, sustainable, and affordable energy system. Without this digital transformation, we will face delays in our roadmap and difficulties in handling network operations, growing data exchanges, and ensuring cyber security.**

## Root causes

### 1. Digital (incl. cloud services) industry concentration

Rising dependency on a limited base of suppliers – mostly US or China based – for hosting critical applications in cloud environment, putting digital sovereignty into question.

### 2. Power system complexity

The massive integration of renewable energy sources, partly intermittent, makes managing the power system much more complex and increases the means necessary to ensure grid stability and operational security.

### 3. IT/OT convergence

IT/OT convergence will increase our exposure to cyber-attacks, putting security at risk if our digital foundations are not firmly established.

### 4. Increased attention on critical entity resilience from national authorities

As a critical economic entity, we must ensure safety and digital sovereignty.

## Our response

As a group, we can leverage synergies between our different entities to ensure a holistic approach to our digital transformation. We achieve this by building secure digital foundations, including:

- Creating a platform that supports the digital energy ecosystem by offering core TSO business capabilities in a reusable manner to enhance efficiency and accelerate the digitalization of the energy transition.
- Developing a secure and open environment designed for product teams to build cloud-native applications, focused on ensuring high flexibility, scalability, and resilience.

Furthermore, we ensure an efficient digital operating model by:

- Establishing essential governing bodies for strategic guidance.
- Ensuring data products are business-driven.
- Performing holistic change management to effectively utilize expertise and promote continuous learning.
- Prioritizing initiatives based on their value and efficiently reallocating resources.

## Residual risk

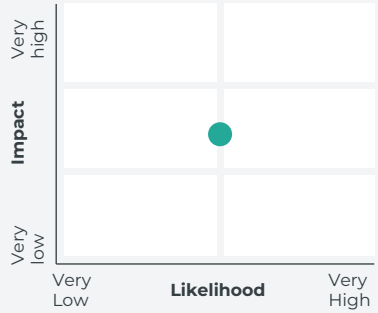
### Risk dimension

- Continuity of supply
- Reputation

### Material topics

- IT security
- Sustainable energy system

### Criticality




### Time to impact

# Electrification

**Planned infrastructure projects may not be enough to accommodate the ongoing wave of electrification of the power system. The speed of the electrification is hard to anticipate and subject to many uncertainties. If we do not address it properly, we could be perceived as a bottleneck.**

## Root causes

### 1. Customer connection/ capacity request and industry decarbonization

High demand for timely customer connections.

### 2. CAPEX Portfolio

Rapid expansion of investment portfolio, with planned development eating already much of available internal resources and few room for new/unplanned requests.

### 3. Critical human resources

Shortage of critical human resources necessary for completing infrastructure projects in Belgium and to a lesser extent Germany.

## Our response

As our TSO subsidiaries are responsible for enabling the energy transition through transmission in their respective territories, we must ensure that the grid is developed in a timely manner to be able to connect customers.

We achieve this by anticipating and speeding up the process of establishing customer connections through:
- Expanded role and support for Key Account Managers to better capture future grid user needs.
- Simplification of connection process to allow faster connections.

Additionally, we optimize the way we determine our CAPEX portfolio by:
- Revised long term planning and dynamic portfolio management.
- Revise replacement policies to ensure optimal usage of project resources.

Moreover, we ensure the optimized use of human resources by:
- Application of new delivery models to save resources.
- Measurement & reduction of rework to make better use of critical resources.
- Application of automation to increase productivity. Investigation of AI possibilities.

## Residual risk

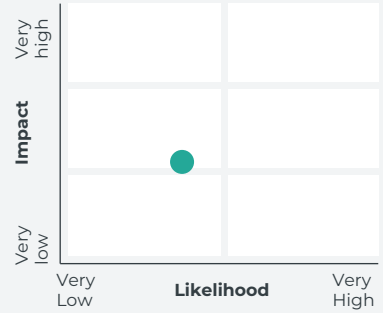
### Risk dimension

- Reputation

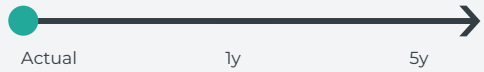
### Material topics

- Grid development and system operations
- Sustainable energy

### Criticality




### Time to impact



# Infrastructure projects

**Timely, budget-conscious (ref risk 1 and 2), and high-quality delivery of our key projects supporting the energy transition is crucial. Failure to achieve this may negatively affect our reputation, financial performance, and overall strategy implementation.**

## Root causes

### 1. Permitting/red tape

The Group needs to comply with environmental and zoning laws while managing increased public expectations and concerns.

### 2. Project delivery threats

Delays, construction difficulties, quality issues and supply chain disruptions can threaten the timely delivery of projects

## Our response

To enable the energy transition, we must ensure the timely delivery of our infrastructure projects. To do this we try to optimize and smoothen the permitting process:

- Contact with authorities and key stakeholders.
- Frequent information sessions for communities impacted by our projects.
- Transparency of cost & benefit analyses performed by external experts.
- Close follow up of (emerging) regulations
- ActNow program to avoid, reduce and offset environmental impacts of our projects.

And we take action to ensure timely project delivery:

- Continuous and comprehensive risk management, along with a stage gate process.
- Company-wide transversal projects addressing multiple domains from grid planning to standardization and supply chain risks, such as early ordering.
- Hiring more personnel for critical functions like project leaders and designers.
- Specific strategies to mitigate supply chain risks.

## Residual risk

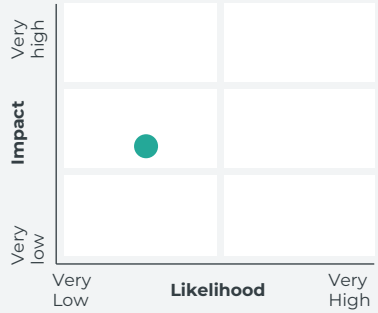
### Risk dimension

- Reputation
- Profit and loss

### Material topics

- Grid development and system operations

### Criticality




### Time to impact

# Business continuity

**Even if the transmission systems operated by the Group are very reliable, the unavailability of one or more network elements (also called contingency events) may occur because of unforeseen events. In most cases, thanks to the meshed structure of our grid, the smooth operation of the network is challenged – and nothing more. However, in more exceptional cases, incidents across the electricity system can lead to business continuity being disrupted.**

## Root causes

### 1. Physical attacks

Sabotage and terrorism on our transmissions grids, which are spread across large geographical areas, can disrupt the electricity system.

### 2. Cybersecurity

Cyber-attacks can interrupt our operational processes.

### 3. Climate

Extreme weather events can damage our infrastructure.

## Our response

As one of the most critical entities in our territories, we must ensure that our network remains reliable and safeguard it against attacks and unforeseen events.

To do this we protect our infrastructure against physical attacks, by:
- putting in place a high security concept translated into dedicated roles and responsibilities across our organizations.
- Monitoring activities and early detection capabilities put in place.

Furthermore, we ensure that our operational process are secure again cyber-attacks through:
- Compliance with NIS 1 and preparation work for NIS 2

Lastly, we prepare ourselves for climate change and its impact on our infrastructure, through:
- Climate vulnerability assessments of infrastructure, active monitoring and periodic risk analysis.
- Development of risk scenarios combining multiple threats.
- Stringent design standards for new infrastructure and maintained curative measures, such as spare stocks and fast response units, for existing assets.

## Residual risk

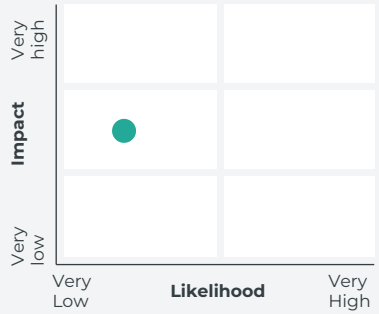
### Risk dimension

- Continuity of supply
- Reputation

### Material topics

- IT security
- Security of supply
- Health and safety

### Criticality




### Time to impact

# Continuity of supply

**As Transmission System Operator,we play a key role in contributing to the continuity of supply of electricity. Unlocking flexibility is a crucial enabler to transition toward integrating renewable energy sources.**

## Root causes

### 1. Adequacy risk

Electrification, closure off some baseload production units and higher share of RES

### 2. Power System Balancing

Growth in the number of renewable energy units and increased volatility of energy flows

### 3. Grid hosting capacity

Lack of transmission capacity.

## Our response

As TSO, we play a key role in contributing to the continuity of supply of electricity. We achieve this by ensuring sufficient generation capacity/ adequacy is brought to the market:

- Development of flexibility and timely delivery of infrastructure to reduce increase of capacity needs.
- Improved and robust design for Capacity Renumeration System (ETB).
- Secure sufficient generation volumes for '25-26 delivery year (and after) through the Capacity Renumeration System (ETB).

We also ensure that the power system remains balanced through:

- Scaled up and automated processes in operations allowing to always be sufficiently ready to maintain the balance of an increasingly complex system, dominated by (volatile) renewables, prosumers, and controllable devices
- European integration of balancing markets to increase liquidity
- Consumer centric market design to increase competition & to lower barriers for flexible participation
- Communication towards general public to highlight the challenge of incompressibility, which refers to the lack of control on distributed PV production units.

And we ensure the grid hosting capacity, by:

- End-to-end flexibility internal readiness (Long-term grid planning, Grid connection, Operations) program

## Residual risk

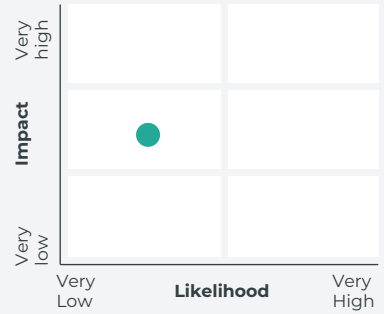
### Risk dimension

- Continuity of supply

### Material topics

- Security of supply
- Grid development and system operations

### Criticality




### Time to impact

# Talent & knowledge management

**A lack of qualified staff may result in insufficient expertise and know-how which is needed to realise the Group's strategic objectives. Given the highly specialised and complex nature of the business, if the Group does not manage to attract the human resources and expertise it needs, the risk of failing to implement its strategy will increase which will consequently impact the energy transition.**

## Root causes

### 1. Employee retirements

A significant number of experienced employees will soon retire.

### 2. Gen Z culture

Gen Z hires have different career expectations compared to previous generations.

### 3. War for talent

The energy industry is facing a fierce competition for talent, particularly for specific critical technical & IT profiles

### 4. Human resources availability to deliver the energy transition

Massive recruitment of diverse profiles, with some very specific technical expertise needed to support energy transition (incl. offshore).

## Our response

To ensure sufficiently qualified staff, we focus on talent attraction, onboarding and retention through:

- Facing a massive staffing increase, HR has stepped up the existing Elia Academy: internal awareness campaign, extension of training catalogue for all employees, development of dedicated onboarding journeys, etc.
- HR and business teams collaborate to achieve the staffing increase, with accelerated recruitment of individuals for critical functions and focused on hiring more senior profiles for specific roles.
- Performance KPIs to follow-up successful onboarding and engagement, with pulse checks on engagement, satisfaction, and well-being.
- Reviewed referral program to attract new potential hires.
- Additional actions are being taken to ensure effective onboarding to speed up transfer of critical knowledge.

## Residual risk

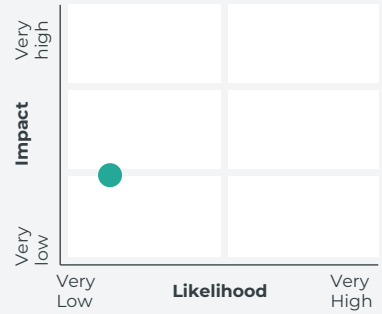
### Risk dimension

- Profit and loss
- Continuity of supply

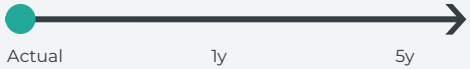
### Material topics

- Talent management and diverse workforce

### Criticality




### Time to impact



# Health and safety

**The Group operates facilities where accidents like assets failures or human errors may cause bodily harm to persons (e.g.: electrocution risks). Psychosocial risks like burnouts and conflicts are also important threat to our employees' well-being. Besides the human and reputational impact, the Group may be exposed to potential liabilities that may have a material negative impact on its financial position or results or require significant financial and managerial resources to deal with the potential fallout.**

## Root causes

### 1. Safety risk

Human errors, contractors' risk, alignment safety behaviors and risk appetite.

### 2. Wellbeing

High societal expectations related to the energy transition place significant pressure on our teams.

## Our response

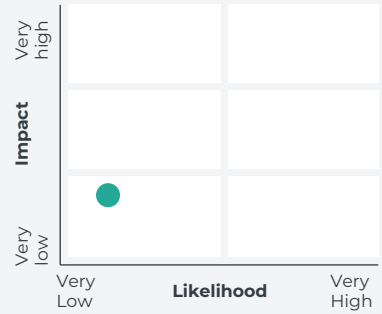
The Group minimizes the safety risk by:
- Safety cultural change initiative rolled out at Group level
- Continuation of awareness and training campaign on safety for contractors
- Focus on feedback and communication
- Trainings & certifications requested to internal & external workers
- Process to close the safety loop & Last Minute Risk analyses
- Safety Culture Ladder / ISO 45001

And the wellbeing risk by:
- Track wellbeing and engagement per department/team, to allow for a quick response if metrics are worsening
- Support from a wellbeing officer & psychologist
- Multiple initiatives on well-being on 4 dimensions: mental, physical, emotional and personal development.

## Residual risk

| Risk dimension | Material topics |
|---|---|
| – Health and safety | – Health and safety |

### Criticality




### Time to impact

# International trade barriers (Nemo Link and CBAM)

**Following the adoption of the Carbon Border Adjustment Mechanism (CBAM), EU electricity imports from GB could decrease significantly because emission assumptions based on historic fossil fuel generation are likely to be used in the CBAM method of application. This is likely to impact negatively revenues and profitability of Nemo Link, our BE/UK interconnector. In the future, CBAM may also increase the cost of procured goods imported from outside Europe.**

## Root causes

### 1. Carbon Border Adjustment Mechanism (CBAM)

The EU's Carbon Border Adjustment Mechanism (CBAM) is designed to impose a price on carbon emissions from carbon-intensive goods entering the EU, encouraging cleaner industrial production in non-EU countries. By ensuring a price has been paid for the carbon emissions in imported goods, the CBAM aims to align the carbon cost of imports with that of domestic production, supporting the EU's climate objectives while adhering to WTO rules.

## Our response

Advocacy with international partners:
- Deliver EU CBAM impact study with international partners and engage in advocacy at EU and British political levels, informing all stakeholders of the issue.
- Pursue political agreement for full Emission Trading Scheme linkage.
- Ensure the British-EU implicit coupling model meets market integration and political alignment requirements.

## Residual risk

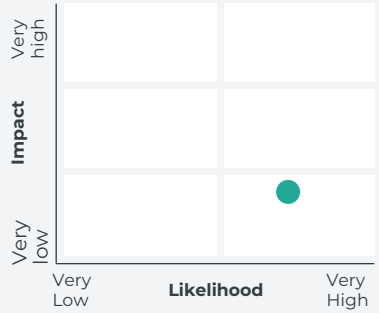
### Risk dimension

- Profit and losses

### Material topics

- Affordability, financeability and cost of the energy transition
- Sustainable system and net zero society

### Criticality




### Time to impact

# Top opportunities 2024

## Overview

| | | | Time to impact | | | Business activities | | Strategic pillars | | |
|---|---|---|---|---|---|---|---|---|---|---|
| # | Opportunity | Criticality | Now | Short term | Mid term | Core activities | Transversal activities | 1 | 2 | 3 |
| 1 | Decarbonisation pathways | | ● | | | | | ● | ● | ● |
| 2 | International transmission needs | | ● | | | | | ● | ● | |
| 3 | Resilience in home territories | | | ● | | | | ● | ● | |
| 4 | Alternative funding | | ● | | | | | ● | ● | |
| 5 | Consumer participation | | | | ● | | | ● | ● | |
| 6 | Digital transformation | | | ● | | | | ● | ● | ● |
| 7 | New grid and digital technologies | | | | ● | | | ● | ● | ● |

**Legend**

**Criticality:** Importance of opportunity based on impact and likelihood

**Time to impact:** Time left before material damage with short and mid terms referring to less than one and five years resp.

**Core activities**

- System planning
- Infrastructure design and construction
- Market Facilitation
- Grid operations and maintenance
- System operations
- Trusteeship

**Transversal activities**

- Service for electrification
- Business facilitators

**Strategic pillars**

1. Deliver the infrastructure of the future and develop a sustainable power system
2. Grow beyond current perimeter to deliver societal value
3. Develop new services creating value for customers in the energy system

# Decarbonisation pathways

## Root causes

### 1. EU Climate action

Political commitment to achieve CO2 target at EU and National level and implementing acts supporting a redesign of power system architecture

### 2. Electrification of end uses

Increased power demand growth through electrification of existing usages (heating, mobility, industry,..) and new growth levers (data centers, green hydrogen)

### 3. Competitive clean techs

Decreasing cost of electrification technologies like power production technologies from renewable energy sources and batteries.

## Our response

### Leader in intermittent renewables integration

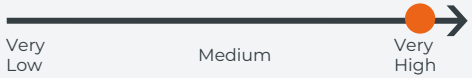
Thanks to our TSO subsidiaries serving territories with high intermittent RES potential, the Elia Group has positioned itself at the heart of the energy transition in Europe and planted growth seeds in US states supporting RES integration.
Our main response is therefore to focus on delivering the massive grid investment plan on behalf of the Belgian and German authorities.
We also adapt our ways of working (connection process, early needs capture,...) to meet the ongoing wave of electrification that comes on top of planned developments.

Through our subsidiary EGI, our international power system consulting company, we leverage on our TSO expertise to offer a unique value proposition for electric utilities and help them define their own decarbonization pathway.
In the near future, we see an increasing role for our TSO activities to secure a new cycle of industry investment in our territories, helping our existing and future grid users to seize the opportunities offered by clean techs.

## Opportunity

### Strategic relevance

### Criticality




### Time to impact

# International transmission needs

## Root causes

### 1. European internal electricity market consolidation

Political commitment to achieve a level playing field across Europe, through shared market mechanisms and infrastructure projects of common interest.

### 2. Large scale RES integration

Transmission needs to connect distant RES to consumption centers, on- and offshore.

### 3. US inter-state reliability

Increased transmission needs to ensure reliability in a context of strong power demand growth and competitive RES integration.

## Our response

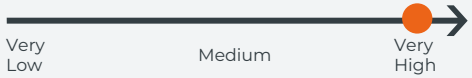
### Frontrunner in interconnectors, offshore and hybrid grid developments

Thanks to our TSO subsidiaries serving highly interconnected territories, the Elia Group is an European key player for efficient multinational projects.
As a consequence, we assume a leading role in North Sea and Baltic Sea alliances, we promote innovative international approaches (cross-border hybrids and radials/energy islands) and we push for joint projects with non-EU countries. We push for joint optimized planning and develop practical solutions to cost sharing and funding.
Through our subsidiary WindGrid and energyRe in the US, we are ready to support a cost-competitive transition towards clean electricity and provide transmission solutions to enable (digital) industry to scale.
Supporting the energy transition outside of our regulated home markets (especially through offshore development) may lead to others accretive growth opportunities for the Group.

## Opportunity

### Strategic relevance

### Criticality




### Time to impact

# Resilience in home territories

## Root causes

### 1. Climate adaptation

Increased frequency and intensity of extreme weather events

### 2. End to end digital and physical security

Digitalization of the power system, including the trend to decentralize energy resources, increases our exposure and makes the case for protection at entity and sector level, going beyond individual protection of most critical assets.

### 3. Hybrid threats awareness amongst EU member states

Increased attention from national authorities on the growing hybrid threats landscape (including both physical and cyber attacks)

### 4. Supply chain scarcity

Supply-led market that is characterized by soaring levels of demand and constrained capacity

## Our response

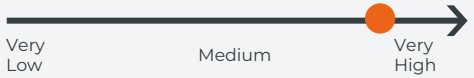
### Trusted operator of critical entity supporting national sovereignty

Thanks to our TSO subsidiaries operating the most critical economic entity in Belgian and German territories, we position ourselves as a partner of trust for National authorities facing hybrid threats.
As a consequence, we develop and expand our ability to cope with climate events and/or malicious attacks. We assume our leadership role in advising national authorities for the upcoming redesign of their security architectures in a tense geopolitical context.
From a supply chain perspective, we also play a key role in de-risking the grid investment plans in both Belgium and Germany and the projects in the US.
We strengthen our commercial relationships with key suppliers of scarce transmission equipment and expand our supply base through new strategic partnerships.
In the future, we anticipate a stronger European policy to reshore key industries and derisk supply chains critical for the energy transition. This may lead to the extension of TSO regulated activities and/or trusteeship roles.
We also anticipate growing expectations from our national authorities regarding digital sovereignty (see opportunity related to Digital Transformation)-

## Opportunity

### Strategic relevance

### Criticality




### Time to impact

# Alternative funding

## Root causes

### 1. Climate finance

Trend to accelerate climate finance through green financing and standardized sustainability reporting requirements

### 2. Multilateral funding

Expanding the range of funding sources to enable climate action supported by International Financing Institutions and Multilateral Development Banks.

### 3. Carbon-neutral capital reallocation

Climate action, leaps forward in clean tech and ESG requirements represent a growing investment opportunity in financial markets. Future climate-related liabilities may further accelerate this trend.

## Our response

### ESG-aligned, publicly-listed group of TSO with European relevance

We successfully embed sustainability considerations into our business model, securing access to financing linked to ESG criteria which will facilitate our ability to finance our infrastructure portfolio.
Through ActNow, our sustainability program, we align with ESG principles, reduce our carbon footprint and increase our transparency through various reporting initiatives.
We tap into alternative sources of financing, including 650m€ green credit facility from the European Investment Bank for the Belgian energy island.

This proactive approach attracts green financing opportunities, reduces the cost of capital and boosts investor confidence in our long-term strategy. It may also appeal to equity investors willing to decarbonize their balance sheet.
Capabilities we are building now (supply chain diversification, export credit financing) to derisk our investment projects will become even more relevant in a context of international climate action supported by European and National development banks .

## Opportunity

### Strategic relevance

### Criticality

### Time to impact

# Consumer participation

## Root causes

### 1. Rising relevance of flexibility

The energy transition is making the system more complex to operate and requires more means to maintain its adequacy, reliability and efficiency.

### 2. Consumer participation in power system operations

The growth of distributed energy resources (including EV and stationary storage) may lead to increased participation of distribution grid users in power system operations.

### 3. Digitalization of distribution systems

Distribution grid operators across Europe are leveraging digital technologies through smart metering roll out and a more active management of grid hosting scarcities due to enhanced observability and control.

### 4. Physical & commercial readiness of advanced clean techs

Interlinked physical challenges would need to be tackled to advance the transition.

## Our response

### Advocate for consumer-centric flexibility markets

Elia Group wants all type of consumers to valorize their flexibility to make the energy transition more cost efficient and reliable.

We actively promote a more consumer-centric market design in Europe. We also support an innovation eco-system through various initiatives and partners. A dedicated Hackathon was held to unlock flexibility through the introduction of real time price.

Besides advocacy, we adapt our own processes and develop new capabilities and use cases with different partners to unlock flexibility across the whole energy system.

Leveraging our experience with consumer centricity as part of our regulated activities, we explore the provision of new digital services to complement our regulated activities (for instance on metering services, API and connectivity platforms and developer portal).

## Opportunity

### Strategic relevance

### Criticality

### Time to impact

# Digital transformation

## Root causes

### 1. Cloud native applications

Enterprises are transitioning away from traditional on-site storage and management toward distribution across multiple infrastructure points that range from remote data centers to on-site servers at the edge of the business, with a handful of non-EU dominant players providing cloud services.

### 2. Power system complexity

Due to the growing penetration of intermittent renewables, power system operations are expected to become more complex (more flexibility means needed to manage the system, from more actors and market roles).

### 3. IT/OT convergence

In a context of decreasing costs for sensors and actuators, legacy systems based on operational technology with low level of integration are been replaced with fully digital solutions, opening a convergence trend between information and operational technology.

## Our response

### Digital TSO

We embed digital in our strategic concept and roll out a new organizational model to meet the challenges and opportunities offered by digital technologies.
Through several lighthouse projects, we have the ambition to harness the scalability and flexibility of cloud technology, while keeping a high level of privacy and security:
Platform and data technology services to build and run cloud-native applications while being sovereign for our most critical applications.
MCCS: Advanced energy management system designed in a modular philosophy to ensure re-use and ease of maintenance.
APMO: Comprehensive application to manage our asset base, taking into account the actual health of our assets to enhance our replacement policies.
In the future, we expect those digital capabilities to create opportunities for new business development and additional revenue streams.
In a context of reinforced digital sovereignty for Europe, we anticipate opportunities to share our digital platform with other critical infrastructure owners.

## Opportunity

### Strategic relevance

### Criticality

### Time to impact

# New grid and digital technologies

## Root causes

### 1. Robotics

Multidisciplinary field where technologies are converging to create intelligent solutions for a wide range of tasks. These advances are expected to shape the merging of industrial and service robotics sectors and the future of work.

### 2. Immersive reality

Continued increases in innovation and interest indicate technological progress and exploration of a broader set of use cases for the technology, such as for consumer engagement and digital twins.

### 3. HVDC

HVDC transmission systems provides substantial benefits and unique grid management capabilities. However, extra efforts are needed regarding technology standardization and vendor compatibility.

### 4. Artificial Intelligence

As we proceed through a pivotal year in artificial intelligence, understanding and adapting to emerging trends is essential to maximizing potential, minimizing risk and responsibly scaling generative AI adoption.

## Our response

### Innovation leader creating value for society

At Elia Group, innovation plays a fundamental role in using technological disruptions to extract more societal value (resource efficiency, cost savings, resilience,...) from our TSO business activities.
Current areas of focus:
– Enable secure integration of renewable energy
– Efficiently deliver the grid investment projects
– Maximize use of existing assets
– Unlock the potential of offshore energy
– Support flexibility for consumers benefits
– Digital excellence of the energy system

For the very first time, Elia Group is participating in a venture capital fund (managed by SET Ventures) to identify new innovations and companies that may accelerate the digitalization of the electricity system. We mature decentralized innovation management in order to prepare the innovation set-up for the Elia group business model evolution and BAU transformation through AI.

## Opportunity

### Strategic relevance

### Criticality

### Time to impact

# 3.2. Internal control system

## 3.2.1 Organisation of internal control system

Elia Group's internal control system supports the company's risk assurance processes and relies on clearly defined roles and responsibilities across all levels of the organisation. Pursuant to Elia Group's articles of association, the Board of Directors established an Executive Management Board as well as various committees to help it fulfil its duties: the Audit Committee, the Strategic Committee, the Remuneration Committee and the Nomination Committee. The Audit Committee is, pursuant to Article 7:99 of the Belgian Code of Companies and Associations and the articles of association, responsible in particular for items (ii), (iii), (iv) and (v) below. The Board has charged the Audit Committee with the following tasks:

- examining the accounts and exercising control over the budget;
- monitoring the financial reporting process;
- monitoring the effectiveness of the company's internal control and risk management systems;
- monitoring the internal audit process and its effectiveness;
- monitoring the statutory audit of annual and consolidated accounts, including following up on any issues raised or recommendations made by external auditors;
- reviewing and monitoring the independence of external auditors;
- formulating a proposal for submission to the Board of Directors for the (re-)appointment of the statutory auditors, as well as making recommendations to the Board of Directors regarding the conditions of their appointment;
- monitoring the nature and extent of the non-audit services provided by the statutory auditors;
- reviewing the effectiveness of the external audit process.

The Audit Committee generally meets on a quarterly basis.

## 3.2.2 Main control activities

Elia Group has established internal control mechanisms across different organisational levels to ensure compliance with standards and internal procedures that are geared towards the proper management of identified risks. These include:

- clear task separation, preventing the same person from initiating, authorising and recording a transaction – policies have been drawn up regarding access to information systems and the delegation of powers;
- an integrated audit approach, so as to link end results with the transactions supporting them;
- data security and integrity through the appropriate allocation of rights;
- the appropriate documentation of procedures through the use of the Business Process Excellence Intranet, which centralises policies and procedures; departmental managers are responsible for establishing activities that control the risks which are inherent to their departments.

## 3.2.3 Integrity and ethics

Elia Group's integrity and ethics are a crucial aspect of our internal control environment. The Board of Directors and the Executive Management Board regularly communicate and revisit these principles in order to clarify the mutual rights and obligations of the company and our employees. These rules are shared with all new employees, and compliance with them is formally included in employment contracts.

Elia Group's Code of Ethics (the "Code of Ethics") defines what Elia Group regards as correct ethical conduct and sets out the policy and a number of principles related to the avoidance of conflicts of interest. Acting honestly and independently with respect to all stakeholders is a key guiding principle for all of our employees. The Code of Ethics expressly states that bribery in any form, the misuse of privileged information and market manipulation is prohibited. This is confirmed by Elia Group's Code of Conduct (the "Code of Conduct"), that helps to prevent employees from breaching any Belgian legislation with regard to the use of privileged information or market manipulation.

Senior management consistently ensures that employees comply with internal values and procedures and – where applicable – takes any actions deemed necessary, as laid down in the company regulations and employment contracts. Elia Group and its employees do not use gifts or entertainment to gain competitive advantage over other organisations. Facilitation payments are not permitted by the group. Disguising gifts or entertainment as charitable donations is also a violation of the Code of Ethics. Moreover, the Code of Ethics prohibits all forms of racism and discrimination, promotes equal opportunities for all employees, and ensures the protection and confidential use of IT systems.

All parties involved in procurement must abide by the group's Supplier Code of Conduct and all associated regulations. The Supplier Code of Conduct contains internationally accepted principles regarding ethical conduct, the protection of human rights, health and safety practices, and environmental and social considerations. In order to use this set of principles to positively impact our supply chain, a risk-based approach is in place. For all purchasing categories, we assess the risks based on traditional supply chain risks and supply chain sustainability risks.

Elia Group offers its employees the opportunity to express their concerns about possible breaches of the Code of Ethics without fear of negative repercussions or unfair treatment. Issues can also be raised with local management teams, HR, and the Compliance Officer. In addition to internal reporting channels, external reporting systems exist that allow all internal employees and external stakeholders to anonymously raise issues about possible breaches of the Code of Ethics which may harm the group's reputation and/or its interests via a dedicated platform ('EthicsAlert'). All raised issues are handled in an objective and confidential manner, in line with the whistleblowing procedure, which was designed in compliance with EU Directive 2019/1937 and its transposition into national law.

The Internal Audit Team's annual activities include a number of actions and verification audits designed to act as specific safeguards against fraud. Any findings are reported to the Audit Committee. In 2024, no relevant findings relating to financial fraud were reported in the audits that were part of the 2024 annual audit plan.

# 3.3. Internal control and risk management system related to the financial reporting process

The Group's financial reporting objectives include:

— ensuring financial statements comply with widely accepted accounting principles;

— ensuring that the information presented in financial results is both transparent and accurate;

— using accounting principles appropriate to the sector and the company's transactions;

— ensuring the accuracy and reliability of financial results.

The activities undertaken by Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH, as electricity transmission system operators which own physical assets, contribute in a significant manner to the group's financial results. Therefore, appropriate procedures and control systems have been established to ensure that an exhaustive and realistic inventory of physical assets can be drawn up.

## 3.3.1 Roles and responsibilities

Under the supervision of the Chief Financial Officer, the Accounting and Finance Department is responsible for statutory financial and tax reporting and the consolidation of Elia Group's subsidiaries. The Finance Department helps the Executive Board by providing, in a timely manner, correct and reliable financial information to aid decision-making (related to monitoring the profitability of activities) and the effective management of corporate financial services. External financial reporting – one of Elia Group's duties – includes (i) statutory financial and tax reporting; (ii) consolidated financial reporting; and (iii) specific reporting obligations applicable to listed companies. The Controlling Department monitors the performance of the Group and its subsidiaries. The Investor Relations Department is responsible for specific reporting applicable to listed companies. With regard to the financial reporting process, the tasks and responsibilities of all employees in the Accounting and Finance Department are clearly defined, so enabling the production of financial results that accurately and honestly reflect Elia Group's financial transactions. A detailed framework of tasks and responsibilities identifies the main control duties and the frequency with which tasks and control duties are performed. An International Financial Reporting Standards (IFRS) Accounting Manual is used by all entities within the scope of consolidation as a reference for accounting principles and procedures, thus ensuring that all accounting and reporting activities across the group are consistent, comparable and accurate. The Accounting and Finance Department has the appropriate means (including IT tools) to perform its tasks; all entities within the scope of consolidation use the same enterprise resource planning software, which has a range of integrated controls and supports task separation as appropriate. The roles and responsibilities of all employees are clearly defined in line with the Business Process Excellence methodology.

The structured approach developed by Elia Group helps to ensure that financial data is both exhaustive and precise, and takes into account activity review deadlines and the actions of key players, so as to ensure that control and accounting processes are adequate.

## 3.3.2 Risk management

Financial risk assessments primarily involve the identification of:

1. significant financial reporting data and its purpose;

2. major risks involved in the attainment of objectives;

3. risk control mechanisms, where possible.

## 3.3.3 Control activities

For all significant financial reporting risks, Elia Group adopts appropriate control mechanisms to minimise the probability of error. Clearly defined roles and responsibilities related to the closing procedure for financial results are in place. Measures that ensure that each stage is appropriately followed up on are in place; this includes the publication of a detailed agenda of all activities undertaken by Elia Group's subsidiaries. Control activities are performed to ensure quality and compliance with internal and external requirements and recommendations. During the financial closing period, a specific test is performed to ensure that unusual and significant transactions, accounting checks and adjustments and company transactions and critical estimates are all under control. The combination of all these elements ensures that our financial results are reliable. Regular internal and external audits also contribute to the quality of our financial reporting. As it identifies the risks that may affect the achievement of financial reporting objectives, the Executive Board takes into account the possibility of any misreporting associated with fraud and takes appropriate action where internal control needs to be strengthened. The Internal Audit Team performs specific audits based on the risk assessment related to potential fraud, with a view to avoiding and preventing any instances of fraud.

## 3.3.4 Information and communication

The members of staff who are responsible for financial reporting regularly meet with other internal departments (operational and control departments) to identify financial reporting data. They validate and document the critical assumptions underpinning booked reserves and the company's accounts. At the group level, the consolidated results are broken down into segments and validated through a comparison with historical figures and through a comparative analysis of forecasts and actual data. This financial information is sent to the Executive Board on a monthly basis and is discussed each quarter with the Audit Committee. The Chairman of the Audit Committee then reports to the Board of Directors.

## 3.3.5 Monitoring

Monitoring activities in the financial reporting process include:

(i) the monthly reporting of strategic indicators to the Executive Board and management;

(ii) following up on key operational indicators at a departmental level;

(iii) a monthly financial report, including an assessment of variations in relation to the budget, comparisons with preceding periods and events which are liable to affect cost controlling.

Consideration is also given to third-party feedback from a range of sources, such as:

(i) stock market indices and reports published by ratings agencies;

(ii) the share value;

(iii) reports published by federal and regional regulators relating to compliance with legal and regulatory frameworks;

(iv) reports published by financial analysts and insurance companies.

Comparing information from external sources with internally generated data and ensuing analyses allows the group to keep on making improvements to its monitoring activities.

Besides the activities performed by the Internal Audit Team that ensure the effectiveness of the internal control and risk management system of the financial reporting process, Elia Group's legal entities are also subject to external audits, which generally entail an evaluation of internal control processes and notes relating to their (annual and quarterly) statutory and consolidated financial results. External auditors make recommendations for improving the Group's internal control systems. For subsidiaries that have an Audit Committee, the recommendations, action plans and their implementation are reported annually to that Committee, which in turn reports to the Board of Directors regarding the independence of the auditor or statutory audit firm and drafts a motion for a resolution on the appointment of external auditors.

# 3.4. Internal control and risk management system related to the non-financial reporting process

Elia Group has established an internal control and risk management system over the sustainability reporting process. Risk management and internal controls over sustainability reporting constitute a critical element for a CSRD - compliant reporting.

## Internal control over sustainability reporting

In preparation of CSRD reporting, the ESRS sustainability reporting team at the Elia Group level has been reinforced. They are responsible for defining the reporting needs and the process for the collection, reviewing the input, consolidation, verification, and compilation of sustainability information.

For the significant and material ESRS topics, together with the business, we created a standardised set of documentation gathered in the Non-financial Accounting Manuals, where we describe the data source, calculation methods, assumptions, roles and responsibilities, internal controls. Two annual cycles of voluntary external limited assurance process for some key datapoints ( see Elia Group's integrated report 2023 page 269) were initiated in 2022 and 2023 to prepare the organisation for the CSRD and to improve the maturity level of the reporting.

Constant collaboration and consultations are maintained with key corporate functions: Sustainability, Internal Audit & Risk Management, Strategy, Controlling. Nevertheless, the transversal nature of sustainability matters imposes that the business owners must remain a central stakeholder, with shared ownership and control tasks at the department level.

The quantitative data are mainly sourced from various internal IT systems. For some data sources internal control on data quality are build-in, however for most of the data a manual verification is needed to detect inaccuracies and ensure accuracy. Confirmation of all qualitative data is

executed by the internal stakeholders, who are assigned responsibility for each sustainability issue.

For all significant sustainability reporting risks, Elia Group adopts appropriate control mechanisms to minimise the probability of error, such as reasonability tests, variance analysis, reconciliation between data sources, 4-eyes review etc.

The implementation of this reporting process has been defined in close collaboration with the sustainability governance bodies described in the section ESRS 2 GOV 1 - The role of the administrative, management and supervisory bodies. Findings resulting from the ESRS preparation process and status has been reported on a quarterly basis to the Group Sustainability Office.

The Group is continuously working on strengthening and increasing its internal control environment. In the future, we will gradually implement an Internal Control over Sustainability Reporting (COSO ICSR) framework for both our internal and external sustainability reporting.

## Risk assessment

We have integrated the sustainability risk assessment into the company's enterprise risk management (ERM) framework. This also includes the identification and management of sustainability reporting risks.

The sustainability reporting risk assessments primarily involves the identification of:

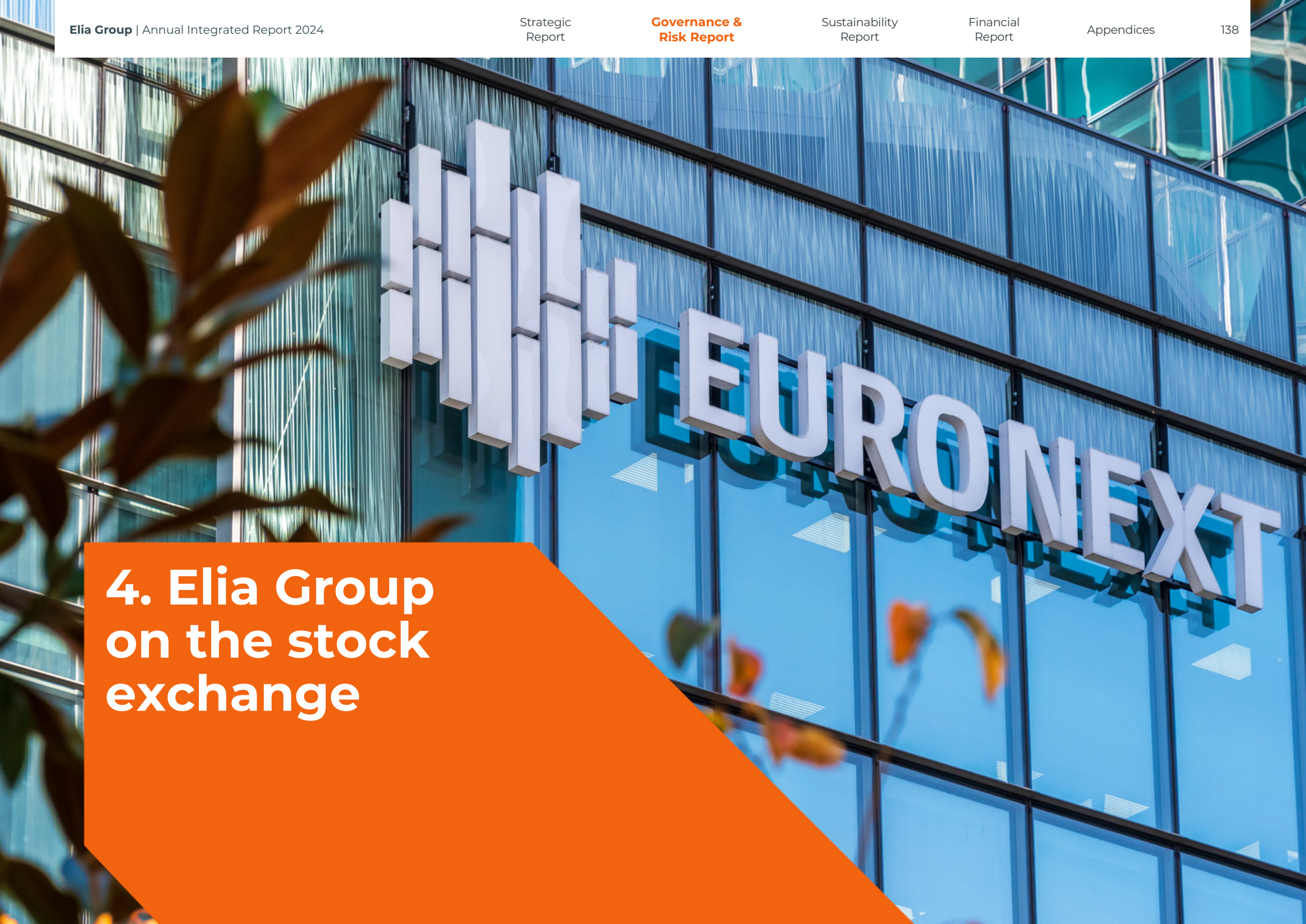
1. Significant sustainability reporting data and its purpose;

2. Major risks involved in the attainment of objectives

- Data derived from multiple systems and data sources, accuracy and completeness of values.
- Correct interpretation of the ESRS;
- Mapping ESG targets with ESRS definition;
- Optimized internal control mechanisms

3. Risk control mechanisms, where possible.

For all significant sustainability reporting risks, Elia Group adopts appropriate control mechanisms to minimise the probability of error. Clearly defined roles and responsibilities related to the closing procedure for sustainability reporting are in place.




# 4. Elia Group on the stock exchange

# 4.1. Elia Group on the stock exchange

*Elia Group's share performance was impacted by uncertainties around funding needs, shifts in investor preferences, and rising interest rates at year-end.*

**In 2024, European utilities faced a mix of opportunities and challenges. The year began with a notable decline in power prices, driven by falling gas prices and a more moderate approach to anticipated rate cuts. However, these trends began to stabilize as the year progressed. The political landscape also shifted, with multiple elections across Europe resulting in a move to the right and bringing new perspectives on renewable energy technologies.**

Amid these changes, the focus on electricity networks remained paramount. Policymakers and regulators increasingly recognized the critical role of power grids in the energy transition, prompting greater investment in expanding grid capacity and resilience. At the close of 2023, Elia Group announced its short- and medium-term targets, and in 2024, it demonstrated strong operational performance. The company made significant progress on its investment plan, achieving a record invested of €4.8 billion across Belgium and Germany. Despite the operational success, Elia Group's shares underperformed the sector mainly due to uncertainties regarding the timing and structure of its future equity raise.

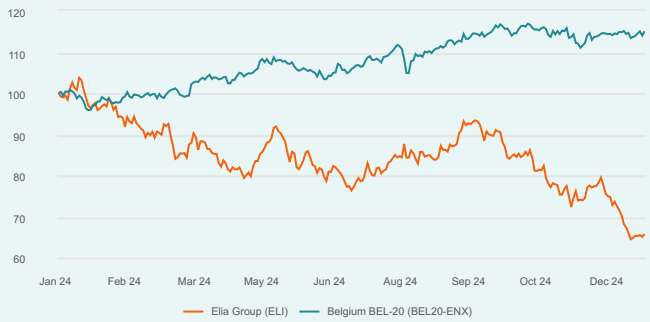
External factors further weighed on the company's share performance, particularly in the final quarter. The market saw a shift in investor preferences towards cyclical and growth sectors like industrials, moving away from stable, bond-like investments such as utilities. Additionally, a sharp increase in interest rates in December added downward pressure on the valuations of utility companies, reducing expectations for future rate cuts.

Elia Group's share price closed the year at €74.4, representing a 34.33% decline from last year's closing price of €113.3. The share price peaked at €117.5 on 12 January 2024 and hit a low of €73.0 on 19 December 2024. The company paid an approved dividend of €1.99 for 2023 and maintained its position in the BEL20 index, which it joined on 22 March 2021.

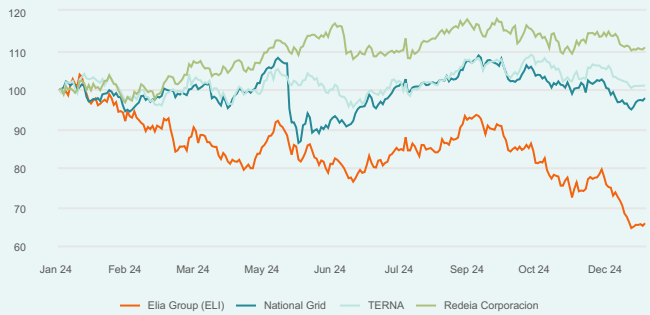
The liquidity of the company's shares increased to 59,621 shares traded per day in 2024, compared to 57,312 shares traded per day in 2023. With 73,521,823 shares outstanding, the company's market capitalisation was €5,470,023,631.2 at the end of December 2024.

### Chances in Price and Traded Volumes

### Changes in Elia Group's share tracked against the BEL20 index




### Changes in Elia Group's share tracked against the share prices of its European counterparts



# 4.2. Information on the treasury share - liquidity agreement

The Special General Meeting of Shareholders held on 18 May 2021 conferred the Board of Directors with the power to acquire the company's own shares, without the total number of own shares held by Elia Group SA/NV pursuant to this power exceeding 10% of the total number of shares, for a compensation that could not be lower than 10% below the lowest closing price in the thirty days preceding the transaction and not higher than 10% above the highest closing price in the thirty days preceding the transaction.

This power was conferred for a period of five years from 4 June 2021 onwards. It applies to the Board of Directors of Elia Group SA/NV and, where necessary, to any third party acting on behalf of Elia Group SA/NV.

In view of the above, Elia Group SA/NV entered into a liquidity agreement with Exane BNP Paribas, providing the latter with the mandate to purchase and sell Elia Group shares on the regulated market of Euronext Brussels. Exane BNP Paribas is acting on behalf and for the account of Elia Group SA/NV and within the framework of a discretionary mandate as authorised by the Extraordinary General Meeting of 18 May 2021. The purpose of the liquidity contract is to support the liquidity of the Elia Group SA/NV shares listed on Euronext Brussels.

Table I provides an overview of the treasury shares acquired or disposed of in 2024 within the framework of the liquidity agreement. Table II provides a more specific overview of the disposals of treasury shares in 2024.

### Table I: treasury shares acquired or disposed of in 2024

| | Number of shares | Accounting par value | Percentage of capital | Consideration for the acquired or transferred shares (€) |
|---|---|---|---|---|
| Situation as of 31/12/2023 (a) | 22,079 | 24.94 | 0.03 % | |
| Treasury shares acquired in 2024 (b) | 377,575 | 24.94 | 0.51 % | 36,352,460 |
| Treasury shares disposed of in 2024 (c)[67] | 360,913 | 24.94 | 0.49 % | 35,035,916 |
| Situation as of 31/12/2024 (d) = (a)+ (b) -(c) | 38,741 | 24.94 | 0.05 % | |

### Table II: overview of the disposals of treasury shares

| Date | Number of shares | Accounting par value | Percentage of capital | Average price (€) | Lowest price (€) | Highest price (€) |
|---|---|---|---|---|---|---|
| 2024 | 360,913 | 24.94 | 0.49% | 97.1 | 71.9 | 118.3 |

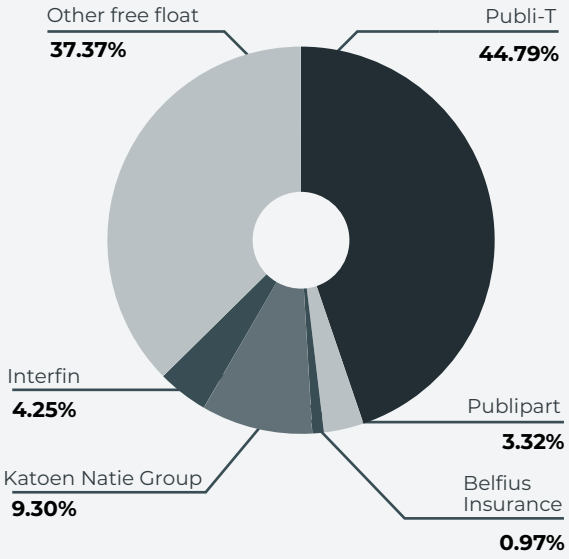
The voting rights of all treasury shares are suspended by law. As of 31 December 2024, Elia Group SA/NV had 38,741 treasury shares that were not entitled to dividend rights.

| Financial calendar | |
|---|---|
| 25 March 2025 | Publication of 2024 Annual Report |
| 20 May 2025 | General meeting of shareholders |
| 21 May 2025 | Quarterly statement for Q1 2025 |
| 2 June 2025 | Payment of 2024 dividend |
| 25 July 2025 | Publication of 2025 half-year results |
| 28 November 2025 | Quarterly statement for Q3 2025 |

[67] As the shares were disposed of on Euronext Brussels, Elia Group SA/NV holds no information about the identity of their acquirers.

## Shareholder structure

Based on transparency declarations received by the company (in accordance with the Act of 2 May 2007 and the Royal Decree of 14 February 2008).




**€2.05**

gross dividend per share

## Dividend

On 20 March 2025, Elia Group SA/NV's Board of Directors envisages a nominal dividend of €150.7 million or €2.05 per share (gross) to the general meeting of shareholders on 20 May 2025, in accordance with the dividend policy and subject to approval of the profit appropriation by the annual general meeting of shareholders. This constituted an increase in dividend for the eight consecutive year. This resulted in a net dividend of €1.435 per share.

On March 7th, 2025, Elia Group announced a €2.2 billion Equity Package composed of a PIPE investment and a subsequent Rights Issue. As stated in the press release, such Rights Issue is intended to be completed before the end of April 2025, and the new shares to be issued, both under the PIPE investment and the subsequent Rights Issue, will not be entitled to the 2024 dividend, scheduled to be paid in June 2025. As a consequence, Elia Group detached the coupon Nr 22, representing the 2024 dividend on Wednesday March 19th, 2025.

The following paying agents will pay out dividends to shareholders: BNP Paribas Fortis, ING Belgium, KBC and Belfius. Dividend payouts for shares held in a stock account will be settled automatically by the bank or stockbroker. Elia Group SA/NV will pay out dividends on registered shares directly to shareholders.

## Dividend policy

On 21 March 2019, the Board of Directors formally approved the policy it intends to apply when proposing dividends to the general meeting of shareholders. This policy states that the full-year dividend growth is intended not to be lower than the increase in the Consumer Price Index ("inflation") in Belgium. The policy supports the Group's long-term ambition to offer a secure dividend in real terms to shareholders while at the same time enabling the Group to sustain a strong balance sheet that is needed to fund the Group's investment programme.

Nevertheless, future dividends will remain dependent upon the results of the Group (which are affected by a number of factors which are outside of the company's control) as well as the company's financial situation, financing needs (capital expenditures and investment plan in particular) and business perspectives.

### Investors

For any questions regarding Elia Group and its shares, please contact:

**Elia Group**

Investor Relations, Boulevard de l'Empereur 20

1000 Brussels, Belgium

E-mail: investor.relations@elia.be

Information about the Group (press releases, annual reports, share prices, disclosures, etc.) can be found on Elia Group's website www.eliagroup.eu

# 4.3. Key figures

| (in € million) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Consolidated results** | | | | | |
| Total revenue and other income | 4,102.9 | 3,953.5 | 4,113.3 | 2,859.7 | 2,473.6 |
| EBITDA (*) | 1,531.9 | 1,227.3 | 1,111.8 | 1,006.9 | 1,005.6 |
| Results from operating activities (EBIT) (*) | 912.2 | 674.4 | 599.4 | 540.1 | 578.5 |
| Net finance costs | (172.4) | (119.3) | (43.6) | (106.6) | (141.5) |
| Income tax | (227.3) | (155.5) | (147.5) | (105.2) | (129.1) |
| Adjusted net result (*)(1) | 512.5 | 411.4 | 408.2 | 328.3 | 308.1 |
| Reported net result | 512.5 | 399.5 | 408.2 | 328.3 | 307.9 |
| Non-controlling interest | 62.0 | 44.1 | 47.2 | 33.1 | 38.5 |
| Hybrid securities | 29.3 | 31.0 | 19.2 | 19.2 | 19.3 |
| Profit attributable to owners of ordinary shares | 421.3 | 324.5 | 341.7 | 276.0 | 250.1 |

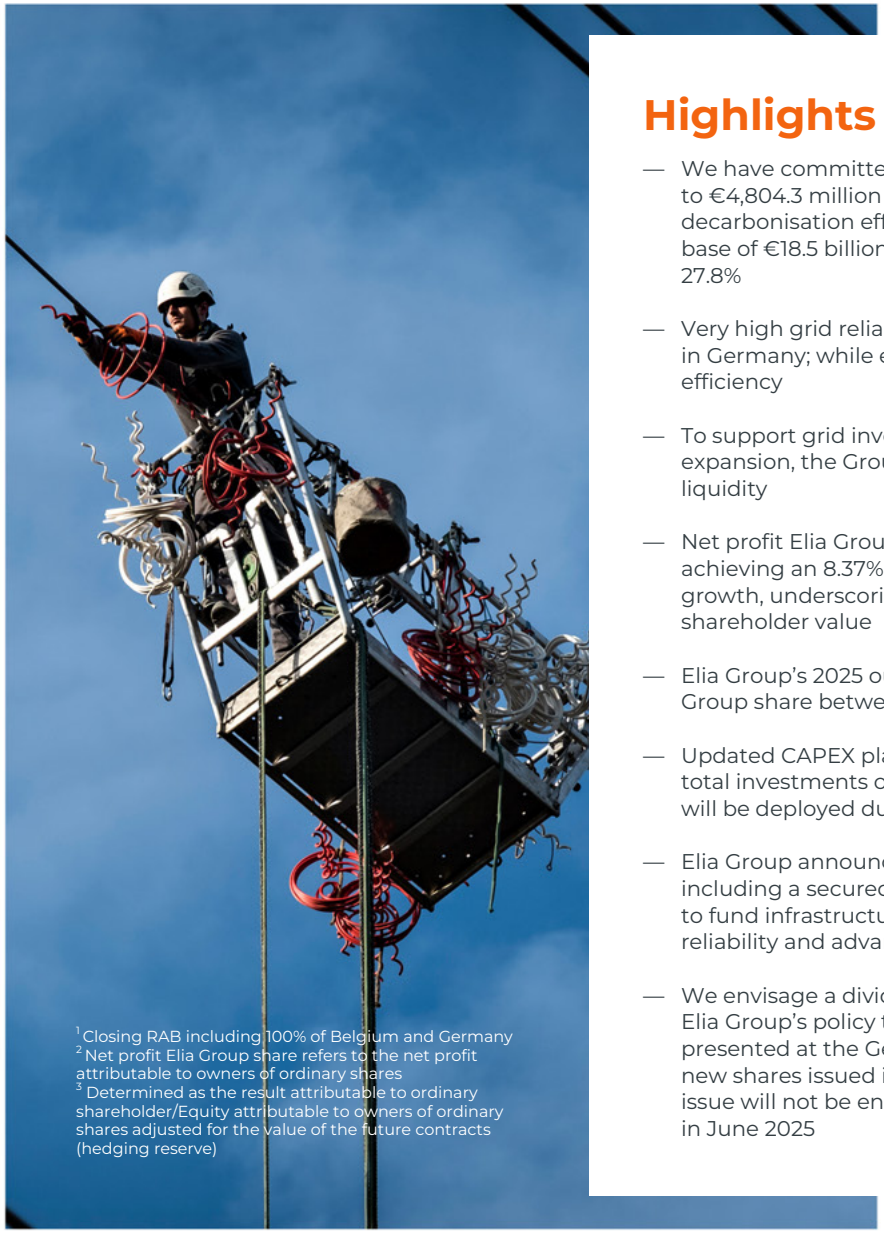
| (in € million) | 31.12.2024 | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|---|---|---|---|---|---|
| **Consolidated balance** | | | | | |
| Total assets | 24,927.6 | 19,390.1 | 20,594.3 | 18,144.3 | 15,165.6 |
| Equity attributable to owners of the company | 5,556.2 | 5,088.5 | 5,319.6 | 4,552.0 | 4,173.2 |
| Equity attributable to owners of the parent – ordinary shareholders | 5,040.3 | 4,572.6 | 4,681.3 | 3,850.6 | 3,471.8 |
| Equity attributable to owners of the parent -Hybrid securities holders | 515.9 | 515.9 | 701.4 | 701.4 | 701.4 |
| Net financial debt | 12,798.2 | 8,641.9 | 4,431.6 | 4,886.3 | 7,465.0 |

| | 31.12.2024 | 31.12.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 |
|---|---|---|---|---|---|
| **Other key figures** | | | | | |
| Regulatory Asset Base (RAB) (€ billion ) (2) | 18.5 | 14.4 | 12.6 | 11.8 | 11.0 |
| Dividend per share (€) | 2.05 | 1.99 | 1.91 | 1.75 | 1.71 |
| Return on Equity (adj.) (*) | 8.37 % | 6.91 % | 7.52 % | 7.56 % | 7.20 % |
| Earnings per share (adj.) (€) (*) | 5.73 | 4.41 | 4.80 | 4.02 | 3.64 |
| Equity per share (€) | 68.60 | 62.20 | 62.80 | 56.00 | 50.50 |
| Number of shares (period-end, excluding treasury shares) | 73,483,082.0 | 73,499,744.0 | 73,502,359.0 | 68,728,055.0 | 68,720,695.0 |

(*) A detailed glossary of definitions is included in the Appendix
1. The adjusted net result was introduced in 2019 as an Alternative Performance Measure; this represents the Normalised net result in prior years
2. Closing RAB at 100% for ETB and 50Hertz

# 5. Management report and analysis of 2024 results

# 5.1. 2024 highlights



[1] Closing RAB including 100% of Belgium and Germany
[2] Net profit Elia Group share refers to the net profit attributable to owners of ordinary shares
[3] Determined as the result attributable to ordinary shareholder/Equity attributable to owners of ordinary shares adjusted for the value of the future contracts (hedging reserve)

## Highlights

- We have committed substantial investments totalling to €4,804.3 million in the grid, driving forward society's decarbonisation efforts. This has led to regulatory asset base of €18.5 billion[1], marking a notable increase of 27.8%
- Very high grid reliability of 99.9% in Belgium and 99.8% in Germany; while ensuring operational excellence and efficiency
- To support grid investments and drive strategic expansion, the Group has secured €9.7 billion in liquidity
- Net profit Elia Group share hits €421.3 million[2], achieving an 8.37% ROE (adj.[3]) and a double-digit EPS growth, underscoring our capabilities to deliver strong shareholder value
- Elia Group's 2025 outlook projects a net profit Elia Group share between €490 million and €540 million
- Updated CAPEX plan for the period 2024-2028 with total investments of €31.6 billion, of which €26.8 billion will be deployed during 2025-2028
- Elia Group announces a €2.2 billion equity package including a secured €850 million via private placement to fund infrastructure investments, ensuring grid reliability and advancing clean energy competitiveness
- We envisage a dividend of €2.05 per share in line with Elia Group's policy to grow DPS with Belgium CPI, to be presented at the General Meeting on 20 May 2025. The new shares issued in the context of the PIPE and rights issue will not be entitled to the 2024 dividend to be paid in June 2025

**"Despite the highly challenging context, 2024 was a very strong year for Elia Group, as solid financial results were delivered in both Belgium and Germany. Once again, we successfully executed key projects which are critical for the energy transition while ensuring that the lights stayed on around the clock. As a key player in Europe's energy landscape, we are committed to supporting efforts to enhance industrial competitiveness, reduce the reliance on fossil fuels, and safeguard the wellbeing of European citizens both today and in the future. In the years ahead, we will continue fulfilling this role by executing an ambitious growth programme while maintaining a strong focus on controlling the cost of the transition. With a strong and well-balanced presence in two geographies, direct access to the North and Baltic Seas (Europe's future energy hubs), and, most importantly, a uniquely skilled team, Elia Group is perfectly positioned to expand its footprint in Europe and beyond, setting the benchmark in electricity transmission. In this content, our recent expansion into the U.S. and the continued growth of our consulting company EGI mark important steps towards new smart growth business models that leverage our unique experience and technical know-how. As Elia Group's new CEO – and someone who has been closely involved with the company and its people for the past seven years – I am truly proud to embark on this journey alongside such talented, innovative and dedicated colleagues."**

**Bernard Gustin**
CEO Elia Group

# 5.2. Elia Group

| Key figures (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Revenue, other income and net income (expense) from settlement mechanism | 4,102.9 | 3,953.5 | 3.8 % |
| Equity accounted investees | 33.2 | 30.2 | 9.8 % |
| EBITDA | 1,531.9 | 1,227.3 | 24.8 % |
| EBIT | 912.2 | 674.4 | 35.3 % |
| Adjusted items | 0.0 | (11.9) | (100.0)% |
| Adjusted EBIT | 912.2 | 686.3 | 32.9 % |
| Net finance costs | (172.4) | (119.3) | 44.5 % |
| **Adjusted net profit** | **512.5** | **411.4** | **24.6 %** |
| **Net profit** | **512.5** | **399.5** | **28.3 %** |
| Non-controlling interests | 62.0 | 44.1 | 40.5 % |
| **Net profit attributable to the group** | **450.6** | **355.4** | **26.8 %** |
| Hybrid securities | 29.3 | 31.0 | (5.5)% |
| **Net profit attributable to owners of ordinary shares** | **421.3** | **324.5** | **29.8 %** |

| Key figures of the financial position (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 24,927.6 | 19,390.1 | 28.6 % |
| Equity attributable to owners of the company | 5,556.2 | 5,088.5 | 9.2 % |
| Net financial debt | 12,798.2 | 8,641.9 | 48.1 % |
| Net financial debt, excl. EEG and similar mechanisms | 13,158.7 | 8,994.5 | 46.3 % |

| Key figures per share | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Earnings per share (in €) (Elia share) | 5.73 | 4.41 | 29.8 % |
| Adjusted earnings per share (in €) (Elia share) | 5.73 | 4.58 | 25.2 % |
| Return on equity attributable to owners of the Company (%) (with Hybrid) | 8.11 | 6.99 | 16.1 % |
| Return on equity (adj.) (%) (Elia share) | 8.37 | 6.91 | 21.2 % |
| Dividend per share (in €) | n.r. | n.r. | n.r. |
| Equity attributable to owners of the company per share (in €) | 68.6 | 62.2 | 10.3 % |
| Number of outstanding ordinary shares (end of period) | 73,483,082 | 73,499,744 | — % |
| Weighted average number of ordinary shares (end of period) | 73,496,080 | 73,499,387 | — % |

## Results

Elia Group's adjusted net profit increased by 24.6%, reaching €512.5 million.

Elia Transmission Belgium delivered a solid performance, reporting an (adjusted) net profit of €213.8 million (+€32.9 million). The higher result is mainly due to a higher fair remuneration driven by the RAB growth and a higher equity return, a higher performance on incentives, and the activation of borrowing costs due to the growth of the asset base. This is partially offset by regulatory settlement following the 2023 saldi review.

50Hertz Transmission Germany (on a 100% basis) achieved strong results, reporting an (adjusted) net profit of €307.9 million (+€89.4 million). This was mainly driven by the increase in investment remuneration resulting from asset growth (albeit lower regulatory return on equity as of 2024 for investments prior to 2024) and outperformance on the operating costs driven by higher base year cost allowance. This was partly offset by lower financial result and increasing depreciations.

The non-regulated segment and Nemo Link reached an adjusted net loss of -€9.2 million (-€21.3 million). This decrease is primarily due to higher funding costs at the Holding associated with the financing of the energyRe Giga transaction and the organic growth in Germany, as well as operating costs for energyRe Giga. This was partially offset by a higher contribution from Nemo Link, driven by higher allowed cap revenues compared to 2023.

In line with Elia Group's (adjusted) net profit, the net profit of Elia Group attributable to the owners of ordinary shares (after deducting the €62.0 million in non-controlling interest and €29.3 million attributable to hybrid securities holders) increased to €421.3 million. This outcome is driven by the execution of the investment programme in Belgium and Germany, the strong operational performance of the regulated entities, and a higher contribution from Nemo Link. These were partially offset by increased non-regulated funding costs associated with the investment in energyRe Giga and Eurogrid GmbH.

In 2024, Elia Group invested €4,804.3 million. These were mainly related to the strengthening of the internal backbone of both the Belgian and German grids, the development of offshore infrastructure and advancing the digitalization of our systems.

## Net debt & credit metrics

| (in € million) | 2024 | 2023 |
|---|---|---|
| Net financial debt, excl. EEG and similar mechanisms | 13,158.7 | 8,994.5 |
| Leverage (D/E) (incl. NCI & hybrid)) | 2.4x | 1.8x |
| Net debt, excl. EEG and similar mechanisms/ EBITDA | 8.6x | 7.3x |
| Average cost of debt | 2.8% | 2.1 % |
| % fixed of gross debt | 98% | 100% |

Elia Group carried a total net financial debt, excl. EEG and similar mechanisms of €13,158.7 million (+€4,164.2 million) at the end of 2024. The primary factor for this increase was the realisation of the investment program in Belgium and Germany, which was mainly funded through operating cash flow and accessing the debt market. Additionally, the Group financed its investment in energyRe Giga via debt.

In 2024, all entities secured substantial funding in line with our sustainable finance goals. ETB issued its second green bond, raising €800 million. Additionally, ETB fully utilized its €650 million green credit facility from the European Investment Bank (EIB) to support the development of the Princess Elisabeth Island. To further strengthen its liquidity position, ETB replaced its previous €650 million sustainability-linked revolving credit facility (RCF) with a new €1.26 billion sustainability-linked RCF. Eurogrid also made significant progress in funding initiatives aimed at supporting the EU's climate action goals and 50Hertz's commitment to achieving 100% renewable energy consumption within its grid area by 2032. Early 2024, Eurogrid raised €1.5 billion through a dual-tranche green bond consisting of a €700 million bond and an €800 million bond. Later in the year, Eurogrid placed two additional green bonds, securing €1.5 billion in total: a €650 million bond and an €850 million bond. Eurogrid also bolstered its liquidity by arranging an additional €3 billion RCF, while its capital base was strengthened by €600 million. On the Group level, Elia Group finalized the acquisition of a minority stake in energyRe Giga on February with an initial investment of US$250 million. This transaction was funded by a €300 million term loan, which refinanced a bridge facility secured at the time of the signing. Additionally, mid-year, Elia Group issued a €600 million senior bond with the net proceeds allocated to general corporate purposes, including financing of Eurogrid and refinancing of the existing debt.

As a result of these funding activities, Elia Group's average cost of debt increased to 2.8% (+70 bps). The credit rating of Elia Group by Standard & Poor's remains BBB with a stable outlook.

Equity attributable to owners of the company increased by €467.7 million to €5,556.2 million (+9.2%). This is primarily driven by the profit attributable to the owners of the company (€450.6 million), the increase in hedge reserves (+€128.0 million), the fair value revaluation of 50 Hertz's participation in EEX (+€51.2 million) and the revaluation of post-employment benefit obligations (+€16.1 million). These effects were partly offset by the 2023 dividend payment (-€146.3 million), the costs linked to the hybrid bonds (-€29.3 million) and valuation of treasury shares following the liquidity agreement (-€1.3 million).

# 5.3. Elia Transmission in Belgium

| Elia Transmission key figures (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Revenue, other income and net income (expense) from settlement mechanism | 1,608.9 | 1,383.9 | 16.3 % |
| Revenues | 1,190.6 | 1,276.3 | (6.7)% |
| Other income | 170.5 | 57.2 | 198.0 % |
| Net income (expense) from settlement mechanism | 247.8 | 50.4 | 391.3 % |
| Equity accounted investees | 3.3 | 2.8 | 17.7 % |
| EBITDA | 596.1 | 510.2 | 16.8 % |
| EBIT | 352.0 | 290.5 | 21.2 % |
| Adjusted items | 0.0 | 0.0 | n.r. |
| Adjusted EBIT | 352.0 | 290.5 | 21.2 % |
| Net finance costs | (70.5) | (54.7) | 28.8 % |
| Income tax expenses | (67.7) | (54.9) | 23.4 % |
| **Net profit** | **213.8** | **180.9** | **18.2 %** |
| Adjusted items on net profit | 0.0 | 0.0 | n.r. |
| **Adjusted net profit** | **213.8** | **180.9** | **18.2 %** |

| Key figures of the financial position (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 9,466.4 | 8,277.8 | 14.4 % |
| Total equity | 3,130.7 | 2,915.7 | 7.4 % |
| Net financial debt | 4,365.3 | 3,479.1 | 25.5 % |
| Free cash flow | (841.8) | (399.8) | 110.5 % |

Elia Transmission's revenue reached €1,608.9 million, marking an increase of 16.3% compared to €1,383.9 million in 2023. The growth was driven by a higher regulated net profit, increased depreciations due to the expanding asset base, and elevated net financial costs associated with ETB's debt funding partly offset by higher interest income on deposits.

EBITDA rose to €596.1 million (+16.8%) due to a higher regulated net profit, higher depreciations linked to the realisation of the investment programme and higher net financial costs, all passed through into revenue. The EBIT increase was slightly more pronounced (+21.2%), mainly linked to the depreciations for intangible assets expensed during the previous regulatory period and thus not covered by the tariffs and leasing adjustments. The contribution of equity-accounted investments slightly increased to €3.3 million, linked to the contribution from HGRT.

Net finance cost increased (+28.8%) compared to previous year. This was mainly driven by the additional debt issued by ETB to support organic growth while also allowing the reimbursement of the €500 million bond maturing in May 2024. Additionally, the net financial costs were also impacted by the costs linked to a €1.26 billion sustainability-linked RCF and the regulatory settlements following the saldi 2023 review (-€2.6 million). These effects were partially counterbalanced by higher interest income from cash deposits and the increased activation of borrowing costs, driven by the expansion of the asset base (+€10.2 million). In early 2024, ETB capitalized on favourable market conditions to issue its second green bond, amounting to €800 million, to fund eligible green projects. Additionally, ETB fully utilized the €650 million green credit facility from the European Investment Bank, which was designated for the first phase of the Princes Elisabeth Island project, securing favourable terms for the benefit of consumers. Following these transactions, the average cost of debt increased to 2.4% (+40 bps) at year-end. Elia continues to maintain a well-balanced debt

maturity profile, with all outstanding debt at a fixed coupon.

(Adjusted) net profit rose by 18.2% to €213.8 million, mainly due to the following:

1. A higher fair remuneration (+€27.6 million) due to asset growth. Furthermore, ETB benefitted from higher equity remuneration compared to last year, as the average 10-year OLO rate (2.91%) surpasses the fixed risk-free of 2.4% rate applied in the prior regulatory period (2023)
2. Increase in incentives (+€3.3 million), reflecting a strong operational performance, primarily linked to good performance on the incentives for interconnection capacity, on innovation and the limited interruptions of the network. This was partly offset by a lower incentive linked to the availability of the MOG due to issues with the Rentel cable and a reduction in the influenceable incentive caused by higher reservation costs
3. Higher capitalised borrowing costs driven by an increase in assets under construction and the slight rise in average cost of debt (+€9.9 million)
4. Regulatory settlements and the reversal of provision for the influenceable incentive (-€4.5 million): The saldi 2023 review resulted in higher regulatory settlements, while the previous year's results were positively impacted by a more substantial reversal of provision
5. Other (-€3.4 million): this was mainly driven by higher issuance costs for long-term borrowings (+€1.0 million), lower depreciation of software and hardware (+€1.4 million) and a higher contributions from employee benefits (+€0.7 million) offset by lower dismantling provisions for the Modular Offshore Grid covered by the tariffs while capitalized under IFRS (-€3.3 million), higher deferred tax effects (-€2.7 million)

Total assets increased by €1,188.6 million to €9,466.4 million, driven by the realisation of the investment programme (€1,177.1 million[68]) and and higher liquidity following ETB's fund raising. Net financial debt increased to €4,365.3 million (+25.5%), as ETB's CAPEX programme was partially financed through cash flows from operating activities supplemented with debt funding. The sustainability-linked RCF (€1,260 million) and the commercial paper (€300 million) remained fully undrawn at the end of 2024. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poors.

Equity increased to €3,130.7 million (+€215.0 million) driven by the reservation of the 2024 profit (€213.8 million) and by the revaluation of post-employment benefit obligations (+ €14.9 million) and a lower allocation of equity towards Nemo Link (+€10.9 million). This was partially offset by the dividend payment to Elia Group (-€22.4 million) and the change in fair value of an interest rate hedge (-€2.2 million).

[68] Including the capitalisation of software and IAS 23 (Borrowing costs), IFRS 15 (Revenue recognition – Transfer of assets from customers) and IFRS 16 (Leasing), the total is €1,221.2 million

# 5.4. 50Hertz Transmission in Germany

| 50Hertz Transmission key figures (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Revenue, other income and net income (expense) from settlement mechanism | 2,520.1 | 2,578.2 | (2.3)% |
| Revenues | 2,566.1 | 2,553.0 | 0.5 % |
| Other income | 249.6 | 175.3 | 42.4 % |
| Net income (expense) from settlement mechanism | (295.6) | (150.1) | 96.9 % |
| EBITDA | 905.6 | 710.9 | 27.4 % |
| EBIT | 532.0 | 378.7 | 40.5 % |
| Adjusted items | 0.0 | 0.0 | n.r. |
| Adjusted EBIT | 532.0 | 378.7 | 40.5 % |
| Net finance costs | (81.8) | (59.8) | 36.9 % |
| Income tax expenses | (142.3) | (100.4) | 41.7 % |
| Net profit | 307.9 | 218.5 | 40.9 % |
| Of which attributable to the Elia group | 246.3 | 174.8 | 40.9 % |
| Adjusted items on net profit | 0.0 | 0.0 | n.r. |
| Adjusted net profit | 307.9 | 218.5 | 40.9 % |

| Key figures of the financial position (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 14,155.3 | 10,086.6 | 40.3 % |
| Total equity | 3,097.2 | 2,138.4 | 44.8 % |
| Net financial debt | 7,224.0 | 4,693.3 | 53.9 % |
| Net financial debt, excl. EEG and similar mechanisms | 7,584.5 | 5,045.9 | 50.3 % |
| Free cash flow | (2,883.0) | (3,403.7) | (15.3)% |

50Hertz Transmission's total revenue and other income slightly decreased compared with 2023 (-2.3%).

EBITDA increased to €905.6 million (+27.4%). The growing onshore and offshore asset base benefitted the investment remuneration (+€152.4 million). Base year revenues increased as well with the new regulatory period due to a higher allowance of operational costs compared to last year (+€64.0 million). In parallel, operating expenses and other costs and revenues increased (-€20.8 million) due to several elements: (i) the expansion of the talent pool to manage the growing and increasingly complex investment programme resulted in additional personnel costs (-€31.5 million). Nevertheless, this increase was more than offset by higher own work capitalised (+€34.6 million). (ii) Moreover, other operational expenses rose (-€5.6 million) driven by general business growth and higher maintenance and repair costs resulting from the June storm in Lusatia, which damaged seventeen pylons. (iii) Furthermore, due to an adjustment in the regulatory framework for personnel costs (e.g. salary payments for vacation days above the legally required level), the revenues decreased (-€10.0 million) but are partially compensated via the base year instead. (iv) Finally, a positive regulatory settlement was observed in 2023, whereas no such settlement was recorded in 2024 (-€8.3 million). EBIT increased as well (+40.5%) despite the higher depreciation costs (-€42.2 million arising from the execution of the investment program.

The net financial result decreased to -€81.8 million (-€22.0 million), primarily due to increased funding costs and associated with Eurogrid's green bond issuances and the new RCF (-€83.4 million). However, this was partially offset by capitalized interest during construction (+€52.9 million) as result of numerous projects being in the construction phase and discounting effects on long term provisions (+ €8.3 million).

(Adjusted) net profit increased to €307.9 million (+40.9%) as a result of:

1. Higher investment remuneration (+€106.6 million) as the asset growth leads to a higher net profit despite the lower regulatory return rate on equity
2. Higher depreciations (-€29.5 million) due to the commissioning of projects
3. Lower financial results (-€15.4 million), driven primarily by the higher interest costs partially offset by higher capitalized interest during construction
4. Higher base year revenues due to the updated allowance of costs with the start of a new regulatory period (+€44.8 million)
5. Increased OPEX and other costs (-€17.0 million) driven by the expansion of the business, some adjusted remuneration mechanisms for OPEX within the new regulatory period and last year's positive regulatory settlements

Total assets rose by €4,068.7 million compared to 2023, largely due to the significant progress made on the investment programme (€3,627.2 million). In addition, the liquidity as per end of December increased mainly due to Eurogrid's bond issuances in the last quarter of 2024. The free cash flow totalled -€2,883.0 million and was significantly impacted by the execution of the investment programme, while the net cash inflow from EEG and similar mechanisms was limited (+€7.9 million). It should be noted that 50Hertz functions as a trustee for these mechanisms.

The net financial debt, excl. EEG and similar mechanisms increased by €2,538.6 million compared to end of 2023, reaching a total of €7,584.5 million. The execution of the investment programme was partially financed from operating cash flow, but also through funds obtained from accessing the debt market on several occasions. Taking into account EEG and similar mechanisms, the net financial debt rose by €2,530.7 million due to a slight increase in the cash balance for EEG and similar mechanisms. As of December 2024, the cash position for these schemes amounted to €360.5 million.

In 2024, Eurogrid continued to tap the bond market to strengthen its liquidity position in relation to its investment plan. In the first half of 2024, it issued a dual tranche of green bonds in the amount of €1.5 billion with a term of 5 year (coupon of 3.60%) and 10 years (coupon of 3.92%) respectively. Later in the year, it benefitted from the drop-in interest rates, to issue again a dual tranche of green bonds in the amount of €1.5 billion with a term of 3 years (coupon of 3.08%) and 11 years (coupon of 3.73%) respectively. Following these transactions, the average cost of debt increased to 2.9% (+90bps) at the end of 2024. Moreover, Eurogrid strengthened its liquidity at the beginning of the year by signing a new RCF of €3 billion. Eurogrid is rated BBB with a stable outlook by Standard & Poors.

The total equity increased by €958.8 million to €3,097.2 million. This increase is primarily driven by Eurogrid's shareholders, the Elia Group and KfW, who remain committed to successfully shaping the energy transition by providing an equity injection totalling €600 million for 2024. Since 2021, 50Hertz applies hedge accounting for the purpose of reducing the risk of fluctuations in the expected amount of grid losses. Due to the energy prices in 2024 being more stable compared to the volatility experienced last year, the fair values of these contracts increased to +€8.0 million (+€165.4 million). Finally, the equity was influenced by a revaluation of the EEX share that 50Hertz holds which is recognized within the OCI (+ €65.8 million). The net profit for 2024 is €307.9 million and was partially offset by the dividend payments (-€180 million) to the shareholders.

# 5.5. Non regulated segment & Nemo Link

| Non-regulated segment and Nemo Link Key figures (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| **Total revenues and other income** | **107.3** | **69.0** | **55.5 %** |
| Equity accounted investees | 29.9 | 27.3 | 9.4 % |
| EBITDA | 30.8 | 6.3 | 388.7 % |
| EBIT | 28.8 | 5.4 | 433.7 % |
| Adjusted items | 0.0 | (11.9) | (100.0)% |
| Adjusted EBIT | 28.8 | 17.3 | 66.6 % |
| Net finance costs | (20.7) | (5.0) | 314.2 % |
| Income tax expenses | (17.3) | (0.2) | 8547.0 % |
| Net profit | (9.2) | 0.2 | (4690.9)% |
| Of which attributable to the Elia Group | (9.6) | (0.2) | 4682.6 % |
| Adjusted items on net profit | 0.0 | (11.9) | n.r. |
| **Adjusted net profit** | **(9.2)** | **12.1** | **(175.9)%** |

| Key figures of the financial position (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 2,621.9 | 1,844.9 | 42.1 % |
| Total equity | 1,206.1 | 1,240.2 | (2.7)% |
| Net financial debt | 1,208.9 | 469.6 | 157.4 % |

Non-regulated revenue increased by 55.5% to €107.3 million compared to previous year. This evolution is mainly attributed to the rise in transactions between segments, particularly involving Elia Group SA, Elia Transmission Belgium, and 50Hertz, and primarily related to the growing IT activities. The revenues from Elia Grid International ('EGI') (-€0.1 million) remained flat year-over-year, while WindGrid supported the development of energyRe Giga (+ €1.3 million).

Equity-accounted investments, including Nemo Link and the newly acquired stake in energyRe Giga, contributed €29.9 million to the Group's result (+€2.6 million).

Nemo Link, as the largest contributor, provided a net contribution of €31.7 million, marking an increase of €4.4 million compared to last year. The revenues of Nemo Link decreased because the spreads sold in the long-term auctions were lower than in 2023, in which Nemo Link locked in a part of the revenue at high spreads in the turbulent 2022 (gas crisis). Nevertheless, Nemo Link succeeded to exceed the allowed in-year revenue cap, which increased due to inflation and favourable GBP/EUR rate, coupled with a very high availability of the interconnector (98.9%).

In the first half of this year, Elia Group closed the acquisition of a minority stake in energyRe Giga with an initial investment of €229.9 million (US$250 million). To date, this has resulted in a negative contribution of -€1.9 million to the net result, as the projects are currently under development.

Adjusted EBIT rose to €28.8 million (+€11.5 million). The EBIT was positively impacted by a higher net contribution from the holding (+€8.0 million) and from the associates Nemo Link and energyRe Giga (+€2.6 million). Additionally, the operating loss of WindGrid decreased (+€0.7 million) as the development of the US activities is carried out by energyRe Giga, while the EBIT also benefits from regulatory settlements following the saldi 2023 review (+ €1.9 million). These effects were partially offset by lower contribution from EGI (-€0.4 million) and re.alto (-€0.7 million). Finally, last year's EBIT was marked by the one-off costs linked the acquisition of a minority stake in energyRe Giga (€11.9 million)

The net finance cost increased to €20.7 million. This increase was mainly driven by the financing cost of energyRe Giga (including the bridge facility and the term loan totalling -€11.1 million), the €600 million bond Elia Group issued to finance the organic growth in Germany as well as for general corporate purposes (-€13.2 million), and other financial costs to Elia Group SA primarily driven by back-up facilities (-€1.0 million) and the revaluation of the earn-out linked to the acquisition of energyRe Giga. These were partially balanced out by the higher income generated from cash deposits due to the Group's pro-active liquidity management (+€1.8 million). Finally, the Group concluded an FX derivative to manage its USD exposure on WindGrid US, leading to a one-off financial gain of €7.5 million.

Adjusted net loss increased by -€21.3 million to -€9.2 million, due to:

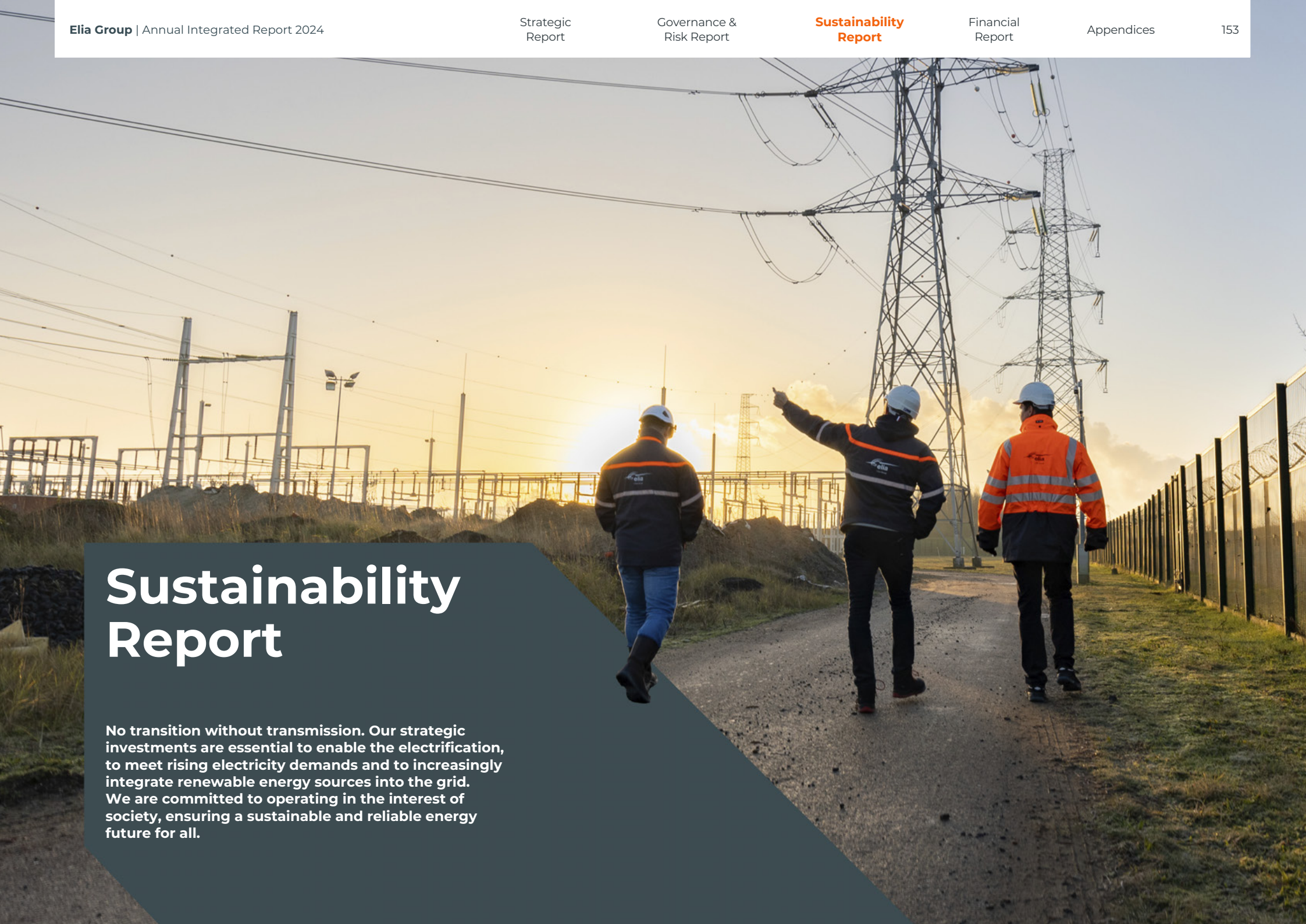
1. Higher contribution from Nemo Link (+€4.5 million)
2. Higher cost for the holding (-€23.0 million) primarily driven by higher funding costs linked to the acquisition of energyRe Giga and the financing of the organic growth in Germany
3. Lower contribution of WindGrid (-€3.3 million), partially driven by the operational losses of energyRe Giga
4. Other items (+€0.5 million): primarily driven by regulatory settlements (+€1.5 million) and lower other non-regulated costs (+€0.2 million), partly offset by higher costs for re.alto (-€1.1 million). EGI's contribution remained flat year-over year (-€0.1 million)

Net financial debt increased by €739.3 million to €1,208.9 million. Throughout 2024, the Group used its leverage capacity to fund its investments in energyRe Giga (€229.9 million), while a portion of the €600 million senior bond proceeds was allocated to strengthen the equity base of Eurogrid GmbH. Elia Group contributed €480 million, while KfW contributed €120 million, demonstrating the strong support of Eurogrid's shareholders in advancing investments in its grid infrastructure. Consequently, total assets saw a more significant increase (+42.1%), amounting to €2,621.9 million (+€777.0 million).

# 5.6. Adjusting items - reconciliation table

| (in € million) – Period ended 31 December 2024 | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries | Elia Group |
|---|---|---|---|---|---|
| **Adjusted items** | | | | | |
| Nihil | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Adjusted EBIT** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| Tax impact | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net profit – adjusted** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

| (in € million) – Period ended 31 December 2023 | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries | Elia Group |
|---|---|---|---|---|---|
| **Adjusted items** | | | | | |
| Transaction costs (acquisition of a minority stake in energyRe Giga - US) | 0.0 | 0.0 | (11.9) | 0.0 | (11.9) |
| **Adjusted EBIT** | **0.0** | **0.0** | **(11.9)** | **0.0** | **(11.9)** |
| Tax impact | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net profit – adjusted items** | **0.0** | **0.0** | **(11.9)** | **0.0** | **(11.9)** |

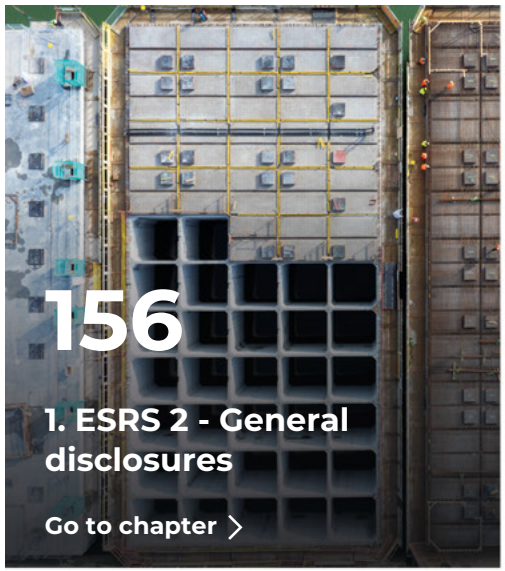


# Sustainability Report

**No transition without transmission. Our strategic investments are essential to enable the electrification, to meet rising electricity demands and to increasingly integrate renewable energy sources into the grid. We are committed to operating in the interest of society, ensuring a sustainable and reliable energy future for all.**

OVERVIEW

# Sustainability Report



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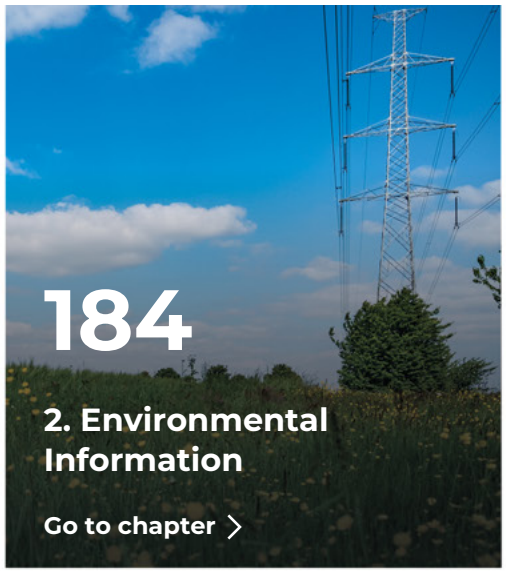

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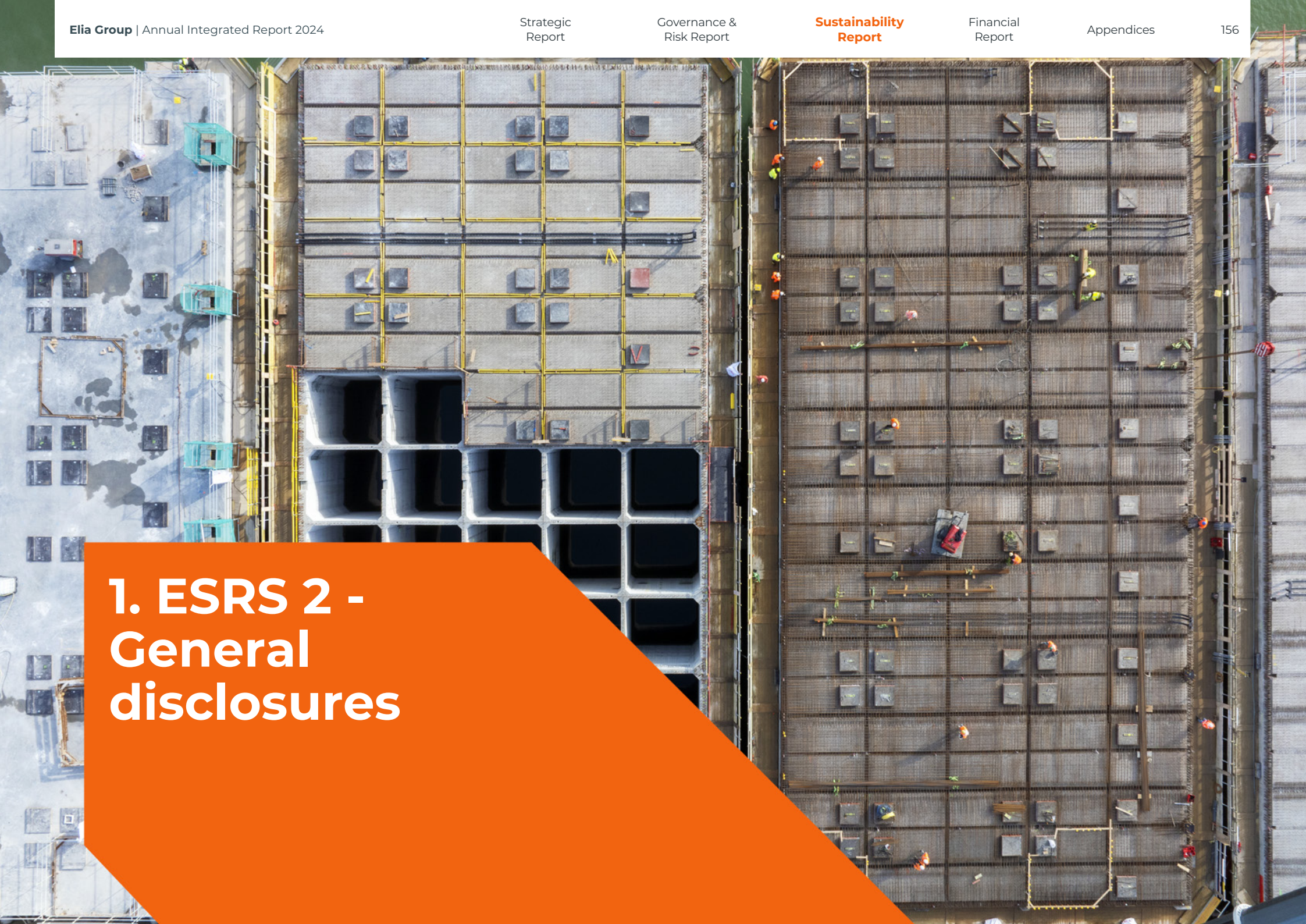


# 1. ESRS 2 - General disclosures

# 1.1. Basis for preparation

## BP-1 - General basis for preparation of the sustainability statements

Elia Group's Sustainability statements provide transparency on the company's reporting in line with the European Sustainability Reporting Standards (ESRS) of the EU Corporate Sustainability Reporting Directive (CSRD). These annual statements reflect the structure, principles and disclosure requirements of the ESRS.

This is Elia Group's seventh annual Sustainability report and the first Sustainability statements in line with the ESRS, covering the period from 1 January 2024 to 31 December 2024.

Throughout these statements the term 'project team' refers to the multidisciplinary and transversal team of Elia Group (team members from Group Accounting and Group Sustainability reporting, Group Strategy and ActNow, Group Internal Control and Risk Management, other ESG experts, etc) and its external advisors, that was in charge of preparing the double materiality assessment and the external disclosures in the 2024 Sustainability statements.

The statement covers the Group's entire value chain: own operations and material upstream and downstream information. See the overview of the material impacts, risks and opportunities arising from the value chain in section ESRS2 General information SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

### Scope of consolidation

The Group's sustainability reporting was prepared on a consolidated basis and is aligned with the scope of the financial consolidated statements.

Elia Group consists of three segments: Elia Transmission Belgium, 50Hertz Transmission Germany, and Non-regulated segment and Nemo Link. The correspondence with the financial consolidation, the exceptions to this and the naming that was used across these statements can be seen in the table below.

Elia Transmission Belgium and 50Hertz Transmission Germany publish standalone consolidated annual reports that include the Sustainability statements in line with the ESRS.

| Financial statements | Sustainability statements |
|---|---|
| **1. Elia Transmission Belgium** | **1. Elia Transmission Belgium** |
| The regulated activities of Elia Transmission Belgium SA/NV | All activities of Elia Transmission Belgium SA/NV |
| Elia Engineering SA/NV | Elia Engineering SA/NV |
| Elia Asset SA/NV | Elia Asset SA/NV |
| Elia Re SA | Elia Re SA |
| H.G.R.T S.A.S and Coreso SA/NV | Not included. They qualify as investments accounted for using the equity method in the consolidated financial statements. |
| Other shareholdings | Not included. They qualify as investments accounted for using IFRS 9 in the consolidated financial statements. |
| **2. 50Hertz Transmission Germany** | **2. 50Hertz Transmission Germany** |
| 50Hertz Transmission GmbH | 50Hertz Transmission GmbH |
| 50Hertz Offshore GmbH | 50Hertz Offshore GmbH |
| 50Hertz Connectors GmbH | 50Hertz Connectors GmbH |
| Eurogrid GmbH | Eurogrid GmbH |
| Link digital GmbH | Not included. They qualify as investments accounted for using the equity method in the consolidated financial statements. |
| Other shareholdings | Not included. They qualify as investments accounted for using IFRS 9 in the consolidated financial statements. |
| **3. Non-regulated segment and Nemo Link** | **3. Non-regulated segment** |
| Elia Group SA/NV | Elia Group SA/NV |
| Eurogrid International SA/NV | Eurogrid International SA/NV |
| EGI (Elia Grid International SA/NV, Elia Grid International GmbH, Elia Grid International LLC Saudi Arabia, Elia Grid International Inc Canada) | EGI (Elia Grid International SA/NV, Elia Grid International GmbH, Elia Grid International LLC Saudi Arabia, Elia Grid International Inc Canada) |
| WindGrid SA/NV | WindGrid SA/NV |
| WindGrid USA Holding LLC | WindGrid USA Holding LLC |
| WindGrid USA LLC | WindGrid USA LLC |
| re.alto (re.alto Energy SRL/BV, re.alto Energy GmbH) | re.alto (re.alto Energy SRL/BV, re.alto Energy GmbH) |
| The non-regulated activities of Elia Transmission Belgium SA/NV | Included in the segment Elia Transmission Belgium |

| Financial statements | Sustainability statements |
|---|---|
| Nemo Link Ltd. | Not included. They qualify as investments accounted for using the equity-method in the consolidated financial statements. |
| energyRe Giga-Projects USA Holdings LLC | Not included. It qualifies as investments accounted for using the equity method - associates in the consolidated financial statements. |

## References to other chapters in this report

When disclosing metrics and values in tables across this report, references to these sustainability reporting segments are made to avoid repetitions. Any deviation from this structure is stated under the respective table, together with a brief explanation.

## Measurement basis

Metrics are reported at segment level for 2024 and, where possible, 2023 values are provided, too. No detailed overview of changes compared to previous disclosures will be provided for this report.

## Phased-in metrics

See section 5.1. ESRS content index for the overview of the disclosure requirements (DR) that are covered by these statements. For the 2024 Sustainability statements, phased-in provisions described in ESRS 1 Appendix C are applied.

No omissions were made regarding material sustainability topics for reasons of confidentiality of intellectual property, expertise or results from innovation processes.

## Targets

When providing forward-looking information in accordance with the ESRS, it's essential to acknowledge the inherent uncertainty involved. This type of information involves projections or expectations about future events and the potential actions a company might take. However, due to the unpredictable nature of the future, these anticipated events and actions may not occur as expected.

## Reporting for segment 3. Non-regulated segment

The different business activities of the affiliates included in this segment were examined during the double materiality assessment. Based on the outcome (see IRO 1 - Description of the processes to identify and assess material impacts, risks and opportunities.) , the following topical standards and disclosure requirements are applicable for these entities:

- S1 Own workforce
- E1-5 and E1-6 from E1 Climate change
- E5-5 from E5 Resource use and circular economy
- G1 Business conduct

## External assurance

In line with the requirements of the CSRD, the 2024 Sustainability statements were externally verified by Elia Group's joint auditors. Note that the comparative numbers 2023 shown in the tables and the trends included in these statements have not been subject to any limited assurance procedures under the CSRD/ESRS requirements.

The assurance report is available in section 1. External Assurance from the V. Appendices.

# BP-2 - Disclosures in relation to specific circumstances

## Time horizons

Throughout these statements, time horizons (short, medium and long- term) are used based on their definitions from ESRS 1.

## Double materiality process

Elia Group will regularly challenge its double materiality assessment (DMA) process, which may change in time due to new insights, sector-specific discussions and developments. Note that thresholds and judgements were and will be used along this process.

## Assumptions and sources of measurement uncertainty

Some data related to disclosure requirements are based on estimations and assumptions and may therefore be subject to measurement uncertainty.

| Quantitative datapoints for which assumptions or estimation are used | Section | Level of measurement uncertainty | Level of accuracy | Sources of measurement uncertainty |
|---|---|---|---|---|
| Energy consumption and mix for the affiliates in segment 3 | E1-5 - Energy consumption and mix | Low | High | Lack of granular data |
| Electricity consumption of Elia Transmission Belgium's substations | E1-5 - Energy consumption and mix | Low | High | Metered data not available. |
| Scope 1 and 2 for the affiliates in segment 3 | E1-6 - Gross Scopes 1,2,3 and Total GHG emissions | Low | High | Lack of granular data |
| Scope 3 | E1-6 - Gross Scopes 1,2,3 and Total GHG emissions | Low | High | Use of spend-base assumptions |
| Denominator of the ecological forest corridors rate for Elia Transmission Belgium | E4-4 - Targets related to biodiversity and ecosystems | High | Low | Estimations from 2020 are used, for which evidence is lacking |
| Waste data for affiliates from segment 3 | E5-5 - Resource outflows | Low | High | The data is based on estimations, not on actuals |
| Waste data for 50Hertz Transmission Germany | E5-5 - Resource outflows | High | Low | The data is based partially on estimations, not on actuals |
| Total Recordable Injury Rate (TRIR) for contractors | S1-14 - Health and safety metrics | High | Low | The denominator of worked hours is calculated based on assumptions starting from types of work |

A 'low' level of measurement uncertainty and a resulting 'high' level of accuracy mean that there is no material impact over the data resulting from use of assumptions.

For the detailed description of the estimations made, application and calculation methods, see the methodology notes from the sections related to metrics and targets.

## Incorporation by reference

| ESRS Disclosure requirement | Datapoints incorporated by reference | Report and section for the incorporation by reference |
|---|---|---|
| ESRS 2 GOV 1 - The role of the administrative, management and supervisory bodies | 21 a - c | Corporate Governance report / 1.2. Composition of the management bodies on 31 December 2024 |
| | 21 d | Corporate Governance report / 1.3. Board of directors and 1.7. Executive management board |
| | 21 e | Corporate Governance report / 1.3. Board of directors |
| | 22 a | Corporate Governance report / 1.3. Board of directors, 1.4. Nomination and remuneration committee, 1.5. Audit committee, 1.6. Strategic committee and 1.7. Executive management board |
| | 23 a and b | Corporate Governance report / 1.3. Board of directors |
| ESRS 2 GOV 3 - Integration of sustainability-related performance in incentive schemes | 29 a - e | Remuneration report / 2.6. Information on how the remuneration complies with the remuneration policy and how performance criteria were applied |
| ESRS 2 GOV 5 - Risk management and internal controls over sustainability reporting | 36 a - e | Risk report , 3.4. Internal control and risk management system related to the non-financial reporting process |
| ESRS 2 SBM1 - Strategy, business model and value chain | 40 a-i and ii | Strategic report / 4.2. Our strategy |
| | 42 a and b | Strategic report / 5.1. Our business model |
| | | Strategic report / 5.2. The resources we rely on |
| | | Strategic report/ 5.4. The output of our activities |
| | 42 c | Strategic report / 2.6. Value chain |
| | 40 e | Strategic report/4.3. Our sustainability programme: ActNow |
| ESRS 2 SBM2 - Interests and views of stakeholders | 45 b | Strategic report/ 2.7. Stakeholder interactions |
| SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model | 42 a and b | Strategic report / 4.4. Double materiality matrix |
| G1-5 - Political influence and lobbying activities | 30 | Corporate Governance report / 1.1 Introduction on the changes within the Board of directors |

### Other certifications

Various standards published by the International Organization for Standardization (ISO) are used in Belgium and Germany. The 'environmental management' criterion is used by 50 Hertz Transmission Germany, which is certified in accordance with ISO 14001. In Belgium, Elia Transmission Belgium obtained its first ISO 14001 certification in November 2024. The 'occupational health and safety management' criterion is used by 50Hertz Transmission Germany in accordance with ISO 45001. The corresponding management systems are implemented and recertified in accordance with the respective audit programmes.

### Other sustainability reporting frameworks used

While Elia Group started reporting its sustainability information in 2019 under the Global Reporting Initiative (GRI), this was completely replaced by the ESRS starting with the 2024 financial year.

# 1.2. Governance

## GOV-1 - The role of the administrative, management and supervisory bodies

Sustainability is embedded in Elia Group's business activities, as expressed in the Group's vision: 'A successful energy transition for a sustainable world'. Our ActNow programme furthers this, explicitly embedding sustainability into our strategy and business activities.

To be able to fulfil this vision in the best possible way, we defined sustainability-related roles and responsibilities across the organisation.

The steering of the sustainability programme, ActNow, and the related ambitions are defined at Elia Group level by the Group Sustainability Office (GSO). The GSO ensures the consistency of the actions taken by the Group as it continuously improves its sustainability performance.

ActNow comprises five dimensions, each of which includes specific targets for the Group, Elia Transmission Belgium and 50Hertz Transmission Germany to reach. At the local level, the respective Sustainability departments and their Sustainability Boards are responsible for putting the programme into operation. These enable sustainability-related targets and activities to be managed and monitored across Elia Transmission Belgium and 50Hertz Transmission Germany. Elia Group officers have been put in place at Group level for a number of key areas, including Security and Safety, Risk Management, Talent, Procurement, Strategy and EU Affairs.

Elia Group's CEO is responsible for sustainability-related issues across the entire Group.

An overview of the tasks and responsibilities of the different governance bodies and how the Group and the local levels interact is available in the following pages.

For information about the composition and diversity of the Board of Directors, see sections 1.2. Composition of the management bodies on 31 December 2024 and 1.7. Executive management board from the Governance & Risk report. More information about the representation of employees and other workers and ways of interacting with these governance bodies is available in S1-2 - Processes for engaging with own workforce and workers' representatives about impacts.

For expertise and skills of the Board of Directors on sustainability matters and access to such expertise and skills, see section 1.3. Board of directors in the Governance & Risk report.

ACT NOW
FOR A SUSTAINABLE WORLD

Group Level
Local Level

**Board of Directors**

Audit Committee
& Strategic Committee

**Elia Group ExCo**

Sustainability sponsorship (CFO for Dimension 1&2, CAO for Dimensions 3,4,5)

**Elia Transmission Belgium ExCo**

**Sustainability sponsorship: CEO**

**Group Sustainability Office**

Group Strategy

**Local Sustainability Managers**

Various Group functions

**50Hertz Transmission Germany ExCo**

**Sustainability sponsorship: CEO**

elia

**Sustainability Manager**

**Sustainability Board: Department heads of relevant line organisation**

**Sustainability at Affiliates**

**Sustainability Manager**

50hertz

**Sustainability Board: CFO, CCO, department heads of relevant line organisation**

**Climate Action** 01

**Environment & Circular Economy** 02

**Health & Safety** 03

**Diversity, Equity & Inclusion** 04

**Governance, Ethics & Compliance** 05

| | Governance body | Main tasks | Sustainability-related responsibility | Frequency and topics addressed in 2024 |
|---|---|---|---|---|
| **Group level** | **Board of Directors (BoD) - Audit Committee** | – The BoD Strategy and Audit Committees validate the strategy (including sustainability targets) on a yearly basis and issue general recommendations.<br>– The BoD endorses the strategic evolutions of the Group, including in terms of its sustainability dimensions. | – Endorses the sustainability aspects of the business strategy through validation of the Business Plan and the Integrated Annual Report, including the Sustainability statements | In 2024, the Audit Committee of Elia Group met 11 times.<br><br>**Topics discussed:**<br>– Follow-up of the risk management and internal audit action plan<br>– Debrief of the ESG 2023 audit recommendations<br>– Results of the Double Materiality Assessment |
| | **Elia Group Management Board (ExCo)** | – Undertakes regular reviews of Elia Group's strategy to validate major changes in overall ambitions and targets<br>– Takes key decisions relevant for Group Strategy<br>– Raises relevant topics with BoD<br>– Provides sponsorship for sustainability aspects<br>  – Chief Financial Officer for Dimensions Climate Action, Environment & Circularity<br>  – Chief Alignment Officer for Dimensions H&S, DEI, Governance/Ethics/Compliance | – Endorses the sustainability-related areas (such as top KPIs) of the business strategy<br>– Develops ambition levels for the sustainability programme over time | At least monthly meetings<br><br>**Topics discussed:**<br>– Review of the Sustainability report<br>– Setting of collective targets (including sustainability-related)<br>– Results of the Double Materiality Assessment<br>– The mentoring program for talents |
| | **Group Sustainability Office (GSO)** | **Defines ESG vision, mission and targets and adapts global strategy accordingly**<br>– Discusses conceptual topics and the development of respective positions (e.g. implications resulting from CSRD requirements, other anticipated legislative requirements)<br>– Proposes sustainability-related changes to the business strategy and targets to the ExCo<br>– Monitors sustainability-related risks linked to the implementation of the strategy<br>– Serves as a sounding board for sustainability communication<br>– Enriches discussion and fosters dialogue on sustainability topics<br>**Drives strategic initiatives**<br>– Sets up working groups to make progress on sustainability-related topics<br>– If needed, steers Group-level implementation projects<br>**Reviews progress of overall sustainability ambitions**<br>– Monitors overall progress and alignment on Group targets of the different dimensions (through the internal ActNow dashboard) and shares with the sponsors at least once a year<br>– Reviews Group-level ambitions for Act Now | – Develops the sustainability dimension of the Group strategy<br>– Ensures alignment between local ActNow roadmaps and the internal ActNow dashboards<br>– Reports on progress to external stakeholders<br>– Monitors developments in sustainability trends and regulations<br>– Coordinates Group-wide projects<br>– Ensures final accountability for the achievement of targets by the various sustainability-linked activities | Quarterly meetings<br><br>**Topics discussed:**<br>– Regular updates on CSRD implementation<br>– Results of the Double Materiality Assessment<br>– Circularity strategy<br>– Targets for managing SF6<br>– Offsetting in the context of carbon neutrality<br>– Scope 3: accounting tool and developments<br>– Review of the ActNow dimensions |

| | Governance body | Main tasks | Sustainability-related responsibility | Frequency and topics addressed in 2024 |
|---|---|---|---|---|
| **Local level** | **Local Executive Management Committees (ExCo)** | – Endorse action plans, implementation plans and roadmaps<br>– Assures appropriate resources<br>– Resolve local issues that cannot be decided by Local Sustainability Boards | – Local Sustainability Programme Sponsorship<br>– Ensure appropriate resource availability | In 2024, local ExCo of 50Hertz Transmission Germany met at least weekly. Local ExCo of Elia Transmission Belgium met at least monthly.<br><br>**Topics discussed in Belgium:**<br>– Sustainability and travel policy<br>– Environmental management system<br>– Health & Safety: yearly action plan and global prevention plan<br>– Green substations: analysis of PV installations<br><br>**Topics discussed in Germany:**<br>– Sustainable grid development and operation<br>– Sustainable procurement, procurement of green electricity<br>– Green bond financing<br>– CSRD reporting |
| | **Local Sustainability Boards** | – Validate local roadmap and targets once a year<br>– Take all decisions on local sustainability matters that do not need to be decided by local ExCo according to the relevant rules/regulations/legislation<br>– Give guidance and support on key sustainability matters (including local roadmaps)<br>– Resolve local issues (key topics added to the agenda by the Sustainability Manager)<br>– Trigger bottom-up engagement from local departments<br>– Formulate positions on high-level sustainability issues | – Review and approve the local roadmap<br>– Report to local ExCo<br>– Track and steer local projects and activities | In 2024, Sustainability Board of Elia Transmission Belgium met 3 times. Sustainability Board of 50Hertz Transmission Germany also met 3 times.<br><br>**Topics discussed in Belgium:**<br>– Environmental management system<br>– CSRD audit results<br>– Grid losses and PPA<br>– Climate actions e.g. for $SF_6$ and PV<br><br>**Topics discussed in Germany:**<br>– Concepts for green steel, green procurement and exhaust heat usage at 50Hertz<br>– Next steps and further improvements for bird protection |
| | **Local Sustainability Managers** | – Chair the local Sustainability Board<br>– Facilitate translation of ActNow ambitions into local activities (roadmap, milestones, etc) with Dimension Leaders<br>– Track and report local progress with respect to ActNow ambitions<br>– Facilitate and coordinate locally the implementation of projects by the action owners<br>– Participate in and contribute to the Group Sustainability Office<br>– Ensure internal and external communication of successes | – Define local roadmaps (including KPIs, milestones and activities) based on proposals by the Dimension Leader<br>– Coordinate local projects and activities<br>– Monitor local ESG Ratings | Operational interactions take place regularly with the Dimension Leaders and with members of the GSO or the Local Sustainability Board. |

| | Governance body | Main tasks | Sustainability-related responsibility | Frequency and topics addressed in 2024 |
|---|---|---|---|---|
| **Local level** | **Dimension leaders** | – Develop the roadmap and milestones within their respective dimension on Group level, incl. proposal of new ambitions if needed<br>– Participate in regular exchanges with Accounting counterparts in order to anticipate and consider adequately the CSRD logic and data collection<br>– Raise concerns and topics from their dimension to discuss with the Sustainability Manager<br>– Ensure alignment between the two local roadmaps<br>– Measure performance and share progress in their respective dimension. | – Define local roadmaps (including KPIs, milestones and activities) along with Sustainability Managers<br>– Organise and ensure quality management of data collection (for ActNow internal and external dashboard) in alignment with CSRD reporting | Monthly exchanges take place between all Dimension Leaders and the Local Sustainability Managers.<br><br>**Topics discussed:**<br>– Operational updates from the various dimensions<br>– Focus areas for the year<br>– Circularity<br>– Communication for sustainability |
| | **Action owners** | – Identify and implement actions that were identified as a crucial part of the strategy<br>– Together with the Dimension Leader set realistic yet ambitious enough targets for the respective activities. | – Responsible for hitting the milestones and targets set<br>– Provide data to ensure monitoring | |

# GOV-2 - Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

For an overview of the sustainability-related matters that were addressed by the different Group and local administrative, management and supervisory bodies in 2024 see the last column in the table in section GOV 1 . The role of the administrative, management and supervisory bodies. The frequency is dictated by the frequency of the meetings of the respective governance body.

# GOV-3 - Integration of sustainability-related performance in incentive schemes

This comprises information related to the remuneration policies and how these are reflected in the remuneration schemes of the Group's Executive Committees, see section 2.6. Information on how the remuneration complies with the remuneration policy and how performance criteria were applied from the Governance & Risk Report.

The GHG emissions reduction targets set up by the company (see section E1-4 - Targets related to climate change mitigation and adaptation) are not directly linked to the remuneration of the members of administrative, management and supervisory bodies.

# GOV-4 - Statement on sustainability due diligence

The guidance from ESRS 1, point 4 'Due diligence', 58 - 61, was taken into consideration for preparing this disclosure requirement. According to this, "due diligence is the process by which undertakings identify, prevent, mitigate and account for how they address the actual and potential negative impacts on the environment and people connected with their business."

Elia Group performs due diligence as an on-going practice and this is responsive to and may trigger changes in our Group's activities, business relationships, operating practices and sourcing.

The core elements of due diligence can be found across these statements, in line with the following table:

| Core elements of due diligence | Section in the Sustainability statements |
|---|---|
| **Embedding due diligence in governance, strategy and the business model** | ESRS 2 GOV-2<br>ESRS 2 GOV-3<br>ESRS 2 SBM-3 |
| **Engaging with affected stakeholders in all key steps of the due diligence process** | ESRS 2 GOV-2<br>ESRS 2 SBM-2<br>ESRS 2 IRO-1<br>S1-2 – Processes for engaging with own workforce and workers' representatives about impacts<br>S2-2 – Processes for engaging with value chain workers about impacts<br>S3-2 – Processes for engaging with affected communities about impacts<br>ESRS 2 MDR-P reflected in:<br>E1-2 Policies related to climate change mitigation and adaptation<br>E4-2 - Policies related to biodiversity and ecosystems<br>E5-1 - Policies related to resource use and circular economy<br>S1-1 - Policies related to own workforce<br>S2-2 - Policies related to value chain workers<br>S3-1 - Policies related to affected communities<br>G1-1 - Corporate culture and business conduct policies |
| **Identifying and assessing adverse impacts** | ESRS 2 IRO-1<br>ESRS 2 SBM-3 |
| **Taking actions to address those adverse impacts** | ESRS 2 MDR-A reflected in:<br>E1-3 - Actions and resources in relation to climate change policies<br>E4-3 - Actions and resources in relation to biodiversity and ecosystems<br>E5-2 - Actions and resources related to resource use and circular economy<br>S1-4 - Taking action on material impacts, risks and opportunities related to own workforce<br>S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers<br>S3-4 - Taking action on material impacts, risks and opportunities related to affected communities |
| **Tracking the effectiveness of these efforts and communicating** | ESRS 2 MDR-M reflected in:<br>E1 - 5 to E1 -8;<br>E4-5 - Impact metrics related to biodiversity and ecosystems change<br>E5-4 and E5-5<br>S1-9 to S1-17<br><br>ESRS 2 MDR-T reflected in:<br>E1-4 - Targets related to climate change mitigation and adaptation<br>E4-4 - Targets related to biodiversity and ecosystems<br>E5-3 - Targets related to resource use and circular economy<br>S1-5 - Targets related to own workforce<br>S2-5 - Targets related to value chain workers<br>S3-5 - Targets related to affected communities |

## GOV-5 - Risk management and internal control over sustainability reporting

The main features of Elia Group's risk management and internal control system in relation to the sustainability reporting process are described in section 3.4. Internal control and risk management system related to the non-financial reporting in the Governance & Risk Report.

# 1.3. Strategy

## SBM-1 - Strategy, business model and value chain

### Business model and value chain

Elia Group's business strategy and business model are explained in detail in sections 4.2. Our strategy and 5.1. Our business model in the Strategic report. Sections 5.2. The resources we rely on and 5.4. The output of our activities from the Strategic report describe the resources used to support our business activities.

"Deliver the infrastructure of the future and develop and operate a sustainable power system" (first pillar of Elia Group's strategy) remains the core business of Elia Group and is carried out mainly by the two transmission system operators: Elia Transmission Belgium and 50Hertz Transmission Germany. The transmission of electricity activities shape Elia Group's business model and its key value chain (section 2.6. Value chain). Most sustainability matters are related to those activities. Through the ActNow programme we ensure the commitment to embed sustainability across our operations and business areas, see section 4.3. ActNow: our sustainability programme from the Strategic report.

The geographical specificities of Belgium and Germany, where the Group operates, are analysed and operationalised via the local committees and local sustainability managers, as explained in section GOV-1. The role of the administrative, management and supervisory bodies.

### Group activities and associated revenue

Elia Group is not active in operations related to chemical production, controversial weapons, or the cultivation or production of tobacco.

Less than 1% of the Group's total annual revenue is generated through the direct grid connection of fossil fuel-fired power plants. For revenue from Taxonomy-aligned economic activities, see section 2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation).

### Sustainability-related goals and geographical areas

The ActNow sustainability programme covers five dimensions and multiple objectives. These are described in section 4.3. ActNow: our sustainability programme in the Strategic report. The Group's sustainability-related goals are similar for Germany and Belgium, even though the roadmaps and action plans reflect local specificities.

The sustainability-related targets and actuals are presented in the following sections of the Sustainability statements:

- E1-4 - Targets related to climate change mitigation and adaptation
- E4-4 -Targets related to biodiversity and ecosystems
- S1-5 - Targets related to own workforce
- S2-5 - Targets related to value chain workers

For the Elia Group headcount and its allocation across the Group's various geographies, see section S1-6. Characteristic of the undertaking's employees.

## SBM-2 - Interests and views of stakeholders

The main categories of stakeholders with whom Elia Transmission Belgium and 50Hertz Transmission Germany engage are reflected in section 2.7. Stakeholder interactions of the Strategic report. The different stakeholders provide crucial support, feedback, and resources along our entire value chain needed to operate efficiently, comply with regulations, innovate and meet the demands of a dynamic energy landscape. Their involvement ensures that our strategy is aligned with broader economic, social and environmental goals, ultimately leading to a more secure and effective energy system. Therefore, the feedback from the different stakeholder groups is continuously taken into account in our annual strategic planning process and operational processes - and for some of them, in the materiality assessment process - in order to remain responsive, resilient and aligned with broader societal goals.

The strategy for further connecting the existing stakeholder's engagement processes and Elia Group's double materiality assessment is part of future improvements.

The following table outlines a detailed description of the engagement methods for each category.

| Stakeholder group | Why we interact | Key interaction along the value chain and the business activities | How we interact | | |
|---|---|---|---|---|---|
| | | | Methods | Frequency | Results of engagement |
| **Customers and consumers** | – To ensure the reliable, efficient and affordable transmission of electricity and to facilitate the seamless integration of the energy needs of our directly connected customers<br>– To ensure that our operating practices are open and transparent and meet consumers' and customers' needs<br>– To unlock additional flexibility in the system coming from industry and households | In own operations:<br>– Services for electrification<br>– Market facilitation<br>Downstream | – Direct contact via system planning and consumer departments<br>– Consumer surveys<br>– Working groups<br>– Project-specific meetings | – On-demand with directly connected customers<br>– 1-2 times per year during conferences and information sessions | – Understanding consumers' and customers' needs means that business activities can meet these early on, thus contributing to efficient and effective grid planning, socioeconomic welfare and reputation enhancement<br>– Unlocking flexibility in the system supports the balancing of the grid |
| **Electricity system operators** | – To safeguard system stability by aligning our activities with those of neighbouring DSOs and TSOs<br>– To develop joint solutions for the (European) grid, system and market as electrification spreads | In own operations:<br>– System planning<br>– Market facilitation<br>– System operations<br>– Grid operations and maintenance<br>– Infrastructure design and construction<br>Downstream | – Direct contact through control and regional centres<br>– Membership in associations<br>– Conferences and events | – Daily through system operations staff<br>– Regular interactions<br>– 1-2 times per year during main events | – Grid stability is maintained in real time around the clock<br>– Our system operation activities are enhanced, particularly given the increasing amounts of RES |
| **Energy producers** | – To facilitate security of supply, maintain system reliability and coordinate the provision of system services<br>– To connect them to the grid | Upstream<br>In own operations:<br>– System planning<br>– Infrastructure design and construction<br>– Grid operations and maintenance<br>– System operations<br>– Market facilitation<br>– Business facilitators<br>– Trusteeship | – Direct contact through control and regional centres<br>– Working groups<br>– Information sessions<br>– Conferences and events | – Daily through system operations staff<br>– 1-2 times per year during main events | – Grid stability is maintained in real time round the clock<br>– Their needs are considered early on when planning the system and grid development<br>– Better system and grid operations, e.g. ensuring reliability, reducing down-time during maintenance |
| **Shareholders and investors** | – To secure the Group's future growth and expansion | In own operations:<br>– Business facilitators<br>– Trusteeship | – External publications<br>– Investors' meetings and events | – Regularly via the Investor Relations Team<br>– At regular intervals, in line with external publication dates (i.e. quarterly, yearly)<br>– 1-2 times per year during main events | – The financing needed to carry out the business activities and to secure the realisation of investment projects |
| **Employees** | – To strengthen cooperation and enhance effectiveness<br>– To foster a shared sense of purpose and ensure that the importance of our role in the energy transition is understood | Key stakeholders along all the business activities from own operations | – Performance management and training sessions<br>– Internal communication campaigns<br>– Internal events<br>– Surveys ('Pulse', wellbeing etc.) | – Daily | – Our employees share a strong sense of purpose, enhancing their work<br>– They are committed and contribute to the Group's performance |

| Stakeholder group | Why we interact | Key interaction along the value chain and the business activities | How we interact<br>Methods | Frequency | Results of the engagement |
|---|---|---|---|---|---|
| **Suppliers** | – To ensure the company has access to high-quality materials, tools and services at affordable prices<br>– To meet the future needs for new materials and tools | Upstream<br>In own operations:<br>– Infrastructure design and construction<br>– Grid operations and maintenance<br>– Business facilitators<br>– System operations | – Direct interactions, including through tenders and contracts<br>– Meetings | – Regularly through procurement and project team | – Access is obtained to the needed technology at the time when it is needed and at affordable prices<br>– The sustainability of the upstream value chain is enhanced |
| **Local communities** | – To design projects with the needs and interests of local communities in mind<br>– To keep local communities informed of the status of projects and their relevance to the energy transition | In own operations:<br>– Infrastructure design and construction<br>– Grid operations and maintenance<br>Downstream | – In-person and virtual information and consultation sessions during projects<br>– Dedicated project websites and external publications | – Regularly via the project communication teams | – Feedback from communities impacted by our projects is taken into consideration as we carry out our activities<br>– Regular interactions with local communities ensure they better understand the societal value of our activities |
| **Governments and public authorities** | – To align our activities with government policy and act as a trusted advisor to policymakers<br>– To ensure regulatory frameworks deliver value for end consumers and a fair return for the investors | In own operations:<br>– System planning<br>– Trusteeship<br>– Market facilitation<br>– System operations<br>– Infrastructure design and construction | – Meetings with regulatory authorities and policymakers<br>– Publications and studies | – Frequent | – Governments and regulatory authorities are provided with trusted advice and research related to decarbonisation and the energy system<br>– Their feedback is taken on board and integrated into the companies activities. |
| **Press and the general public** | – To maintain alignment with the interests of society and provide progress updates<br>– To inform public debate about the best methods for reaching net zero | In own operations:<br>– Market facilitation<br>– Infrastructure design and construction<br>– Grid operations<br>– System planning | – Press conferences and site visits<br>– External publications<br>– Digital channels | – Daily with the press via direct contact with external communications team or digital channels<br>– Regular publications | – The general public is kept informed of our work and its importance to the energy transition, thus securing their commitment to our activities. |
| **Federations, NGOs and academics** | – To ensure our research is as rigorous as possible and to test innovative technology and approaches<br>– To explore solutions for minimising negative impacts of our activities | In own operations<br>– Services for electrification<br>– Market facilitation<br>– System planning<br>– Infrastructure design and construction | – Membership in organisations and associated meetings<br>– Specific projects and studies | – Daily contact during specific projects<br>– Monthly or quarterly membership or partnership meetings | – Our activities are enhanced through innovation.<br>– Enriched expertise and perspective, due to co-creation and exchanges. |

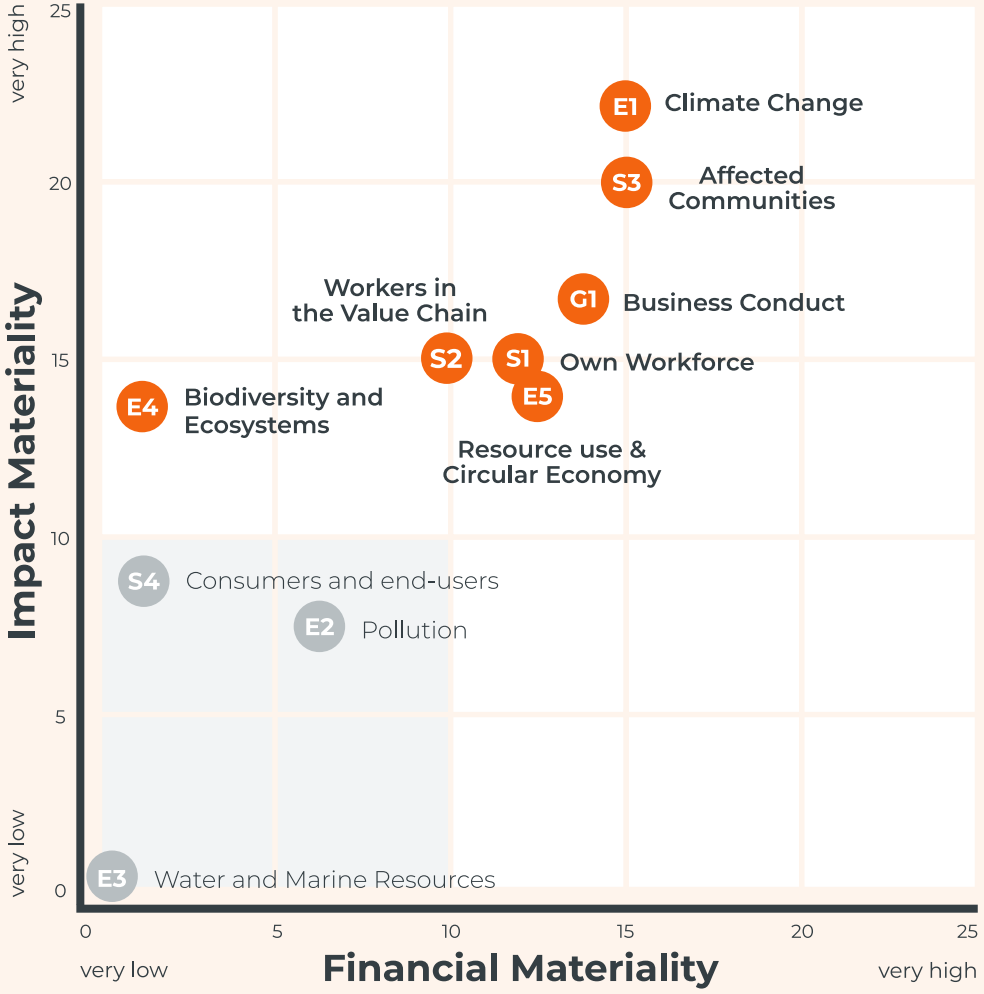
# SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, the project team identified impacts, risks and opportunities (IROs) related to each of the ESRS. The description of the methodology and process can be consulted in the section IRO1 - Description of the processes to identify and assess material impacts, risks and opportunities.

Furthermore, in the topical standards information is available about how these IROs relate to Elia Group's policies, targets, actions and metrics.

The result of Elia Group's double materiality assessment is summarised in the matrix below.

The correspondence table explains the connection between the ESRS and how these are integrated in the business material topics of Elia Group. See also section 4.4. Double materiality matrix in the Strategic report.




**E1 - Climate Change**

- Affordability, financeability and cost of the energy transition
- Sustainable corporate footprint
- Security of supply
- Grid development and system operations
- Procurement and supply chain
- Sustainable system and net-zero society

**E2 - Pollution**

- Sustainable corporate footprint

**E3 - Water and Marine Resources**

- No correspondence with business material topics

**E4 - Biodiversity and Ecosystems**

- Sustainable corporate footprint

**E5 - Resource use & Circular Economy**

- Sustainable corporate footprint
- Procurement and supply chain

**S1 - Own Workforce**

- Grid development and system operations
- Talent management and diverse workforce
- Health and Safety

**S2 - Workers in the Value Chain**

- Procurement and supply chain
- Health and Safety

**S3 - Affected Communities**

- Security of supply
- Grid development and system operations
- Effective governance practices

**S4 - Consumers and end-users**

- Affordability, financeability and cost of the energy transition
- IT security
- Effective governance practices

**G1 - Business Conduct**

- Procurement and Supply Chain
- Effective governance practices

Material standards

Non-material standards

## Current financial effect

The risks related to the ESRS E4, E5, S1, S2, S3 and G1, did not result in major adjustments in Elia Group's financial position and performance of 2024.

However, in Germany, mid-June 2024, a total of 22 electricity pylons were severely damaged by hurricane-force winds and in July 2024, in Belgium, a violent thunderstorm damaged 9 high voltage pylons. These events affected Elia Group's financial position, through the write off of the dismantled assets for €0.32 million (see chapter IV Financial report – 6.1 Property, plant and equipment). Elia Group considers that these exceptional weather conditions could be related to E1 Climate change risks.

## Time horizons

During the double materiality assessment, the impacts, risks and opportunities detailed below resulted material in the short, medium and long term. The few exceptions to this are indicated in line in the table.

# E1 Climate change-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Energy transition** | The energy transition is imperative for fighting climate change, reducing GHG emissions and promoting sustainable development. Proactive measures to transition to renewable energy is of the utmost importance. Ensuring a successful energy transition for a sustainable world is at the core of Elia Group's vision and mission. | ☀ | In the electricity sector, the transmission grid has a critical role to play in harvesting the potential of renewable energy resources that are often located far away from consumption centres. This includes the need to go offshore but also to develop stronger interconnections with neighbouring countries to accommodate the intermittent nature of the major renewable energy sources to make the green supply cheaper and safer. | Upstream / Own operations / Downstream |
| | | ★ | Showcase how to run a system dominated by variable RES (Demonstrate that regions with high RES penetration are attractive to future-proof businesses).*<br><br>*This opportunity is material starting with the medium term. | Upstream / Own operations / Downstream |
| | | ○ | Risk of delay in the development and delivery of several major projects (Triton Link, Nautilus, Bornholm) related to infrastructure, market development and system operations to achieve climate targets. | Own operations |
| **GHG Emissions** | GHG emissions have a significant impact on climate change and it is therefore essential to Elia Group to demonstrate the commitment to reducing our carbon footprint and mitigating the impact of climate change. | ☀ | – re.alto and EGI: Shifting from fossil fuel-based systems of energy production and consumption to renewable energy contributes to the reduction of CO2 emissions and helps to mitigate the effects of climate change. | Downstream |
| | | ☁ | – Greenhouse gas emissions arising directly from Elia Group's own operations, i.e. cars, heating, SF6 leakages and backup systems (Scope 1)<br>– Greenhouse gas emissions arising indirectly due to grid losses during electricity transmission linked to Elia Group's system operation activities (Scope 2)<br>– Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities<br>– EGI has direct emissions (company cars, refrigerants, natural gas), indirect emissions (electricity - offices, EVs) and other indirect emissions (purchased goods (paper), commuting, business travel, waste). | Upstream / Own operations |

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Transition to a low-carbon economy** | The goal of achieving a net-zero society is driven by regulatory changes, market shifts, technological advancements and changing societal expectations. Elia Group plays an important role for coping with the huge increase in the complexity and variability of the power system to make the green supply cheaper and safer. | ☁ | – Affordability: climate ambitions trigger a substantial investment programme to deliver the energy transition, including grid investments that have an immediate impact on the electricity bill via transmission tariffs. This is triggering legitimate concerns from our end users. Households are increasingly concerned about losing quality of life as the risk of fuel poverty increases, while our industry and businesses are afraid to lose competitiveness due to rising energy costs.<br>– The increased energy prices impact Elia Group's financial situation since the financial liquidity needs to be high enough at all times to ensure the ability of Elia Group to buy energy on the market to operate the grid. | Upstream / Own operations / Downstream |
| | | ★ | – Convince stakeholders to increase efficiencies and unlock more flexibility in the electricity system in order to lower overall transition costs.<br>– Develop innovative solutions, including proposals to lower overall grid costs. | Upstream / Own operations / Downstream |
| | | ○ | – Financing risk: the ability of the Group to access global sources of financing to cover its financing needs in order to fund its plans and refinance its existing debt is a key component of the Group's business and strategic plan.*<br>– Costs for technical assets have significantly increased due to a tight supplier market, high inflation and a surge in interest rates and scarcity of raw materials.<br>– Climate ambitions trigger a substantial investment programme to deliver the energy transition, including grid investments that will be beneficial for society for several decades.<br>– Regulatory risk: allowed return on equity in order to achieve investment plans may not reflect or anticipate the macroeconomic environment.<br>– Electricity market distortions due to CBAM (e.g. Nemo Link) can affect offshore and cross-border projects.<br><br>*This risk is material starting with the medium term. | Upstream / Own operations / Downstream |
| **Climate change and physical adaptation** | Climate change: risks arising from extreme weather, rising sea levels and other environmental changes can affect Elia Group's operations and assets. The grid is built and reinforced to be climate resilient against these events | ☀ | – By proactively planning and building a grid that can withstand extreme weather events, Elia Group helps ensure continued reliable power transmission and minimises potential disruptions caused by climate change. | Upstream / Own operations / Downstream |
| | | ○ | – The occurrence of extreme weather events such as storms, cold snaps, heatwaves, flooding, drought and wildfires may lead to asset damage and activation of contingencies for business continuity. | Upstream / Own operations / Downstream |

## Resilience of the business model

The resilience analysis was conducted in financial year 2024, utilising a robust climate scenario analysis framework to understand the potential impacts on our business model over the next decade. These scenarios guide our strategic planning and decision-making, ensuring that we remain resilient and prepared to mitigate risks across a range of possible climate futures. The outcome of the risk assessment - which takes into account the capacity to adapt to risks based on the mitigation measures applied - do not lead us to believe, based on the analysed climate scenarios, that climate adaptation, transition and physical risks would have a significant impact on the company's business activities.

The system for controlling and managing climate risks and the inclusion of its conclusions in the strategy (policies and action plans) enable the planning of potential impacts and the Group's capacity to adapt. This assessment is done on a continuous basis. In the event of incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

# E4 Biodiversity and ecosystems-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **General** | Biodiversity and ecosystems are vital to environmental health, posing material risks such as regulatory penalties and operational disruptions if degraded. | ☀ | Partnerships and research for the improvement of biodiversity and landscapes: Through multiple investments with several partners in long-lasting projects on both land and sea (including research and studies into impacts on biodiversity and landscapes) Elia Group can make a positive net contribution to both biodiversity and the ecosystems surrounding their infrastructure and can also contribute to the improvement of scientific knowledge for society. | Own operations |
| **Climate change** | Climate change is recognised as a material matter affecting all aspects of our business operations. It encompasses the risks and opportunities associated with the physical impacts of climate change and the transition to a low-carbon economy. | ☀ | Elia Group facilitates the integration of renewable energy and thus can contribute to mitigating climate change, benefiting biodiversity in the long term. | Own operations |
| | | ☁ | Greenhouse gas emissions generated within Elia Group's value chain affect indirectly the biodiversity. | Upstream / Own operations / Downstream |
| **Impact on the state of species** | Our activities and infrastructure have an important effect on biodiversity, including the health, diversity and abundance of species. | ☁ | Biodiversity and ecosystems are impacted by the presence of the grid's infrastructure, e.g. birds by overhead lines or marine life by offshore cables and platform installations. | Own operations |
| **Land-use change, fresh water-use change and sea-use change** | Our grid assets have effects on ecosystems, biodiversity, water resources and coastal environments. This includes the materials used for the assets, as well as their construction and maintenance. | ☁ | Direct exploitation: mining activities to extract metals and minerals for grid components (e.g., copper, aluminium) can destroy natural habitats, impacting plant and animal life.*<br><br>*This impact is material starting with mid-term. | Upstream |
| | | ☁ | Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. | Upstream / Own operations / Downstream |
| **Soil sealing** | During construction works, we cover the ground with impermeable materials, such as concrete and asphalt, which can impact environmental sustainability. | ☁ | Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested. | Own operations |

## Resilience of the business model

Building more infrastructure has an increasing impact on biodiversity and ecosystems in the areas crossed by the grid. In order to protect essential ecosystems, comply with regulations and foster sustainable development, ultimately contributing to global environment, all our projects require an environmental impact assessment in order to obtain the permit. Therefore, our impact on biodiversity and ecosystems, as well as their mitigations are approved by a government body. For example, we follow best practices in implementing ecological management measures within the areas in forests that are crossed by our overhead lines. In addition, we implement state-of-the-art measures to reduce or mitigate our impact. This assessment is done on a continuous basis in the planning and approval processes. In the event of incidents, Elia Group analyses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

# E5 Resource use and circular economy-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Resource inflows, including resource use** | Resource inflows and use are critical factors in the sustainability performance of Elia Group. They encompass the efficient and responsible use of natural resources and raw materials required for business operations. Ensuring sustainable resource inflow and use is vital for minimising environmental impacts. | ☁ | Use of metals and other resources (sand, water, etc.) for construction of grid infrastructure. | Upstream / Own operations / Downstream |
| | | ○ | Scarcity of materials: the limited availability of raw materials needed for building and maintaining energy infrastructure creates price pressure on equipment costs.*<br><br>*This risk is material starting with the medium term. | Upstream |
| **Waste** | Waste management involves the processes of minimising, handling, recycling and disposing of waste generated by business operations and dismantling assets.. | ☀ | Decommissioned grid assets are stored in a warehouse. Efforts are being made to determine whether they can be reused in other streams of the business, thus avoiding the acquisition of new materials. | Upstream / Own operations / Downstream |
| | | ☁ | Elia Group's construction and maintenance activities generate waste. | Upstream / Own operations / Downstream |
| | | ★ | Recycling materials lowers decommissioning costs. | Own operations / Downstream |

## Resilience of the business model

The principles of circularity are embedded in the business practices of Elia Transmission Belgium and 50Hertz Transmission Germany. Within the Group, circularity is regarded as a multitude of means and 'ways of doing' that support the Group's main business activities, rather than a goal in itself. In order to handle the upcoming challenges arising in the supply chain and within our business activities, the accurate level of ambitions regarding circularity is currently being assessed and a roadmap will be implemented to continuously improve our activities in a circular manner.

# S1 Own workforce-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Working conditions** | Working conditions encompass various aspects that influence the daily work environment of employees, including physical, social and organisational dimensions. Promoting positive working conditions that prioritise the well-being of its workforce is crucial for Elia Group in fostering employee satisfaction, retention, productivity and so on. | ☀ | Elia Group is committed to attracting, developing and retaining top talent. We devise optimal solutions matching people's aspirations with the company's needs while cultivating a culture of safety, wellbeing and innovation. | Upstream / Own operations |
| | | ☁ | The grid increasingly operates up to its limit as a higher number of outages is requested for grid projects. This requires greater flexibility and availability from our workforce. | Own operations |
| | | ○ | If talents are not onboarded efficiently and do not find adequate working conditions to thrive, we risk slowing down ongoing activities and negatively impacting the mental wellbeing of our employees. | Upstream / Own operations |
| **Health and safety** | A safe and healthy working environment is crucial for maintaining employee well-being and fulfilling its social responsibly commitments. | ☀ | Safety Culture: Elia Group prioritises safety, aiming for zero accidents, which benefits both its own workforce and public trust. | Own operations |
| | | ☁ | Physical safety risks: working with high-voltage equipment, at heights and in offshore environments exposes the Group's workforce to potential accidents and injuries | Own operations |
| | | ○ | Health & Safety events may harm our own workforce.*<br><br>*This risk is material starting with the medium term. | Own operations |
| **Equal treatment and opportunities for all** | Gender equality and training for skills development are important components of a fair and inclusive workplace and are essential for promoting a diverse and equitable work environment and for ensuring professional growth. | ☁ | Due to its core activity, Elia Group's workforce has a strong engineering focus and is predominantly male, making it a challenge to hit gender diversity targets. | Upstream / Own operations |
| | | ☀ | Elia Group offers its workforce various upskilling opportunities to support them in their development, e.g. local Academy and external trainings. | Upstream / Own operations |

## Resilience of the business model

To manage the increasing complexity of the electricity system, we are investing in continuous learning and development, fostering a supportive work environment and promoting a strong organisational culture, especially with regard to health and safety and equality. Ensuring the resilience of our workforce is critical to sustaining and growing our business in a dynamic environment, enabling us to quickly adapt to changes while maintaining high performance and employee satisfaction. In case of any incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

# S2 Workers in the value chain-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Working conditions** | Elia Group aims to ensure high standards for its own workforce and also to extend these standards to all workers involved in the value chain, including contractors, suppliers and business partners. | ☀ | Elia Transmission Belgium and 50Hertz Transmission Germany implement a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct and health and safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions.*<br><br>*This impact is material starting with the medium term. | Upstream |
| **Health and safety** | Ensuring robust health and safety practices across the supply chain is vital to safeguarding workers' well-being and maintaining operational integrity. Contractors are key for Elia Group, which is why the standards in place for the Group's own workforce also apply to contractors. | ☀ | Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain. | Upstream |
| | | ☁ | Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments. | Upstream |
| | | ○ | – Health and safety events may harm one of our suppliers.*<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.*<br><br>*These risks are material starting with the medium term. | Upstream |

## Resilience of the business model

As we work with many suppliers and contractors to carry out our grid infrastructure and business activities, Elia Group ensures that all individuals involved in our supply chain operations are protected and treated fairly. This includes implementing ethical labour practices, promoting safe working conditions and fostering strong partnerships with suppliers to ensure stability and sustainability through our policies. The Supplier Code of Conduct ensures our expectations and standards for ethical conduct, health and safety, and environmental and social aspects are met. The health and safety policies in place for Elia Group's own workforce equally apply to contractors working on sites. This promotes transparency and enhances our reputation. Elia Group assess these policies on a regular basis to ensure they are based on the latest standards. In case of any incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

# S3 Affected communities-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Land-related impacts** | Elia Group's infrastructure has impacts on local communities, biodiversity and ecosystems. Managing land-related impacts effectively is part of our commitment to sustainable development and environmental stewardship. | ☀ | Development of a sustainable infrastructure benefits local value chain and economic growth. | Downstream |
| | | ☁ | Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns) | Own operations |
| **Communities' civil and political rights - Freedom of expression** | Early involvement of stakeholders impacted by our infrastructure projects is key for the success of the energy transition and for making the needed projects happen. | ☀ | Stakeholder engagement: the two TSOs of Elia Group engage in an ongoing dialogue with communities to ensure that projects are accepted and that their voice is taken into consideration. | Own operations |
| | | ○ | Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities. | Upstream / Own operations / Downstream |

## Resilience of the business model

Elia Transmission Belgium and 50Hertz Transmission Germany are entrusted by the government with building the electricity infrastructure and therefore driving the energy transition in the interest of society. The Belgian Federal Development Plan and German Grid Development Plan are the basis for this mandate. In addition to the legal obligation to deliver on this task, we establish proactive means to engage with affected communities to ensure that their point of view is heard and taken into account. We are committed to supporting and empowering the communities impacted by our operations by investing in local development and mitigating any adverse effects our business activities may have. This helps to ensure our operations are sustainable, ethically sound and capable of maintaining positive relationships with the communities we impact. This not only enhances our corporate responsibility but also fosters long-term support and trust from these communities. Elia Group engages on a regular basis with all affected stakeholders in order to cope with any issues arising and ensure the resilience of the business model.

# G1 Business conduct-related material impacts, risks and opportunities

| Material sustainability topic | Description | IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|---|---|
| **Corporate culture** | Good governance and compliance as part of our corporate culture are key to delivering the strategy in accordance with ethical standards and regulatory and legal compliance. This also safeguards our reputation. | ☀ | Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. | Upstream |
| **Corruption and bribery - Prevention and detection, including training** | The prevention and detection of corruption and bribery underscore the importance of maintaining ethical conduct, transparency and accountability in business practices. | ☁ | Lack of strong preventive and detective measures (such as training, communication campaigns) can lead to corrupt practices within the organisation. | Upstream / Own operations / Downstream |
| **Management of relationship with suppliers** | Managing relationships with suppliers is a critical aspect of governance. For Elia Group, this includes ensuring ethical conduct and transparency throughout the supply chain. | ☁ | The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve the Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players. | Upstream / Own operations / Downstream |
| | | ○ | The current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan. | Upstream / Own operations / Downstream |
| **Political influence and lobbying activities** | 50Hertz Transmission Germany and Elia Transmission Belgium are trusted advisors and contribute to political debates in their respective countries, as well as at European level. | ☁ | Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk). | Upstream / Own operations / Downstream |
| **Protection of whistle-blowers** | Safeguarding whistleblowers is key for enabling transparency, ethical behaviour and a supportive workplace culture as it ensures that employees and stakeholders can report misconduct without fear of retaliation. | ☁ | Lack of strong preventive measures and whistleblower protection can lead to corrupt practices within the organisation. | Upstream / Own operations / Downstream |

## Resilience of the business model

Elia Group's Board of Directors and other governance bodies provide oversight. Internal controls are in place alongside a solid approach to risk management. Internal and external audits are carried out regularly to ensure compliance with legal, regulatory and internal requirements while preventing and avoiding fraud. In addition, business conduct policies as well as mandatory trainings are in place to ensure awareness and maintain transparency, accountability and integrity across operations. Elia Group assess these policies on a regular basis to ensure they are based on the latest standards. In case of any incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

# Sector specific-related material impacts, risks and opportunities

Sector-specific impacts, risks and opportunities arise due to the business activities of Elia Group. These IROs cannot be allocated to the sustainability topics defined by the ESRS.

| IRO | Identified impacts, risks and opportunities | Value chain |
|---|---|---|
| ○ | Volatility in the system increases with the growing number of renewables units at all levels, leading to a greater need for flexibility that can be partially served by contracting more balancing reserves. | Upstream / Own operations |
| ☁ | – Increased exposure due to digitalisation and the decentralisation of power systems: grid operators are increasingly using digital technologies to better manage grid and business operations and the resulting push for a more decentralised energy system. Digital systems, IT/OT convergence and the growing number of devices and sensors relying on public Internet networks, throughout the grid and in homes, are increasing exposure, since each element provides an additional entry point for cyber criminal organisations. This may affect our own workforce and grid users in our grid areas.<br>– The growing number of threat vectors, state(-sponsored) actors and/or cyber criminals seeking to cause security and economic disruption may impact directly society. | Upstream / Own operations / Downstream |
| ○ | – Cyber: significant system hardware and software failures, compliance process failures, ICT failures, computer viruses, malware, cyber attacks, accidents and/or security breaches could occur. This can lead to an adverse impact on continuity of supply and could result in a breach of legal or contractual obligations.<br>– Public opposition to grid projects is putting pressure on our ability to deliver the energy transition as expected. | Own operations / Downstream |
| ☀ | – Adequacy and flexibility are crucial elements for maintaining security of supply for the customers and society we serve and for ensuring that loss of load and energy not served remain within the relevant standards. | Downstream |

## Resilience of the business model

As managing the energy system becomes ever more complex, we face increasing challenges in terms of maintaining balance in the system. Working on innovative solutions like flexibility ensures the long-term resilience of our business model. Delivering on our societal mission to enable and drive the energy transition and addressing the need for electrification lead to new devises connected to the grid that need to be managed. As a result, we are facing a growing need for digitalisation to cope with the complexity and to enable our employees to steer operations in a secure and efficient manner. We must continuously evaluate risks of (cyber) attacks on our business activities and adopt our way of working to stay on top of these developments.

☀ Positive impact ☁ Negative impact ★ Opportunity ○ Risk

# 1.4. Impact, risks and opportunity management

## IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

### Scope

While Elia Group is diversifying its activities, its core business remains the transmission of electricity in Belgium and Germany. Consequently, most material impacts, risks and opportunities (IROs) are related to the electricity transmission activity. Nevertheless, its non-core activities - such as consultancy (via EGI), holding company activities (Elia Group SA/NV, Eurogrid GmbH, Eurogrid International SA/NV) and electric vehicle charging (re.alto) - were also taken into account in order to ensure the completeness of the assessment.

Each Elia Group activity was described in a value chain encompassing upstream activities, own operations and downstream activities, with the relevant category of stakeholders. These value chains served as the basis for identifying the IROs.

Elia Group's key value chain (transmission of electricity) is presented in section "2.6. Value chain" in the Strategic report.

The double materiality assessment was documented internally through a protocol that summarises the ESRS 2 guidelines and how these were followed by the project team.

### Identification of the actual and potential impacts, risks and opportunities related to sustainability matters

The ranking process began from a list of relevant sustainability topics that were identified during previous materiality exercises in 2022 and 2023. Additional topics were added, mainly driven by the value chain analysis, the list of ESRS topics and subtopics retrieved from ESRS 1, internal assessments, industry and peers benchmarking, and input from internal experts.

The internal experts consisted of multidisciplinary teams that were selected based not only on their expertise in ESG, engineering, risk management and strategy, but also for their interaction with external stakeholders.

We assessed the relevance of each (sub-)sub-topic - as outlined in ESRS 1 AR 16 - against Elia Group's core business activities and its value chain. When the relevance of a (sub-)sub-topic was uncertain, it was included as a precaution. For non-core activities, the representatives of these entities, together with the ESG experts, supplemented the analysis.

Identifying financial risks and opportunities was a collaborative effort involving risk management and controlling specialists.

### Assessment of the potential and actual impacts, risks and opportunities

After narrowing down the relevant (sub-) sub-topics, the project team assessed the impact of each, as well as the associated risks and opportunities.

Elia Group consistently engages with its external and internal stakeholders through various channels, gaining valuable insights into their concerns and needs. For more information about how the Group interacts with stakeholders, see section SBM 2 - Interests and views of stakeholders. Due to these natural processes of frequently engaging with external stakeholders and of onboarding their views through representatives of internal departments, the double materiality matrix reflected in this report is the result of only internal stakeholders' consultations. For reporting year 2024 the team of internal experts assessed the potential and actual impacts, risks and opportunities.

In line with the requirements of the ESRS, Elia Group realised a high level check on interdependencies between the impacts and the related risks/opportunities. Nevertheless, a more clear overview and a deeper understanding of these interdependencies could provide valuable insights to the organisation. This will be part of future improvements of the double materiality assessment.

The potential and actual impacts were assessed and scored based on the following parameters:

| **Severity** | | | **X** | **Likelihood** |
|---|---|---|---|---|
| Scale | Scope | Irremediability (only for negative impacts) | | |

The 'Severity' parameter was calculated as the average of 'Scale', 'Scope' and 'Irremediability'. Multiplying the 'Severity' and 'Likelihood' parameters yielded an impact dimension score for each (sub-)sub-topic.

Risks and opportunities were assessed and scored based on two parameters - financial effect and likelihood. Three parameters - Profit and Loss (P&L), Capital Expenditures (CAPEX) and Health and Safety (H&S) - were used to correctly estimate the potential financial impact. Depending on the nature of the risk or opportunity, the most appropriate scale was chosen.

| **Financial impact (P&L, CAPEX, H&S)** | **X** | **Likelihood** |
|---|---|---|

Multiplying the above parameters yielded a financial materiality dimension score for each (sub-)sub-topic.

The materiality of each sustainability-related topic was determined based on the maximum scores among the impacts, risks and opportunities. These highest scores among the impacts, risks and opportunities within the same ESRS also determine the position in the double materiality matrix of the corresponding ESRS.

Each score of each topic from each dimension - impact/risk & opportunities - was compared with the determined threshold (>10) to conclude the materiality of the IRO and the material sustainability matters. The threshold was set at 10 to keep the consistency with other business practices

The project team used the same scales and thresholds for the assessment of sustainability-related risks as well as for other types of risks. We did not prioritise risks based on their nature (sustainability-related or other), but rather based on the expected impact. The materiality assessment reflects our actual decision-making and priorities for the future regarding ESG topics.

Elia Group foresees the revision of the double materiality assessment as part of an ongoing continuous improvement effort. If any, future changes will be communicated to ensure transparency to all stakeholders.

## Internal control and approval – Calibration and management review

After each individual expert's initial assessment of the IROs, the project team challenged the provided justifications to ensure a consistent approach towards scoring across the multiple contributors.

The outcome of the double materiality exercise was approved by:

— the Project Decision Board;

— the Group Sustainability Board;

— the Elia Group Management Board;

— Elia Group's Audit Committee.

## Integration in the overall management process

We embedded the topics of the double materiality exercise into Elia Group's current management practices.

The main opportunities reflected in the double materiality exercise are embedded in Elia Group's corporate strategy and in the management practices through the strategic business review exercise.

As this is a continuous improvement process, Elia Group will, in the future, assess the extent to which the double materiality exercise can be further integrated into the risk management processes.

## Changes in the process to identify and assess material impacts, risks and opportunities, compared to the prior reporting period and future revision dates

Elia Group has been publishing a double materiality matrix since 2022, but these were not compliant with the ESRS.

The process of identifying and assessing material IROs was updated in the context of preparing this report and carried out in accordance with the ESRS guidelines. As a result, the double materiality assessment developed in the past are not comparable.

## Identifying impacts, risks and opportunities applicable to the relevant standards

The process of identifying and assessing impacts, risks and opportunities was similar for all the ESRS, in line with the methodology described above.

## ESRS E1 - Climate change

The risks and opportunities associated with climate change are relevant for Elia Group given its core mission of driving the energy transition by supporting the integration of RES into the electricity system in order to foster decarbonisation.

In line with the criteria for EU Taxonomy alignment, Elia Group carried out a climate risk and vulnerability assessment for its core activities 'transmission of electricity'. The insights gathered from this assessment were used as an input for identifying climate-related physical risks.

### Climate-related scenarios

With support from climatologists at GERICS (Climate Service Center Germany) – an institute at Helmholtz-Zentrum Hereon – local climate scenarios were developed for Belgium and Germany based on time horizons 2050 and 2085, and aligning with the expected lifetimes of their assets, strategic planning horizons and capital allocation plans. Three state-of-the-art climate scenarios were considered: RCP[69] 2.6, RCP 4.5, and RCP 8.5. RCP 2.6 represents a low-emission scenario with stringent policies, while RCP 8.5 represents a high-emission scenario with the least stringent policies.

In parallel, both TSOs have initiated closer exchanges with RES developers and industry to better anticipate their grid needs that often materialise within fewer years than the target dates of the Grid Development Plans. In order to develop a grid which is suitable for meeting future challenges, we analysed multiple scenarios to better understand the impact on the network and to better foresee the investments needed. The scenarios created for Elia Transmission Belgium encompass those developed by ENTSO-E & ENTSO-G, the European association of electricity (and gas) transmission system operators in the context of the TYNDP (Ten-Year Network Development Plan), which are supported by future climate projections, considering two possible scenarios for 2050: RCP 4.5 and RCP 8.5. The scenarios used by 50Hertz Transmission Germany for the Grid Development Plan are also informed by ENTSO-E's scenarios.

[69]RCP stands for "Representative Concentration Pathways", which are climate change scenarios to project future greenhouse gas concentrations

### Climate-related physical risks

All countries in the Central Europe System Operation region (including Belgium and Germany) work together closely in connection with the risk preparedness plan for the energy sector. A list of 31 regional electricity crisis scenarios were identified, including those linked to extreme weather conditions.

The assessment specifically highlighted potential impacts from heatwaves, cold snaps, winter incidents, storms, flooding, droughts and wildfires — all identified as acute physical risks.

Elia Group's assets and business activities were thoroughly analysed to assess their exposure and sensitivity to these identified climate-related hazards, considering factors such as likelihood, magnitude and duration.

### Climate-related transition risks and opportunities

Climate change and the subsequent energy transition represent an opportunity for Elia Group as integration of renewable requires significant grid reinforcement and expansion, both onshore and offshore. For both TSO's, this opportunity materializes in the short and extends to the long-term as they are both responsible for aligning their activities with the ambitions of the Belgian and German governments respectively (known as the Nationally Determined Contributions), as reflected in Federal Development Plan, for Belgium and the Grid Development Plan, for Germany. Those plans are published at regular intervals[70].

## ESRS E4 - Biodiversity and ecosystems

### Impacts, risks, dependencies and opportunities identification

Actual and potential impact on biodiversity and ecosystems from Elia Group's two TSOs own sites are structurally assessed through Environmental Impact Assessments, required for all permit requests. Additionally, stakeholder consultations and collaboration with environmental experts are performed. This encompasses further analysis on land-use changes, proximity to protected areas, and biodiversity-related elements

The TSOs have initiated an evaluation of potential dependencies on biodiversity and ecosystem services, such as climate regulation, flood and storm protection, mass stabilisation/erosion control, and water flow maintenance. The analysis relies on industry data from relevant databases, such as ENCORE, to identify likely dependencies based on Elia Transmission Belgium and 50Hertz Transmission Germany's activities and value chain. The identified dependencies are generic to the TSO activity and need to be confirmed via specific operational data.

Elia Group's two TSOs have conducted assessments to identify transition and physical risks and opportunities related to biodiversity and ecosystems. Transition risks are identified through monitoring of regulations on biodiversity protection, aiming to reduce the ecological footprint of infrastructure projects. Physical risks are identified based on dependencies

Elia Transmission Belgium and 50Hertz Transmission Germany recognise the impact of systemic risks on the energy systems. To address these interconnected risks, Elia Group participates in worldwide experts' forum in the sector of electricity transmission (e.g. CIGRE[71]) on the impacts of climate change on energy systems, supporting the energy transition to mitigate environmental pressures.

### Affected communities

Elia Group's two TSOs ensure that communities affected by its activities are engaged with and consulted as part of their sustainability assessments. This includes organising public consultations at various stages in project planning and execution. During the design phase, Elia Transmission Belgium and 50Hertz Transmission Germany engage with civil society, local municipalities, NGOs, and academia to discuss potential impacts and mitigation measures. Information sessions are held to communicate the results of environmental assessments and to gather community feedback. Feedback from these sessions is used to refine project designs and enhance public understanding of potential impacts. Affected communities are however not directly involved in the materiality assessment.

Currently, Elia Transmission Belgium and 50Hertz Transmission Germany's assessments do not yet extend to raw material production and sourcing.

Elia Group's two TSOs take measures to avoid negative impacts on ecosystem services relevant to affected communities through careful planning and mitigation strategies embedded in its operations. These measures include engaging with external experts to identify and address community concerns and implementing nature-based solutions where possible. When impacts are unavoidable, Elia Group's two TSOs develop plans to minimise them and apply mitigation measures aimed at maintaining the value and functionality of ecosystem services.

### Biodiversity-sensitive areas

Elia Group's two TSOs operate sites located in or near biodiversity-sensitive areas and have identified these locations through geospatial analyses. Some activities near biodiversity-sensitive areas may lead to habitat degradation or species disturbances. As part of each infrastructure project, the Environmental Impact Assessment (EIA) makes it possible to identify habitat deterioration and species disturbances, and to recommend that mitigation measures, such as buffer zones and operational restrictions, are to be implemented.

Based on all site-specific Environmental Impact Assessments (EIA), Elia Transmission Belgium and 50Hertz Transmission Germany confirm the need for biodiversity mitigation measures. These include restoring habitats, reducing species disturbance and transitioning to sustainable practices.

[70] Germany: Network Development Plan 2037/2045 ; Belgium: Federal Development Plan 2024-2034
[71] CIGRE stands for Conseil International des Grands Réseaux Electriques or International Council on Large Electric Systems

## ESRS E5 - Resource use and circular economy

Elia Group conducted a materiality assessment on circularity topics and resource inflows, including resource use and waste. These have been identified as resulting in material impacts, risks or opportunities. Resource outflows are not applicable since Elia Group does not produce tangible products.

In connection with the ongoing project to establish a circularity programme for Elia Group, a deep-dive screening analysis was conducted. Various activities along the value chain were assessed and a team of internal experts defined the level of opportunity for each to become more circular.

The assessment relied on input from internal subject matter experts who are well-informed and experienced in understanding stakeholder concerns and the company's related impacts. In parallel, internal experts take part in CIGRE working groups to clarify and support the implementation of eco-design for assets.

# IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

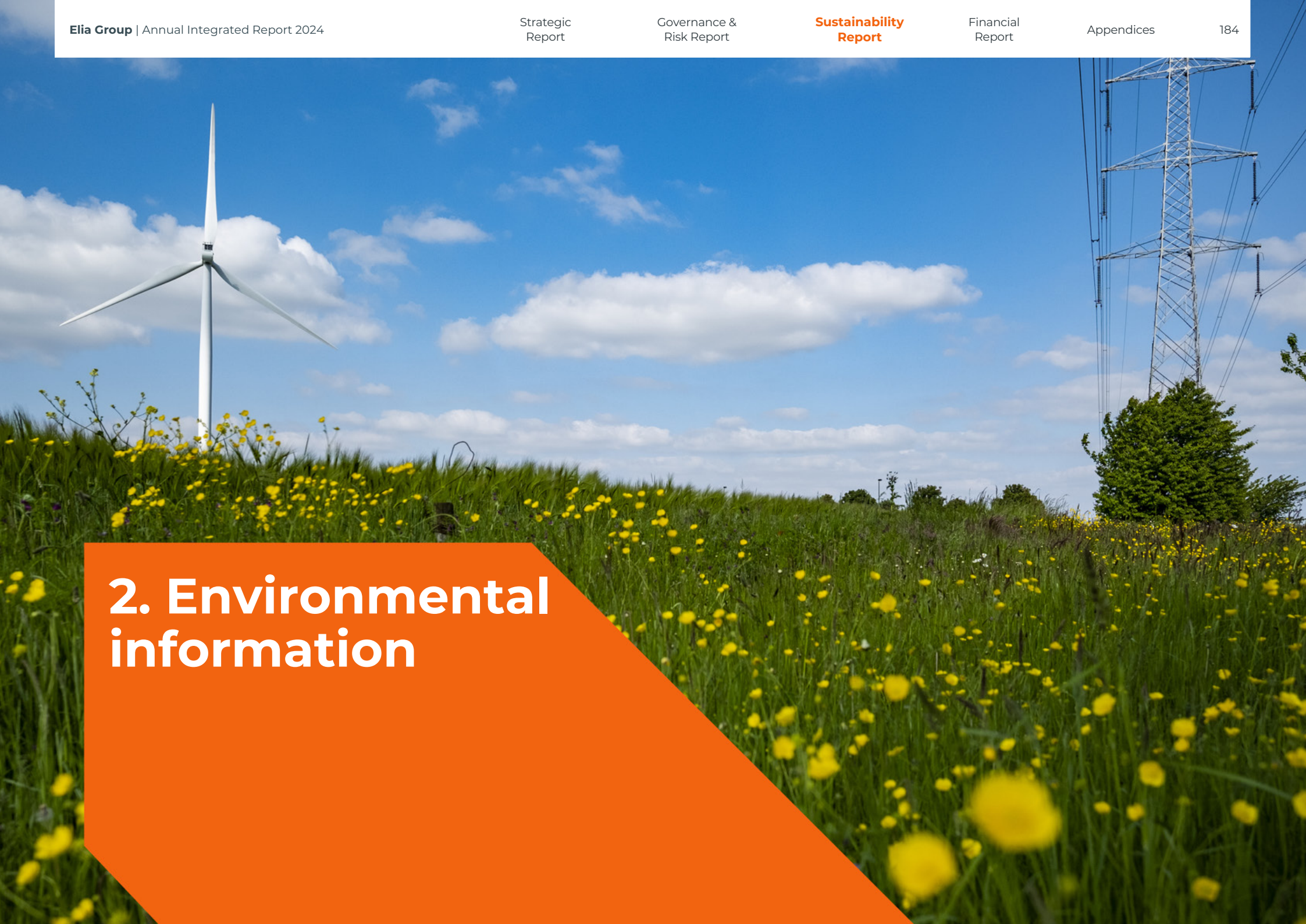
The list of disclosure requirements that were found 'material' as a result of the double materiality assessment is available in section 5.1. ESRS Index.

For an explanation of how the material topics were identified and which thresholds were used, see section IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities.

The following standards and their corresponding sustainability-related topics were found to be 'not material' during the double materiality assessment:

| Standard | Explanation |
|---|---|
| E2 Pollution | The IROs related to pollution have been assessed, but were considered not material. The accidental leakage of polluting substances that can contaminate the environment - such as oil pollution - are rare. |
| E3 Water and marine resources | This standard was considered not material for two reasons:<br>– water: Elia Group's operations do not involve the withdrawal, discharge or consumption of water.<br>– marine resources: Elia Group's primary role as an electricity transmission operator does not directly impact marine resources. |
| S4 Consumers and end-users | The IROs related to consumers and end-users have been assessed as 'not material' for all activities of Elia Group.<br>Even though the affiliate re.alto engages directly with consumers and end-users, these interactions are limited and the impact on their individual experiences is limited. |

The list of datapoints that are reported on in this Sustainability statement and that are derived from other EU legislation can be consulted in section 5.2. Index for the datapoints in cross-cutting and topical standards that derive from other EU legislation.



# 2. Environmental information

# 2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation)

## 2.1.1 Context

This chapter contains the disclosures for Elia Group's KPIs in accordance with the EU Taxonomy Regulation 2020/852 and the related Delegated Acts.

The Taxonomy Regulation 2020/852 established a European classification system for economic activities that are environmentally sustainable and that substantially contribute to one or more of six environmental objectives, while not harming the other five objectives and while complying with minimum social safeguards.

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

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

## 2.1.2 Elia Group, an early adopter

We followed the development of the EU Taxonomy very closely, from its inception until it became a regulation. We seized the opportunity to move to reporting in line with its requirements ahead of time.

In 2021, we published our EU Taxonomy Case Study, which assessed the Taxonomy alignment of our activities, and voluntarily disclosed our methodology and implementation process. The EU Taxonomy has provided us with an opportunity to fine-tune our strategic approach and we are committed on a best-effort basis to maintaining strong alignment with it.

| **Elia Group Eligibility KPIs in 2024** |
|---|
| 99.7% Taxonomy-eligible turnover |
| 99.9% Taxonomy-eligible CAPEX |
| 99.7% Taxonomy-eligible OPEX |
| **Elia Group Alignment KPIs in 2024** |
| 99.3% Taxonomy-aligned turnover |
| 99.8% Taxonomy-aligned CAPEX |
| 99.3% Taxonomy-aligned OPEX |

Elia Group's detailed EU Taxonomy disclosures are available at the end of this chapter.

## 2.1.3 Our process

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

- the EU Taxonomy Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020;
- the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/213) and its amendments (Commission Delegated Regulation (EU) 2023/2485).
- the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214)
- The Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486)
- the Disclosure Delegated Act and Annex 1 (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021);
- the Report on Minimum Safeguards published by the Platform on Sustainable Finance in July 2022;
- the series of EU Commission FAQs on the EU Taxonomy (latest from November 2024).

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

1. Eligibility: the economic activity needs to be 'Taxonomy-eligible' (i.e. covered by the criteria in the Climate Delegated Acts and its annexes);
2. Substantial contribution: the economic activity is analysed based on the fulfilment of criteria for 'substantial contribution' to at least one environmental objective out of the following six:
   a. Climate change mitigation;
   b. Climate change adaptation;
   c. Sustainable use and protection of water and marine resources;
   d. Transition to a circular economy;
   e. Pollution prevention and control;
   f. Protection and restoration of biodiversity and ecosystems.
3. Do No Significant Harm analysis: while substantially contributing to one of the environmental objectives, the economic activity should not harm any of the other remaining five;
4. Compliance with Minimum Social Safeguards: the economic activity should respect social principles while contributing to environmental objectives;
5. KPI calculation: percentages for Taxonomy-eligible and aligned turnover, CAPEX and OPEX are calculated based on compliance with the Technical Screening Criteria and the Minimum Social Safeguards.

## 2.1.4 Taxonomy-eligible and non-eligible economic activities

The decisions on eligibility and non-eligibility were based on comparing the economic activities of each Elia Group entity with the activities described in the Climate Delegated Act and the Environmental Delegated Act. Please see section 7 ('Group structure') of the Financial Report for a full overview of Elia Group's legal structure.

This exercise was conducted in relation to affiliates reported in the different segments as explained in section 4 ('Segment reporting') of the Financial Report. Based on Taxonomy guidelines and notices published by the European Commission, the legal entities Nemo Link, JAO, HGRT SAS, Coreso, TSCNET, EEX, EnergyRe Giga, Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin, LINK digital GmbH and Decarbon1ze were excluded from the eligibility and alignment assessment (both from the numerators and denominators of the KPIs), since they qualify as investments accounted for using the equity-method (joint ventures and associates) or using IFRS 9 in the consolidated financial statements.

The following table reflects the assessment of the eligibility of Elia Group's activities to nuclear energy-related and fossil gas-related activities, in line with the disclosure requirements defined in Articles 8(6), (7), and (8) in accordance with the Amendments to Delegated Regulation (EU) 2021/2178, published on 9 March 2022.

| Row | Nuclear energy related activities | Decision on eligibility (Yes/No) |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| | **Fossil gas related activities** | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

## Segment: Elia Transmission Belgium

| Entity | NACE code / description | Activity description | Correspondence with the Climate Delegated Acts | Decision on eligibility (Yes / No) |
|---|---|---|---|---|
| Elia Transmission Belgium SA/ NV | 35120<br>Transmission of electricity | Elia Transmission Belgium SA/NV is the Belgian transmission system operator for extra-high-voltage and high-voltage electricity | 4.9 'Transmission and distribution of electricity' | Yes |
| Elia Asset SA/ NV | 35120<br>Transmission of electricity | Elia Asset SA/NV is the company that owns all the assets across the high-voltage grid and is responsible for the development and maintenance of this grid. Elia Asset and Elia Transmission Belgium form a single economic entity and operate under the name Elia. | 4.9 'Transmission and distribution of electricity' | Yes |
| Elia Engineering SA/ NV | 71121<br>Engineering and technical consultancy activities, excluding surveying activities | Engineering and technical consultancy activities | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| Elia RE SA | 65200<br>Reinsurance | Elia RE SA is an insurance captive | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |

## Segment: 50Hertz Transmission Germany

| Entity | NACE code / description | Activity description | Correspondence with the Climate Delegated Acts | Decision on eligibility (Yes / No) |
|---|---|---|---|---|
| 50Hertz Transmission GmbH | 35120<br>Transmission of electricity | 50Hertz Transmission GmbH is the transmission system operator which operates the extra-high-voltage grid in the north and east of Germany. | 4.9 'Transmission and distribution of electricity' | Yes |
| 50Hertz Offshore GmbH | 35120<br>Transmission of electricity | The business activities of 50Hertz Offshore GmbH cover the planning, construction and maintenance of electricity lines as well as the associated plants and facilities for connecting offshore wind turbines/farms primarily erected in the Baltic Sea to the grid. | 4.9 'Transmission and distribution of electricity' | Yes |
| 50Hertz Connectors GmbH | 35120<br>Transmission of electricity | Entity that controls a few transmission of electricity assets handed over from the other entities from within the German segment. | 4.9 'Transmission and distribution of electricity' | Yes |
| Eurogrid GmbH | 64200<br>Holding company | 80% of this is owned by Elia Group; it comprises the activities of 50Hertz Transmission Germany, the German TSO. The remaining 20% is held by the German state-owned Bank Kreditanstalt für Wiederaufbau («KfW»). | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |

## Segment: Non-regulated segment

| Entity | NACE code / description | Activity description | Correspondence with the Climate Delegated Acts | Decision on eligibility (Yes / No) |
|---|---|---|---|---|
| re.alto (re.alto Energy BV/SRL, re.alto Energy GmbH) | 63110<br>Data processing, hosting and related activities | A start-up that manages a marketplace which is dedicated to the exchange of energy data and services | 8.1 'Data processing, hosting and related activities' | Yes |
| Elia Group SA/NV | 64200<br>Holding company | Elia Group SA/NV acts as a holding company | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| Eurogrid International SA/NV | 70220<br>Business and other management consultancy activities | Eurogrid International SA/NV invests in electric utility-related companies and provides support services to its customers, including its own daughter companies | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| EGI (Elia Grid International SA/NV, Elia Grid International GmbH, Elia Grid International LLC Saudi Arabia, Elia Grid International Inc Canada) | 70220<br>Business and other management consultancy activities | Consultancy and engineering services in the international power sector | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| WindGrid SA/NV | 64200<br>Holding company | Subsidiary that acts as a holding company and that leverages the Group's expertise in offshore development. | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| WindGrid USA Holding LLC | US company (no NACE code) | Holding activities | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |
| WindGrid USA LLC | US company (no NACE code) | Holding activities | No perfect fit identified with the activities described in the Climate Delegated Regulation | No |

# 2.1.5 Interpretation and assessment of the Technical Screening Criteria (TSC)

The Taxonomy regulation requires non-financial undertakings to assess the alignment of their business activities with all the six environmental objectives.

The Group's main activity - 'Transmission of electricity' - is eligible for climate change mitigation and climate change adaptation objectives. According to the amendments to the Delegated Act published in the EU Official Journal in November 2023, "where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective (...) while avoiding double counting".

We followed thoroughly this rationale in order to avoid double counting and thus we disclosed 0% for CAPEX alignment to climate change adaptation. Corresponding OPEX is immaterial.

'Transmission of electricity' is not an eligible economic activity for the remaining four environmental objectives.

## Eligibility for climate change adaptation

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

In particular, these measures include:

— ensuring compliance with construction standards;

— defining stringent climate parameters in electrical equipment specifications;

— developing enhanced climate scenarios for future assessments of grid and market needs;

— aligning with the risk preparedness plan for the electricity sector and with preventive, preparedness and emergency response measures (business continuity plan and restoration plan);

— implementing regular crisis exercises.

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

In alignment with the vulnerability assessment undertaken in 2023 and with the conclusions of the benchmark with peers in the sector, we identified CAPEX associated with projects that increase the resilience of our grid to storms and strong winds, corresponding to a value of €104.64 million.

At Elia Transmission Belgium, towers are reinforced when new High-Temperature Low-Sag (HTLS) conductors are installed on existing lines. These reinforcements help manage the mechanical loads of the new conductors and withstand higher wind loads, now considered in the design criteria to address climate change. The projects reported in the % of Climate Change Adaptation (CCA) eligibility for Elia Transmission Belgium include the total capital expenditure (CAPEX) for these projects since we cannot attribute a specific cost purely to the tower reinforcement aspect itself.

At 50Hertz Transmission Germany, the investments for reinforcing pylons are not made to increase the capacity of the lines. Consequently, the CAPEX represents solely the cost for the tower reinforcements. These investments are part of a multi-annual program aimed at replacing less reliable towers and enhancing local reliability at critical crossings, such as highways, to make the grid more resilient to climate change.

Given the specific conditions in Belgium, we extended this year the scope of this reporting to also include CAPEX dedicated to projects that mitigate the flooding risk, corresponding to a value of €0.06 million.

Based on the above analysis, the share of total Elia Group 2024 CAPEX eligible to climate change adaptation is 2.1% , corresponding to a value €104.70 million.

## Substantial contribution to climate change mitigation

In accordance with the eligibility table for the Group's activities as disclosed above, when assessing alignment we considered the criteria outlined in section ‘4.9 Transmission and distribution of electricity’ from Annex I of the Climate Delegated Act.

According to these criteria, 'Transmission and distribution infrastructure or equipment' is in an electricity system that complies with at least one of the following criteria:

a The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems.

b More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.

c The average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period”.

Elia Group meets criterion (a), as it is a direct fit for the Group’s transmission activities. Interconnectors that link energy transmission grids in different countries together contribute to the sustainability of the European energy sector by enabling the trading of energy and increasing energy efficiency. Interconnectors do this by reducing the cost of meeting electricity demand while improving security of supply and facilitating the cost-effective integration of the growing amount of renewable energy sources into the system.

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

More precisely, the TSC refer to infrastructure dedicated to creating a direct connection or the expansion of an existing direct connection between a substation or network and a power generation plant that is more greenhouse gas-intensive than 100 gCO2e/kWh (measured on a lifecycle basis). The revenues, CAPEX and OPEX associated with these

identified connection parts were evaluated as 'non-aligned' and eliminated from the numerators of the KPIs during the assessment process.

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

## 2.1.6 Do No Significant Harm (DNSH)

Meeting the DNSH criteria means that an activity which significantly contributes to one of the environmental objectives does no significant harm to any of the other objectives. Once our electricity transmission activities were assessed against the climate change mitigation criteria for their significant contribution to it, we performed further assessments of the five remaining objectives in relation to DNSH. Note that the DNSH criteria for 'climate change mitigation' is not applicable, as we had already performed the substantial contribution analysis on this objective. Moreover, no DNSH criteria for the 'sustainable use and protection of water and marine resources objective of '4.9. Transmission and distribution of electricity' has been defined by the EU and was thus not evaluated.

### Climate change adaptation

Our climate risk and vulnerability assessment is carried out in line with the technical screening criteria of the EU Taxonomy Delegated Act. This assessment highlighted the possible harmful effect of heatwaves, cold snaps/winter incidents, storms, flooding, droughts and wildfires. All these phenomena are acute physical risks, which could lead to less favourable operating conditions for the Group's assets or even damage them. Such circumstances may trigger business continuity disruption and may need contingency plans to be activated. Given the critical nature of the Group's infrastructure and the fact that its assets are spread over a wide territory (in particular its overhead line infrastructure), it is considered that the Group's assets face heightened vulnerability to physical climate risks, as is the case for other system operators and utilities.

In 2023, with the support of climatologists from the University of Hamburg (Hereon Climate Research Center), local climate scenarios were developed for Belgium and Germany. More information about the scenarios and the conclusions drawn can be found in section IRO-1- Description of the processes to identify and assess material impacts, risks and opportunities.

### Transition to a circular economy

For this objective, the waste management practices of both TSOs begin with compliance with relevant laws in their respective operating areas (Belgium: Brussels, Wallonia, Flanders; Germany: North and East). The principles include adhering to the waste hierarchy, complying with environmental legislation, and utilizing registered waste collectors. These policies encompass our own operations and extend to part of the upstream value chain (construction sites) through our contractors.

The ISO 14001 standard framework was used as a reference when drafting these policies. Elia Transmission Belgium was certified for the ISO 14001 environmental management system in 2024, and 50Hertz Transmission Germany's ISO 14001 certification was reconfirmed in 2024.

For more information we refer to section ESRS E5 - Resource use and circular economy.

### Pollution prevention and control

Both TSOs have implemented their Environmental Health and Safety systems, and through their certifications, compliance with the International Finance Corporation (IFC) guidelines and legal requirements is confirmed.

In November 2024, Elia Transmission Belgium obtained its ISO 14001 certification. The scope of the certified premises will gradually increase in the next years. In 2023, 50Hertz Transmission Germany was recertified in accordance with ISO 45001 (health and safety management) and certified in accordance with ISO 14001 (environmental management) in 2022. The ISO 14001 certification for 50Hertz Transmission Germany was reconfirmed in 2024.

Regarding PCB pollution: At the start of 2024, less than 1% of Elia Transmission Belgium's transformers contained polychlorinated biphenyls (PCBs). A phasing-out plan to eliminate PCBs was successfully implemented in 2024, ensuring that all transformers were PCB-free by the end of the year. 50Hertz Transmission Germany's assets do not contain any PCBs.

For electromagnetic fields (EMF): The activities of both TSOs comply with the applicable standards and regulations to limit the effects of electromagnetic radiation on human health. Thanks to the criteria applied in the design of the assets, the levels of electric and magnetic fields are kept below those recommended by law and regulation.

### Protection and restoration of biodiversity and ecosystems

The activities and assets of both TSOs may have a significant impact on nature. Through the ActNow programme, protecting and preserving biodiversity is one of our environmental priorities.

In general, both TSOs conduct impact assessments (EIA) in the early stages of infrastructure projects as part of the permitting requests and project planning. This process enables the systematic identification, prediction, and analysis of the potential impacts and threats on the physical environment and biodiversity during both the construction and operation phases.

Elia Transmission Belgium publishes Environmental Impact Assessments (EIA) or screenings depending on the specific characteristics of a given project, an Appropriate Assessment (AA) where applicable in accordance with Directive 2011/92/EU, and carries out environmental assessments in accordance with Directive 2009/147/EC (Birds) and 92/43/EC (Habitats).

Elia Transmission Belgium goes beyond merely respecting the associated obligations: it engages in dialogue with local communities, non-governmental organisations and different government organisations to define how each project should be realised. In the

future, the status of compensation and mitigation measures will be followed up on by Elia Transmission Belgium staff based on a Community Relations Passport (CR Pass).

In Germany, 50Hertz Transmission Germany set up a tool for monitoring the implementation of compensation and mitigation measures in line with the aforementioned EU regulations.

Please refer to section E4-3 - Actions and resources related to biodiversity and ecosystems for more details.

## 2.1.7 Requirements of the Minimum Social Safeguards

The development of Elia Group's codes, guidelines, is aligned with national and international guidelines such as:

- Core labour standards of the International Labour Organization (ILO: C87, C98 and C135);
- Workers' rights set out in the UN Global Compact;
- Rules of good governance applicable to listed companies, including the Belgian Corporate Governance Code (Elia Group NV/SA is stock listed in Belgium).

The Group's Code of Ethics, the Supplier Code of Conduct the Human Rights Policy, Tax guidelines and Corporate Governance are available online. An updated uniform Elia Group Supplier Code of Conduct will be launched in January 2025.

In addition, Elia Group develops the necessary processes in terms of due diligence for integrity and human rights, both for its own activities and in its relations with third parties.

Strategic suppliers entering into new framework agreements are required to have an EcoVadis rating, which evaluates how well a company has integrated the principles of sustainability and corporate social responsibility into its business activities. Purchasing policies are also developed in accordance with the basic principles of the UN Global Compact with respect to human rights, terms of employment and anti-corruption. Most of Elia Group's suppliers are located inside the EU, which leads to a lower risk of violations of human and labour rights and environmental infractions.

A supplier due diligence process has been defined to comply with the supply chain law in Germany, to seek alignment with the Minimum Social Safeguards and with the potential requirements of the future Corporate Sustainability Due Diligence Directive (CSDDD). It consists of a risk assessment of the supplier base based on external indices and internal parameters. Suppliers flagged as 'potential high risk' as a result of this screening process are then further evaluated by the responsible buyer. If their high-risk status is confirmed, measures will be taken in accordance with a mitigation plan that will be rolled out as from 2025 and which includes among other things:

- asking suppliers to sign a binding code of conduct before starting their assignment;
- requesting suppliers to undertake a self-declaration;
- requesting an EcoVadis rating;
- carrying out additional risk assessments;
- carrying out on-site (incident) inspections.

Similar efforts are also made for Elia Group's own employees and workers in the value chain (subcontractors) to ensure compliance with the same stringent standards. Please refer to sections S1-1 - Policies related to own workforce and S2-1 - Policies related to value chain workers for more information.

Lastly, our grievance mechanism EthicsAlert, which enables (anonymous) reporting of (alleged) instances of non-compliance, is also open to suppliers. Human rights or environmental violations can be reported through this channel.

Elia Group confirmed it has good governance practices in place, in particular with respect to:

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

## 2.1.8 Taxonomy KPIs and accounting methods

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

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

Double counting in the allocation in the numerator of turnover, CAPEX and OPEX across economic activities was avoided as each entity undertakes one economic activity only. Consequently, turnover, OPEX and CAPEX cover economic activities that are either completely Taxonomy-eligible or not at all.

The expenditure funded by the issuance of green bonds (at the level of 50Hertz Transmission Germany) is consolidated in the numerators and the denominators of the Group's CAPEX. The adjusted aligned CAPEX for use by financial undertakings was calculated according to the guidelines set out in the European Commission FAQs on EU Taxonomy from December 2022.

## Turnover

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

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

(*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

Therefore, the total considered turnover in 2024 which was included in the denominator of the turnover KPI was €3,719.23 million.

## CAPEX

The CAPEX used in the KPI calculation is based on general accounting policies, as mentioned in sections 3.3.1 'Property, plant and equipment' ('PPE') (IAS 16), 3.3.2 'Intangible assets' (IAS 38) and 3.3.16 'Leases' (IFRS 16) of the Financial Report.

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

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

(*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

The total considered CAPEX in 2024 which was included in the denominator of the CAPEX KPI was €4,932.73 million.

In line with the guidelines provided by the European Commission in December 2022, please find below the figures prepared for the use by financial undertakings:

— €1,567.11 million were allocated for CAPEX in 2024 from Eurogrid/50Hertz Transmission Germany Green Bond 2022/2031

— the adjusted Taxonomy aligned CAPEX KPI is 68.0%

## OPEX

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

The denominator of the OPEX KPI in 2024 was €252.86 million.

# 2.1.9 Breakdown of Elia Group's KPIs for EU Taxonomy eligibility and alignment in 2024

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

A top-down approach was applied when calculating the KPIs, meaning non-eligible and non-aligned turnover, CAPEX and OPEX were excluded from the total figures disclosed in the financial statements.

A correspondence table is available below.

| Denominator | Section from the Financial Report |
|---|---|
| Elia Group 2024 turnover | 5.1. Revenue, net income (expense) from settlement mechanism and other income |
| Elia Group 2024 CAPEX | 6.1. Propriety, plant and equipment and 6.2. Intangible assets |

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

— the non-eligibility of the Group's consultancy activities and other activities not related with electricity transmission;

— the non-alignment of the eligible transmission of electricity activities , which is due in particular to existing direct connections to power plants that do not meet the TSC.

| Turnover Elia Group 2024[72] | | | | Substantially contribute | | | | | | DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | Turnover (mil€) | Proportion of turnover(%) | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Minimum safeguards | Taxonomy eligible and aligned proportion of turnover, year 2023 | Category enabling activity E | Category transitional activity T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 1,435.67 | 38.6% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 35.4% | E | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 2,257.39 | 60.7% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 64.0% | E | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **3,693.05** | **99.3%** | 99.3% | 0.0% | | | | | N/A | Y | Not existing | Y | Y | Y | Y | 99.4% | E | |
| of which enabling | | 3,693.05 | 99.3% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 99.4% | E | |
| of which transitional | | 0.00 | 0.0% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 0.0% | | T |
| **A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 2.51 | 0.1% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 13.45 | 0.4% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Energy platform - Data processing, hosting and related activities | **CCM 8.1.** / CCA 8.1. | 0.08 | 0.0% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| **Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **16.04** | **0.4%** | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| **A. Turnover of Taxonomy-eligible activities (A.1+A.2)** | | **3,709.09** | **99.7%** | | | | | | | | | | | | | | | | |
| **B. Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| Engineering and technical consultancy activities in Belgium | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Reinsurance | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Holding activities | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities (Power consultancy in Belgium) | | 10.13 | 0.3% | | | | | | | | | | | | | | | | |
| **Total (A + B)** | | **3,719.23** | **100.0%** | | | | | | | | | | | | | | | | |

[72] Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

| CAPEX Elia Group 2024[73] | | | | Substantially contribute | | | | | | DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | CAPEX (mi€) | Proportion of CAPEX (%) | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Minimum safeguards | Taxonomy eligible and aligned proportion of CAPEX, year 2023 | Category enabling activity E | Category transitional activity T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 1,217.80 | 24.7% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 30.2% | E | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 3,702.72 | 75.1% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 69.4% | E | |
| **CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **4,920.52** | **99.8%** | 99.8% | 0.0% | | | | | N/A | Y | Not existing | Y | Y | Y | Y | 99.5% | E | |
| of which enabling | | 4,920.52 | 99.8% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 99.5% | E | |
| of which transitional | | 0.00 | 0.0% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 0.0% | | T |
| **A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 0.00 | 0.0% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 7.30 | 0.1% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Energy platform - Data processing, hosting and related activities | **CCM 8.1.** / CCA 8.1. | 1.37 | 0.0% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| **CAPEX of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **8.67** | **0.2%** | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| **A. CAPEX of Taxonomy-eligible activities (A.1+A.2)** | | **4,929.18** | **99.9%** | | | | | | | | | | | | | | | | |
| **B. Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| Engineering and technical consultancy activities in Belgium | | 3.43 | 0.1% | | | | | | | | | | | | | | | | |
| Reinsurance | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Holding activities | | 0.04 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities (Power consultancy in Belgium) | | 0.07 | 0.0% | | | | | | | | | | | | | | | | |
| **Total (A + B)** | | **4,932.73** | **100.0%** | | | | | | | | | | | | | | | | |

[73] Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

Please find below an overview of the proportion of eligible CAPEX and aligned CAPEX per objective[74].

| Proportion of CAPEX/Total CAPEX | | |
|---|---|---|
| **Objectives** | **Eligible by objective** | **Aligned by objective** |
| CCM | 99.9 % | 99.8 % |
| CCA | 2.1 % | 0.0 % |
| WTR | 0.0 % | 0.0 % |
| CE | 0.0 % | 0.0 % |
| PPC | 0.0 % | 0.0 % |
| BIO | 0.0 % | 0.0 % |

[74] CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems.

| OPEX Elia Group 2024[75] | | | | Substantially contribute | | | | | | DNSH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | OPEX (mil€) | Proportion of OPEX (%) | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity and ecosystems | Minimum safeguards | Taxonomy eligible and aligned proportion of OPEX, year 2023 | Category enabling activity E | Category transitional activity T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 193.53 | 76.5% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 66.5% | E | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 57.54 | 22.8% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 32.6% | E | |
| **OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **251.07** | **99.3%** | 99.3% | 0.0% | | | | | N/A | Y | Not existing | Y | Y | Y | Y | 99.1% | E | |
| of which enabling | | 251.07 | 99.3% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 99.1% | E | |
| of which transitional | | 0.00 | 0.0% | Y | N | N/EL | N/EL | N/EL | N/EL | N/A | Y | Not existing | Y | Y | Y | Y | 0.0% | | T |
| **A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Transmission of electricity in Belgium | **CCM 4.9.** / CCA 4.9 | 0.56 | 0.2% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Transmission of electricity in Germany | **CCM 4.9.** / CCA 4.9 | 0.45 | 0.2% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Energy platform - Data processing, hosting and related activities | **CCM 8.1.** / CCA 8.1. | 0.03 | 0.0% | N | N | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| **OPEX of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **1.05** | **0.4%** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | | | |
| **A. OPEX of Taxonomy-eligible activities (A.1+A.2)** | | **252.12** | **99.7%** | | | | | | | | | | | | | | | | |
| **B. Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| Engineering and technical consultancy activities in Belgium | | 0.61 | 0.2% | | | | | | | | | | | | | | | | |
| Reinsurance | | 0.00 | 0.0% | | | | | | | | | | | | | | | | |
| Holding activities | | 0.03 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities | | 0.03 | 0.0% | | | | | | | | | | | | | | | | |
| Business and other management consultancy activities (Power consultancy in Belgium) | | 0.06 | 0.0% | | | | | | | | | | | | | | | | |
| **Total (A + B)** | | **252.86** | **100.0%** | | | | | | | | | | | | | | | | |

[75] Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

# 2.2. ESRS E1 Climate change

**Elia Group's core mission is to drive the energy transition by supporting the integration of Renewable Energy Sources (RES)[76] into the electricity system in order to foster decarbonisation. Successfully achieving this will be key to decarbonising industry and will thus benefit society as a whole and our own bottom line.**

## E1-1 - Transition plan for climate change mitigation

To underline Elia Group's commitment to decarbonisation, a carbon neutrality target was set for 2030 for own operations (i.e. Scope 1 and Scope 2 emissions, excluding grid losses - the electricity lost during transmission across our network). To reach this target an avoid-reduce-offset approach is taken, while residual emissions will be offset.

Elia Group committed to an absolute GHG emissions reduction target for all Scope 1 and Scope 2 emissions, including grid losses, of 28% by 2030 (taking 2019 as the base year). The SBTi's Target validation team has determined that this target is in line with a 'well-below 2°C trajectory.

Grid losses are an inevitable and inherent part of electricity transmission and represent by far the biggest share of Elia Group's Scope 1 and Scope 2 carbon footprint.

Their GHG emissions impact is directly dependent on the generation sources of the electricity flowing through the grid (the so called 'power mix'). The power mix is beyond our area of responsibility as a TSO[77].

In the years ahead, planned grid development and the increasing share of volatile renewable energies will lead to higher absolute values for grid losses. Our assumption is that these will not be sufficiently offset by a decrease in the emission factor of the power mix to allow for more ambitious decarbonisation goals for Elia Group, such as a 1.5°C SBTi pathway.

However, our corporate carbon footprint is low in comparison to the emissions saved by commissioning e.g. a new offshore connection line or integrating additional renewable energies by increasing our transformer capacity. As the electricity generation structure evolves with increasing RES integration in the grid, the electricity emission factor will continue to decrease while absolute grid losses will remain more stable, thereby significantly reducing the carbon footprint of grid losses in the medium to long term (see Reduction of grid losses-related GHG emissions in E1-3 - Actions and resources in relation to climate change policies).

In addition, Elia Group aims to be fully carbon-neutral in system operations by 2040. In the future, the company will capitalise on the improvements that our suppliers - from the upstream value chain - apply to their $CO_2$ accounting methods. This will enable the setting of Scope 3-related targets (see 'Upstream value chain' in E1-3 - Actions and resources in relation to climate change policies).

### Our transition plan (including drivers)

Through the ActNow sustainability programme, we are working to achieve these targets via our five-year business roadmaps and plans, that are revised regularly.

As outlined in section 4.3. Our sustainability programme: ActNow of the Strategic Report, Climate Action is both the first and most consequential dimension of the programme. The table below outlines the objectives included in this dimension and the decarbonisation drivers that were identified. Please see E1-3 - Actions and resources in relation to climate change policies for more details regarding the associated actions.

[76] Renewable energy sources (RES): energy which is generated from natural processes or sources that are continuously replenished, such as wind energy, solar energy or hydropower. Some of these sources - such as wind and solar energy - are intermittent.
[77] In Europe, under the Third Energy Package, energy networks are subject to unbundling requirements which oblige Member States to ensure the separation of vertically integrated energy companies, resulting in the separation of the various stages of energy supply (generation, transmission, distribution, and retail). Consequently, both TSOs' scope of activities include only transmission of electricity, and not generation, which means it cannot influence the energy mix.

| **Objectives of the ActNow Programme - Dimension 1 Climate action** | | | | | |
|---|---|---|---|---|---|
| **Challenge** | OUR SOCIETAL CHALLENGE<br>Decarbonisation of the power sector | OUR CORPORATE CHALLENGE<br>Decarbonisation of our own activities | | | |
| **ActNow Programme Objective** | Objective 1<br>Enabling the decarbonisation of the power sector | Objective 2<br>Reach carbon neutrality in system operations by 2040 | Objective 3<br>Reach carbon neutrality in our own activities by 2030 | Objective 4<br>Transition to a carbon-neutral value chain for new assets and construction work | Objective 5<br>Increase climate resilience |
| **Environmental objective** | | | | | Climate change adaptation |
| **Material IRO** | Climate change mitigation | | | | Climate change and physical adaptation |
| **Actions** | – Fulfil national grid development plans for RES connection as time-effectively as possible<br>– Market development and system operations: contribute to and, where possible, lead the evolution of electricity market mechanisms to overcome RES integration challenges<br>– Electrification and sector coupling: support industry to electrify, get involved in hydrogen and sector coupling, and develop flexibilities | Reduction of grid losses-related GHG emissions: | – $SF_6$ leakages reduction (management and monitoring) and limit increase in installed volume<br>– Energy efficiency improvement of substations<br>– Low-carbon mobility switch | – Creating a fit-for-our-business $CO_2$ accounting platform for our suppliers<br>– Increasing the application of an Internal Carbon Price (ICP)<br>– Green works | – New assets are already constructed to withstand projected climate conditions in high-emissions scenarios<br>– Proof of Concept with Danish TSO to test the adaptation measures |
| **Targets** | – Federal development plans 2024-2034 for Belgium and Germany<br>– Power Flex | SBTi alignment <2°C (-28% by 2030) | – $SF_6$ leakage rate (< 0.25% in 2030)<br>– Solar panels and control heating/cooling installation (Scope 2) (for Elia Transmission Belgium: respectively 4.6 ha and 4.3 ha in 2030)<br>– Reduction of fleet-related GHG emissions (Scope 1) (-90% in 2030) | Scope 3 reduction target to be defined | |

## Locked-in GHG emissions

Grid losses: Please refer to the above text where we explain the unavoidable nature of grid losses and the dependency of grid losses-related emissions on the power mix.

$SF_6$[78]: Due to the long lifetime (55 years) of our equipment, there will still be equipment using $SF_6$ gas by 2030 and 2040, albeit a lower number of pieces of equipment. It is worth noting that what generates emissions are leakages. Hence the $SF_6$ phase-out strategy focuses on leakage management and on limiting the increase in installed volume, thereby minimising and mitigating the impact (see below 'Low-carbon technologies for $SF_6$' in E1-3 - Actions and resources in relation to climate change policies).

Substations: Substations, as elements making it possible to operate the grid, consume electricity. Solar panels are being installed and new building standards are being adopted (see below 'Sustainable substations' in E1-3 - Actions and resources in relation to climate change policies) as mitigation measures to decrease the related emissions. Eventually, as for grid losses, the reduction in associated emissions will align with the decarbonisation of local power mixes.

## Financial resources

According to the EU Taxonomy reporting methodology, Elia Group's economic activities have been identified as eligible and are aligned at a very high level with the technical screening criteria (TSC). This high alignment underlines the Group's ongoing contribution to the energy transition. No major deviations are foreseen in the future.

Please refer to 2.1 Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation), where the EU Taxonomy Regulation alignment of the Group's eligible activities is disclosed. In support of its core mission central to the energy transition, Elia Group will deploy a CAPEX plan of €7.5 billion for Belgium and €19.3 billion for Germany for the period 2025-2028.

There were no significant CAPEX amounts (<1%) invested during the reporting period relating to coal, oil and gas-related economic activities.

## Embedding the transition plan in our overall strategy and financial planning

Elia Group does not fall under the exclusion for EU Paris-aligned benchmarks[79].

Since the core business is inherently linked to driving the energy transition, sustainability and climate-related responsibilities lie with our executive bodies: they drive the implementation of the strategy and oversee the Group's progress.

Moreover, specific arrangements have been put in place, including ones which relate to the Board of Directors, to ensure that the ActNow sustainability programme - which includes climate change aspects in its Dimension 1 - is embedded across the organisation. Please refer to GOV-1 - The role of the administrative, management and supervisory bodies for further information and GOV-2 - Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies and GOV-3 - Integration of sustainability-related performance in incentives schemes.

Elia Group first presented its climate transition plan alongside the whole ActNow programme on Capital Market Day in April 2021.

Since then, feedback has been collected during annual general meetings (AGMs), in annual online events held by Executive Management for the investors community, and in numerous other external and internal forums.

We have established processes and controls that ensure regular monitoring, measuring, validating and reporting. In addition, during the Capital Market Day events, Elia Group's Executive Management presents the Group's sustainability strategies to shareholders.

The progress made in implementing the transition plan is overseen by the Group Sustainability Office and the two local Sustainability Boards at Elia Transmission Belgium and 50Hertz Transmission Germany and is tracked through KPIs.

Please see E1-4 - Targets related to climate change mitigation and adaption for information on the progress.

# ESRS2 SBM3 E1 - Material impacts, risks and opportunities and their interaction with strategy and business model

The climate change-related material impacts, risks and opportunities identified in 1.3. Strategy - 'Energy transition', 'GHG emissions' and 'Transition to a low-carbon economy' - are all considered as climate-related transition risks. Only the climate change-related material impact 'Climate change and physical adaptation' is considered as a climate-related physical risk.

The scope of the analysis regarding the resilience of our strategy and business model in relation to climate-related physical risks includes the TSO activities of Elia Transmission Belgium and 50Hertz Transmission Germany.

The analysis, referred to as the vulnerability assessment, has been performed in 2022 - and updated thereafter - as described in IRO-1 - ESRS E1. The physical climate-related risks both TSOs are facing fall into two categories: chronic and acute. This assessment highlighted the possible harmful effect of heatwaves, cold waves/winter incidents, storms, flooding, droughts and wildfires.

Regarding the climate-related opportunity  Energy transition' identified in 1.3. Strategy, it has been assessed in the grid development plans, published at regular intervals as described in IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities . The outcome of the exercise is the development plan containing a detailed estimate of transmission capacity requirements, indicating the underlying assumptions, and sets out the investment programme that the system operator pledges to implement to meet those requirements.

[78] Chemical formula of 'sulphur hexafluoride'. $SF_6$ is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is non-toxic and is chemically stable. However, the global warming potential of $SF_6$ is 24,300 times higher than $CO_2$.
[79] In accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) 53 and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

# E1-2 - Policies related to climate change mitigation and adaptation

For matters related to climate change, Elia Group has developed and applies the following policies[80]:

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standards or initiatives |
|---|---|---|---|---|---|---|
| Purchasing Conditions | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions | The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards. | Contractual agreement | Upstream value chain Elia Transmission Belgium, 50Hertz Transmission Germany | Head of Procurement | n/a |
| Supplier Code of Conduct | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions | This Code sets out guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects. | Contractual agreement | Upstream and own operations, Elia Transmission Belgium | Chief Procurement Officer | n/a |
| | | | | Upstream and own operations, 50Hertz Transmission Germany | Chief Procurement Officer | n/a |
| General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions | These regulations describe Elia Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work on behalf of Elia Transmission Belgium or its subsidiaries. | Contractual agreement | Upstream and own operations, Elia Transmission Belgium | Head of Health, Safety & Security | n/a |
| Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions | These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz Transmission Germany | Contractual agreement | Upstream and own operations, 50Hertz Transmission Germany | Head of Corporate Governance | n/a |
| Asset management policy for substations | – Greenhouse gas emissions arising directly from Elia Group's own operations, i.e. cars, heating, SF6 leakages and backup systems (Scope 1)<br><br>Subtopic: GHG Emissions | Decision-making regarding asset maintenance and replacement | Health indicators, end-of-life indicators | Own operations Elia Transmission Belgium | Chief Assets Officer | n/a |

[80] The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in the respective column information about:
– frameworks, laws and regulations that form the foundation of the respective policy and that guarantee that a recognised preference was used;
– certifications offered by an independent external entity.
For E1 Climate change policies, no third-party standard or initiatives are used.

## Policies targeting our suppliers

Several policies target the suppliers - the upstream value chain - and these include climate change mitigation aspects:

- The Supplier Codes of Conduct list a set of sustainable principles both TSOs require their suppliers to follow, including making a rational use of energy and reducing GHG emissions.
- The Purchasing Conditions for Electrical Equipment and Works: these documents describe the conditions that apply to suppliers for specific purchasing categories. In the ones for Electrical Equipment and Works, Elia Transmission Belgium and 50Hertz Transmission Germany's expectations of their suppliers are expressed regarding the reduction of the environmental impacts of greenhouse gases emissions arising from their services.
- The General Safety, Health and Environment Rules (GSHER) for Contractors Performing Assignments and the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany:

these documents are aimed at suppliers who carry out work for both TSOs or within both TSOs' infrastructure. It requires them to make rational use of energy, reduce GHG emissions and reduce their use of energy.

These elements form an integral part of every contract that Elia Group concludes with its suppliers.

All these documents are available on the Group's website.

See section G1-1 - Corporate culture and business conduct policies for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions and General Safety, Health and Environment Rules.

## Asset management policy for substations

Regarding own operations, the asset management policy for substations includes energy consumption reduction aspects relating to emissions-reduction goals.

The document is available to all employees on the local server of Elia Transmission Belgium and 50Hertz Transmission Germany.

The approach of Elia Group to address the IROs resulting from the topics 'Energy transition', 'Transition to a low-carbon economy' and 'Climate change and physical adaptation' has not been formalised in a policy document. This is due to the fact that these topics are integrated into our core mission and strategy and translated into actions and implementation plans.

# E1-3 - Actions and resources in relation to climate change policies

Please refer to section E1-4 'Targets related to climate change mitigation and adaptation to read how these actions translate into targets.

## Activities related to the Group's core business

| Action | Related policy objective or target | Scope | Time horizon |
|---|---|---|---|
| Grid development and RES integration | Core business activities | Downstream value chain | continuous action |
| Market development and system operations | | Downstream value chain | continuous action |
| Electrification and sector coupling | | Downstream value chain | continuous action |

The Group's core activities and the TSOs societal mission is the decarbonisation of both the electricity sector and, subsequently, the power mix emission factor (downstream value chain). This can occur through actions such as:

### Grid development and RES integration

Elia Group's core mission is to drive the energy transition by supporting the integration of Renewable Energy Sources (RES) into the electricity system in order to foster decarbonisation. Successfully achieving this will be the key to decarbonising industry.

### Market development and system operations

Elia Group's two TSOs are constantly working with other market players, political decision-makers and regulators on further developing electricity market design to facilitate the integration of variable RES into the grid and unlock consumer flexibility. The adoption of electric vehicles (EVs) and heat pumps is accelerating and opening the door to new ways for consumers to interact with the electricity system.

However, the large-scale participation of demand-side flexibility is slow. One key reason for this is that the current market design includes multiple barriers which prevent the active participation of small flexibility assets. Our efforts address these barriers and will facilitate the efficient integration of more renewable energy into the system. This, in turn, will allow consumers to reap the benefits of their investments in flexible assets (such as heat pumps, EVs, solar PV and electrical boilers).

By upgrading the TSOs system operations technologies and processes, we are paving the way for further strong increases in intermittent renewable energies in the system.

In order to manage the grid of the future, which integrates more renewables and decentralised units, Elia Group is developing a Supervisory Control and Data Acquisition system - internally called Modular Control Center System (MCCS) - to deal with the growing amount of data and managing the increasing need for system and grid monitoring.

This cutting-edge technology is the answer to managing increased complexity and enables flexibility, adaptability and scalability over time. Modularisation is key for fast developments and differentiated solutions. Automated processes and algorithms will support the operators of the future in decision making. The MCCS vision, architecture and product solutions are meant to be shared and co-developed with peers (e.g. other international TSOs) as part of an MCCS NextGen community.

### Electrification and sector coupling

A core element of European decarbonisation involves the electrification of industry and society at large. Leveraging the enabler role in the European power sector, the two TSOs are collaborating with industrial players such as Linde, ArcelorMittal and Total (who are active players in our grid regions) to assess electrification potential and to identify the best possible ways to meet their growing electricity needs.

We are also proactively developing and promoting suitable locations for new data centres, industrial sites, hydrogen production facilities, etc. in order to speed up their deployment and ensure the system is ready to cope with those loads.

Neither the achieved, nor the expected GHG emission reductions from these actions have been calculated yet.

## Climate-related actions for own operations and value chain

| Action | Related policy objective or target | Scope | Time horizon |
|---|---|---|---|
| Reduction of grid losses-related GHG emissions | Reduction of grid losses-related GHG emissions (scope 2) | Own activities | 2040 |
| Actions for phasing out $SF_6$ | $SF_6$ leakage rate (scope 1) | Own activities | 2030 |
| Sustainable substations | – Solar panel installation (Scope 2)<br>– Smart cooling/heating installation (Scope 2) | Own activities | 2030 |
| Low-carbon mobility | Reduction of fleet-related GHG emissions (scope 1) | Own activities | 2030 |
| Creating a fit-for-our-business $CO_2$ accounting platform for our suppliers | Scope 3 target to be defined | Upstream value chain | continuous action |
| Increasing the application of an Internal Carbon Price (ICP) | | Upstream value chain, Own activities | continuous action |
| Green works | | Upstream value chain | continuous action |

## Own operations:

### Reduction of grid losses-related GHG emissions

Grid losses (the electricity lost during transmission across our network) are an inevitable and inherent part of electricity transmission. They depend on factors such as the distance electricity has to be transmitted, its current and its voltage. Grid losses are a source of GHG emissions related to grid operation that depend on the $CO_2$ intensity of the power mix. As higher amounts of renewable energy are integrated into the system, the amount of $CO_2$ associated with these losses will decrease over time.

However, at the same time, the absolute value of grid losses will increase as electrification accelerates and the related GHG emissions will consequently also increase. Indirect GHG emissions (Scope 2) are highly material for electricity transmission activities. But setting strict reduction pathways conflicts with the TSO societal role of decarbonising society via electrification and is strongly dependent on national power mix policies. Elia Group's focus therefore remains on integrating large amounts of RES into the system (see Activities related to the Group's core business).

For the achieved and expected GHG emission reductions, please refer to E1-4 Targets related to climate change mitigation and adaptation.

### Low-carbon technologies for $SF_6$

Elia Group's two TSOs have designed and approved a new asset policy that favours alternatives to $SF_6$. While we will continue to grow the asset base in the coming years and $SF_6$-free options are still rare (and partly still unavailable for some asset types), we nevertheless aim to equip 50% of our asset build-up until 2030 with $SF_6$-free solutions. Both TSOs are actively involved in research programs to integrate $SF_6$ alternatives into the electrical grid, 50Hertz Transmission Germany has joined a consortium investigating $SF_6$-free solutions for circuit breakers. Resources are allocated to proof of concept projects to test these alternatives.

Due to ongoing discussions on a potential PFAS-ban at EU level, we are facing higher than expected levels of uncertainty in this context, as one of the two main technology alternatives to $SF_6$ available on the market is based on PFAS. For as long as the uncertainty regarding PFAS prevails, we have decided not to resort to this alternative, even though this increases the likelihood of not reaching our 50% target.

In the long term, we will discontinue $SF_6$ usage entirely in new installations in accordance with the recently adopted EU F-gas regulation. At the same time, we will continue to focus on keeping $SF_6$ leakages as low as possible. To this end, resources are allocated by Elia Transmission Belgium to roll out the installation of sensors on our $SF_6$ systems. The 50Hertz Transmission Germany installations are already equipped with a $SF_6$ monitoring system.

Neither the achieved, nor the expected GHG emission reductions from an $SF_6$ phase-out can be calculated for the reasons mentioned above and the fact that the GHG emissions are related to leakages, which are unexpected by definition. Nevertheless, we strive to keep the $SF_6$ leakage rate below the threshold mentioned above (see also E1-4 Targets related to climate change mitigation and adaptation).

### Sustainable substations

With the goal of making our substations more sustainable and energy-efficient, we have developed new building standards, including those related to heating and cooling installations and smart temperature control.

In addition, we are also renovating our existing substation buildings to further increase their efficiency. In Belgium, resources are allocated to the installation of solar panels across the premises by 2030, which will have a peak load of 7 MW of solar energy. This energy will then be used to meet some of our own consumption needs.

A similar initiative is being rolled out across a number of 50Hertz Transmission Germany's administrative buildings and substations, in addition to an existing photovoltaic system on the roof of the corporate headquarters in Berlin. Resources are allocated to a pilot project.

Another action in Belgium is the allocation of resources to the installation of remote heating control and monitoring systems in around 600 existing substation buildings by 2030, representing a total heated area of approximately 130,000 m².

Neither the achieved, nor the expected GHG emission reductions from these actions have been calculated yet.

### Optimising grid efficiency through advanced temperature monitoring

At 50Hertz Transmission Germany, there are ongoing activities focused on enhancing the efficiency of the power grid. These initiatives aim to monitor the temperature of specific grid components meticulously. By closely tracking these temperature variations, the activities endeavour to optimise and increase the energy flow through the grid whenever the thermal conditions are favourable. This innovative approach not only maximises the grid's capacity but also ensures the reliable and efficient transmission of energy, thereby supporting the overall stability and performance of the electrical network.

### Low-carbon mobility

Elia Group is electrifying its fleet of company cars and technical vehicles.

In 2025, for the Belgium-based entities, 75% of the commutes between home and work will be low-carbon. A mobility budget was introduced in 2022 across the entities in Belgium and a bike leasing programme was rolled out across the German entities. A budget is allocated to the replacement of the vehicles and the installation of charging stations on the technical sites.

For the achieved and expected GHG emission reductions related to the vehicle fleet, please refer to E1-4 Targets related to climate change mitigation and adaptation.

## Upstream value chain:

The scope addressed by the following actions is the upstream side of the value chain (impact on the Scope 3 footprint):

### Creating a fit-for-our-business $CO_2$ accounting platform for suppliers

Emissions related to new technical assets and construction work are categorised as Scope 3 emissions 'category 1 - Purchased Goods' and 'Services and category 2 - Capital Goods'. These upstream value chain emissions are more challenging to accurately calculate since the relevant information has to be gathered from suppliers.

We developed a $CO_2$ accounting platform for suppliers to increase our scope 3 data maturity that went live in late 2023. Green procurement is carried out in close collaboration with our suppliers.

In the future, we will closely track the improvements that our suppliers apply to their design, production methods and project execution methods. Precise data will allow us to concentrate on those actions which have the biggest potential impact and will enable us to set Scope 3-related targets. The resources allocated to this action are related to the development of the software solution.

### Increasing the application of an Internal Carbon Price (ICP)

Please refer to E1-8 Internal carbon pricing for more information.

### Green works

We engaged with several suppliers who execute infrastructure works under the lead of Elia Transmission Belgium. The objective is, alongside the $CO_2$ accounting platform, to quantify emissions related to the different types of standard works and identify impactful drivers in order to establish reduction measures.

Several projects covering the main types of infrastructure works (lines, cables, substations) for building grid assets were selected as pilot projects and data (civil works materials, waste, on-site fuel and electricity consumption, upstream and downstream transportation and commuting) were collected in order to gain an initial overview of the infrastructure works' carbon footprint, replacing the current spend-based approach.

The main drivers that are part of the footprint of each type work were identified and potential reduction emissions practices were listed in order to lead to the launch of a series of proof-of-concept projects to validate their relevance. This information will also be relevant to us in setting Scope 3-related targets. The collection of data regarding the capture of GHG emissions from our offshore projects is ongoing to enable us to calculate their related GHG emissions using physical values instead of spend-based values.

50Hertz Transmission Germany has developed a pilot project with the same objective.

The three actions described above are enablers to estimate more accurately the supply chain-related GHG emissions as an initial step prior to any concrete action targetting these emissions. Only once these have been identified and rolled-out will expected and achieved GHG emission reductions be disclosed.

## Related resources

The methodology for retrieving the significant financial resources that Elia Group mobilises through actions to contribute to climate change mitigation and climate change adaptation is in line with the Taxonomy reporting methodology. Please see section 2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation) for the aligned CAPEX, OPEX and Turnover.

# E1-4 - Targets related to climate change mitigation and adaptation

Please refer to the Objectives of our ActNow programme Climate action to understand the connection with the objectives.

| Target name | Scope | Value chain coverage | Related policy | Actuals 2024 | Unit of measure | Baseline value | Base year | Target value 2030 | Achieved performance |
|---|---|---|---|---|---|---|---|---|---|
| Reduction of grid losses-related GHG emissions (scope 2) | Elia Transmission Belgium, 50Hertz Transmission Germany | Own operations | Greening the energy mix through grid reinforcement and expansion | 755,520.3 | tCO2eq | 897,948.3 | 2019 | 646,522.8 | In both countries the slight decrease was a result of improving power mix emission factors, which contributed to a significant reduction in scope 2 emissions |
| | | | | 84.1 | % | 100.0 | 2019 | 72.0 | |
| Reduction of fleet-related GHG emissions (scope 1) | Elia Transmission Belgium, 50Hertz Transmission Germany | Own operations | Fleet (company cars and technical vans) electrification | 5,078.8 | tCO2eq | 5,643.0 | 2019 | 564.3 | Slight decrease due to the company fleet electrification |
| | | | | 90.0 | % | 100.0 | 2019 | 10.0 | |
| SF6 leakage rate (scope 1) | Elia Transmission Belgium, 50Hertz Transmission Germany | Own operations | Low-carbon technologies for SF6 | 0.13 | % | 0.15 | 2019 | below 0.25% | In Belgium, the slight increase was due to a few significant losses, while in Germany it remained low |
| Solar panels installation (scope 2) | Elia Transmission Belgium | Own operations | Sustainable substations | 0.0 | m2 | 0.0 | 2024 | 46,388.0 | Not applicable (the first developments to occur in 2025) |
| Smart cooling/heating installation (scope 2) | Elia Transmission Belgium | Own operations | | 0.0 | m2 | 0.0 | 2024 | 42,720.0 | |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

The boundaries of the GHG emissions-reduction target are the same as the ones from E1-6 - Gross scopes 1, 2, 3 and Total GHG emissions.

Reduction of grid losses-related GHG emissions: this target is included in an SBTi-validated target to which Elia Group committed: an absolute GHG emissions reduction of 28% for all Scope 1 and Scope 2 emissions by 2030. The target was set following the SBTi methodology that includes criteria aligned with climate science. The SBTi's validation team determined that this target is in line with a 'well-below 2°C trajectory'.

Reduction of fleet-related GHG emissions: this target relates to the 'Low-carbon mobility' action described above. Fleet electrification is one of the means used to achieve a 90% reduction of fleet-related emissions by 2030. The target was defined based on the pace of electrification achievable, taking into account the practical requirements of the technical employees.

Both emissions-reduction targets are monitored through the annual carbon accounting exercise and are reviewed by the Group and the local Sustainability Boards.

$SF_6$ leakage rate: this is the amount of $SF_6$ leaked during the year/the average amount of $SF_6$ gas stored in the compartments. The $SF_6$ leakage is calculated based on the weight registration of $SF_6$ bottles and containers when transactions (e.g. refills) with $SF_6$ gas are done.

$SF_6$ leakage rate: the target threshold is defined based on the industry threshold. It is monitored and reviewed in the asset lifecycle committee for Elia Transmission Belgium and at Executive Committee level for 50Hertz Transmission Germany. Both TSOs are also investigating alternatives to $SF_6$ equipment by taking part in proof of concept projects to test $SF_6$-free solutions.

Elia Group selected 2019 as the base year for the targets because it was when the ActNow programme was established and targets were calculated in 2020. Because 2020 and 2021 were atypical due to the irregularities caused by the COVID-19 outbreak, we decided to use the previous year as the base year .

In addition to this, two targets were set in April 2022 for the Sustainable Substations programme within the Elia Transmission Belgium grid area: 'solar panels installation' and 'smart cooling/heating' taking 2024 as the base year as this was the year of entry into force of the Sustainable Substations programme. These reflect the progress made in shifting to the use of renewable energy in substations and improving energy efficiency by deploying a smart heating/cooling system with centralised monitoring and control.

There were no changes compared to last year in targets, corresponding metrics, underlying measurement methodologies, significant assumptions, limitations, sources or data collection processes within the defined time horizon.

# E1-5 - Energy consumption and mix

| Energy consumption and mix | | Elia Transmission Belgium 2024 | Elia Transmission Belgium 2023 | 50Hertz Transmission Germany 2024 | 50Hertz Transmission Germany 2023 | Non-regulated segment 2024 | Non-regulated segment 2023 | Elia Group 2024 | Elia Group 2023 |
|---|---|---|---|---|---|---|---|---|---|
| (1) Fuel consumption from coal and coal products (MWh) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (2) Fuel consumption from crude oil and petroleum products (MWh) | | 13,224.8 | 15,214.0 | 6,682.1 | 6,134.7 | 833.5 | Not available | 20,740.4 | 21,348.7 |
| (3) Fuel consumption from natural gas (MWh) | | 3,080.7 | 2,800.6 | 805.3 | 717.0 | 17.2 | Not available | 3,903.2 | 3,517.6 |
| (4) Fuel consumption from other fossil sources (MWh) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (5a) Consumption of purchased or acquired electricity from fossil sources (MWh) | Measured | Not applicable | Not applicable | 20,403.2 | 21,839.0 | Not applicable | Not available | 20,403.2 | 21,839.0 |
| | Estimated | 7,067.2 | 8,309.9 | 0.0 | 0.0 | 66.3 | Not available | 7,133.5 | 8,309.9 |
| (5b) Consumption of purchased or acquired heat/steam/cooling from fossil sources (MWh) | Measured | Not applicable | Not applicable | 1,393.0 | 1,244.0 | Not applicable | Not available | 1,393.0 | 1,244.0 |
| | Estimated | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)** | | **23,372.7** | **26,324.5** | **29,283.6** | **29,934.7** | **917.0** | **Not available** | **53,573.3** | **56,259.2** |
| Share of fossil sources in total energy consumption | | 0.5 | 0.5 | 0.4 | 0.4 | 0.5 | Not available | 0.5 | 0.5 |
| (7) Consumption from nuclear sources (MWh) | Measured | Not applicable | Not applicable | 2,684.6 | 2,515.8 | Not applicable | Not available | 2,684.6 | 2,515.8 |
| | Estimated | 10,600.8 | 10,249.7 | Not applicable | Not applicable | 415.9 | Not available | 11,016.7 | 10,249.7 |
| Share of consumption from nuclear sources in total energy consumption | | 0.2 | 0.2 | 0.0 | 0.0 | 0.2 | Not available | 0.1 | 0.1 |
| (8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) | Measured | 6,332.1 | 5,952.9 | 36,564.4 | 34,946.2 | Not applicable | Not available | 42,896.5 | 40,899.2 |
| | Estimated | 7,572.0 | 7,654.5 | 0.0 | 0.0 | 545.5 | Not available | 8,117.5 | 7,654.5 |
| (10) The consumption of self-generated non-fuel renewable energy (MWh) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **(11) Total renewable and low carbon energy consumption (MWh) (calculated as the sum of lines 8 to 10)** | | **13,904.1** | **13,607.5** | **36,564.4** | **34,946.2** | **545.5** | **Not available** | **51,014.1** | **48,553.7** |
| Share of renewable and low carbon sources in total energy consumption | | 0.3 | 0.3 | 0.5 | 0.5 | 0.3 | Not applicable | 0.4 | 0.4 |
| **Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)** | | **47,877.6** | **50,181.7** | **68,532.7** | **67,396.7** | **1,878.5** | **Not available** | **118,288.8** | **117,578.4** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

The Non-regulated segment values are only disclosed for year 2024.

## Calculation method:

For Elia Transmission Belgium: The electricity consumption is based on physical values – to a minor extent – and on estimated consumption. The estimated electricity consumption corresponds to the consumption from high-voltage substations that are not equipped with meters. The number of substations for which the electricity consumption is estimated is 468. For 2024, the estimation was adjusted compared to 2023 to fit into an increased scope (number of batteries, buildings area and number of fieldboxes).

For the Non-regulated segment: The energy consumption and mix figures are based on estimated consumptions. Fleet consumption data is estimated based on the number of vehicles of the entities within the Non-regulated segment and fleet consumption data from Elia Transmission Belgium. The exception is the number of cars of Elia Grid International GmbH which was not available and had to be estimated. Energy consumption for buildings is estimated using a proportional distribution based on office space area, reflecting the methodology used by larger Group entities and adapted for smaller subsidiaries in Belgium and Germany. Energy consumption for shared facilities with Elia Transmission Belgium and 50Hertz Transmission Germany is excluded to avoid double counting.

Petrol (gasoline) and diesel consumption were converted to MWh using conversion factors from the IEA Statistics Manual.

## Energy intensity based on net revenue

| Energy intensity per net revenue | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Non-regulated segment 2024 | Elia Group 2024 |
|---|---|---|---|---|
| Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€ million) | **40.2** | **26.7** | **Not applicable** | **31.5** |

| Net revenue | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Non-regulated segment 2024 | Elia Group 2024 |
|---|---|---|---|---|
| Net revenue from activities in high climate impact sectors (€ million) | 1,190.6 | 2,566.1 | 0.0 | 3,756.7 |
| Net revenue (other) (€ million) | 0.0 | 0.0 | 84.7 | 84.7 |
| **Total net revenue (financial statements) (€ million)** | **1,190.6** | **2,566.1** | **84.7** | **3,767.0 *** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

The activity of the first two segments (Elia Transmission Belgium and 50Hertz Transmission Germany) is transmission of electricity, hence it is considered as belonging to a high climate impact sector.

The third segment (Non-regulated segment) includes a mix of activities that do not belong to high climate impact sectors.

The revenue used in the calculation is based on the accounting policies mentioned in section 3.4.1 'Income' (IFRS 15 Revenues) of the Financial Report and the consolidated results reported in 4.5 'Reconciliation of information on reportable segments to IFRS amounts'.

*the Elia Group total net revenue was adjusted to remove the intersegment transactions.

## Sector-specific energy-related metrics

| Absolute values of grid losses | Elia Transmission Belgium 2024 | Elia Transmission Belgium 2023 |
|---|---|---|
| Federal grid losses (>= 150 kV) (GWh) | 922.5 | 852.9 |
| Regional grid losses (<150 kV) (GWh) | 512.4 | 519.5 |
| **Total grid losses (GWh)** | **1,435.0** | **1,372.4** |

| Absolute values of grid losses | 50Hertz Transmission Germany 2024 | 50Hertz Transmission Germany 2023 |
|---|---|---|
| **Total grid losses (GWh)** | **2,438.8** | **2,548.4** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

## Scopes 1, 2, 3 GHG emissions

Scopes 1, 2, 3 GHG emissions are quantified using the Greenhouse Gas Protocol methodology. For Scope 1 and Scope 2, activity data are collected and converted into $CO_2$ equivalents using relevant emission factors. For Scope 3, quantification involves collecting relevant data from various sources and applying appropriate emission factors to estimate the total $CO_2$ equivalent emissions.

## Scope 1 GHG emissions

### Definitions and calculation method:

$SF_6$: Chemical formula of 'sulphur hexafluoride 'is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is non-toxic and is chemically stable. However, its global warming potential is 24,300 times higher than $CO_2$, making $SF_6$ leakages a significant source of GHG emissions.

$SF_6$ leakage is calculated based on the weight registration of $SF_6$ bottles and containers when transactions (e.g. refills) with $SF_6$ gas are done.

Emission factors:

— For $SF_6$: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2020 (AR6)

— For Elia Transmission Belgium: petrol (gasoline), diesel, natural gas, air conditioning leakages: Bilan GES Ademe

— For 50Hertz Transmission Germany: For petrol (gasoline), diesel: the GHG emissions are provided by the fleet service provider. For natural gas: German Federal Office for Economic Affairs and Export Control (BAFA)

— For the Non-regulated segment: Emission factors are aligned with those used for Elia Transmission Belgium and 50Hertz Transmission Germany, depending on whether the entities are located in Belgium or Germany.

For the Non-regulated segment: Fleet consumption data is estimated based on the number of vehicles of the entities within the Non-regulated segment and fleet consumption data from Elia Transmission Belgium. The exception is the number of cars of Elia Grid International GmbH which was not available and had to be estimated. Heating consumption for buildings is estimated using a proportional distribution based on office space area, reflecting the methodology used by larger Group entities and adapted for smaller subsidiaries in Belgium and Germany. Heating consumption for shared facilities with Elia Transmission Belgium and 50Hertz Transmission Germany is excluded to avoid double counting.

The gross Scope 1 values are broken down by reporting segment (Elia Group, Elia Transmission Belgium, 50Hertz Transmission Germany and Non-regulated segment) in the next sections.

## Scope 2 GHG emissions

### Definitions and calculation method:

The location-based Scope 2 emissions for all years are calculated using the emission factors based on Belgium's and Germany's annual energy mix published on the $eCO_2$grid portal (https://eco2grid.50hertz.com/).

The market-based Scope 2 emissions for 2019 and 2023 are calculated using the AIB European Residual Mixes emission factors for Belgium and Germany. Since the residual emission factors for 2024 have not been published yet by AIB, Elia Group made the choice for not reporting its market based Scope 2 emissions in this current report. Elia Group will disclose the market-based Scope 2 emissions for both 2024 and 2025 in the Sustainability statement for the year ending 31 December 2025. The Group's Scope 2 emissions are primarily driven by the grid losses and the lack of accurate emission factors in the calculation of the market-based Scope 2 emissions can lead to wrong interpretation. We believe that this year the reader still receives relevant information through the disclosure of the Group's location-based Scope 2 emission metrics and the information contained in this paragraph. Elia Group will publish in its 2025 Sustainability statement a market-based emissions value with the most recent available data of emissions factors from AIB, and will precise the year of the EF values.

We do not make use of any bundled or unbundled instruments for the sale and purchase of energy.

The gross Scope 2 values are broken down by reporting segment (Elia Group, Elia Transmission Belgium, 50Hertz Transmission Germany and Non-regulated segment) in the next sections.

For Elia Transmission Belgium: only regional grid losses are taken into account. Federal grid losses are excluded from the $CO_2$ emissions calculation in accordance with Article 104 of the Code of Conduct (Gedragscode) stipulated by CREG.

Electricity consumption-related emissions are based on physical values – to a minor extent – and on estimated electricity consumption. Estimated electricity consumption-related emissions are related to high-voltage substations not equipped with meters. For 2024, the estimation was adjusted to fit into an increased scope (number of batteries, buildings area and number of fieldboxes) compared to 2023.

For the Non-regulated segment: Fleet electricity consumption data is estimated based on the number of vehicles of the entities within the Non-regulated segment and fleet consumption data from Elia Transmission Belgium. The exception is the number of cars of Elia Grid International GmbH which was not available and had to be estimated. Electricity consumption for buildings is estimated using a proportional distribution based on office space area, reflecting the methodology used by larger Group entities and adapted for smaller subsidiaries in Belgium and Germany. Electricity consumption for shared facilities with Elia Transmission Belgium and 50Hertz Transmission Germany is excluded to avoid double counting.

## Scope 3 GHG emissions

### Definitions and calculation method:

Scope 3 values are calculated using two methods: the spend-based approach with external, category-specific emission factors when no supplier data is available, and the use of physical values based on information provided by our suppliers.

Reporting year 2024 will be the base year for Scope 3 values.

The current percentage of GHG Scope 3 calculated using primary data is <1%.

Two categories of Scope 3 emissions are considered significant for our activities: 'Purchased Goods and Services', and 'Capital Goods'. The motivation for the non-disclosed Scope 3 categories is detailed in the table below. The tables showing the Scope 3 values were thus amended in accordance based on the significant categories.

| Non-disclosed Scope 3 categories | Motivation |
|---|---|
| **[Optional sub-category: Cloud computing and data centre services]** | Not applicable |
| **Fuel and energy-related activities (FERA)** | Emissions from our own consumption in buildings and substations are a small part of our business, and therefore Scope 3 FERA emissions from own consumption are immaterial. Emissions from transmission losses are part of our core business and are included in Scope 2 |
| **Upstream leased assets** | No upstream leased assets could be identified. |
| **Waste generated in operations** | This is not a significant Scope 3 GHG emissions category for our activities. |
| **Processing of sold products** | Our business does not include the sale of products. Electricity transported is used directly with no further processing. |
| **Use of sold products** | Our business does not include the sale of products. |
| **End-of-life treatment of sold products** | Our business does not include the sale of products. |
| **Downstream leased assets** | There are no downstream leased assets within our financial control boundary for which we could identify emissions. |
| **Franchises** | There are no franchises within our financial control boundary for which we could identify emissions. |
| **Upstream transportation and distribution** | There are no significant upstream transportation and distribution activities. Emissions related to the transport of consumed electricity are reported in Scope 2. |
| **Business travel** | This is not a significant Scope 3 GHG emission category for our activities. |
| **Downstream transportation and distribution** | No downstream transportation and distribution activities could be identified. We do not sell any physical product that is not distributed through the energy networks. |
| **Employee commuting** | This is not a significant Scope 3 GHG emissions category for our activities. |
| **Financial investments** | Investment in the sense of the provision of capital or financing is not included in our business. |

The gross Scope 3 values are broken down by reporting segment (Elia Group, Elia Transmission Belgium, 50Hertz Transmission Germany and Non-regulated segment) in the next sections.

# Elia Group

| GHG emissions | | | Base year 2019 | 2023 | 2024 | Retrospective % 2024/2023 | Elia Group Milestones and target years 2030 | Elia Group Milestones and target years Annual % target / Base year |
|---|---|---|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | | | | | |
| **Gross Scope 1 GHG emissions (tCO2eq)** | **Total Gross Scope 1 GHG emissions (tCO2eq)** | | **17,016.7** | **16,020.7** | **17,640.2** | **110.1 %** | **No target** | **Not applicable** |
| | SF6 leakages | | 10,332.0 | 9,853.4 | 11,685.4 | 118.6 % | No target | Not applicable |
| | Fleet (diesel) | | 5,306.1 | 4,726.0 | 4,440.7 | 94.0 % | 564.3 | 10.0 % |
| | Fleet (gasoline) | | 337.0 | 667.2 | 678.6 | 101.7 % | | |
| | Heating (natural gas) | | 929.1 | 662.1 | 735.0 | 111.0 % | No target | Not applicable |
| | Heating (diesel) | | 41.1 | 44.3 | 30.3 | 68.5 % | No target | Not applicable |
| | Backup systems (diesel) | | Not available | 53.9 | 69.8 | 129.7 % | No target | Not applicable |
| | Airco leakages (R407C) | | 71.5 | — | — | — % | No target | Not applicable |
| | Airco leakages (R134A) | | — | 13.9 | — | — % | No target | Not applicable |
| | Airco leakages (R410A) | | — | — | — | — % | No target | Not applicable |
| | Airco leakages (R32) | | — | — | 0.3 | — % | No target | Not applicable |
| **Percentage of Scope 1 GHG emissions from regulated emission trading** | | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **Scope 2 GHG emissions** | | | | | | | | |
| **Gross location-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross location-based Scope 2 GHG emissions (tCO2eq)** | | **923,449.2** | **900,332.9** | **776,272.7** | **86.2 %** | **No target** | **Not applicable** |
| | Grid losses | | 897,948.3 | 877,194.1 | 755,520.3 | 86.1 % | 646,522.8 | 72.0 % |
| | Electricity consumption | Measured | 20,950.0 | 19,584.2 | 17,748.1 | 90.6 % | No target | Not applicable |
| | | Estimated | 4,286.9 | 3,539.0 | 2,987.9 | 84.4 % | No target | Not applicable |
| | Heating | | 264.0 | 15.6 | 16.5 | 105.6 % | No target | Not applicable |
| **Gross market-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross market-based Scope 2 GHG emissions (tCO2eq)** | | **1,520,759.9** | **1,970,545.3** | **Not available** | **Not available** | **No target** | **Not applicable** |
| | Grid losses | | 1,479,903.4 | 1,921,571.3 | Not available | Not available | No target | Not applicable |
| | Electricity consumption | Measured | — | 997.1 | Not available | Not available | No target | Not applicable |
| | | Estimated | 4,832.5 | 4,390.6 | Not available | Not available | No target | Not applicable |
| | Heating | | 264.0 | 895.6 | Not available | Not available | No target | Not applicable |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

The Non-regulated segment values are only included in year 2024.

Restatements:

The $SF_6$ leakages GHG emissions have been recalculated due to the update of the $SF_6$ emission factor from IPCC AR 5 to AR6

| GHG emissions | | Elia Group Milestones and target years Base year 2024 | 2030 | Annual % target / Base year |
|---|---|---|---|---|
| **Significant Scope 3 GHG emissions** | | | | |
| **Total Gross indirect (Scope 3) GHG emissions (tCO2eq)** | | 1,330,550.5 | Target to be defined | Not applicable |
| | Spend-based | 450,986.4 | Target to be defined | Not applicable |
| Purchased goods and services | Physical value | 3,413.5 | Target to be defined | Not applicable |
| | Spend-based | 611,585.5 | Target to be defined | Not applicable |
| Capital goods | Physical value | 264,565.2 | Target to be defined | Not applicable |

| Total GHG emissions (Scope 1 , Scope 2 , Scope 3) | 2023 | 2024 | % 2024/2023 | Elia Group 2030 | Annual % target / Base year |
|---|---|---|---|---|---|
| **Total GHG emissions (location-based) (tCO2eq)** | **Not available** | **2,124,463.5** | **Not available** | **No target** | **Not applicable** |
| **Total GHG emissions (market-based) (tCO2eq)** | **Not available** | **Not available** | **Not available** | **No target** | **Not applicable** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# Elia Transmission Belgium

| GHG emissions | | | 2019 | 2023 | 2024 | Retrospective % 2024/2023 | Elia Transmission Belgium Milestones and target years 2030 | Annual % target / Base year |
|---|---|---|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | | | | | |
| **Gross Scope 1 GHG emissions (tCO2eq)** | **Total Gross Scope 1 GHG emissions (tCO2eq)** | | **11,091.7** | **10,789.4** | **10,995.1** | **101.9 %** | **No target** | **Not applicable** |
| | SF6 leakages | | 6,075.0 | 6,548.6 | 7,203.0 | 110.0 % | No target | Not applicable |
| | Fleet (diesel) | | 3,785.1 | 2,943.5 | 2,457.7 | 83.5 % | 412.2 | 10.0 % |
| | Fleet (gasoline) | | 337.0 | 667.2 | 664.0 | 99.5 % | | |
| | Heating (natural gas) | | 782.1 | 518.1 | 569.9 | 110.0 % | No target | Not applicable |
| | Heating (diesel) | | 41.1 | 44.3 | 30.2 | 68.1 % | No target | Not applicable |
| | Backup systems (diesel) | | Not available | 53.9 | 69.8 | 129.7 % | No target | Not applicable |
| | Airco leakages (R407C) | | 71.5 | — | — | — % | No target | Not applicable |
| | Airco leakages (R134A) | | — | 13.9 | — | — % | No target | Not applicable |
| | Airco leakages (R410A) | | — | — | — | — % | No target | Not applicable |
| | Airco leakages (R32) | | — | — | 0.3 | — % | No target | Not applicable |
| **Percentage of Scope 1 GHG emissions from regulated emission trading** | | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **Scope 2 GHG emissions** | | | | | | | | |
| **Gross location-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross location-based Scope 2 GHG emissions (tCO2eq)** | | **95,415.2** | **74,478.5** | **64,193.4** | **86.2 %** | **No target** | **Not applicable** |
| | Grid losses | | 91,128.3 | 70,135.8 | 60,467.9 | 86.2 % | Target at Elia Group-level | Not applicable |
| | Electricity consumption | Measured | Not available | 803.7 | 747.2 | 93.0 % | No target | Not applicable |
| | | Estimated | 4,286.9 | 3,539.0 | 2,978.3 | 84.2 % | No target | Not applicable |
| | Heating | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **Gross market-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross market-based Scope 2 GHG emissions (tCO2eq)** | | **107,559.9** | **92,399.6** | **Not available** | **Not available** | **No target** | **Not applicable** |
| | Grid losses | | 102,727.4 | 87,011.9 | Not available | Not available | No target | Not applicable |
| | Electricity consumption | Measured | — | 997.1 | Not available | Not available | No target | Not applicable |
| | | Estimated | 4,832.5 | 4,390.6 | Not available | Not available | No target | Not applicable |
| | Heating | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

Restatements:

The $SF_6$ leakages GHG emissions have been recalculated due to the update of the $SF_6$ emission factor from IPCC AR 5 to AR6

| GHG emissions | | 2024 | Elia Transmission Belgium<br>Milestones and target years<br>2030 | Annual % target / Base year |
|---|---|---|---|---|
| **Significant Scope 3 GHG emissions** | | | | |
| **Total Gross indirect (Scope 3) GHG emissions (tCO2eq)** | | **751,718.7** | **Target to be defined** | **Not applicable** |
| Purchased goods and services | Spend-based | 201,812.8 | Target to be defined | Not applicable |
| | Physical value | 3,336.2 | Target to be defined | Not applicable |
| Capital goods | Spend-based | 324,015.3 | Target to be defined | Not applicable |
| | Physical value | 222,554.4 | Target to be defined | Not applicable |

| Total GHG emissions (Scope 1 , Scope 2 , Scope 3) | 2023 | 2024 | % 2024/2023 | Elia Transmission Belgium<br>2030 | Annual % target / Base year |
|---|---|---|---|---|---|
| **Total GHG emissions (location-based) (tCO2eq)** | **Not available** | **826,907.2** | **Not applicable** | **No target** | **Not applicable** |
| **Total GHG emissions (market-based) (tCO2eq)** | **Not available** | **Not available** | **Not applicable** | **No target** | **Not applicable** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# 50Hertz Transmission Germany

| GHG emissions | | | 2019 | 2023 | 2024 | Retrospective % 2024/2023 | 50Hertz Transmission Germany Milestones and target years 2030 | Annual % target / Base year |
|---|---|---|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | | | | | |
| **Gross Scope 1 GHG emissions (tCO2eq)** | **Total Gross Scope 1 GHG emissions (tCO2eq)** | | **5,925.0** | **5,231.3** | **6,601.2** | **126.2 %** | **No target** | **Not applicable** |
| | SF6 leakages | | 4,257.0 | 3,304.8 | 4,482.4 | 135.6 % | No target | Not applicable |
| | Fleet (diesel) | | 1,521.0 | 1,782.5 | 1,957.0 | 109.8 % | 152.1 | 10.0 % |
| | Fleet (gasoline) | | — | — | — | — % | | |
| | Heating (natural gas) | | 147.0 | 144.0 | 161.9 | 112.4 % | No target | Not applicable |
| | Heating (diesel) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Backup systems (diesel) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R407C) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R134A) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R410A) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R32) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **Percentage of Scope 1 GHG emissions from regulated emission trading** | | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| **Scope 2 GHG emissions** | | | | | | | | |
| **Gross location-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross location-based Scope 2 GHG emissions (tCO2eq)** | | **828,034.0** | **825,854.4** | **712,069.7** | **86.2 %** | **Not target** | **Not applicable** |
| | Grid losses | | 806,820.0 | 807,058.3 | 695,052.4 | 86.1 % | Target at Elia Group-level | Not applicable |
| | Electricity consumption | Measured | 20,950.0 | 18,780.5 | 17,000.9 | 90.5 % | No target | Not applicable |
| | | Estimated | Not applicable | Not applicable | Not applicable | Not applicable | No target | Not applicable |
| | Heating | | 264.0 | 15.6 | 16.5 | 105.6 % | No target | Not applicable |
| **Gross market-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross market-based Scope 2 GHG emissions (tCO2eq)** | | **1,413,200.0** | **1,878,145.8** | **Not available** | **Not applicable** | **No target** | **Not applicable** |
| | Grid losses | | 1,377,176.0 | 1,834,559.4 | Not available | Not applicable | No target | Not applicable |
| | Electricity consumption | Measured | 35,760.0 | 42,690.8 | Not available | Not applicable | No target | Not applicable |
| | | Estimated | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | Heating | | 264.0 | 895.6 | Not available | Not applicable | No target | Not applicable |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

Restatements:

The $SF_6$ leakages GHG emissions have been recalculated due to the update of the $SF_6$ emission factor from IPCC AR 5 to AR6

| GHG emissions | | 2024 | 50Hertz Transmission Germany<br>Milestones and target years<br>2030 | Annual % target / Base year |
|---|---|---|---|---|
| **Significant Scope 3 GHG emissions** | | | | |
| **Total Gross indirect (Scope 3) GHG emissions (tCO2eq)** | | **575,972.3** | **Target to be defined** | **Not applicable** |
| Purchased goods and services | Spend-based | 246,472.0 | Target to be defined | Not applicable |
| | Physical value | 77.3 | Target to be defined | Not applicable |
| Capital goods | Spend-based | 287,412.2 | Target to be defined | Not applicable |
| | Physical value | 42,010.8 | Target to be defined | Not applicable |

| Total GHG emissions (Scope 1 , Scope 2 , Scope 3) | 2023 | 2024 | % 2024/2023 | 50Hertz Transmission Germany<br>2030 | Annual % target / Base year |
|---|---|---|---|---|---|
| **Total GHG emissions (location-based) (tCO2eq)** | **Not available** | **1,294,643.2** | **Not applicable** | **Not applicable** | **Not applicable** |
| **Total GHG emissions (market-based) (tCO2eq)** | **Not available** | **Not available** | **Not applicable** | **Not applicable** | **Not applicable** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# Non-regulated segment

| GHG emissions | | | Non-regulated segment<br>Milestones and target years<br>base year 2024 | 2030 | Annual % target / Base year |
|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | | |
| **Gross Scope 1 GHG emissions (tCO2eq)** | **Total Gross Scope 1 GHG emissions (tCO2eq)** | | **43.9** | **No target** | **Not applicable** |
| | SF6 leakages | | Not applicable | No target | Not applicable |
| | Fleet (diesel) | | 26.0 | No target | Not applicable |
| | Fleet (gasoline) | | 14.6 | No target | Not applicable |
| | Heating (natural gas) | | 3.2 | No target | Not applicable |
| | Heating (diesel) | | 0.2 | No target | Not applicable |
| | Backup systems (diesel) | | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R407C) | | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R134A) | | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R410A) | | Not applicable | Not applicable | Not applicable |
| | Airco leakages (R32) | | Not applicable | Not applicable | Not applicable |
| **Percentage of Scope 1 GHG emissions from regulated emission trading** | | | Not applicable | Not applicable | Not applicable |
| **Scope 2 GHG emissions** | | | | | |
| **Gross location-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross location-based Scope 2 GHG emissions (tCO2eq)** | | **9.6** | **No target** | **Not applicable** |
| | Grid losses | | Not applicable | Not applicable | Not applicable |
| | Electricity consumption | Measured | Not applicable | Not applicable | Not applicable |
| | | Estimated | 9.6 | No target | Not applicable |
| | Heating | | Not applicable | Not applicable | Not applicable |
| **Gross market-based Scope 2 GHG emissions (tCO2eq)** | **Total Gross market-based Scope 2 GHG emissions (tCO2eq)** | | **Not available** | **No target** | **Not applicable** |
| | Grid losses | | Not applicable | Not applicable | Not applicable |
| | Electricity consumption | Measured | Not applicable | Not applicable | Not applicable |
| | | Estimated | Not available | No target | Not applicable |
| | Heating | | Not applicable | Not applicable | Not applicable |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

| GHG emissions | | 2024 | Milestones and target years 2030 | Non-regulated segment Annual % target / Base year |
|---|---|---|---|---|
| **Significant Scope 3 GHG emissions** | | | | |
| **Total Gross indirect (Scope 3) GHG emissions (tCO2eq)** | | **2,859.6** | **No target** | **Not applicable** |
| Purchased goods and services | Spend-based | 2,701.7 | No target | Not applicable |
| | Physical value | Not applicable | Not applicable | Not applicable |
| Capital goods | Spend-based | 157.9 | No target | Not applicable |
| | Physical value | Not applicable | Not applicable | Not applicable |

| Total GHG emissions (Scope 1 , Scope 2 , Scope 3) | 2024 | 2030 | Non-regulated segment Annual % target / Base year |
|---|---|---|---|
| **Total GHG emissions (location-based) (tCO2eq)** | **2,913.1** | **No target** | **Not applicable** |
| **Total GHG emissions (market-based) (tCO2eq)** | **Not available** | **No target** | **Not applicable** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# GHG Intensity based on net revenue

| GHG intensity per net revenue | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Non-regulated segment 2024 | Elia Group 2024 |
|---|---|---|---|---|
| **Total GHG emissions (location-based) per net revenue (tCO2eq/€ million)** | **694.5** | **504.5** | **34.4** | **564.0** |
| **Total GHG emissions (market-based) per net revenue (tCO2eq/€ million)** | **Not available** | **Not available** | **Not available** | **Not available** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

| Net revenue | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Non-regulated segment 2024 | Elia Group* 2024 |
|---|---|---|---|---|
| Net revenue used to calculate GHG intensity (€ million) | 1,190.6 | 2,566.1 | 84.7 | 3,767.0 |
| Net revenue (other) (€ million) | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total net revenue (Financial statements) (€ million)** | **1,190.6** | **2,566.1** | **84.7** | **3,767.0** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

The revenue used in the calculation is based on the accounting policies mentioned in section 3.4.1 'Income' (IFRS 15 Revenues) of the Financial Report and the consolidated results reported in 4.5 'Reconciliation of information on reportable segments to IFRS amounts'.

*the Elia Group total net revenue was adjusted to remove the intersegment transactions.

# E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

We do not have GHG removal (and subsequently no reversal) and storage resulting from projects developed in own operations or contributed to in upstream and downstream value chain.

We purchase project-based carbon credits (verified to Gold Standard) from the voluntary market. In 2021 we began purchasing a number of carbon credits equivalent to the previous year's GHG emissions related to $SF_6$ leakages and business flights.

The carbon credits are used to financially support a climate change mitigation project, i.e. Solar Systems Supply of Senegalese households.

| Elia Group | 2024 | 2023 |
|---|---|---|
| **Total (tCO2eq) removed through GHG removals and GHG mitigation projects financed through carbon credits** | **10,529.0** | **10,833.4** |
| Share from removal projects (%) | — % | — % |
| Share from reduction projects (%) | 100.0 % | 100.0 % |
| Recognised quality standard Gold Standard (%) | 100.0 % | 100.0 % |
| Share from projects within the EU (%) | — % | — % |
| Share of carbon credits that qualify as corresponding adjustments (%) | — % | — % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

We are currently rethinking our GHG emissions compensation approach (for residual emissions) and therefore cannot currently disclose any future carbon credits planned to be cancelled outside the undertaking's value chain.

# E1-8 - Internal carbon pricing

We use internal carbon pricing (ICP) to drive important internal business decisions:

— Investment decisions: cost-benefit analyses for internal policies and standards that show the $CO_2$ impact of the alternatives taken into consideration.

— Supply chain decisions: in tenders in order to impact the Total Cost of Ownership (TCO) and thus the ranking of suppliers.

We use shadow pricing aligned with the price of allowances under the EU Emissions Trading Scheme, and the social cost of carbon. Scope 1, 2 and 3 are covered. The scope of application is the activities of both TSOs. We have opted to use a 'flat' pricing model that uses a constant (after actualisation of future costs) price. The price used is €200/$tCO_2$eq.

For supply chain decisions, the ICP is used for tenders for electrical equipment and large infrastructure project tenders (except for one project in partnership with a Danish company where €300/$tCO_2$eq was used).

We currently have two models for Internal Carbon Pricing (ICP):

— Status quo-model (simple) for high-voltage electrical equipment: $CO_2$ footprint is priced in awarding criteria as surplus and supplier must provide a certified footprint estimation.

— Anticipation model (advanced) for large infrastructure projects: contract with supplier which prices the $CO_2$ footprint during tendering and provides real figures after project execution, which results in a financial bonus or malus.

However, since the carbon pricing is applied during the tendering phases and the process has been implemented for only two years, the goods and services have not yet been delivered. The current year approximate gross Scope 1, 2 and 3 GHG emission volumes covered by these schemes can therefore not yet be disclosed. The same applies for the share of the undertaking's overall GHG emissions for each respective scope.

No internal carbon pricing scheme is used in our financial statements.

# 2.3. ESRS E4 Biodiversity and ecosystems

**Elia Group contributes on a continuous basis towards the realisation of the energy transition by expanding and strengthening our high-voltage grid. These activities may have a major impact on the natural environment. After all, many of our assets, high-voltage transmission lines and high-voltage substations are located in natural areas, which means we have an impact on biodiversity, ecosystems and the landscape. Under the ActNow programme, protecting and preserving biodiversity are part of the Group's environmental priorities.**

## E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model[81]

Elia Transmission Belgium's and 50Hertz Transmission Germany's operations may have an impact on biodiversity and ecosystems through the construction of the grid and operation of our overhead lines and substations. The presence of these infrastructure may also have a material impact on biodiversity and ecosystems. The underlying demand for land use by Elia Group's TSOs depends on the energy transition and is determined by state actors.

These impacts are summed up in the table below (further details regarding how these impacts are identified can be found in IRO-1 - ESRS E4 ).

| Impact driver on biodiversity loss | Associated site type | Value chain |
|---|---|---|
| Climate change | – Onshore and offshore substations<br>– Overhead lines and cables | Upstream and Own activities |
| Land-use change, fresh water-use change and sea-use change | – Onshore and offshore substations | Own activities |
| Soil sealing | – Onshore substations | Own activities |
| Impact on the state of species | – Onshore and offshore substations<br>– Overhead lines | Own activities |

More detail on biodiversity and ecosystem impacts can be found in ESRS2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model.

Two dependencies have been identified, analysed and associated to the relevant types of sites at activity level for both TSOs: flood and storm protection, which are relevant for onshore and offshore substations, and mass stabilisation and erosion control, which relate to overhead lines and cables as well as substations.

During the construction and operation of transmission infrastructure, biodiversity and ecosystems may be negatively impacted , which can lead to habitat disturbance and a potential threat to species. Specific impacts at site level are identified by Environmental Impact Assessments (EIA) carried out for each site.

## ESRS2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model

The two TSOs of Elia Group have conducted a comprehensive mapping of all the sites under their operational control, including transmission lines and substations, along with associated land occupation data.

This includes sites situated in or near areas sensitive to biodiversity and lines crossing or adjacent to protected areas, or substations located within or near biodiversity-sensitive zones, whether onshore or offshore.

Due to the nature of our operations, it can be stated that both TSOs' activities affecting biodiversity sensitive areas are similar to the ones mentioned in section E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model. The only biodiversity loss impact driver that is not relevant when specifically considering biodiversity-sensitive zones is climate change, due to the global nature of this impact.

Due to the high number of sites under both TSOs' operational control in Belgium and Germany, a breakdown of impacts and dependencies per type of sites - rather than per site - has been preferred for this reporting. These impacts and dependencies do not differ whether or not they relate to sites that are or not within (or near) biodiversity-sensitive areas, and are therefore considered identical to the ones identified in the previous section.

Similarly, due to the extensive presence of both TSOs's infrastructure across Belgium and Germany, it has been preferred not to add the exhaustive list of biodiversity-sensitive areas impacted by the TSOs' activities, in this reporting. Readers can nevertheless refer to E4-5 Impact metrics related to biodiversity and ecosystems for further details regarding both TSOs' sites located near or within biodiversity-sensitive areas.

Both TSOs acknowledge that their activities can contribute to land degradation and soil sealing, particularly during the construction of new infrastructure and substations. With regard to land degradation, activities such as soil compaction and vegetation removal can lead to erosion or reduced soil quality.

Mitigation measures include replanting and habitat restoration. On the other hand, soil sealing can be caused by infrastructure development involving the use of impermeable materials, such as concrete for substations, which can affect local hydrology. Efforts are

[81] It should be noted that the information disclosed in this section is related to the consideration of biodiversity and ecosystems in strategy and business model. Information related to the biodiversity transition plan is a voluntary disclosure requirement in the ESRS. Nevertheless, the reporting team preferred to keep the complete title of the disclosure requirement.

made to limit soil sealing by incorporating permeable surfaces and green infrastructure where feasible.

Finally, desertification has not been identified as a material risk for our operations, based on geographic and climatic factors.

Both TSOs conduct environmental impact assessments for infrastructure projects, which include the identification of potential interactions with threatened species and their habitats. When these assessments identify affected species, targeted measures are implemented to mitigate or avoid impacts. These measures may include the following: adjusting project timelines to avoid sensitive breeding seasons and restoring habitats post-construction to pre-impact conditions.

In addition, Elia Transmission Belgium and 50Hertz Transmission Germany collaborate with environmental experts, local conservation authorities and NGOs to ensure compliance with biodiversity regulations and alignment with conservation priorities.

## E4-2 - Policies related to biodiversity and ecosystems

Matters related to biodiversity and ecosystems are formalised in various policies/guidelines. Elia Group applies the following:[82]

For all matters primarily concerning climate change-related impact, see section E1-2 Policies related to climate change mitigation and adaptation.

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| Purchasing Conditions | Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social and environmental standards. | Contractual agreement | Upstream value chain Elia Transmission Belgium, 50Hertz Transmission Germany | Head of Procurement | not applicable |
| Supplier Code of Conduct | Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | This Code sets out guidelines and expectations for our suppliers in terms of ethical conduct, health and safety, as well as environmental and social considerations. | Contractual agreement | Upstream value chain Elia Transmission Belgium | Head of Procurement | not applicable |
| | | | | Upstream value chain 50Hertz Transmission Germany | Head of Procurement | not applicable |

[82] The ESRSs do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide, in the respective column, information about:
– frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognized preference was used;
– certifications offered by an independent external entity.
This list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium | The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | These regulations describe Elia Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work on behalf of Elia Transmission Belgium or its subsidiaries. | Contractual agreement and post-contract scoring | Upstream and own operations Elia Transmission Belgium | Head of Health, Safety & Security | not applicable |
| Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany | The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | These instructions describe safety, health and environment rules, which apply to any outside company carrying out work on behalf of both companies | Contractual agreement, continuous meetings, regular reports, supervised on the site by supervisors | Upstream value chain 50Hertz Transmission Germany | Head of Corporate Governance | not applicable |
| Environmental management system Nature policy | The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change<br><br>Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.<br><br>Subtopic: Impact on the state of species<br><br>Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.<br><br>Subtopic: Soil sealing | Definition of processes and responsibilities for nature management | Environmental management systems | Upstream value chain and own operations Elia Transmission Belgium | Head of Sustainability Elia Transmission Belgium | ISO14001 Environmental Management Standard |

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| Policy for approval-compliant construction and maintenance measures - overhead lines<br><br>Policy for planning, implementation and maintenance of compensation measures<br><br>Manual for obtaining approvals | The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change<br><br>Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.<br><br>Subtopic: Impact on the state of species<br><br>Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.<br><br>Subtopic: Soil sealing | Keep the environmental impact of business activities as low as possible and constantly reduce it | Internal/external audit to check if the policy is live and well known | Upstream value chain and own operations 50Hertz Transmission Germany | High-level management | Legal requirements |
| Asset management policies for sites and buildings and overhead lines | – The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change<br><br>– Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.<br><br>Subtopic: Soil sealing | Vegetation management<br><br>Environmental protection, limit/reduce pollution, incorporate the neighbouring, biodiversity and landscape considerations | Internal committee monitoring | Own operations of Elia Transmission Belgium | Chief Assets Officer | Elia Transmission Belgium: partnership with ecological consultants |
| Policy for the management of overhead lines | The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | Consideration of ecological aspects during the maintenance of corridors | Internal monitoring per SAP | Own operations 50Hertz Transmission Germany | Chief Assets Officer | not applicable |
| Bird markers policy | Biodiversity and ecosystems are impacted by the presence of the grid's infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.<br><br>Subtopic: Impact on the state of species | Description of the bird markers policy implementation | Specific actions associated with KPIs | Upstream value chain and own operations of Elia Transmission Belgium | Chief Assets Officer | Partnership with nature preservation organisations |

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| Marine Grid Declaration | Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.<br><br>Subtopic: Impact on the state of species<br><br>Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | List of principles to which both TSOs are committed regarding offshore projects. Avoid, minimise and where possible eliminate negative impacts on the marine environment resulting from offshore grid activities. | not applicable | Upstream value chain and own operations offshore of Elia Transmission Belgium, 50Hertz Transmission Germany | (High-level management) | Renewables Grid Initiative (RGI) is a collaboration of NGOs and Transmission System Operators (TSOs) |
| HSE Plan Offshore | Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.<br><br>Subtopic: Impact on the state of species<br><br>The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change | Overarching requirements for offshore projects | Project follow-up | Upstream value chain and own operations offshore of 50Hertz Transmission Germany | (High-level management) | not applicable |

## Policies targeting our suppliers

Elia Group has multiple policies targeting our suppliers - our upstream value chain - that include biodiversity and ecosystems-related aspects:

- The Supplier Code of Conduct: This document lists a set of sustainable principles that Elia Group requires their suppliers to follow. Among other things, it emphasises paying attention to and controlling the impact on biodiversity and natural habitats. More information on the Supplier Code of Conduct can be found in section G1-2 Management of relationships with suppliers.
- The General Purchasing Conditions: This document describes Elia Group's expectations regarding our suppliers' environmental management, including biodiversity aspects.
- The Purchasing Conditions for Electrical Equipment and for Works: These documents outline the conditions for the suppliers in electrical equipment and works, including the requirement to reduce and monitor the biodiversity impacts of their services.
- The General Safety, Health and Environment Rules (GSHER) for Contractors Performing Assignments for Elia Transmission Belgium and the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany: These documents are directed at suppliers carrying out work for us or on our infrastructure. It outlines the environmental protection rules we require them to follow. It initially mandates compliance with the environmental legislation applicable in the region where the work is performed, including specific aspects related to biodiversity and environmental incident reporting.
  For Elia Transmission Belgium, the required efforts include banning the use of herbicides, using local species for replanting, restoring green areas to their original state and avoiding activities during the nesting season. For 50Hertz Transmission Germany, suppliers are required to keep noise and dust emissions to a minimum.

These requirements are integral to every contract Elia Group enters into with its suppliers and are available on our website. None of these policies support traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems throughout the value chain. None address production, sourcing or consumption from ecosystems that are managed in order to maintain or enhance conditions for biodiversity.

See section G1-1 - Corporate culture and business conduct policies for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions and General Safety, Health and Environment Rules.

## Mandatory and site-specific policies

In the geographical areas where we operate as TSOs, an environmental impact assessment (EIA) is part of permitting requests and is conducted in the early stages of infrastructure projects. It also enables the systematic identification, prediction and analysis of potential

impacts and threats on the physical environment and biodiversity during both the construction and operation phases[83]. Mandatory and site-specific biodiversity-related actions focusing either on the construction phase or once the grid elements enter into operation are included in these permits and must be implemented.

For our operational sites owned, leased and/or managed in or near protected area or biodiversity-sensitive area outside protected areas, compliance with all legal requirements for protected areas, which is very strict in our operating areas, is required under the following policies:

— For 50Hertz Transmission Germany: The development of a project/worksite is carried out with particular attention paid to environmental protection, including taking protected areas into consideration. This is set out in the Manual for obtaining approvals.

— For Elia Transmission Belgium: The nature management procedure is part of the Environmental Management System and has the same objective. In addition, for overhead line or cable projects in Natura 2000 areas, an appropriate impact assessment must be carried out and added as an appendix to the environmental impact assessment study. For major infrastructure projects, an expert is appointed to implement environmental recommendations during the construction phase.

## Policies regarding sustainable land practices and impacts on species

Regarding our own operations, policies including sustainable land practices are the following:

— Our asset management policy for overhead line management includes how the ecological corridors have to be managed. The ecological corridors concept was developed in partnership with an ecological consultant and ecological consultants are involved during the implementation process (for further information, please see section E4-3 Actions and resources related to biodiversity and ecosystems). This approach addresses deforestation by offering an alternative way of managing vegetation in these corridor zones, where vegetation would otherwise be completely removed (as was historically done).

— For Elia Transmission Belgium, the asset management policy for sites and buildings includes a ban on the use of pesticides.

Both TSOs also have specific policies to clarify how and where bird beacons should be placed.

All these documents are made available to all employees on the company intranets of Elia Transmission Belgium and 50Hertz Transmission Germany.

## Offshore policies

For our offshore activities, policies including sustainable sea practices are the following:

— We have endorsed the Marine Grid declaration. This document is a voluntary policy that lists the key principles to be followed for offshore construction projects with the overall objective of respecting the marine environment. The document is available on the Renewables Grid Initiative (RGI) website, which is a collaboration between TSOs and NGOs.

— In addition, for 50Hertz Transmission Germany, the HSE Plan Offshore contains the overarching requirements for occupational health and safety and environmental protection for the implementation of offshore projects at 50Hertz and sets out minimum requirements. The specific rules and requirements for an offshore project – from the preparation phase to completion – are laid down in a binding manner. Please see section E4-3 - Actions and resources related to biodiversity and ecosystems for further information.

As already mentioned, specific measures on biodiversity are prescribed in the permits for the individual infrastructure projects and their implementation is therefore a legal requirement that is monitored by the company.

For policies addressing the social consequences of biodiversity and ecosystems-related impacts on local communities, please see section S3-1 - Policies related to affected communities.

Currently, Elia Group's approach to addressing the impact of Direct exploitation: mining activities to extract metals and minerals for grid components has not been formalised in a policy document. This is due to the fact, that, as it is indicated in SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model, the impact is material starting with the medium term.

[83] A Strategic Environmental Assessment (SEA) must also accompany the Belgian Federal Development Plan when it is published.

# E4-3 - Actions and resources related to biodiversity and ecosystems

For matters related to biodiversity and ecosystems, Elia Transmission Belgium and 50Hertz Transmission Germany carry out the following actions:

| Action | Related policy objective or target | Scope | Time-horizon |
|---|---|---|---|
| Climate change-related actions | See section E1-3 - Action and resources in relation to climate change policies | | |
| Bird protection | See section E4-4 Targets related to biodiversity and ecosystems | Own activities | Continuous action |
| Ecological corridors | See section E4-4 Targets related to biodiversity and ecosystems | Own activities | Continuous action |
| Vegetation management in substations | Asset management policy for sites and buildings | Own activities | Continuous action |
| Compensation measures/Actions required under the permit (including offshore) | Compliance with the permitting conditions | Upstream (construction sites) and own activities | Continuous action |

Please note that none of the actions described below uses biodiversity offsets.

For more information on how these actions translate into specific targets, please see section E4-4 Targets related to biodiversity and ecosystems.

## Climate change-related actions

Please see section E1-3 Action and resources in relation to climate change policies.

## Bird protection

Overhead lines pose a collision risk for birds. In sensitive areas, we equip our lines with bird markers to improve their visibility and reduce the likelihood of collisions. With the assistance of leading European and local environmental organisations, both TSOs have identified grid sections that present the greatest danger to birds. This resulted in a 'bird risk map' in which the identified sections are mapped out with a risk level intensity. This bird risk map is the basis for gradually fitting these sections with bird markers where it is technically possible. In addition, nesting boxes are being installed on the lower or upper parts of our pylons, depending on the species we aim to protect.

## Ecological corridor management

We apply specific management practices under our overhead lines that run through forests.

To ensure the safe operation of the grid in these areas, vegetation must be kept clear of the lines. In the past, the traditional way of managing these corridors was mulching, i.e. cutting everything to the ground in a specific buffer zone. However, this practice leads to biodiversity loss and we decided to shift to less intensive management practices. We either minimise interventions to allow natural habitats to thrive under our lines or implement management measures that support biodiversity.

For Elia Transmission Belgium, 'ecologically managed' means cutting only selected high growing trees, or switching to open habitat vegetation management (with grazing or grass mowing). In both cases, the goal is to keep a stable low vegetation cover.To assist with this transition we invest in an initial change of the vegetation: either by creating an open habitat or planting shrubs.

Elia Transmission Belgium has been a leader in this field since 2012. We developed a seven-year LIFE project (EU-funded, in collaboration with French TSO RTE). More information on these projects can be found at: http://www.life-elia.eu/. In 2018, we extended this initiative without subsidies, under the name Life2, adding more green corridors around our lines. Another objective of this project was to further monitor improvements in biodiversity, with results showing that 98% of evaluated sites had positive outcomes.

For 50Hertz Transmission Germany, such management includes targeted thinning, single tree removal and mowing.

By 2030, our goal is for Elia Transmission Belgium and 50Hertz Transmission Germany to manage 90% of our forest corridors in a way that supports biodiversity.

## Vegetation management in substations

We foster green areas in and around our existing infrastructure to encourage biodiversity and reduce the negative impacts of our assets on the ecosystem. By the end of 2022, we banned the use of all herbicides on our sites in Belgium and Germany. Exceptions are only permitted due to occupational safety regulations and/or construction-related considerations.

## Compensation measures/actions required under the permit (including offshore)

As mentioned in section E4-2- Policies related to biodiversity and ecosystems, obtaining permits to construct our infrastructure involves meeting a series of conditions that require the implementation of site-specific measures to avoid and mitigate impacts on biodiversity. To this end, carrying out these diverse measures is one of our primary biodiversity-related actions. These measures can include a variety of actions, such as the implementation of ecological features (e.g., ponds, branch piles), the installation of bird markers, or scheduling construction activities to avoid the nesting and migration seasons of specific species.

For our offshore projects, mitigation measures are principally implemented during the construction phase as we aim to reduce the impacts of such projects on marine life, e.g. measures aimed at limiting the impact of any noise created and acoustic deterrents to prevent marine life from coming close to our assets during their construction.

The future artificial Princess Elisabeth Island in the North Sea is designed with the additional objective of implementing measures to enhance the marine environment. Elia Transmission Belgium worked with a range of experts to shape the nature-inclusive design (NID, i.e. nature-based solutions). The NID was developed in partnership with experts in nature conservation and the marine environment. From the design and construction phase onwards, every effort will be made to strengthen the marine ecosystem. Elia Transmission Belgium wants to minimise the disruptive effects on the marine environment while seizing the momentum to add ecological and environmental value to the project. The NID partnership also aims to enhance scientific knowledge in this area. An overview of the envisioned biodiversity measures is available on our website.

### Related resources

In 2024, we initiated the establishment of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

## E4-4 - Targets related to biodiversity and ecosystems

We currently have one biodiversity-related target aligned with the implementation of the actions explained in section E4-3 - Actions and resources related to biodiversity and ecosystems.

| Target name | Biodiversity IRO | Value chain scope | Geographical scope | Mitigation hierarchy layer allocation |
|---|---|---|---|---|
| Ecological corridors implemented in forests | Land-use change | Own operations | Respective grid areas | Restore |

The target calculation is different because the operational method of how the two TSOs are implementing actions for ecological management in the forest corridors is specific to each country.

The targets are not informed by or aligned with any biodiversity and/or ecosystem-related national policies and legislation (e.g. EU Biodiversity Strategy for 2030).

No ecological threshold was applied when setting the targets and no biodiversity offset was used to set the targets.

### Definition and calculation method for Elia Transmission Belgium

Ecological corridors implemented in forests (based on projects): Our ecological expert partners conduct site-specific studies to determine actions that enhance biodiversity within the designated area and initiate the execution of these actions.

The indicator is calculated by dividing ecological corridors under the overhead lines" (the corridors through forests where biodiversity-related actions were implemented) by the total corridors located in the forests.

The denominator used to calculate the percentage (i.e., total line corridors in forests) is based on the 2020 value of total forest surface, based on an analysis performed at that moment using our GIS tool. Due to insufficient granular data for the subsequent years, it has not yet been possible to update the value for 2024. Given the evolution of the grid between 2020 and 2024 there is a reasonable expectation that there has been no significant change to this value since 2020. However, as result of unavailable granular supporting data, the denominator is considered to be subject to a high level of measurement uncertainty. This KPI will be recalculated in 2025. The 2020 value as outlined above, has also been the basis for estimating our 2019 value for total forest surface and the percentage of ecological corridors.

2019 was selected as the base year for the target to align with the ActNow programme.

In 2024, new ecologically managed hectares were developed under existing lines and through an infrastructure project in Flanders, marking significant progress towards our 2030 target.

| Elia Transmission Belgium | Baseline year 2019 | 2024 | Target 2030 |
|---|---|---|---|
| Ecological corridors implemented in forests (based on projects) (%) | 54.3 % | 75.3 % | 90.0 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method for 50Hertz Transmission Germany

Ecological corridors implemented in forests (based on maintenance): the suppliers in charge of maintaining the vegetation in the corridors under the lines in forests are applying an ecology-driven management approach (see further details in E4-3 - Actions and resources related to biodiversity and ecosystems).

The indicator is calculated by dividing the total lines through forests for which ecological maintenance was conducted by the total lines scheduled for maintenance in the year.

The scope of the yearly target changes every year in function of the area scheduled for maintenance while the minimum target for ecologically maintaining it remains 90%. In 2024, this target was exceeded.

| 50Hertz Transmission Germany | 2024 | Yearly target |
|---|---|---|
| Ecological corridors implemented in forests (based on maintenance) (%) | 97.8 % | 90.0 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# E4-5 - Impact metrics related to biodiversity and ecosystems change

The sites we operate are distributed across our grid areas in Belgium and Germany and include both substations and transmission lines.

## Definition and calculation method

To identify sites located in or near biodiversity-sensitive areas, we used a Geographic Information System (GIS) analysis to overlay our grid map with layers representing various types of protected areas.

The protected areas taken into account are the following:

For Elia Transmission Belgium:

- International: Natura 2000 network, Ramsar, UNESCO natural heritage
  - Flanders Region: Historical permanent grasslands (HPG) and other permanent grasslands in Flanders protected by nature legislation, Nature reserves, VEN/IVON areas, Public forests and natural domains managed by ANB on behalf of the Flemish government, Dune Decree
  - Wallonia Region: Wetlands of biological interest, State nature reserves, Recognised nature reserves, Cavities of scientific interest (CSIS), Forest reserves, Natural park
  - Brussels Region: Nature reserves and forest reserves
- Offshore: Nature conservation areas

For 50Hertz Transmission Germany:

- International: Biosphere Reserves, Natura 2000 (FFH areas, SPA areas), Ramsar areas
- Germany: Landscape conservation areas, National parks, Nature parks, Nature protection areas, Water protection areas

The 'near protected area' has been defined by taking a buffer of 30m around the overhead lines (the average safety distance) and 500m around the substations.

The results are presented in the table below.

The information for the lines and cables "in biodiversity-sensitive areas" is not disaggregated from the information regarding lines and cables "near biodiversity-sensitive areas", the values "in biodiversity-sensitive areas" are then counted twice as they are also included in the column "near biodiversity-sensitive areas".

| | Elia Transmission Belgium | |
|---|---|---|
| **Sites located in or near biodiversity-sensitive areas** | **In** | **Near** |
| **Substations** | | |
| Number of sites (#) | 44.0 | 146.0 |
| Area of sites (ha) | 200.7 | 148.3 |
| **Overhead lines (length in km)** | | |
| Flanders region - Historical permanent grasslands (HPG) and other permanent grasslands in Flanders protected by nature legislation | 82.4 | 149.5 |
| Flanders region - Nature reserves | 87.6 | 110.8 |
| Flanders region - VEN / IVON areas | 121.3 | 154.6 |
| Flanders region - Birds Directive areas | 87.9 | 94.8 |
| Flanders region - Habitats Directive areas | 87.8 | 107.8 |
| Flanders region - Ramsar areas | 5.1 | 6.5 |
| Flanders region - Public forests and natural domains managed by ANB on behalf of the Flemish government | 86.3 | 146.3 |
| Walloon region - Natura2000 areas | 164.0 | 210.7 |
| Walloon region - Ramsar areas | 58.2 | 58.8 |
| Walloon region - Wetlands of biological interest | 2.2 | 3.0 |
| Walloon region - Underground cavities of scientific interest (CSIS) | 0.2 | 0.8 |
| Walloon region - State nature reserves | 4.6 | 8.2 |
| Walloon region - Recognized nature reserves | 9.9 | 16.6 |
| Walloon region - Forest reserves | 0.4 | 0.8 |
| Walloon region - Natural Parks | 555.8 | 558.8 |
| Brussels region - Nature reserves & forest reserves | 2.8 | 3.4 |
| **Offshore cables (length in km)** | | |
| Nature conservation areas in the Belgian Part of the North Sea | 65.2 | 66.2 |

| Sites located in or near biodiversity-sensitive areas | 50Hertz Transmission Germany In | Near |
|---|---|---|
| **Substations** | | |
| Number of sites (#) | 9.0 | 20.0 |
| Area of sites (ha) | 86.2 | 267.6 |
| **Overhead lines (length in km)** | | |
| Landscape conservation areas | 1,202.2 | 1,206.1 |
| Nature protection areas | 111.2 | 111.5 |
| National parks | 1.3 | 1.3 |
| Nature parks | 684.1 | 686.2 |
| Biosphere reserves | 180.9 | 181.2 |
| FFH-areas | 212.5 | 211.0 |
| SPA-areas | 554.4 | 555.5 |
| Ramsar-areas | 0.4 | 0.4 |
| **Onshore cables (length in km)** | | |
| Landscape conservation areas | 11.3 | 11.6 |
| Nature protection areas | 7.3 | 7.5 |
| Nature parks | 7.3 | 7.3 |
| Biosphere reserves | 0.4 | 0.5 |
| FFH-areas | 5.4 | 5.4 |
| SPA-areas | 9.1 | 9.1 |
| **Offshore cables (length in km)** | | |
| Landscape conservation areas | 88.5 | 88.5 |
| Nature protection areas | 3.6 | 3.7 |
| Nature parks | 1.7 | 1.7 |
| FFH-areas | 140.6 | 140.6 |
| SPA-areas | 204.2 | 204.1 |

Please note that the implementation of ecological corridors in forests is currently a realisation-bound target (see E4-4 - Targets related to biodiversity and ecosystems), enabling effective monitoring of its on-site implementation. The effects (i.e. impacts) are, in any case, only observable in the medium to long term. Since their implementation in 2012, we have monitored the changes at site level by carrying out bio-monitoring studies.

We are currently developing an indicator that can accurately assess the impact of our ecological management efforts at national level. This indicator, developed in conjunction with ecological experts, will enable us to evaluate the biodiversity value of the habitats in the forest corridors at different stages (for example before and after switching to ecological practices). Once validated and once the baseline is known, the goal is to use this indicator as information on the quality of biodiversity in our forest corridors.

# 2.4. ESRS E5 Resource Use and Circular Economy

**The principles of circularity are embedded in the business practices of Elia Group's two TSOs. While climate change and biodiversity remain the Group's main strategic focus in terms of environmental action, circularity practices are applied especially in support of these, mainly for climate actions, nature preservation and supply chain resilience.**

## E5-1 - Policies related to resource use and circular economy

For matters related to resource use and circular economy, Elia Group has developed and applies the following policies[84]:

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standards or initiatives |
|---|---|---|---|---|---|---|
| Asset management policies for grid equipment | – Use of metals and other resources (sand, water, etc.) for construction of grid infrastructure.<br><br>Subtopics: Resource inflows, including resource use<br><br>– Decommissioned grid assets are stored in a warehouse. Efforts are being made to determine whether they can be reused in other streams of the business, thus avoiding the acquisition of new materials.<br><br>Subtopic: Waste | Decision-making regarding asset maintenance and replacement | Health (of equipment) indicators, end-of-life indicators | Own operations, Elia Transmission Belgium | Head of Asset | not applicable |
| Purchasing Conditions for Electrical Equipment and Works | – Elia Group's construction and maintenance activities generate waste.<br><br>Subtopic: Waste | The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards. | Contractual agreement post-contract scoring | Upstream value chain Elia Transmission Belgium, 50Hertz Transmission Germany | Chief Procurement Officer | Applicable laws regarding waste |

[84] The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in the respective column information about:
– frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised preference was used;
– certifications offered by an independent external entity.
This list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunities | Key content and objectives | Monitoring process | Scope | Function accountable | Third-party standards or initiatives |
|---|---|---|---|---|---|---|
| Supplier Code of Conduct | – Elia Group's construction and maintenance activities generate waste.<br>– Recycling materials lowers decommissioning costs.<br><br>Subtopic: Waste | This Code sets out guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects. | Contractual agreement Post-contract scoring | Upstream and own operations, Elia Transmission Belgium | Chief Procurement Officer | Applicable laws regarding waste |
| | | | Contractual agreement, site visits | Upstream and own operations, 50Hertz Transmission Germany | Chief Procurement Officer | Applicable laws regarding waste |
| General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium | – Elia Group's construction and maintenance activities generate waste.<br>– Recycling materials lowers decommissioning costs.<br><br>Subtopic: Waste | These regulations describe Elia Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work on behalf of Elia Transmission Belgium or its subsidiaries. | Contractual agreement Post-contract scoring | Upstream and own operations, Elia Transmission Belgium | Head of Health, Safety & Security | Applicable laws regarding waste |
| Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany | – Elia Group's construction and maintenance activities generate waste.<br>– Recycling materials lowers decommissioning costs.<br><br>Subtopic: Waste | These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz Transmission Germany | Contractual agreement, site visits | Upstream and own operations, 50Hertz Transmission Germany | Head of Corporate Governance | Applicable laws regarding waste |
| Waste Management Procedure | – Elia Group's construction and maintenance activities generate waste.<br><br>Subtopic: Waste | Appropriate waste management | Environmental management system | Upstream value chain and own operations Elia Transmission Belgium | Head of Sustainability Elia Transmission Belgium | Applicable laws regarding waste<br>ISO14001 Environmental Management Standard |
| Waste Management Policy | – Elia Group's construction and maintenance activities generate waste.<br><br>Subtopic: Waste | Appropriate waste management | Environmental management system | Upstream value chain and own operations 50Hertz Transmission Germany | Head of Corporate Governance 50Hertz Transmission Germany | Applicable laws regarding waste<br>ISO14001 Environmental Management Standard |

## Asset management policies

The asset management policies of both TSOs covering key pieces of grid equipment (asset fleet) prioritise the principles of avoidance and minimisation of waste over waste treatment (reuse, repair, refurbish). The primary reasons for this are cost optimisation, operational excellence and safety, but there are co-benefits for the circular economy.

It is worth noting that 50Hertz Transmission Germany's asset fleet is younger than Elia Transmission Belgium's and therefore do not yet require such advanced approach for replacement and end-of-life management in their asset management policies.

Ensuring the reliability of our assets is key for Elia Group's role in continuity of supply. We have to ensure failures are foreseen and maintenance and repairs are scheduled. Specific attention is given to equipment's end of life and to how it can be extended. More information can be found in E5-2 - Actions and resources related to resource use and circular economy.

The policies are available to all employees on the local server of Elia Transmission Belgium and 50Hertz Transmission Germany. For more information on these asset management practices, see below in E5-2 - Actions and resources related to resource use and circular economy.

Regarding waste management, our starting point is compliance with the applicable laws and regulations in both TSOs' operating areas (Belgian regions: Brussels, Wallonia and Flanders; the North and East of Germany). The general principles are the application of the waste hierarchy and compliance with the applicable environmental legislation to remove and sort the waste generated and have it collected by a registered waste collector. The scope covers our own operations and a part of our upstream value chain, i.e. our construction sites where contractors are in charge of removing the waste generated.

## Policies targeting our suppliers

We have several policies targeting our suppliers - our upstream value chain - that include resource types and waste management aspects.

- The two local Supplier Code of Conduct list a set of sustainable principles both TSOs require their suppliers to follow, including waste minimisation and favouring recycling and circular models.
- The Purchasing Conditions for Electrical equipment and for Works: the documents describe the conditions that apply to suppliers for specific purchasing categories. In those pertaining to Electrical equipment and Works, both TSOs' expectations of their suppliers are expressed regarding compliance with waste management legislation.
- The General Safety, Health and Environment Rules (GSHER) for Contractors Performing Assignments for Elia Transmission Belgium and the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany: these documents are aimed at suppliers who carry out work for both TSOs or within both TSOs' infrastructure. They require them to comply with waste management legislation, apply the waste hierarchy and pay attention to the use of recycled materials or to materials having a long service life.

These elements form an integral part of every contract that both TSOs conclude with suppliers. All these documents are available on our website.

At the end of the infrastructure works, the contractors are scored internally on several criteria, including any incident regarding compliance with the environmental legislation.

See section G1-1 - Corporate culture and business conduct policies for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions and General Safety, Health and Environment Rules.

## Waste guidelines and procedure stemming from the Environmental Management System

For internal use, the HSE guideline on waste prevention and disposal is one of the relevant documents in the 'Management systems and governance' chapter of the 50Hertz Transmission Germany manual. This document sets out processes and responsibilities for waste prevention and disposal in all of the company's activities according to the applicable laws.

The waste management procedure is part of the Elia Transmission Belgium Environmental Management System and has the same objective.

Prior to infrastructure construction projects, a waste volumes estimation exercise is performed. Waste collectors provide information about the way the waste is disposed of - recovery or disposal operations - and the necessary certificates. Depending on the operating zone, both TSOs are also required to report periodically to the authorities the yearly quantities of specific waste types.

The ISO 14001 standard framework was used as a reference when these policies were drafted. They are made available to all employees on our intranet.

None of the policies address transitioning away from extraction of virgin resources, including relative increases in use of secondary (recycled) resources.

None of these policies addresses sustainable sourcing and use of renewable resources. Yet, the use of recycled material is permitted for most materials, provided that electrical transmission and mechanical resistance are guaranteed. However, we find the market not mature enough to publish a policy on this matter.

Currently, the approach of Elia Group to address the material risk 'Scarcity of raw materials' has not been formalised in a policy document. This is due to the fact, that, as it is indicated in the SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model, the risk is material starting with the medium term.

# E5-2 - Actions and resources related to resource use and circular economy

| Action | Related policy objective or target | Scope | Time horizon |
|---|---|---|---|
| Preventive maintenance | Asset management policies | Own operations Elia Transmission Belgium, 50Hertz Transmission Germany | not applicable (continuous action) |
| Condition-based maintenance of assets | Asset management policies | Own operations Elia Transmission Belgium, 50Hertz Transmission Germany | not applicable (continuous action) |
| Higher usage of existing assets | Asset management policies | Own operations Elia Transmission Belgium, 50Hertz Transmission Germany | not applicable (continuous action) |
| Spare parts stock management | Asset management policies | Own operations Elia Transmission Belgium, 50Hertz Transmission Germany | not applicable (continuous action) |
| Contractors evaluation | Policies targeting contractors | Upstream value chain, Own operations Elia Transmission Belgium | not applicable (continuous action) |

We apply circular business practices to the management of our high-voltage and linear equipment. We have developed methods to optimise the replacement management of our linear (lines, cables) and high-voltage equipment.

As previously mentioned, the primary reason for these practices is cost efficiency. Consequently, this activity is fully integrated into the asset management department's activities, with no additional resources allocated.

## Preventive maintenance

We carry out preventive maintenance and we monitor our equipment using health indicators in order to keep a close eye on the condition of the equipment and adjust its service life accordingly.

## Condition-based maintenance of assets

We also analyse the level of risk associated with the equipment by assigning a grid impact score to every piece of equipment, enabling us to keep less critical equipment on the grid for longer, while maintaining the right level of attention for the most critical equipment. Even more importantly, equipment failure rates are closely monitored for equipment in service, so that the most appropriate actions can be taken at the right time. This approach enables us to optimise maintenance and replacement management decisions.

## Higher usage of existing assets

When equipment reaches the end of its life, we also analyse whether it is possible to postpone this end-of-life by carrying out a retrofit[85] or upgrade[86].

We are deploying new approaches based on digital technology to maximise the efficiency of our equipment and improve our risk management models in order to achieve closer-to-real-time monitoring.

## Spare parts stock management

When an asset is taken out of service, the equipment or parts of it which are still functional are set aside and stored in a pool of equipment in order to replace any failing or obsolete equipment on another site.

## Evaluation of contractors

Contractors are evaluated on the proper application of the environmental legislation, including waste management at the end of the infrastructure project. Failure by contractors to comply with these regulations can result in a less favourable ranking in future tenders.

Another future development of the $CO_2$ accounting platform mentioned in E1-3 Actions and resources in relation to climate change policies' will be to expand its use to collect the resource materials inflows and outflows (waste) volumes generated by the construction works.

## Related resources

In 2024, we initiated the establishment of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

[85] Retrofitting involves replacing old or end-of-life components (overhead lines and transformers) with newer ones, generally using more recent technology, while retaining the same function.
[86] Upgrading involves adapting the existing infrastructure to transport more power

# E5-3 - Targets related to resource use and circular economy

Elia Group's circularity program is still in its shaping phase, hence it is difficult to commit to measurable time-bound outcome-oriented targets. Nevertheless, we track the effectiveness of our policies and actions in several ways. The effectiveness of the asset fleet strategies is ensured by monitoring several indicators (please see above in the sections about policies (E5-1 Policies related to resource use and circular economy) and actions (E5-2 Actions and resources related to resource use and circular economy).

The proper application of waste management is monitored within the Environmental management systems adopted by Elia Transmission Belgium and 50Hertz Transmission Germany (both ISO 14001-certified).

# E5-4 - Resource inflows

## Definition and calculation method

Inflows of material resources represent the assets (items of electrical equipment) that enter the electrical grid of both TSOs for infrastructure projects and the maintenance of the existing grid. To estimate annual resource inflows, the focus was placed on the key asset categories, i.e. transformers, conductors (overhead lines), cables, lattice towers and gas insulated switchgear (GIS). These categories were selected as they represent the most significant material inputs needed annually for both TSOs' operations.

The approach aims to provide an overview of the company's resource inflows in tonnes for each raw material used in the selected assets purchased. The principal materials involved are metals (aluminium, copper and steel).

Suppliers provide us with the weight of each raw material in the assets purchased. This is then multiplied by the number of assets delivered during the reporting period. These data are sourced from direct measurement i.e. the invoices from the received assets and datasheets from the Original Equipment Manufacturers (OEMs).

| Resource Inflows per material (in tonnes) | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Elia Group 2024 |
|---|---|---|---|
| Copper | 2,188.9 | 220.2 | 2,409.2 |
| Aluminium | 2,595.7 | 71.5 | 2,667.2 |
| Steel | 3,868.6 | 6,687.8 | 10,556.4 |
| Magnetic steel | 242.9 | 475.0 | 717.9 |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

We do not use any biological materials (or biofuels used for non-energy purposes). The percentage of biological materials (and biofuels used for non-energy purposes) therefore equals 0%.

Due to the lack of availability of information on the market and the lack of information on best practices followed by other stakeholders, only very seldom do we receive information from our suppliers regarding the percentage of secondary reused or recycled components used to manufacture the inflows. Consequently, the information gathered is not sufficient to allow any extrapolation to disclose a reliable estimation of the volume and percentage of secondary reused or recycled components, secondary intermediary products or secondary materials. (There is therefore no overlap between categories of reused and recycled to be disclosed.) We are working on improving the information stream from our suppliers so we can build a better basis for a future estimation.

As mentioned in ESRS E5-2 Actions and resources related to resource use and circular economy, the scope of the $CO_2$ accounting platform for suppliers (see here in ESRS E1) developed internally will be expanded in the future to also capture information regarding inflows at supplier-level.

# E5-5 - Resource outflows

Due to the specific nature of its business, Elia Group does not generate outflows other than waste. Our core business is the transmission of electricity. Elia Group does not release tangible products on the market.

The waste generated by our own activities is mainly demolition waste. Infrastructure projects are the streams that generate the biggest waste volumes, with the non-hazardous waste streams consisting mainly of excavated soil, concrete, demolition waste and metals (to a small extent). The hazardous waste streams consist mainly of soil, rubble and waste from electrical and electronic equipment.

## Definition and calculation method

The data presented in the table below includes waste collected from administrative and technical centres as well as from infrastructure project sites.

For Elia Transmission Belgium, the data is sourced from direct measurement (waste weight) and from information provided by waste collectors and contractors.

For 50Hertz Transmission Germany, the data is sourced from a mix of direct measurement (waste weight) and estimations (legal requirement to do prior an infrastructure project). After the closing of the project, a reconciliation is performed to identify the gaps between the estimations made and the actual waste volumes.

For the Non-regulated segment, waste data is estimated using industry data[87]. An average of 2 kg of waste per worker per day over 250 working days per year is used for estimation.

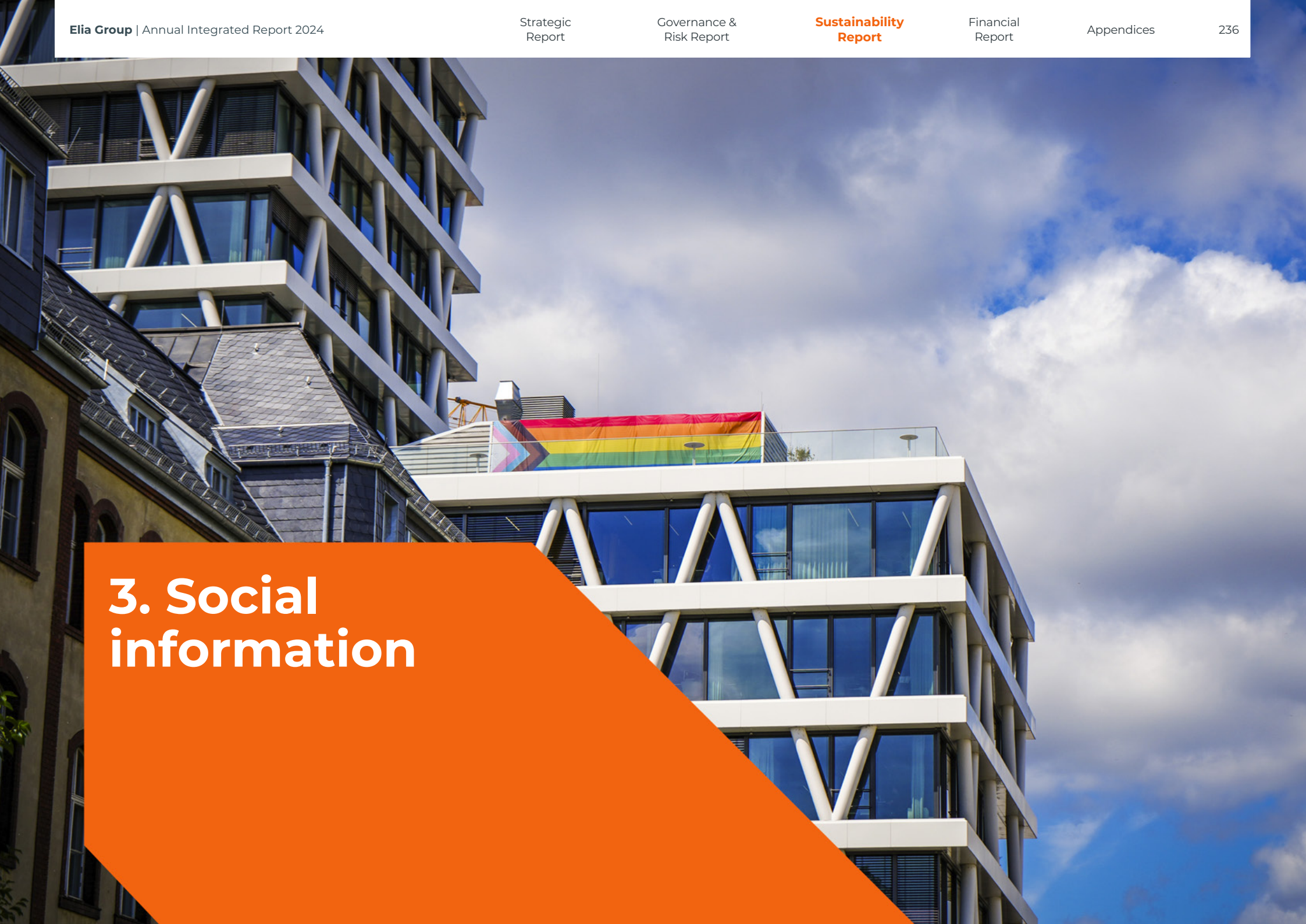
Hazardous and non-hazardous waste is identified based on its EURAL/CED (European waste classification), which must by law be stated on the relevant waste collection documents.

All recovery and disposal operations happen offsite, this information reported by waste collectors and contractors is used to classify waste into the different categories. The absolute value and the percentage of non-recycled waste are calculated using the total of hazardous and non-hazardous waste directed to disposal.

[87] The industry data was retrieved from the Environment Protection Authority's office-focused industry fact sheet (https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/managewaste/120341-offices.pdf?la=en&hash=D84E22580ABDF282FFED5FD151189872BCCABFFC)

| Resource outflows: waste (in tonnes) | | | Elia Transmission Belgium 2024 | 50Hertz Transmission Germany 2024 | Non-regulated segment 2024 | Elia Group 2024 |
|---|---|---|---|---|---|---|
| **Total amount of waste generated** | | | 216,882.3 | 257,191.7 | 10.1 | 474,084.2 |
| **Hazardous waste** | diverted from disposal | due to preparation for reuse | 36.7 | 113.3 | — | 150.0 |
| | | due to recycling | 3,615.8 | 4,820.8 | — | 8,436.5 |
| | | due to other recovery operations | 181.1 | 539.2 | — | 720.4 |
| | | total | 3,833.6 | 5,473.3 | — | 9,306.9 |
| | directed to disposal | due to incineration | 1.0 | — | — | 1.0 |
| | | due to landfilling | 13,521.2 | 3,744.4 | — | 17,265.7 |
| | | due to other disposal operations | 778.3 | 131.7 | — | 910.0 |
| | | total | 14,300.5 | 3,876.2 | — | 18,176.7 |
| | total | | 18,134.2 | 9,349.5 | — | 27,483.6 |
| **Non-hazardous waste** | diverted from disposal | due to preparation for reuse | 349.6 | — | — | 349.6 |
| | | due to recycling | 147,000.1 | 13,346.1 | 8.3 | 160,354.5 |
| | | due to other recovery operations | 20,158.4 | 234,496.1 | — | 254,654.5 |
| | | total | 167,508.0 | 247,842.2 | 8.3 | 415,358.6 |
| | directed to disposal | due to incineration | — | — | 1.8 | 1.8 |
| | | due to landfilling | 9,224.6 | — | — | 9,224.6 |
| | | due to other disposal operations | 22,015.5 | — | — | 22,015.5 |
| | | total | 31,240.1 | — | 1.8 | 31,242.0 |
| | total | | 198,748.2 | 247,842.2 | 10.1 | 446,600.5 |
| **Non-recycled waste** | | absolute | 45,540.7 | 3,876.2 | 1.8 | 49,418.7 |
| | | percentage | 21.0 % | 1.5 % | 18.0 % | 10.4 % |
| **Radioactive waste** | | | — | — | — | — |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.



# 3. Social information

# 3.1. ESRS S1 Own Workforce

**Developing our people and supporting a consistent understanding of Elia Group's culture, operating procedures and compliance framework is essential to realising our strategy and mastering challenges that arise in the future. Over the last year, our workforce has grown 15.8 % through organic growth. To integrate newly onboarded people, we are building a unique culture and investing in our people, processes and systems.**

**We focus on providing our people with interesting work and opportunities through employee engagement and development and ensuring their health, safety and well-being when they come to work.**

## ESRS2 SBM3 S1 - Material impacts, risks and opportunities and their interaction with strategy and business model

Elia Group's workforce is a key category of affected stakeholders, comprising employees and non-employees carrying out the operations necessary to fulfil the vision and mission. All employees and non-employees in Elia Group's workforce are subject to material impacts.

Elia Group's mix of operations leads to different types of own workforce.

The own workforce of regulated entities:

— contribute to the construction and maintenance of the grid, technical sites and sub-stations, as well as operating in their immediate surroundings. They work on the field to build the infrastructure and to carry out the necessary maintenance work.

— contribute to the management and development of the grid. They manage the operation of the grid and ensure balance on the electricity system at all times. They also work on the design and expansion of the infrastructure.

— work in corporate support services. They cover the overall management needs of the company: human resources, accounting, finance, IT, risk and governance.

The own workforce of non-regulated entities:

— provide management, consulting and data services related to the energy market.

Employees and non-employees are distributed across these categories to support operations.

### Positive material impact

The physical safety of our own workforce (employee and non-employee alike) is of utmost importance to the Group. A safety culture is instilled through numerous campaigns, communications, feedback sessions and trainings throughout the year.

Elia Group also clearly focuses on developing its own workforce through continuous learning and development programmes, such as training sessions, workshops and online courses.

Elia Group promotes good working conditions, where its workforce can thrive, and provides employees with interesting work and opportunities for development. Additionally, Elia Group fosters a positive and inclusive work environment where everyone can bring its unique contribution.

### Negative material impact

The workforce involved in Infrastructure Design and Construction, and Grid Operations and Maintenance operates in an industrial environment carrying inherent health and safety risks. These are not systemic, but rather pertain to individual incidents.

To maintain high grid performance in a context of expanding demand, greater flexibility and availability is increasingly requested of the workforce.

Elia Group's activities require predominantly STEM profiles in which women are systemically less represented, thus impacting gender equality in the workforce and leading to a more restricted pool of diverse talent.

### Risks, opportunities and dependencies on the workforce

Elia Group does not have operations at significant risk of incidents of forced labour, compulsory labour or child labour.

The significant growth of Elia Group and the power sector in general has created a scarcity of skilled profiles, potentially limiting an acceleration of delivery of the grid.

Dependencies from negative impacts in the area of health and safety relate more specifically to workforce involved in Infrastructure Design and Construction, and Grid Operations and Maintenance (see information disclosed as negative material impact above).

Elia Group's sustainability programme ActNow relies on five key dimensions: Climate Action, Environment & Circular Economy, Health & Safety, Diversity, Equity & Inclusion and Governance. Two of these dimensions relate to the topics identified as material impacts, risks and opportunities for S1 Own workforce for Elia Group. Accordingly, policies and actions to mitigate and manage these topics are embedded in the sustainability programme.

The processes described in section S1-2 Processes for engaging with own workforce and workers representatives about impacts and the actions presented in section S1-4 Taking action on material impacts, risks and opportunities related to own workforce aim to provide an understanding of how workers with particular characteristics or involved in particular activities may be at a greater risk of harm.

# S1-1 - Policies related to own workforce

For matters related to own workforce, Elia Group has developed and applies the following policies:[88]

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| Human Rights Policy | / | This describes our commitment to upholding and promoting human and social rights when undertaking our activities, alongside all applicable laws and regulations. It lays out general principles related to our commitment as well as some Human Rights priority area related to the priorities of our ActNow sustainability programme. | See section S1-3 Process to remediate negative impacts and channels for own workers to raise concerns. | Own operations, Group | Chief Alignment Officer | – Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it;<br>– International Labour Organization's Declaration on Fundamental Rights and Principles at Work;<br>– United Nations Global Compact. |
| Health and Safety Guidelines + internal specific health and safety regulations | – Safety Culture: Elia Group prioritises safety, aiming for zero accidents, which benefits both its own workforce and public trust.<br>– Physical safety risks: working with high-voltage equipment, at heights and in offshore environments exposes the Group's workforce to potential accidents and injuries.<br>– Health & Safety events may harm our own workforce.<br><br>Subtopic: Health and safety | These define the core principles of the company's approach towards managing and mitigating impacts stemming from health and safety matters, including workplace accident prevention. | Operational monitoring; Health and safety target (see section S1-5 Targets related to own workforce) | Own operations, 50Hertz Transmission Germany | Head of Corporate Governance | – Applicable health and safety regulations;<br>– ISO 45001:2018 |
| Global Prevention Plan + health and safety guidelines for specific operations | – Safety Culture: Elia Group prioritises safety, aiming for zero accidents, which benefits both its own workforce and public trust.<br>– Physical safety risks: working with high-voltage equipment, at heights and in offshore environments exposes the Group's workforce to potential accidents and injuries.<br>– Health & Safety events may harm our own workforce.<br><br>Subtopic: Health and safety | This describes the prevention activities planned over a five-year period, including risk analysis, measures, objectives and tools. This policy and the guidelines aim to increase the health and safety of workers. | Operational monitoring; Health and safety target (see section S1-5 Targets related to own workforce) | Own operations, Elia Transmission Belgium | Head of Health, Safety and Security | – Applicable health and safety regulations |

[88] The ESRS don't provide a definition for "third-party standards". We interpret the requirements in a broader sense and provide in this column information about:
— frameworks, laws and regulations that form the foundation of the respective policy and that guarantee that a recognised reference was used;
— certifications offered by an independent external entity.
The list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| Diversity, Equity and Inclusion Charter | – Due to its core activity, Elia Group's workforce has a strong engineering focus and is predominantly male, making it a challenge to hit gender diversity targets.<br><br>Subtopic: Equal treatment and opportunities for all | The Charter states that everyone can succeed and contribute to the sustainable success of Elia Group regardless of gender, country of origin, age, colour, religion, sexual orientation and only based on performance, leadership, behaviour, skills and competencies. It aims to foster an inclusive and fair working environment. | Business target (see section S1-5 Targets related to own workforce) | Own operations, Group | Chief Alignment Officer | / |
| Working rules | – Elia Group is committed to attracting, developing and retaining top talent. We devise optimal solutions matching people's aspirations with the company's needs while cultivating a culture of safety, wellbeing and innovation.<br>– The grid increasingly operates up to its limits as a higher number of outages is requested for grid projects. This requires greater flexibility and availability from our workforce.<br>– If talents are not onboarded efficiently and do not find adequate working conditions to thrive, we risk slowing down ongoing activities and negatively impacting the mental wellbeing of our employees<br><br>Subtopic: Working conditions | Practicalities related to employees' way of working and interactions with the employer are established internally in the Working rules. | / | Own operations, Elia Transmission Belgium | Chief Human Resources Officer | Applicable social regulations |
| Company agreements | – Elia Group is committed to attracting, developing and retaining top talent. We devise optimal solutions matching people's aspirations with the company's needs while cultivating a culture of safety, wellbeing and innovation.<br>– The grid increasingly operates up to its limits as a higher number of outages is requested for grid projects. This requires greater flexibility and availability from our workforce.<br>– If talents are not onboarded efficiently and do not find adequate working conditions to thrive, we risk slowing down ongoing activities and negatively impacting the mental wellbeing of our employees<br>Subtopic: Working conditions | Practicalities related to employees' way of working and interactions with the employer are established in the collective bargaining agreements (Tarifvertrag) and the company agreement (Betriebsvereinbarung) | / | Own operations, 50Hertz Transmission Germany | Chief Corporate Officer | Applicable social regulations |

Currently, the approach of Elia Group to address the material impact 'Elia Group offers its workforce various upskilling opportunities to support their development, such as the local Academy and external trainings' has not been formalised in a policy document. Besides training sessions mandatory for all employees, training pathways are adapted to each position.

## Policies for ethical behaviour and human rights

To emphasise the importance of ethics and human rights and make sure they form part of our corporate culture, Elia Group's commitments are embedded in a Group-wide Code of Ethics and Human Rights Policy that all employees are expected to follow.

### Code of Ethics

For more information on Elia Group's Code of Ethics, please see section G1-1 Corporate culture and business conduct policies.

### Whistleblowing Framework

Employees of Elia Group can make use of the Whistleblowing Framework to express any concern about an (alleged) violation of integrity, without fear of sanctions, retaliation and/or unfair treatment. For more information about the Whistleblowing Framework, see section G1-1 Corporate culture and business conduct policies.

### Human Rights Policy

Elia Group's Human Rights Policy describes its commitment to upholding and promoting human and social rights when undertaking its activities, along with all applicable laws and regulations. It lays out general principles related to its commitment as well as a number of human rights-related priority areas, linked to the priorities of its ActNow sustainability programme. For more information about the Human Rights Policy, see section G1-1 Corporate culture and business conduct policies.

## Health and safety policies

Health and safety are key topics for Elia Group. Each TSO has adopted a policy related to health and safety.

### Health and Safety at Work Guidelines

50Hertz Transmission Germany has adopted Health and Safety at Work Guidelines. These define the core principles of the company's approach to managing and mitigating impacts stemming from health and safety matters, including workplace accident prevention. The Guidelines are available to all employees on the company's intranet. The principles set out in the Guidelines are reflected in local operations through a full set of internal health and safety regulations, such as the Guideline on First Aid, Accidents and Incidents and the Directive on Fire and Explosion Protection. They describe the company's health and safety guidelines and principles for specific work situations. The documents are available to all employees on the company's intranet.

### Global Prevention Plan

Elia Transmission Belgium has adopted a Global Prevention Plan based on all health and safety risks and business priorities. It describes the prevention activities planned over a five-year period, including risk analyses, measures, objectives and tools. It focusses on physical safety, mental health and wellbeing, company safety culture and general governance (specific safety programmes and systems). The plan is drawn up periodically by the employer in consultation with line management and the Prevention Department. This global plan results in annual action plans. The Plan is available to all employees on the company's intranet. Elia Transmission Belgium has also set up a comprehensive digital library listing all health and safety procedures, instructions and risk analysis relating to its operations. This is available to all employees on the company's intranet and available to the contractors if necessary. Employees, non-employees and contractors must comply with the requirements set out in these guidelines.

## Diversity, equity and inclusion policies

In accordance with Convention 111 of the International Labour Organization (ILO), Elia Group is committed to promoting diversity and strongly condemns any and all discriminatory acts at work.

### Diversity, Equity and Inclusion Charter

This commitment is enshrined in the Group-wide Diversity, Equity and Inclusion Charter. The Charter states that everyone can succeed and contribute to the sustainable success of Elia Group regardless of gender, country of origin, age, colour, religion, sexual orientation and only based on performance, leadership, behaviour, skills and competencies. This commitment to equal rights is also enshrined in the Code of Ethics.

The commitment to promote diversity, equity and inclusion is also an important part of Elia Group's Code of Ethics. It describes the guiding principles governing equal rights for employees, as well as inclusion, social partnership and human rights in general. See section G1-1 Corporate Culture and business conduct policies for more details.

Elia Transmission Belgium's Working Rules contain a specific article on equal opportunities for men and women and an Annex on remuneration equity between male and female workers. The Working Rules state that jobs are open and accessible regardless of gender and that there should be equal opportunities for men and women in terms of recruitment, pay scales, promotions and functions. The Working Rules of Elia Group's entities are presented in the section below.

## Policies on working conditions of own workforce

Policies on working conditions are designed to ensure a safe, inclusive and supportive environment for all employees. Elia Group prioritises fair labour practices, employee well-being and compliance with relevant regulations. These policies reflect its commitment to fostering a respectful workplace.

### Working Rules

The Working Rules (Règlement de travail/Arbeidsreglement) are established jointly with the workers' representatives in alignment with the applicable sectoral collective bargaining agreements and outline how employees work and interact with the employer. These rules include the composition of bodies interacting between management and employees' representatives and the application of sectoral collective bargaining agreements. The Working Rules are available to all workers on the company's intranet.

### Company agreements

At 50Hertz Transmission Germany, practicalities related to the ways employees work and interact with the employer are established in the collective bargaining agreements (Tarifvertrag) and the company agreement (Betriebsvereinbarung). These policies are designed in close collaboration with the workers' representatives. The agreements are available to all workers on the company's intranet.

# S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

## Collective bargaining approach

Elia Group is committed to freedom of association, collective bargaining and the protection of workers' representatives. Emphasis is placed on trust and ongoing cooperation with all trade unions.

## Employee consultation, negotiation and information on organisational changes

Engagement with the Group's own workforce on impacts occurs both directly and through workers' representatives, which for Elia Group are organised in the form of national workers' councils and one European Works Council. Representatives from each of the national works councils are members of the Elia Group European Works Council, where cross-border discussions are held to create overarching measures. Further information on the interaction between Elia Group and its employees can be found in section SBM-2 Interests and views of stakeholders.

Elia Transmission Belgium has a General Works Council and 50Hertz Transmission Germany has two local Works Councils as well as a General Works Council at national level that are responsible for the interests of employees. These various national councils consist of employees' representatives combined with employers' representatives, as per local legislation. The employees' representatives protect employees' interests in matters that are dealt with. They serve as discussion partners for management to assure that employment-related decisions are taken in an impartial and non-discriminatory manner.

The responsibility for the implementation of these matters lies with the Chief Corporate Officer at 50Hertz Transmission Germany and with the Group's Chief Alignment Officer at Elia Transmission Belgium.

## Works council at Elia Transmission Belgium

Collective bargaining and social dialogue take place in accordance with the applicable social regulations. The framework for interacting with the workers' representatives is made up of different bodies:

- The Works Council (Conseil d'Entreprise/Ondernemingsraad) is the body through which the employer communicates economic and financial information.
- The Committee for Prevention and Protection at Work (Comité pour la prévention et la protection au travail/Comité voor preventie en bescherming op het werk) is the body that oversees the well-being and safety of workers.
- The trade union delegation (Délégation syndicale/Vakbondsafvaardiging) is the body for consultation and negotiation of collective agreements (social and salary benefits, compliance with social legislation, etc.).

In the context of company targets related to non-financial performance, tied in employees' collective bonus scheme, the workers' representatives are involved in the set-up, monitoring of the company's performance with respect to those targets (for instance, the target TRIR for employees - see section S1-5 Targets related to own workforce for more information on social targets).

Beside the legal requirements, for key projects, proactive involvement with the workers' representatives is organised so as to embed their feedback early on, which improves quality and facilitates acceptance.

This cooperation is well-established and works efficiently as the company faces very few strikes and collective bargaining agreements are regularly signed with the employees' representatives. Compliance with Belgian social regulations is periodically audited by the federal administration. The latest audit in this matter was concluded positively.

Policies discussed with the workers' representatives, such as the Working rules, contain specific articles aiming to foster an inclusive work environment for more vulnerable workers. For more information on how the company mitigates impacts on workers through policies, see section S1-1 Policies related to own workforce.

## Works council at 50Hertz Transmission Germany

The company is subject to collective bargaining and has its own company-level labour agreement that governs many of the working and remuneration conditions. This collective labour agreement is negotiated between the employer association (AVEU) and the union (IGBCE).

The Works Council has obligations to represent the interests of employees and ensures transparent corporate governance, pursuant to the Works Constitution Act. The Works Council has co-determination rights in social matters, such as working time regulations, recruitment, holiday regulations and occupational health and safety measures.

The Works Council is informed regularly on economic matters, personnel planning and work processes, is assuring legal and social compliance, and is consulted in the event of changes in work organisation.

Working groups of the Works Councils cooperate closely with the HR department in order to exchange information, negotiate, take decisions and prepare collective agreements assuring that both the interests of the employees and the operational needs of the company are covered.

In Germany, an annual convention (Gesamtbetriebsversammlung) is held by the Workers Council to inform and engage with employees of 50Hertz Transmission Germany. With this approach, 50Hertz Transmission Germany fulfils its obligations under Section 80 (2) of the German Works Constitution Act.

The union representatives are part of the Supervisory Board and of the Economic Committee, and are involved in approving goals, tracking performance and proposing corrective actions.

Current topics are discussed and driven forward in regular meetings of the works councils in Belgium and Germany as well as in working groups. The national matters are presented and discussed with the workforce at an annual general works meeting in Belgium and Germany.

### Employee engagement

Elia Group communicates openly with its employees. Various information is disseminated to employees via the intranet and via newsletters.

Different networks exist throughout the organisation (Diversity Network, Women's Network, Representatives for people with disabilities at 50Hertz Transmission Germany, etc.), whose members meet regularly to discuss management and leadership topics. They aim to ensure that specific workers' voices are heard and that processes can be adapted accordingly, where necessary.

### Other guidelines

Elia Group is also committed to internationally established guidelines, such as the core labour standards of the International Labour Organization (ILO C87, C98 and C135) and the labour rights set out in the UN Global Compact. Elia Group is committed to promoting diversity out of conviction and in accordance with ILO Convention 111. Each employee pledges to comply with these standards and principles when entering the company by signing the individual employment contract.

## S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

Elia Group believes that an open and respectful working environment is essential for our development and success. A culture in which everyone feels comfortable raising questions and concerns is a necessary foundation. Elia Group has set up different channels available to workers to raise concerns or report on negative impacts. These channels were designed to enhance workers' trust and prevent retaliation.

### Breaches of integrity

Elia Group offers its employees the opportunity to express their concerns about alleged breaches of the Group's Code of Ethics as well as laws and regulations under the Whistleblower Act without fear of reprisal and/or unfair treatment.

As a rule, Elia Group encourages everybody, if possible, to discuss reports or suspicions of integrity violations first internally with the immediate superior, the line manager, the HR Business Partner or the local Internal Auditor (as well as an independent Ombudsman for violations related to our German legal entities). If this is not possible or if this discussion does not lead to the desired reaction, or if, for some reason, there is no possibility of addressing the issue, the Reporter can also turn to EthicsAlert.

Workers can use EthicsAlerts, an external system for reporting possible breaches of integrity. EthicsAlert is compliant with the EU Whistleblowing Directive. Employees, non-employees and other external stakeholders, such as suppliers, can raise their concerns via this platform (anonymously, if they so wish).

More information about these processes can be found in section G1-1 Corporate culture and business conduct policies.

### Health and safety topics

For specific negative impacts related to health and safety at the workplace, Elia Transmission Belgium's workers can use the dedicated in-house application to report any incidents or high-risk situation that arise. Via the application, the Health and Safety team is informed of all incidents or near-incidents that have happened at the workplace and can take action. Similarly, workers at 50Hertz Transmission Germany can report unsafe conditions via a specific health and safety tool connected to the company's IT system. These processes enable the companies to have precise data on the safety situation, help management monitor trends and modify policies, where necessary.

Negative impacts can also be tackled through engagement processes between workers' representatives and the company, in particular for matters related to working conditions. More information about these processes can be found in section S1-2 Processes for engaging with own workers and workers' representatives about impacts.

## S1-4 - Taking action on material impacts, risks and opportunities related to own workforce

The ActNow sustainability programme provides a framework for actions related to sustainability topics. Two pillars of the programme relate to own workforce matters: the diversity, equity and inclusion pillar and the health and safety pillar. This section describes the actions taken to address own workforce matters and achieve the objectives defined in section S1-5 Targets related to own workforce:

| Actions | Related policy objective or target | Scope | Time-horizons |
|---|---|---|---|
| **Diversity, equity and inclusion** | | | |
| Awareness campaigns | See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Internal networks | See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Partnerships | See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Workshops and training | See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| **Health and safety** | | | |
| Awareness campaigns | See health and safety targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Personal protective equipment | See health and safety targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Health and safety projects | See health and safety targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Well-being projects | See health and safety targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |
| Health and safety trainings | See health and safety targets in section S1-5 Targets related to own workforce | Own operations, Group | / (recurring action) |

## Actions for diversity, equity and inclusion

Dimension 4 of the ActNow programme focuses on diversity, equity and inclusion, which are essential for attracting the talent necessary to succeed in the energy transition. This means developing an inclusive working environment with equal opportunities for all, promoting diversity and strongly condemning discrimination. Elia Group's diversity, equity and inclusion actions consider seven dimensions: age, ethnic background and nationality, gender identity, physical and mental abilities, religion and world-view, sexual orientation and social background.

The actions necessary to foster diversity, equity and inclusions at Elia Group are defined by internal experts with a good knowledge of the company's situation. Their approach to diversity, equity and inclusion is also enriched by external advisory teams, which help structure and broaden the actions deployed.

For some actions, operational indicators such as attendance rate are monitored by the team in order to calibrate and manage the actions. In terms of impact, the effectiveness of actions relating to diversity, equity and inclusion is tracked against the performance of the company in terms of specific targets. The targets relating to diversity, equity and inclusion can be found in section S1-5 Targets related to own workforce.

### Diversity, equity and inclusion awareness campaigns

Elia Group regularly organises actions and events to increase awareness of our workforce regarding diversity, equity and inclusion topics. These aim to develop an open and inclusive working culture and increase DEI awareness amongst the Group's own workers. This year, the sessions held focused on inclusion of workers with disabilities and on age diversity. Ad-hoc awareness-raising events are also organised throughout the year for specific occasions, such as International Day for the Elimination of Racial Discrimination, International Women's Day, Diversity Day, Christopher Street Day, etc. These awareness-raising campaigns are carried out every year and aim to shed light on a broad range of diversity, equity and inclusion topics.

### Internal networks

Elia Group has established a number of internal networks to support the development of a diverse and inclusive workforce, the aim being to foster DEI ideas and practices in the Group's corporate culture and among its workers.

The Group Diversity, Equity and Inclusion Network is made up of employees who, in addition to their primary responsibilities within the company, work on issues relating to all dimensions of diversity, equity and inclusion. These diversity ambassadors hold regular meetings where they exchange ideas, participate in the development and organisation of events, and discuss issues with teams as part of their ambassadorial role. They also offer a safe environment for the exchange of ideas and personal experience. They aim to raise awareness of an inclusive corporate culture, integrate diversity, equity and inclusion into the company's day-to-day activities and inspire colleagues to continuously broaden their horizons.

To foster gender-based diversity more specifically, 50Hertz Transmission Germany and Elia Transmission Belgium have their own Women's Network. These networks are a platform for female workers to exchange and share about their work experience. The two Women's Networks meet once or twice a year in a common event at Group level.

The network approach also dovetails with the governance for raising concerns related to diversity, equity and inclusion. At Elia Transmission Belgium, there is a network of trusted people comprising colleagues available to listen confidentially to workers who reach out to them and to inform and guide them. They can also act as mediators if necessary. At 50Hertz Transmission Germany, these tasks are carried out by the Equal Opportunities Officer (Gleichstellungsbeauftragte).

To foster the inclusion of workers with disability, 50Hertz Transmission Germany has set up a Representative Body for Severely Disabled Employees (Schwerbehindertenvertretung), in accordance with the German Social Code IX. The representatives are elected every four years to represent the interests of severely disabled employees. As part of an inclusion agreement, this Body works to involve and support workers with a disability in the corporate life of the company. The Body receives suggestions and complaints from severely disabled and similar staff and works with 50Hertz Transmission Germany to find solutions. It requests and supervises the implementation of measures (particularly preventive measures) to promote healthy working conditions.

### Partnerships

Elia Transmission Belgium and 50Hertz Transmission Germany have formed partnerships with external stakeholders in order to enrich and enhance the impact of their diversity, equity and inclusion actions.

50Hertz Transmission Germany works with Annedore-Leber-Berufsbildungswerk to support young people with disabilities as they start their careers. The company welcomes young professionals as trainees, providing them with corporate experience and helping them jump start their careers.

50Hertz Transmission Germany has formed many partnerships with organisations fighting against gender-based discrimination and stereotypes, such as the Klischeefrei (Cliché-free) initiative, the Charta der Vielfalt (Diversity Charter) initiative, the Gemeinsam gegen Sexismus (Together Against Sexism) alliance, the EnterTechnik organisation, and so on. These provide many ways enabling the company to leverage its efforts to foster a fair and inclusive workplace.

Elia Transmission Belgium has established a partnership with Da's Geniaal, an organisation that aims to get 10- to 14-year-olds excited about science, technology, engineering, maths, manufacturing and design through an inclusive and gender-sensitive approach. Elia Transmission Belgium does its share by promoting science-oriented events for kids, creating educational content on its electricity operations and involving kids with diverse backgrounds through Da's Geniaal.

Elia Transmission Belgium also participates in the A Seat At The Table initiative, which connects CEOs from the business community with young, diverse talents. It aims to promote young diverse talents in our society via weekly leadership, entrepreneurship and mentoring programmes with top Belgian and international business leaders.

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

### Workshops and trainings

To embed diversity, equity and inclusion in its own practices, Elia Transmission Belgium offers general training on the topic to their workers. To increase outreach, in 2024 Elia Group developed a specific training course on the topic and aims to include it as part of the onboarding of all new Group employees in the future.

Workshops are also organised on an ad hoc basis or during specific diversity events or awareness-raising campaigns. Every year, 50Hertz Transmission Germany organises Diversity Break workshops where workers gather to discuss the different dimensions of diversity and their practical importance in everyday work.

These actions are a response to material IROs identified for the S1 standard and presented in section ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

## Actions for health and safety

Dimension 3 of the ActNow programme focuses on health and safety. As TSOs, this dimension is crucial given that the main activities involve working at height, on electrical equipment and in marine environments. Actions in the field of health and safety aim to strive towards zero accidents in operations, build a safety culture, empower workers to be safety leaders and look after the health and well-being of employees.

The need for actions regarding health and safety can stem from different sources:

- All health and safety events reports are analysed and may trigger specific actions (on an ad hoc basis). Reports are also structurally analysed to spot trends and trigger actions (structural).
- Management with expert knowledge can also propose actions.
- Field visits and health and safety audits may also trigger health and safety actions in a preventive and corrective manner.
- When risks are identified in advance for a project (structural risk assessment) or due to a change in tasks.
- For specific projects/topics, working groups are set up in alignment with employers' and employees' representatives to provide specific advice and level playing field for those projects.
- The Annual Action Plan for health and safety is a legal obligation for Elia Transmission Belgium, in line with the five-year global prevention plan.

At Elia Transmission Belgium, the effectiveness of health and safety actions is captured through performing regular trends analyses, thanks to the health and safety information system. These analyses are discussed in the Health and Safety Committee.

The effectiveness of actions is also ultimately defined by the performance against health and safety targets (see section S1-5 Targets related to own workforce).

### Health and safety awareness campaigns

Awareness campaigns are part of the communication strategy of the health and safety department. These campaigns can be a poster campaign through the entire company, email campaigns and/or blogposts/publications or articles on the intranet. Other means of communication can be used to raise awareness about specific health and safety issues, such as the Elia TV in Belgium. In addition, Safety Flashes are regularly sent out to convey important safety messages across the organisation. During the safety weeks (twice a year) the focus is on specific health and safety campaigns, in line with the Annual Action Plan and Global Prevention Plan.

### Personal protective equipment

Personal protective equipment is any equipment intended to be worn or held by a worker to protect him or her against one or more risks that could threaten his or her health or safety at work, as well as any complement or accessory that could contribute to this. This action focuses on the physical integrity of our employees.

Both Elia Transmission Belgium and 50Hertz Transmission Germany have strong guidelines and procedures on the use of personal protective equipment by workers.

For employees in the field, technical work is always precedented by a risk analysis. The resulting adequate personal protective equipment must always be put in place or worn.

## Health and safety projects

At Elia Transmission Belgium, an Annual Action Plan is set each year for health and safety matters. It sets out in concrete terms the actions to achieve the ambition set out in the Global Prevention Plan for the coming year. The Annual Action Plan sets out the objectives and actions as well as the methods and means for achieving them. It is also drawn up by the employer in consultation with line management and the occupational health and safety services.

To achieve the zero accidents safety objective of Elia Transmission Belgium, improvement initiatives or projects have been structured since 2015 in the Go For Zer0 programme. The programme ensures the coherence and complementarity of initiatives across all of the company's departments. The three pillars of the programme are continuous improvement, skills and behaviour.

At 50Hertz Transmission Germany, employees have been made aware of the importance of prevention for health and safety via the gib8 campaign since 2018. The campaign illustrates that safety at work is a corporate value. The primary objective is to prevent work-related accidents and illnesses. To achieve this, safety at work is seen as a continuous improvement process, transparently supported by gib8.

50Hertz Transmission Germany maintains an occupational health and safety management system in accordance with ISO 45001:2018 for the operation, maintenance, planning and expansion of the transmission grid at its sites. This entails many internal actions designed to meet the health and safety requirements of the certification. These actions enable the company to adequately manage its health and safety risks and improve health and safety performance. The certificate is available for all stakeholders on the company's website.

## Well-being projects and initiatives

At Elia Transmission Belgium, a psychosocial survey was sent this year to all employees to understand the needs of workers and steer actions taken with respect to this matter. As of next year, a common psychosocial survey for all employees of 50Hertz Transmission Germany and Elia Transmission Belgium will be organised on a recurring basis (twice a year).

At both Elia Transmission Belgium and 50Hertz Transmission Germany several awareness campaigns about mental health and well-being are taking place on an ongoing basis. In addition, there are periodic Care4Energy challenges to promote well-being in four areas: mental, physical, emotional and personal development. The focus on mental health is also integrated in the re-integration path after long-term absences, alongside prevention activities, such as the Let's Talk About Burnout community.

At Elia Transmission Belgium, mental health and well-being are also integrated in the Global Prevention Plan and related Annual Action Plans. Specific indicators (e.g. absence rates, interventions by social assistants and trusted confidants) are also part of the well-being dashboard, which is periodically reported to the safety committee and the respective management boards.

## Training

50Hertz Transmission Germany provides all its employees with training on health and safety. All employees received health and safety training when they are hired and throughout their career depending on their role and tasks. Additional training is also provided when an employee's tasks evolve, when a workplace accident or near-miss takes place or when the employee did not comply with the internal health and safety regulations.

From day one, Elia Transmission Belgium provides all its employees with health and safety training via an interactive health and safety onboarding session (mandatory for every new employee) covering the basic health and safety policies, the link to the ActNow programme as well as what is actually expected from them as a safety leader. Depending on the role, the employee receives a training plan including tailored health and safety trainings. Additional trainings can be general (for the entire workforce) or specific depending on the role and/or specific exposure to risks. Furthermore, trainings are also provided when employees' duties evolve and/or when required based on recommendations after incident investigations. Retraining might take place when the employee fails to comply with in-house health and safety regulations.

More information about actions taken regarding material risks (working conditions) can be found in section S1-2 Processes for engaging with own workers and workers' representatives about impacts.

## Related resources

In the course of 2024, we initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

# S1-5 - Targets related to own workforce

## Diversity, equity and inclusion

For Dimension 4 of the ActNow sustainability programme relating to diversity, equity and inclusion, the following targets have been set for the Group's workers:

| Target name | Scope | Value chain coverage | Related policy | Value | Unit of measure | Baseline value 2019 | Target value 2028 | Achieved performance |
|---|---|---|---|---|---|---|---|---|
| Women in total workforce | Elia Group<br><br>(consolidated figures of Elia Group SA/NV, Elia Transmission Belgium, 50Hertz Transmission Germany, EGI, WindGrid SA/NV) | Own operations | Diversity, Equity and Inclusion Charter | 24,5% | % | 21 % | 25 % | Positive trend towards the target for 2028, largely due to achieving a considerable inflow of female new hires |

This target was set by Elia Group's management and aims to increase the balance between male and female employees. The level of the target was set based on historical performance, the context of a traditionally male-dominated industry and taking into consideration the performance of peers in this area. Elia Group's performance in respect of this target is closely monitored by the business and reported to senior management.

### Definition and calculation method:

Formula = (female contractual headcount/total contractual headcount)

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting. The gender used is as specified by the employees themselves.

## Health and safety

For Dimension 3 of our ActNow sustainability programme relating to health and safety, the following targets have been set for the Group's workers.

| Target name | Scope | Value chain coverage | Related policy | Value 2024 | Unit of measure | Actuals for base year | Base year | Interim target for 2024 | Target value 2030 | Achieved performance |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Recordable Injury Rate (TRIR) of employees | Elia Group<br><br>(consolidated figures of Elia Group SA/NV, Elia Transmission Belgium and 50Hertz Transmission Germany) | Own operations | Health and Safety Guidelines and Global Prevention Plan | 3.06 | / | 5.40 | 2020 | 6.30 | 5.20 | 2024 values are slightly higher than 2023, where we achieved exceptionally good results but the overall decreasing trend continues. |
| Total Recordable Injury Rate (TRIR) of non-employees | Elia Transmission Belgium<br><br>(consolidated figures of Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Asset SA/NV, Elia Engineering SA/NV) | Own operations | Health and Safety Guidelines and Global Prevention Plan | 1.13 | / | 0.76 | 2023 | 0.97 | 0.80 | |
| Total Recordable Injury Rate (TRIR) of employees, non-employees and contractors | Elia Group<br><br>(consolidated figures of Elia Group SA/NV, Elia Transmission Belgium and 50Hertz Transmission Germany) | / | Health and Safety Guidelines and Global Prevention Plan | 6.59 | / | 4.87 | 2023 | 7.60 | 6.40 | |

These targets have been set by the management of Elia Group based on our historical performance, the context of our operations, increasing CAPEX and workforce. The targets can be reviewed and will be reviewed for the period after 2030. Elia Group's performance in respect of this target is closely monitored by the business and reported to senior management. In addition, the TRIR is reported monthly to the Safety Committee and quarterly to the respective management boards.

### Definition and calculation method:

Rate of recordable work-related injury (TRIR) = [(total number of recordable work-related injury/number of hours worked) x 1,000,000]

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

More information on how the Group's own workers and their representatives are involved in setting and monitoring the targets as well as in proposing and identifying improvements can be found in section S1-2 Processes for engaging with own workers and workers' representatives about impacts.

# S1-6 - Characteristics of the undertaking's employees

## Number of employees (headcount) per gender

| | Elia Group | |
|---|---|---|
| | 2024 | 2023 |
| Male | 3,033 | 2,653 |
| Female | 986 | 820 |
| Other | 1 | Not available |
| Not reported | Not available | Not available |
| **Total employees** | **4,020** | **3,473** |

| | Elia Transmission Belgium | |
|---|---|---|
| | 2024 | 2023 |
| Male | 1,417 | 1,270 |
| Female | 401 | 347 |
| Other | Not available | Not available |
| Not reported | Not available | Not available |
| **Total employees** | **1,818** | **1,617** |

| | 50Hertz Transmission Germany | |
|---|---|---|
| | 2024 | 2023 |
| Male | 1,566 | 1,334 |
| Female | 561 | 455 |
| Other | — | — |
| Not reported | — | — |
| **Total employees** | **2,127** | **1,789** |

| | Non-regulated segment | |
|---|---|---|
| | 2024 | 2023 |
| Male | 50 | 49 |
| Female | 24 | 18 |
| Other | 1 | — |
| Not reported | — | — |
| **Total employees** | **75** | **67** |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

Gender is specified by the employees themselves.

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

Elia Group's various in-house HR systems handle the gender-related data of employees differently. For entities managed by the Belgian HR system, only male and female genders can be assigned to employees, as the law does not require other options to be provided. This implies that the data related to 'Other' and 'Not reported' will be marked as non-available for those entities and at Group level. For entities managed by the German HR system, a third option is available under the 'Other' label.

## Number of employees (headcount) per country

| | Elia Group | |
|---|---|---|
| | 2024 | 2023 |
| Belgium | 1,860 | 1,656 |
| Germany | 2,160 | 1,817 |

| | Elia Transmission Belgium | |
|---|---|---|
| | 2024 | 2023 |
| Belgium | 1,818 | 1,617 |
| Germany | — | — |

| | 50Hertz Transmission Germany | |
|---|---|---|
| | 2024 | 2023 |
| Belgium | — | — |
| Germany | 2,127 | 1,789 |

| | Non-regulated segment | |
|---|---|---|
| | 2024 | 2023 |
| Belgium | 42 | 39 |
| Germany | 33 | 28 |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

## Breakdown of type of employees per gender

| | Elia Group | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | | | 2023 | | | | |
| | Male | Female | Other | Not disclosed | Total | Male | Female | Other | Not disclosed | Total |
| Total number of employees | 3,033 | 986 | 1 | Not available | 4,020 | 2,653 | 820 | Not available | Not available | 3,473 |
| Number of permanent employees | 2,994 | 951 | 1 | Not available | 3,946 | 2,608 | 793 | Not available | Not available | 3,401 |
| Number of temporary employees | 39 | 35 | Not available | Not available | 74 | 45 | 27 | Not available | Not available | 72 |
| Number of non-guaranteed employees | — | — | Not available | Not available | — | — | — | Not available | Not available | — |

| | Elia Transmission Belgium | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | | | 2023 | | | | |
| | Male | Female | Other | Not disclosed | Total | Male | Female | Other | Not disclosed | Total |
| Total number of employees | 1,417 | 401 | Not available | Not available | 1,818 | 1,270 | 347 | Not available | Not available | 1,617 |
| Number of permanent employees | 1,416 | 400 | Not available | Not available | 1,816 | 1,269 | 347 | Not available | Not available | 1,616 |
| Number of temporary employees | 1 | 1 | Not available | Not available | 2 | 1 | — | Not available | Not available | 1 |
| Number of non-guaranteed employees | Not applicable | Not applicable | Not available | Not available | Not applicable | — | — | Not available | Not available | — |

| | 50Hertz Transmission Germany | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | | | 2023 | | | | |
| | Male | Female | Other | Not disclosed | Total | Male | Female | Other | Not disclosed | Total |
| Total number of employees | 1,566 | 561 | — | — | 2,127 | 1,334 | 455 | — | — | 1,789 |
| Number of permanent employees | 1,530 | 527 | — | — | 2,057 | 1,293 | 429 | — | — | 1,722 |
| Number of temporary employees | 36 | 34 | — | — | 70 | 41 | 26 | — | — | 67 |
| Number of non-guaranteed employees | — | — | — | — | — | — | — | — | — | — |

| | Non-regulated segment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | | | 2023 | | | | |
| | Male | Female | Other | Not disclosed | Total | Male | Female | Other | Not disclosed | Total |
| Total number of employees | 50 | 24 | 1 | — | 75 | 49 | 18 | — | — | 67 |
| Number of permanent employees | 48 | 24 | 1 | — | 73 | 46 | 17 | — | — | 63 |
| Number of temporary employees | 2 | — | — | — | 2 | 3 | 1 | — | — | 4 |
| Number of non-guaranteed employees | — | — | — | — | — | — | — | — | — | — |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

Elia Group's various in-house HR systems handle the gender-related data of employees differently. For entities managed by the Belgian HR system, only male and female genders can be assigned to employees, as the law does not require other options to be provided. This implies that the data related to 'Other' and 'Not disclosed' will be marked as non-available for those entities and at Group level. For entities managed by the German HR system, a third option is available under the 'Other' label.

No non-guaranteed employees are working for the Elia Transmission Belgium entities in the scope of the reporting. All related data are thus marked as Not applicable for that category.

## Turnover rate

| | Elia Group | |
|---|---|---|
| | 2024 | 2023 |
| Number of leavers | 214 | 194 |
| Turnover rate | 5.7 % | 5.8 % |

| | Elia Transmission Belgium | |
|---|---|---|
| | 2024 | 2023 |
| Number of leavers | 109 | 88 |
| Turnover rate | 6.3 % | 5.5 % |

| | 50Hertz Transmission Germany | |
|---|---|---|
| | 2024 | 2023 |
| Number of leavers | 93 | 89 |
| Turnover rate | 4.7 % | 5.3 % |

| | Non-regulated segment | |
|---|---|---|
| | 2024 | 2023 |
| Number of leavers | 12 | 17 |
| Turnover rate | 16.6 % | 26.6 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology includes workers who have left any entity in the reporting scope without distinguishing if they were exiting the Group or transitioning to another entity within the Group. For intercompany ins and outs, each legal entity must categorise them as either inflows or outflows. The inaccuracy induced is considered negligible and immaterial.

Formula: Turnover rate (%) = (annual number of leavers) / ((number of employees beginning of year + number of employees end of year)/2) * 100

Where the annual number of leavers relate to all employees (defined as contractual headcount from 1 January to 31 December) leaving the company due to voluntary and involuntary reasons - resignation, end of temporary contract, dismissal, retirement or death - for 1 January to 31 December of the reporting year. Employees are counted as leavers on the first calendar day after the last day of their employment contract.

Where number of employees beginning of the year = contractual headcount on 1 January of the reporting year.

Where number of employees end of the year = contractual headcount on 31 December of the reporting year.

## Breakdown of type of employees per region

| | Elia Group | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Total number of employees | 1,860 | 2,160 | 4,020 | 1,656 | 1,817 | 3,473 |
| Number of permanent employees | 1,858 | 2,088 | 3,946 | 1,654 | 1,747 | 3,401 |
| Number of temporary employees | 2 | 72 | 74 | 2 | 70 | 72 |
| Number of non-guaranteed employees | — | — | — | — | — | — |

| | Elia Transmission Belgium | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Total number of employees | 1,818 | — | 1,818 | 1,617 | — | 1,617 |
| Number of permanent employees | 1,816 | — | 1,816 | 1,616 | — | 1,616 |
| Number of temporary employees | 2 | — | 2 | 1 | — | 1 |
| Number of non-guaranteed employees | Not applicable | Not applicable | Not applicable | — | — | — |

| | 50Hertz Transmission Germany | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Total number of employees | — | 2,127 | 2,127 | — | 1,789 | 1,789 |
| Number of permanent employees | — | 2,057 | 2,057 | — | 1,722 | 1,722 |
| Number of temporary employees | — | 70 | 70 | — | 67 | 67 |
| Number of non-guaranteed employees | — | — | — | — | — | — |

| | Non-regulated segment | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Total number of employees | 42 | 33 | 75 | 39 | 28 | 67 |
| Number of permanent employees | 42 | 31 | 73 | 38 | 25 | 63 |
| Number of temporary employees | — | 2 | 2 | 1 | 3 | 4 |
| Number of non-guaranteed employees | — | — | — | — | — | — |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

No non-guaranteed employees are working for the Elia Transmission Belgium entities in the scope of the reporting. All related data are thus marked as Not applicable for that category.

## Employee headcount by contract type, broken down by region

| | Elia Group | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Number of full-time employees | 1,665 | 2,012 | 3,677 | 1,481 | 1,686 | 3,167 |
| Number of part-time employees | 195 | 148 | 343 | 175 | 131 | 306 |

| | Elia Transmission Belgium | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Number of full-time employees | 1,627 | — | 1,627 | 1,447 | — | 1,447 |
| Number of part-time employees | 191 | — | 191 | 170 | — | 170 |

| | 50Hertz Transmission Germany | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Number of full-time employees | — | 1,982 | 1,982 | — | 1,661 | 1,661 |
| Number of part-time employees | — | 145 | 145 | — | 128 | 128 |

| | Non-regulated segment | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Belgium | Germany | Total | Belgium | Germany | Total |
| Number of full-time employees | 38 | 30 | 68 | 34 | 25 | 59 |
| Number of part-time employees | 4 | 3 | 7 | 5 | 3 | 8 |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

# S1-8 - Collective bargaining coverage and social dialogue

100% of Elia Transmission Belgium employees are covered by collective bargaining agreements and social dialogue as per applicable legislation. All workers of Elia Transmission Belgium SA/NV, Elia Assets SA/NV and Elia Group SA/NV work under the collective bargaining agreements decided in the comité paritaire/paritaire comité 326 related to the gas and electricity industry. All workers of Elia Engineering SA/NV and Elia Grid International SA/NV are working under the collective bargaining agreements decided in the comité paritaire/paritaire comité 200 related to employees.

At 50Hertz Transmission Germany, only senior managers and directors are covered by a specific regime for working conditions that are based on negotiation and rely on national guidelines. Other employees of the TSO activities are covered by collective bargaining agreements of the electrical trade (elektrohandwerk) sector and by social dialogue. Working conditions of the employees of the non-regulated entities are not defined by a collective bargaining agreement, but are aligned on those of the TSO activities.

| | Collective bargaining coverage | Social dialogue |
|---|---|---|
| **Coverage rate** | **Employees** | **Workplace representation** |
| 0 - 19% | | |
| 20 -39% | | |
| 40 -59% | | |
| 60 -79% | | |
| 80 -100% | Belgium, Germany | Belgium, Germany |

For more information on collective bargaining and social dialogue processes at Elia Transmission Belgium and 50Hertz Transmission Germany, including the representation of employees by a European Works Council, see section S1-2 Processes for engaging with own workforce and workers' representatives about impacts.

# S1-9 - Diversity metrics

## Gender distribution at top management level

| | | Elia Group | | | |
|---|---|---|---|---|---|
| | | 2024 | | 2023 | |
| | | Headcount | Percentage | Headcount | Percentage |
| Directors | Total | 13 | 100.0 % | 13 | 100.0 % |
| | Male | 10 | 76.9 % | 10 | 76.9 % |
| | Female | 3 | 23.1 % | 3 | 23.1 % |
| | Other | Not available | — % | Not available | — % |
| | Not disclosed | Not available | — % | Not available | — % |
| Senior managers | Total | 106 | 100.0 % | 101 | 100.0 % |
| | Male | 81 | 76.4 % | 79 | 78.2 % |
| | Female | 25 | 23.6 % | 22 | 21.8 % |
| | Other | Not available | — % | Not available | — % |
| | Not disclosed | Not available | — % | Not available | — % |
| Women in leadership positions | | 28 | 23.5 % | 25 | 21.9 % |

| | | Elia Transmission Belgium | | | |
|---|---|---|---|---|---|
| | | 2024 | | 2023 | |
| | | Headcount | Percentage | Headcount | Percentage |
| Directors | Total | 7 | 100.0 % | 7 | 100.0 % |
| | Male | 5 | 71.4 % | 5 | 71.4 % |
| | Female | 2 | 28.6 % | 2 | 28.6 % |
| | Other | Not available | — % | Not available | — % |
| | Not disclosed | Not available | — % | Not available | — % |
| Senior managers | Total | 38 | 100.0 % | 40 | 100.0 % |
| | Male | 29 | 76.3 % | 33 | 82.5 % |
| | Female | 9 | 23.7 % | 7 | 17.5 % |
| | Other | Not available | — % | Not available | — % |
| | Not disclosed | Not available | — % | Not available | — % |
| Women in leadership positions | | 11 | 24.4 % | 9 | 19.1 % |

| | | 50Hertz Transmission Germany | | | |
|---|---|---|---|---|---|
| | | 2024 | | 2023 | |
| | | Headcount | Percentage | Headcount | Percentage |
| Directors | Total | 4 | 100.0 % | 5 | 100.0 % |
| | Male | 3 | 75.0 % | 4 | 80.0 % |
| | Female | 1 | 25.0 % | 1 | 20.0 % |
| | Other | — | — % | — | — % |
| | Not disclosed | — | — % | — | — % |
| Senior managers | Total | 63 | 100.0 % | 57 | 100.0 % |
| | Male | 47 | 74.6 % | 42 | 73.7 % |
| | Female | 16 | 25.4 % | 15 | 26.3 % |
| | Other | — | — % | — | — % |
| | Not disclosed | — | — % | — | — % |
| Women in leadership positions | | 17 | 25.4 % | 16 | 25.8 % |

| | | Non-regulated segment | | | |
|---|---|---|---|---|---|
| | | 2024 | | 2023 | |
| | | Headcount | Percentage | Headcount | Percentage |
| Directors | Total | 4 | 100.0 % | 3 | 100.0 % |
| | Male | 3 | 75.0 % | 2 | 66.7 % |
| | Female | 1 | 25.0 % | 1 | 33.3 % |
| | Other | — | — % | — | — % |
| | Not disclosed | — | — % | — | — % |
| Senior managers | Total | 5 | 100.0 % | 4 | 100.0 % |
| | Male | 5 | 100.0 % | 4 | 100.0 % |
| | Female | — | — % | — | — % |
| | Other | — | — % | — | — % |
| | Not disclosed | — | — % | — | — % |
| Women in leadership positions | | 1 | 11.1 % | 1 | 14.3 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

At Elia Group, the top management layer, acting one level below the administrative and supervisory bodies of the entities, comprises the Directors designated by the Board. The management layer active two levels below the administrative and supervisory bodies comprises the Senior Managers. Michael Roeder von Diersburg is reported in this category as he holds a Senior Manager position at 50Hertz Transmission Germany. He is also an invited Member of the Executive Committee of 50Hertz Transmission Germany.

For consolidation at Elia Group, numbers and percentages for directors were manually adjusted to avoid double counting due to dual contracts at the Group and local level.

Elia Group's various in-house HR systems handle the gender-related data of employees differently. For entities managed by the Belgian HR system, only male and female genders can be assigned to employees, as the law does not require that other options be provided. This implies that the data related to 'Other' and 'Not disclosed' will be marked as non-available for those entities. For entities managed by the German HR system, a third option is available under the 'Diverse' label.

## Age distribution amongst employees

| | Elia Group | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Headcount | Percentage | Headcount | Percentage |
| <30 | 554 | 13.8 % | 393 | 11.3 % |
| 30-50 | 2,613 | 65.0 % | 2,245 | 64.6 % |
| >50 | 853 | 21.2 % | 835 | 24.0 % |

| | Elia Transmission Belgium | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Headcount | Percentage | Headcount | Percentage |
| <30 | 286 | 15.7 % | 195 | 12.1 % |
| 30-50 | 1,104 | 60.7 % | 1,003 | 62.0 % |
| >50 | 428 | 23.5 % | 419 | 25.9 % |

| | 50Hertz Transmission Germany | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Headcount | Percentage | Headcount | Percentage |
| <30 | 258 | 12.1 % | 187 | 10.5 % |
| 30-50 | 1,457 | 68.5 % | 1,196 | 66.9 % |
| >50 | 412 | 19.4 % | 406 | 22.7 % |

| | Non-regulated segment | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Headcount | Percentage | Headcount | Percentage |
| <30 | 10 | 13.3 % | 11 | 16.4 % |
| 30-50 | 52 | 69.3 % | 46 | 68.7 % |
| >50 | 13 | 17.3 % | 10 | 14.9 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

**Definition and calculation method:**

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

## S1-10 - Adequate wages

All employees of Elia Transmission Belgium, 50Hertz Transmission Germany and of the Non-regulated segment are paid an adequate wage for their work, in line with national and sectoral benchmarks. The national benchmark considers the level of minimum wage guaranteed at country level and the sectoral benchmarks relate to the minimum wage level set by collective bargaining agreements for each sector of operation.

## S1-14 - Health and safety metrics

| | Elia Transmission Belgium | | 50Hertz Transmission Germany | | Non-regulated segment | | Elia Group | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Employees** | | | | | | | | |
| **Health and safety management system** | | | | | | | | |
| Percentage of employees covered by health and safety management system | 100 % | 100 % | 100 % | 100 % | 93.6 % | Not available | 99.9 % | 100 % |
| **Fatalities** | | | | | | | | |
| Total number of fatalities | — | — | — | — | — | Not available | — | — |
| Fatalities from work-related injuries | — | — | — | — | — | Not available | — | — |
| Fatalities from work-related ill-health | — | — | Not available for legal reasons | Not available for legal reasons | — | Not available | Not available for legal reasons | Not available for legal reasons |
| **Total recordable injury rate (TRIR)** | | | | | | | | |
| Number of recordable work-related injury (TRI) | 11 | 9 | 6 | 2 | — | Not available | 17 | 11 |
| Rate of recordable work-related injury (TRIR) | 4.28 | 3.85 | 2.01 | 0.79 | — | Not available | 3.06 | 2.26 |
| **Ill-health** | | | | | | | | |

| | Elia Transmission Belgium | | 50Hertz Transmission Germany | | Non-regulated segment | | Elia Group | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Number of cases of recordable work-related ill-health | — | — | Not available for legal reasons | Not available for legal reasons | — | Not available | Not available for legal reasons | Not available for legal reasons |
| **Days lost** | | | | | | | | |
| Total number of days lost | 13 | 98 | 67 | 11 | — | Not available | 80 | 109 |
| Number of days lost from work-related accidents | 13 | 98 | 67 | 11 | — | Not available | 80 | 109 |
| Number of days lost from work-related ill health | — | — | Not available for legal reasons | Not available for legal reasons | — | Not available | Not available for legal reasons | Not available for legal reasons |
| **Non-employees** | | | | | | | | |
| **Total recordable injury rate (TRIR)** | | | | | | | | |
| Number of recordable work-related injury (TRI) | 2 | 1 | Not available | Not available | Not available | Not available | Not available | Not available |
| Rate of recordable work-related injury (TRIR) | 1.13 | 0.76 | Not available | Not available | Not available | Not available | Not available | Not available |
| **Contractors** | | | | | | | | |
| **Fatalities** | | | | | | | | |
| Total number of fatalities | — | — | — | — | Not applicable | Not applicable | — | — |
| Fatalities from work-related injuries | — | — | — | — | Not applicable | Not applicable | — | — |
| Fatalities from work-related ill-health | — | — | Not available for legal reasons | Not available for legal reasons | Not applicable | Not applicable | Not available for legal reasons | Not available for legal reasons |
| **Total recordable injury rate (TRIR)** | | | | | | | | |
| Number of recordable work-related injury (TRI) | 56 | 32 | 37 | Not available | Not applicable | Not applicable | 93 | 32 |
| Rate of recordable work-related injury (TRIR) | 16.60 | 11.16 | 5.87 | Not available | Not applicable | Not applicable | 9.61 | 11.16 |

The consolidation of the Total Recordable Injury Rate (TRIR) at Group level includes only Elia Group SA/NV, Elia Transmission Belgium and 50Hertz Transmission Germany in order to remain in line with the methodology used to set the related targets presented in section S1-5 Targets related to own workforce. Similarly, it should be noted that data for Elia Group SA/NV is consolidated into the Elia Transmission Belgium segment to remain aligned on internal business reporting and methodology used to set targets related to health and safety. For other entities, see section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

In Germany, no distinction is made in the system between work-related illness and non-work-related illnesses for confidentiality reasons (as per legal requirements). All information related to those datapoints has thus been marked as 'not-available for legal reasons' in the table.

TRIR = number of recordable injuries*1,000,000/number of hours worked.

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

## S1-16 - Remuneration metrics (pay gap and total remuneration)

### Gender pay gap

| | Elia Group | |
|---|---|---|
| | 2024 | 2023 |
| Gender pay gap | 1.2 % | 3.0 % |

| | Elia Transmission Belgium | |
|---|---|---|
| | 2024 | 2023 |
| Gender pay gap | (1.1)% | 0.2 % |

| | 50Hertz Transmission Germany | |
|---|---|---|
| | 2024 | 2023 |
| Gender pay gap | 3.3 % | 5.1 % |

| | Non-regulated segment | |
|---|---|---|
| | 2024 | 2023 |
| Gender pay gap | 23.0 % | 11.6 % |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The gender pay gap is reported for all active employees, including directors. This means that employees on long-term sick leave or full-time suspension are not included as they are not active on the payroll systems. Due to an initially narrower interpretation of pay, the remuneration components considered for this datapoint are made up of the gross base salary of employees. We will work in the coming reporting year to include all the elements and fully align on the methodology.

Formula: Gender pay gap = ((Average gross hourly pay level of male employees – average gross hourly pay level of female employees)/ Average gross hourly pay level of male employees)*100

## Annual total remuneration ratio

| | Elia Group |
|---|---|
| | 2024 |
| Annual total remuneration ratio | 13.8 |

| | Elia Transmission Belgium |
|---|---|
| | 2024 |
| Annual total remuneration ratio | 8.4 |

| | 50Hertz Transmission Germany |
|---|---|
| | 2024 |
| Annual total remuneration ratio | 11.4 |

| | Non-regulated segment |
|---|---|
| | 2024 |
| Annual total remuneration ratio | 6.1 |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

### Definition and calculation method:

The annual total remuneration ratio is defined as the ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).

To allow a fair comparison in remuneration, the population taken into account for this datapoint are all employees active on the first through the last day of the reporting period. This means that leavers, new joiners and workers who had at least one day of a full-time suspension within the reporting period are excluded. Remuneration data for part-time employees has not been extrapolated to full-time equivalent, leading to a higher ratio.

Remuneration components taken into account for the ratio include core salary, fixed premiums, benefits in kind and performance-based bonuses.

# S1-17 - Incidents, complaints and severe human rights impacts

This section aims to allow an understanding of the extent to which work-related incidents and severe cases of human rights impacts are affecting our workforce.

| | Elia Transmission Belgium | | | 50Hertz Transmission Germany | | | Non-regulated segment | | | Elia Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | | | | |
| Number of discrimination incidents | Total | | Breakdown | Total | | Breakdown | Total | | Breakdown | Total | | Breakdown |
| | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of complaints filed through channels for own workforce to raise concerns | 1 | 0 | 1 | 6 | 1 | 5 | 0 | 0 | 0 | 7 | 1 | 6 |

| | Elia Transmission Belgium | 50Hertz Transmission Germany | Non-regulated segment | Elia Group |
|---|---|---|---|---|
| **2024** | | | | |
| Total amount of fines, penalties and compensation for damages of discrimination incidents | €0.0 | €0.0 | €0.0 | €0.0 |

| | Elia Transmission Belgium | 50Hertz Transmission Germany | Non-regulated segment | Elia Group |
|---|---|---|---|---|
| **2024** | | | | |
| Number of severe human rights incidents | 0 | 0 | 0 | 0 |
| **Breach breakdown** | | | | |
| UN Guiding Principles on Business and Human Rights | 0 | 0 | 0 | 0 |
| ILO Declaration on Fundamental Principles and Rights at Work | 0 | 0 | 0 | 0 |
| OECD Guidelines for Multinational Enterprises | 0 | 0 | 0 | 0 |

| | Elia Transmission Belgium | 50Hertz Transmission Germany | Non-regulated segment | Elia Group |
|---|---|---|---|---|
| | 2024 | | | |
| Total amount of fines, penalties and compensation for damages of severe human rights incidents | €0.0 | €0.0 | €0.0 | €0.0 |

See section BP 1 - General basis for preparation of the sustainability statements for a detailed description of the sustainability reporting segments.

# 3.2. ESRS S2 Workers in the value chain

**Our capacity to ensure safe and fair working conditions throughout our upstream value chain is critical for executing the business operations and realisation of the infrastructure projects as support in the delivery of the energy transition.**

## ESRS2 SBM3 S2 - Material impacts, risks and opportunities and their interaction with strategy and business model

In line with the ESRS nomenclature, there are two groups of value chain workers at Elia Group:

(i) workers in the value chain directly involved in Elia Group's sites - but who are not part of its own workforce - especially related to Infrastructure Design and Construction, and Grid Operations and Maintenance (contractors);

(ii) workers in the value chain working for entities in the upstream value chain of Elia Group (Upstream workers).

### Negative material impact

The contractors involved in Infrastructure Design and Construction, and Grid Operations and Maintenance are operating in an industrial environment carrying inherent health and safety risks, which are not systemic, but rather pertain to individual incidents.

### Positive material impact

The safety culture that Elia Group promotes also extends to workers in the value chain. All suppliers must sign a Supplier Code of Conduct requiring adherence to international standards in ethical conduct and health and safety. They are also encouraged to obtain an EcoVadis rating.

### Risks, opportunities and dependencies for workers in the value chain

Elia Group does not have a significant risk of forced labour or compulsory labour or child labour among workers in the value chain in any geography or commodities it purchases.

Dependencies from negative impacts in the area of health and safety relate more specifically to value chain workers involved in Infrastructure Design and Construction, and Grid Operations and Maintenance.

The processes described in section S2-2 Processes for engaging with value chain workers about impacts and the actions presented in section S2-4 Taking action on material impacts, risks and opportunities related to value chain workers also aim to understand how value chain workers with particular characteristics, a particular context or active in particular activities may be at a greater risk of harm.

Material risks identified pertain to Elia Group's TSO activities, and not to a specific group of value chain workers.

## S2-1 - Policies related to value chain workers

Unless specified otherwise, the policies described in this section cover contractors (see ESRS nomenclature in section ESRS 2 SBM-3 above) carrying out duties on the sites of Elia Transmission Belgium or 50Hertz Transmission Germany.

The health and safety policies in place for Elia Group's own workforce equally apply to contractors. For more information, refer to section S1-1 Policies related to own workforce.

For workers in the value chain, Elia Group has developed and applies the following policies[89]:

[89] The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in this column information about:
— frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised reference was used;
— certifications offered by an independent external entity.
This list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Supplier Code of Conduct** | – Elia Transmission Belgium and 50Hertz Transmission Germany implement a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct and health and safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions.<br><br>Subtopic: Working conditions in the supply chain | This Code sets out guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects. | Risk analysis by Procurement department and process compliance monitoring by Internal audit<br>See also section S2-3 Process to remediate negative impacts and channels for value chain workers to raise concerns | Upstream and own operations, Elia Transmission Belgium | Chief Procurement Officer | – Ten principles of the United Nations Global Compact;<br>– United Kingdom Bribery Act;<br>– United Nations Convention against Corruption;<br>– OECD principles against corruption and bribery;<br>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;<br>– ILO convention for the prohibition of child and forced labour |
| | | | | Upstream and own operations, 50Hertz Transmission Germany | Chief Procurement Officer | – Ten principles of the United Nations Global Compact;<br>– United Kingdom Bribery Act;<br>– United Nations Convention against Corruption;<br>– OECD principles against corruption and bribery;<br>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;<br>– ILO convention for the prohibition of child and forced labour |
| **General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium** | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety | These regulations describe Elia Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work on behalf of Elia Transmission Belgium or its subsidiaries. | Operational monitoring;<br>See also section S2-5 Targets related to value chain workers | Upstream and own operations, Elia Transmission Belgium | Head of Health, Safety & Security | – Applicable social and environmental regulations;<br>– United Nations' Sustainable Development Goals; |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany** | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety | These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz Transmission Germany | Operational monitoring; See also section S2-5 Targets related to value chain workers | Upstream and own operations, 50Hertz Transmission Germany | Head of Corporate Governance | – Applicable laws on labour, working conditions and safety. |
| **General Purchasing Conditions** | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety | The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards. | Operational monitoring; See also section S2-5 Targets related to value chain workers | Upstream and own operations, Group | Chief Procurement Officer | Applicable regulations |

## Policies for ethical behaviour and human rights

### Code of Ethics

Elia Group's contractors fall within the scope of the company's Code of Ethics. The Code of Ethics outlines our commitment to integrity, compliance, diversity and inclusion, including human rights and appropriate handling of information. It enshrines safety and wellbeing as a top priority amongst our guiding principles for all stakeholders, including contractors. More information on Elia Group's Code of Ethics can be found in section G1-1 Corporate culture and business conduct policies.

### Human Rights Policy

Elia Group's Human Rights Policy also promotes the importance of protecting human rights in our relationships with suppliers and other stakeholders. The Policy identifies health and safety as a priority area of our human rights commitment. More information on Elia Group Human Rights Policy can be found in section G1-1 - Corporate culture and business conduct policies.

### Supplier Code of Conduct

To achieve these commitments in our value chain and integrate their monitoring within our business processes, we anchored these human rights and corporate sustainability principles in our Supplier Code of Conduct. Elia Transmission Belgium and 50Hertz Transmission Germany require their suppliers to behave lawfully and ethically with a view to protecting human rights and labour rights. More information on the Supplier Code of Conduct can be found in section G1-2 - Management of relationships with suppliers.

## Policies for health and safety

### General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium

At Elia Transmission Belgium, the safety requirements of the Supplier Code of Conduct are reflected in the local operations of contractors via the General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium. This document describes Elia Transmission Belgium's safety, health and environmental

rules, which apply to any contractor carrying out work for Elia Transmission Belgium or in Elia Transmission Belgium infrastructure. More information on this policy can be found in section G1-1 - Corporate culture and business conduct policies.

### Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany

Similarly, at 50Hertz Transmission Germany, the safety requirements of the Supplier Code of Conduct are reflected in the local operations of contractors via the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany. More information on this policy can be found in section G1-1 - Corporate culture and business conduct policies.

### General Purchasing Conditions

The health and safety requirements of the Supplier Code of Conduct of Elia Transmission Belgium and of 50Hertz Transmission Germany are also mirrored in the General Purchasing Conditions established at Group level for contracting with suppliers. These define the contractual relationship between suppliers and a Group TSO entity. More information on the Purchasing Conditions of Elia Group can be found in section G1-2 - Management of relationships with suppliers.

More information on Elia Group's general approach to engagement with value chain workers can be found in section S2-2 Processes for engaging with value chain workers about impacts. More information on measures to provide and/or enable remedy for human rights impacts can be found in section S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns.

In reporting year 2024, Elia Group reported no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises involving suppliers. At 50Hertz Transmission Germany, a project is ongoing to reach compliance with the German Supply Chain Due Diligence Act (LkSG). Methodology and best practices will be applied at Elia Transmission Belgium to further develop its supply chain due diligence practices.

# S2-2 - Processes for engaging with value chain workers about impacts

## Health and safety at Elia Transmission Belgium

Elia Transmission Belgium engages with contractors about health and safety through various means.

For each project, weekly meetings are held with the health and safety coordinator as required by law. The coordinator gives feedback and recommendations of actions to be taken by the contractor to improve health and safety conditions. The coordinator is an external party with a high level of expertise in health and safety. Coordinators regularly report to Elia Transmission Belgium on the health and safety situation of projects, which feeds into the general company approach and management of contractors' health and safety. Elia Transmission Belgium's health and safety department intervenes when undesirable health and safety events, such as a work-related accident or near-miss take place on projects, or when unsafe or high-risk behaviour is observed repeatedly. The team dialogues with contractors to coach them and creates an action plan to improve the health and safety situation and mitigate risks. Elia Transmission Belgium also collects feedback on-site during its operational dialogue with teams (through the 360° and Morning Star processes), which are held every day. During the weekly meetings for projects, contractors can also give feedback to Elia Transmission Belgium's representatives. Contractors can also raise their concerns in the company's health and safety system (SMASH), via the Project Leader or Project Manager. The most senior position responsible for ensuring this interaction takes place is the Chief Assets Officer.

This year, Elia Transmission Belgium launched a new initiative to collect more feedback from contractors on the health and safety topic. The company organised a Contractors Safety Day to bring contractors together and have them reflect on health and safety issues, share best practices, discuss processes, assess the effectiveness of current processes, etc.

Elia Transmission Belgium also shares general information on health and safety with contractors through quarterly newsletters. These contain general health and safety news, policy changes, statistics, announcements, health and safety stories for general awareness and so on.

## Health and safety at 50Hertz Transmission Germany

At 50Hertz Transmission Germany, quality inspections take place on-site and include health and safety aspects. To conduct these inspections, examiners of 50Hertz Transmission Germany use a criteria catalogue specially adapted to the respective trades. As part of this, health and safety aspects of the construction site and of the suppliers' work are checked.

There are also site meetings every week where the project leader discusses health and safety with the working teams, including contractors. Coordinators from the health and safety team of 50Hertz Transmission Germany occasionally attend these meetings. The company has also set up a specific tool for management of related audits. In addition, the procurement department conducts an annual supplier meeting with the involvement of the health and safety departments. At this meeting, accidents and incidents are discussed and, if necessary, further measures are defined.

Due to the increasing number of projects in civil engineering, building construction, overhead line construction, electrical engineering and cable technology, a higher number of contractors is required. A prequalification procedure using an audit checklist is being carried out together with the purchasing department to check the performance against 50Hertz Transmission Germany's requirements, including occupational health and safety. This is intended to ensure a uniformly high standard in health and safety as well as environment and quality criteria on all construction sites. The second step consists of evaluating the tender documents by those responsible for health and safety before the external companies are appointed. This requires close cooperation and coordination between the health and safety team and the procurement team. At 50Hertz Transmission Germany, the most senior position responsible for ensuring that dialogue and continuous improvement on health and safety take place is the Head of Corporate Governance.

### Sustainable procurement

Strategic suppliers are also surveyed by an external service provider (EcoVadis) on sustainability aspects, including human rights due diligence, and the result is expressed in an overall score: the EcoVadis rating. In new framework agreements, all suppliers are required to undergo an annual EcoVadis rating during the term of the contract, which is then reviewed by the purchasing department. The long-term goal is to include all strategic suppliers in a uniform ESG rating such as EcoVadis.

## S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

### Breaches of integrity

Value chain workers have the opportunity to express their concerns regarding any negative material impact or any alleged breach of the Group's Code of Ethics or Human Rights Policy and/or applicable laws and regulations without fear of reprisal and/or unfair treatment. They can use EthicsAlert, an external system for reporting possible breaches of integrity. EthicsAlert is compliant with the EU Whistleblowing Directive. Value chain workers can raise their concerns anonymously via this platform. The platform is available to all stakeholders on the company website. Elia Transmission Belgium communicates this channel for raising concerns to its suppliers via the contractors' health and safety newsletter. More information on the Whistleblowing framework of Elia Group can be found in section G1-1 - Corporate culture and business conduct policies.

Alongside the electronic EthicsAlert whistleblowing system, workers in the value chain of 50Hertz Transmission Germany can also reach out to an external and independent ombudsman to raise their concerns. Contact information is available to all stakeholders on the company website.

### Health and safety topics

Elia Group's Supplier Code of Conduct sets out the general principles for contractors regarding health and safety impacts (see section S2-1 - Policies related to value chain workers for more details). Sanctions can be imposed in instances where violations to health and safety rules are found to have occurred. Measures and action plans designed to prevent such risks are then implemented, primarily through discussions with the partners involved. More information on actions taken to mitigate health and safety risks for contractors can be found in section S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers. Contractors of Elia Transmission Belgium and of 50Hertz Transmission Germany can also report incidents to the companies. There are clear processes in place when accidents at work occur. At 50Hertz Transmission Germany, every accident triggers a reactive process in which the responsible project leader, procurement, occupational safety and quality departments of 50Hertz Transmission Germany on the one hand and representatives of the contractor on the other hand participate. Within the process, measures are developed together with the contractor and made available to the external companies, for example in the form of plant-specific safety instructions. Similarly at Elia Transmission Belgium, incidents are treated and taken into account to draw measures and ensure that further risks are mitigated.

## S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers

| Actions | Related policy objective or target | Scope | Time-horizons |
|---|---|---|---|
| Operational monitoring | See health and safety target in section S2-5 Targets related to value chain workers | Own operations and upstream, Elia Transmission Belgium | / (recurring action) |
| Safety Culture Ladder | See health and safety target in section S2-5 Targets related to value chain workers | Own operations and upstream, Elia Transmission Belgium | / (recurring action) |
| Safety with Contractors | See health and safety target in section S2-5 Targets related to value chain workers | Own operations and upstream, Group | / (recurring action) |
| "gib8" awareness campaign | See health and safety target in section S2-5 Targets related to value chain workers | Own operations and upstream, 50Hertz Transmission Germany | / (recurring action) |
| Occupational safety dialogues | See health and safety target in section S2-5 Targets related to value chain workers | Own operations and upstream, 50Hertz Transmission Germany | / (recurring action) |
| ISO 45001 certification | See health and safety target in section S2-5 Targets related to value chain workers | Own operations, 50Hertz Transmission Germany | / (recurring action) |

### Health and safety

At Elia Transmission Belgium, a dedicated Contractor Safety team is responsible for supporting, inspiring and improving the safety performance of external contractors. To this end, the team works closely with the internal contracting authorities and the purchasing department, both through operational monitoring and through a number of structured strategic programmes.

The operational monitoring of the health and safety of contractors consists of regular visits throughout the year during which we coach and exchange with contractors in order to improve their safety performance. The company also ensures follow-up with the contractors and the internal stakeholders on all reported 'undesirable events' such as

dangerous situations, near-misses, first aid, workplace accidents or breaches of our health and safety rules. Operational monitoring also involves regular communication and exchanges with contractors to share accidents and the preventive measures taken.

Elia Transmission Belgium also implements the Safety Culture Ladder mindset in its operations to promote and ensure the health and safety of its contractors. The Safety Culture Ladder is an assessment method for measuring companies' health and safety awareness, with the aim of reducing the number of risk situations. It ensures that health and safety is deeply ingrained in the company's culture and that workers consider their own safety at work and that of all their colleagues, contractors, suppliers and visitors as their own responsibility. Elia Transmission Belgium holds a Level 3 Safety Culture Ladder certification and promotes this framework when interacting with its suppliers.

The S4C (Safety For Contractors) project was launched several years ago at Elia Transmission Belgium. The aim of this safety project is to achieve zero accidents with all contractors of the company, so that everyone can return home safe and sound every day. In the scope of this project, many health and safety initiatives, tools and best practices were put in place in our operations with contractors. In 2022, the Safety with Contractors project was launched at Group level. Elia Transmission Belgium and 50Hertz Transmission Germany are working together in connection with S4C via this project. The main objective of this project is to align the safety vision and strategy for the health and safety management of contractors. As part of this project, Elia Transmission Belgium launched this year an initiative to increase communication and the sharing of best health and safety practices between different suppliers working on the same project. Based on the observation that the causes of undesirable health and safety events are often similar or even identical among suppliers working on the same project, Elia Transmission Belgium has established a new level of contractors' governance associated with common health and safety objectives for a test project.

At 50Hertz Transmission Germany, the health and safety team takes actions to promote and protect the health and safety of workers, including contractors. The gib8 awareness campaign was launched in 2018 and illustrates that occupational safety is a corporate value. Since 2022, the new support structure Simo (safety moment) has been guiding workers through the campaign topics. The content of the campaigns is shared and communicated with the contractors of 50Hertz Transmission Germany.

Every year, 50Hertz Transmission Germany holds occupational safety dialogues with occupational safety specialists from the construction, overhead line and electrical installation sectors. At these events, common occupational safety topics are discussed in an open atmosphere, critically debated and possible solutions exchanged. At 50 Hertz Transmission Germany, contractors have an obligation to provide information and training related to safety, health and environment with the goal of managing any related risks. 50Hertz Transmission Germany has been awarding the HSEQ prize to its best contractors since 2022. They are assessed on the basis of health, safety, environmental and quality criteria, e.g. based on the results of inspections and accident statistics. This enables the company to value contractors who implement projects effectively and safely.

50Hertz Transmission Germany also holds a certification in the area of operation, maintenance, planning and expansion of the transmission grid at its sites, stating that it has introduced and maintains an occupational health and safety management system in accordance with ISO 45001:2018. The processes covered by this certification also aim to mitigate the health and safety impacts of workers in the value chain working on the sites of 50Hertz Transmission Germany. The principle of constant improvement (continuous improvement process) includes annual monitoring audits and recertification by an accredited external company every three years.

### Related resources

In the course of 2024, we initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

## S2-5 -Targets related to value chain workers

One of the key metrics of the industry when reporting on the impact of operations on the health and safety of workers is the Total Recordable Injury Rate (TRIR).

The TRIR serves as a compass to monitor the evolution of the effectiveness of health and safety policies, processes and actions taken to protect own workers and contractors.

Elia Group has set a target to decrease the TRIR of its contractors, i.e. workers working on the sites of Elia Transmission Belgium or 50Hertz Transmission Germany who are not part of their own workforce. The TRIR target is defined internally together by management and the health and safety teams in contact with workers and operations, as per the processes described in sections S2-2 Processes for engaging with value chain workers about impacts and S2-4 Taking action on material impacts, risks and opportunities related to value chain workers. Performance in respect of this target is measured annually based on data collected from contractors. Contractors are not involved in setting nor steering against the TRIR target.

Through the processes described in section S2-2 Processes for engaging with value chain workers about impacts and actions described in section S2-4 Taking action on material impacts, risks and opportunities related to value chain workers, Elia Transmission Belgium and 50Hertz Transmission Germany work with them to identify where improvement can be done to lower the TRIR contractors.

| Target name | Scope | Value chain coverage | Related policy | Actuals 2024 | Unit of measure | Baseline value 2023 | Interim target for 2024 | Target value 2030 | Achieved performance |
|---|---|---|---|---|---|---|---|---|---|
| **TRIR contractors** | Elia Group* | Upstream | – Supplier Codes of Conduct;<br>– General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium;<br>– Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany. | 9.61 | / | 11.16 | 15.50 | 12.50 | Overall decreasing trend in TRIR continues |

### Definitions and calculation method:

TRIR = number of recordable injuries*1,000,000/number of hours worked.

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion. For contractors, the worked hours are estimated starting from actual invoices and based on an allocation key for labour cost in function of material groups and a monthly indexed hourly rate (for FY2024: €64.16/hour).

*Scope = The consolidation of segment Elia Transmission Belgium, segment 50Hertz Transmission Germany and Elia Group SA/NV

# 3.3. ESRS S3 Affected communities

## ESRS2 SBM3 S3 - Material impacts, risks and opportunities and their interaction with strategy and business model

For Elia Group's electricity transmission activities, 'affected communities' are communities living and working around Elia Group's operating sites and facilities. More specifically, we distinguish four different types of affected communities:

- Local residents: individuals living near infrastructure projects who may be impacted by construction or operational activities.
- Agricultural and forestry community: farmers and landowners whose lands and activities may be affected by infrastructure development.
- Businesses: companies operating in the vicinity of infrastructure projects that may experience effects on their operations, such as changes in accessibility or temporary disruptions during construction.
- Local communities: municipalities near infrastructure projects that may be impacted by construction or operational activities.

Based on our analysis of the different groups of the affected communities, there is no group with particular characteristics which is at greater risk of harm.

### Positive material impact

By making sustainable energy attractive for the settlement of future-oriented industries on the one hand and contracting our infrastructure measures regionally on the other, we stimulate economic growth in communities in rural, urban and industrial areas.

In addition, the two TSOs of Elia Group establish proactive means to engage with their affected communities to ensure their voices and opinions are heard.

### Negative material impact

Elia Group's infrastructure footprint is widespread throughout Belgium and North-East Germany. Due to the energy transition, more grid infrastructure will be built. This will necessarily impact more communities, even though expansion always favours the usage of existing infrastructure routes, such as train tracks and highways.

After construction is completed, some negative impacts may persist. As Elia Group's grid infrastructure crosses inhabited areas, its physical footprint can have various local impacts, including those related to land use, noise, visual intrusion and potential health concerns.

In addition, noise can be caused by transformers in high-voltage substations, high-voltage lines, pylons and other equipment. Underground lines do not cause any noise.

We are committed to mitigating these impacts and working closely with affected communities to address any ongoing issues.

### Risks, opportunities and dependencies related to affected communities

The rollout of new (critical) electricity infrastructure is highly dependent on support from the various groups in the affected communities, especially in the permitting phase. Timely permit approval is an important challenge for the implementation of project.

We are convinced that early involvement of stakeholders impacted by our infrastructure projects is vital for the success of both the energy transition and the important projects needed to make it happen.

No material risks or opportunities linked to a specific group of affected communities were identified.

# S3-1 - Policies related to affected communities

For matters related to affected communities, Elia Group has developed and applies the following policies:[90]

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Engagement Policy** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts<br><br>– Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression<br><br>– Stakeholder engagement: the two TSOs of Elia Group engage in an ongoing dialogue with communities to ensure that projects are accepted and that their voice is taken into consideration.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression | Integrated communication and dialogue method with the aim of reaching mutual understanding and limiting the potential impact of new infrastructure projects by engaging in transparent, clear and constructive dialogue with our stakeholders | Multiple indicators are in place (e.g. the number of public information sessions, publications, questions and answers provided, etc.). | Own operations, Elia Transmission Belgium | Head of Community Relations | Applicable regulation regarding public participation |
| | | | | Own operations, 50Hertz Transmission Germany | Head of Nature Conservation and Permits | Applicable regulation regarding regional planning |
| **Compensation Policy** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts<br><br>– Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression | Policy with the aim of compensating affected communities (land and property owners, farmers, other businesses and communities/municipalities) for negative impact resulting from new infrastructure projects | Category and cost reporting is in place. | Own operations, Elia Transmission Belgium | Head of Community Relations | Electricity Supply Act 1925, Reporting obligation to CREG according to tariff methodology |
| | | | | Own operations, 50Hertz Transmission Germany | Head of Nature Conservation and Permits | Bundeskompensations-verordnung (Federal Compensation Regulation) |

[90] The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in this column information about:
- frameworks, legislation and regulations that form the foundation of the respective policy and that guarantee that a recognised benchmark was used;
- certifications offered by an independent external entity.
This list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Protocol - Farms** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts<br><br>– Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression | Protocol with the aim of applying best practices when carrying out works in farming areas | Category and cost reporting is in place. Regular meetings (round tables) are organised with farming associations to monitor the implementation of the agreement, to discuss new or existing issues (e.g. changes in working methods). | Own operations, Elia Transmission Belgium | Head of Community Relations | / |
| **Protocol - Business** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts<br><br>– Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression | Protocol with the aim of applying best practices when carrying out works close to business areas | Category and cost reporting is in place. This protocol is being discussed and drafted in 2024/2025 with business associations. Monitoring will be decided in due time. | Own operations, Elia Transmission Belgium | Head of Community Relations | / |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Grid Development Strategies: overhead lines versus underground cables** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts<br><br>– Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.<br><br>Subtopic: Communities' civil and political rights - Freedom of expression | Have a clear and coherent strategy to opt for an overhead line or an underground cable taking technical needs into account as well as the possible impacts on the surrounding area. | Choices and coherence with grid development strategies are monitored by the IPC (Infrastructure Portfolio Committee) when validating project scopes (in the presence of the Head of Community Relations) | Own operations, Elia Transmission Belgium | Head of Grid Development | Applicable regulation in Wallonia regarding the regional development plan |
| **EMF Protocol** | – Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns).<br><br>Subtopic: Land-related impacts | Agree on the way public health recommendations regarding EMF exposure must be applied in projects | Controlled by the Flemish authority in each project. | Own operations, Elia Transmission Belgium, Flanders (no detailed protocol in Wallonia) | Head of Community Relations + Head of Environment | / |

Infrastructure projects, including the construction of overhead lines, underground cables and substations, require careful planning. The planning and construction of extra-high-voltage grid projects are subject to strict legal requirements, which vary depending on the country (or region) in which the project is being realised.

## EMF and noise regulation

In Belgium and Germany, federal or regional legislation defines the recommended values for electric and magnetic fields. 50Hertz Transmission Germany complies with these limits, takes the concerns of stakeholders seriously and carries out on-site measurements.

Elia Transmission Belgium signed a covenant with the Flemish government with a view to agreeing on how public health recommendations on EMF exposure must be applied in projects. Although no direct causal link can be established between exposure to such fields (via electricity transmission infrastructure) and human health, Elia Transmission Belgium considers each grid project carefully and supports scientific studies that improve understanding in this area. Elia Transmission Belgium communicates transparently on EMFs through different channels: a dedicated website, information leaflets, a brochure, newsletters and, pursuant to requests from local residents, it carries out free measurements of EMFs via its Contact Centre.

Regarding noise pollution, regulations apply to both TSOs (no noise pollution). The main source of noise pollution across the grid is associated with transformers. If necessary, soundproofing measures, such as soundproof walls, are provided during the design phase of the project so that our (new and existing) infrastructure meets the noise standards outlined in environmental regulations.

Elia Transmission Belgium and 50Hertz Transmission Germany are committed to going above and beyond the requirements (EMF, noise, etc.) to achieve a result that is acceptable to all parties.

## Maximum use of existing infrastructure

Elia Group's two TSOs follow a hierarchical approach that is transparent, systematic and non-discriminatory. We prioritise scenarios for our projects that reduce the impact on affected communities, landscapes and the environment as much as possible. More specifically, this means that new infrastructure is built only after all other options for increasing grid capacity have been exhausted. In this case, we always aim to use existing corridors by expanding the grid or building the new grid in the same place as the old one. Where the construction of new infrastructure is necessary, both TSOs seek, as soon as possible, to limit the potential impact by engaging proactively in transparent, clear and constructive dialogue with our stakeholders.

## Dialogue with stakeholders

Elia Group's two TSOs have developed an integrated communication and dialogue method that systematically incorporates stakeholder and communication measures into the grid development and construction process at an early stage to realise the best project with the interests of society in mind. While some impact remain unmitigated, mutual understanding (based on dialogue) is key.

Throughout the project life cycle, stakeholders' inputs are systematically integrated into the project planning process, thereby guiding Elia Transmission Belgium and 50Hertz Transmission Germany's strategic and operational decisions. Collaboration with stakeholders is fully integrated throughout the project. The aim is to achieve the highest possible level of mutual understanding in every phase of the project.

At Elia Transmission Belgium, the communication and dialogue method is set out in the project management guidelines and in a specific approach defined by the Community Relations department: Community Relations Plan and 5 Steps Methodology for Project Communication. At 50 Hertz Transmission Germany, the communication and dialogue method is set out in the project management guidelines and the modular implementation toolkit. The toolkit provides examples of potential participation methods for different projects, defines stakeholders in the various project phases and lists instruments for dialogue.

In addition, 50Hertz Transmission Germany has set out this voluntary commitment in state agreements, which have been signed with the states of Brandenburg (2013), Mecklenburg-Western Pomerania (2014), Saxony (2016) and Saxony-Anhalt (2014). These agreements are publicly available on the company's website.

The approaches described here above adhere to the Group-wide Code of Ethics which, among other things, defines this commitment. For more information on our Code of Ethics, please refer to section G1-1 Corporate culture and business conduct policies.

Elia Group acknowledges its responsibility with regard to respect for human rights and naturally respects the rights of its affected communities to privacy, personal safety and property. Elia Group's Human Rights Policy specifies this objective and sets out the underlying frameworks. These include the ten principles of the UN Global Compact, the United Nations Universal Declaration of Human Rights and the International Pact on Civil and Political Rights. Elia Group's Human Right Policy is made available to internal and external stakeholders via our website and intranet.

## Compensation measures

If impacts are unavoidable, appropriate mitigation and compensation measures are carried out. At Elia Transmission Belgium, all compensation measures are clearly defined in the company's compensation policy, which can be found on the website and is overseen by the federal regulator (CREG). Compensation not only follows legal obligations, but also goes beyond them to take all possible situations into account. For the extra-legal compensation measures, the CREG defined a limited amount that can be spent by Elia Transmission Belgium.

At 50Hertz Transmission Germany, financial compensations are regulated by the Electricity Grid Charges Ordinance (StromNEV §5 Para. 4). Under the Federal Nature Conservation Act (BNatSchG) requires to avoid or minimise as far as possible any negative impact on nature and the landscape (avoidance and minimisation requirement). Where impacts are unavoidable, 50Hertz Transmission Germany takes the legally prescribed compensatory measures. The compensation policy is available on the website of 50Hertz Transmission Germany.

## Other partnerships

Insights from our partnership with the Renewable Grid Initiative, which represents the interests of European TSOs as well as various stakeholders, such as NGOs representing social and environmental interest groups, have been incorporated into the development of our policies concerning these communities. For more information on this partnership, see section S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns.

The approach of Elia Group to address the IRO 'Development of a sustainable infrastructure benefits local value chain and economic growth' has not been formalised in a policy document. This is due to the fact that these topics are integrated into our core mission and strategy and translated into actions and implementation plan.

# S3-2 - Processes for engaging with affected communities about impacts

Our approach is to contact and inform all parties of upcoming projects from the outset to ensure their voices are heard and community concerns can be addressed. To achieve this objective, departments in Belgium and Germany have developed communication and dialogue processes to ensure that stakeholder engagement and communication are embedded into the grid development process and project management.

Elia Transmission Belgium and 50Hertz Transmission Germany aim to accelerate the implementation of the planning and construction processes, while at the same time ensuring the quality of the participation processes for the affected communities.

## Early project planning and public consultation

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, NGOs and representatives from academia.

Public consultations for grid development plans are held up to 10 years in advance. As projects become more concrete, discussions and information sessions are organised for local citizens and communities to facilitate public participation within and beyond legal requirements (e.g. additional information sessions during the process). In addition to the legally required preliminary public information meetings, we organise additional information sessions for local residents. Alongside project announcements, we also give presentations of environmental assessment results to ensure understanding of impacts and mitigation before the permitting procedure. After each public session, Elia Transmission Belgium conducts surveys to gather feedback on attendees' comprehension and satisfaction with the information presented.

At 50Hertz Transmission Germany, the dialogue with affected communities is based on the quality principles of the Diverse Democracy Alliance. Formats were defined as part of a toolbox of measures that sets a minimum standard for each project. Within this framework, each project team further develops the necessary and meaningful participation roadmap.

The rise in overhead lines in Germany has expanded the tasks associated with public participation. Local authorities, the press and residents must be informed about construction measures in a targeted manner. This results in numerous queries and tasks that must be dealt with jointly with the construction teams. The acceleration measures introduced by the federal government have also influenced the scope of activities in terms of early public participation. Changes in the procedure and in the applicable guidelines for planning and approval must be communicated anew to residents and public agencies. The scope for compromise must be reassessed and negotiated. This affects both the public participation required in the planning approval procedure and the planning authorisation procedure as well as nature conservation measures. This is why the dialogue with stakeholders involved in nature conservation and with local authorities has been intensified.

### Communication and digital engagement

To enhance our outreach, we have increasingly incorporated digital communication channels, such as webinars and digital one-to-one consultations, to maximise participation and accessibility. It is crucial for us that all interested stakeholders have easy access to the information they need. Digital visualisation tools demonstrate a high added value for citizens' understanding of the project (to be situation).

Throughout the execution of works, Elia Group's two TSOs keep citizens informed to address concerns relating to the environment, mobility, noise and other impacts.

We use a variety of tools for this purpose, including physical and digital sessions, newsletters, digital maps (showing progress) and 3D modelling to improve public understanding of projects. In addition, both the Elia Transmission Belgium website and the 50 Hertz Transmission Germany website feature a dedicated section that provides comprehensive information about our ongoing infrastructure projects.

### Effectiveness check

We continuously monitor the effectiveness of our efforts to engage with affected communities, evaluating feedback from public consultations and monitoring the level of support for our projects. This helps us refine our approach and ensure we make our best effort.

The most senior position responsible for Elia Transmission Belgium engagement processes with affected communities is the Chief Infrastructure Officer. At 50Hertz Transmission Germany, the Head of Nature Protection & Permits holds this responsibility.

## S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

Elia Transmission Belgium and 50Hertz Transmission Germany are committed to addressing any negative impacts on affected communities that may arise from our activities. To this end, we have established, in addition to the communication and public participation processes, comprehensive remediation processes and robust channels for communities to raise concerns directly with us.

Elia Group's two TSOs offer affected communities several ways to voice their concerns or needs:

— public information sessions, including a mobile office (bus) that goes out to meet affected communities in their local environment (e.g. events, markets, etc.);

— a (toll-free) telephone number and an e-mail address, published on the Elia Transmission Belgium website and the 50Hertz Transmission Germany website, for direct communication with our teams;

— a dedicated contact person for each project to address community concerns.

Elia Transmission Belgium and 50Hertz Transmission Germany proactively engage with landowners whose land is being used temporarily during construction or for the long-term relocation of infrastructure. This engagement takes place both before and after the project works to assess the impact and ensure fair treatment. A general compensation policy is applied to all infrastructure projects to redress any grievances.

To ensure the engagement channels are effective, Elia Transmission Belgium and 50Hertz Transmission Germany closely monitor all issues raised through them. Feedback received through the different engagement channels and external meetings are centralised for each project and discussed during internal meetings, the aim being to reinforce the strategy, the approach and the communication for each project.

Our media and social media monitoring tools help us keep abreast of public concerns and sentiments related to our activities and the broader energy sector. A dedicated social listening team analyses online conversations daily to gain insights into community perspectives.

Lastly, in addition to the dedicated channels described above, affected stakeholders can report any violations of laws, regulations or our Code of Ethics confidentially and securely via the Elia Group EthicsAlert reporting tool. Reports can be submitted anonymously, and whistleblowers are protected from retaliation or unfair treatment. At 50Hertz Transmission Germany, a legal ombudsman is also available as an external contact. Please see section G1-1 Corporate culture and business conduct policies for further details on our Whistleblowing Framework and processes.

50Hertz Transmission Germany and Elia Transmission Belgium are founding members of the Renewable Grid Initiative. One of the key themes of the initiative, which is recognised by leading TSOs and NGOs in Europe, is successful public participation in the interests of the affected communities.

# S3-4 - Taking action on material impacts, risks and opportunities related to affected communities

As a frontrunner in the energy transition, Elia Group plays a key role in society and aims to develop its grid in the best interest of the community. We are aware that the presence of infrastructure has an impact on the environment and the living conditions in the surrounding area, and we strive to prevent and mitigate this impact. Mitigation and compensation measures do exist and have already been tried and tested. See section S3-2 Processes for engaging with affected communities about impacts for further information.

## Community engagement and project communication

Elia Group's two TSOs aim to contact and inform all parties of upcoming projects from the outset to ensure their voices are heard and community concerns can be addressed. To that end, both Elia Transmission Belgium and 50Hertz Transmission Germany have developed communication and dialogue processes that include several public information sessions throughout the project phases.

## Impact mitigation and compensation

Unavoidable impacts are limited in intensity/size and/or remediated. Where the construction of new infrastructure is necessary, both TSOs seek, as soon as possible, to limit the potential impact. We do this by situating the infrastructure as far away as possible from inhabited or protected (nature, landscape, heritage) areas and by aligning with the existing infrastructure. Independent external offices and internal experts weigh up alternative scenarios and identify reduction measures.

When mitigation is not possible, both TSOs have compensation policies that define appropriate measures for affected stakeholders, such as residents, farmers, landowners, forest owners and municipalities, as well as for the environment. These measures are transparent, non-discriminatory and proportional to the impact of the work, with proactive notifications provided to those eligible for compensation.

Compensation is provided based on factors such as proximity to overhead lines, voltage level, project type and, in Belgium, property value, as assessed by certified valuation experts. Elia Transmission Belgium offers compensation to cover the full loss of property value due to visual and other impacts associated with our infrastructure projects. For agricultural and commercial activities, possible impacts are assessed by experts in connection with a relevant framework agreement.

A framework agreement with agricultural organisations in Belgium outlines specific compensation for owners of agricultural land that covers occupation (loss of revenue), damage to and restoration of agricultural land, etc. This framework agreement gives confidence to individual farmers that the impact that they experience will be treated according to best practices (supervised by farming associations). A similar framework agreement is under discussion with business associations (to cover commercial activities impacted by infrastructure).

## Support community initiatives

Concerning local communities and municipalities, an additional approach was developed at Elia Transmission Belgium to compensate for any disruptions caused during work on high-impact projects. This involves making a financial contribution to community funds, the aim being to support local initiatives investing in a sustainable living environment.

In 2017, Elia Transmission Belgium established a partnership with Be Planet to develop and support citizen-led ecological transition projects in municipalities where infrastructure projects are underway. Projects initiated by citizens as well as by relevant municipalities are eligible. Be Planet, which has been recognised as an organisation working in the interest of the public, manages the funding, ensures it is used in line with its objectives and oversees the careful selection of projects that will receive the funding. Through this partnership, we are setting up a system whereby citizen-driven or public projects are funded to improve the quality of the local environment.

Lastly, to limit the visual impact on the environment and local residents, Elia Transmission Belgium takes measures in the surrounding countryside. These measures often consist of planting hedges, rows of trees and/or shrub borders. Elia Transmission Belgium appoints a landscape expert to integrate overhead lines into the landscape and determines which measures will be taken in consultation with local stakeholders. Elia Transmission Belgium provides funds for this purpose and works with local authorities to determine which suggestions from the landscape expert's report can be offered as options for the environment and local residents.

| Actions | Related policy objective or target | Scope | Time horizon |
|---|---|---|---|
| **Public information sessions** | Reach mutual understanding and limit the potential impact of new infrastructure projects by engaging in transparent, clear and constructive dialogue with our stakeholders | Own operations, Elia Transmission Belgium and 50Hertz Transmission Germany | / (recurring action) |
| **Compensation measures** | Compensate affected communities (land and property owners, farmers, other businesses and communities/ municipalities) for negative impact resulting from new infrastructure projects | Own operations, Elia Transmission Belgium and 50Hertz Transmission Germany | / (recurring action) |
| **Landscape integration measures** | Compensate affected communities (land and property owners, farmers, other businesses and communities/ municipalities) for negative impact resulting from new infrastructure projects | Own operations, Elia Transmission Belgium | / (recurring action) |

## Related resources

In the course of 2024, we initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

Elia Group is committed to effectively managing the material impacts of our operations. To this end, we have a dedicated Community Relations Team at Elia Transmission Belgium and a Public Participations Team at 50Hertz Transmission Germany.

These teams play a vital role in addressing both negative and positive impacts by managing our relationship with the community as well as local citizens and businesses and raising public acceptance of our projects. They actively engage with local communities and their stakeholders to understand their concerns and address them promptly.

In addition to direct dialogue, public meetings and forums to provide information and gather feedback are key components of the dialogue teams' work. They develop and implement strategies to promote positive relationships with affected stakeholders and improve public acceptance of our activities.

Through these comprehensive efforts, we ensure our operations are conducted responsibly and transparently, benefiting both the community and our organisation.

## Findings – Breaches 2024

No severe human rights issues or incidents connected to affected communities were reported in reporting year 2024.

Elia Group reported no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving affected communities within its own operations. In addition, adherence to these standards has been evaluated in the context of the EU Taxonomy assessment.

In the context of the requirements for the Minimum Social Safeguards (EU Taxonomy regulation), a risk assessment is due to be implemented to check for human rights incidents throughout Elia Group's value chain. See section Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy Regulation) for further details.

# S3-5 - Targets related to affected communities

Elia Group has not set any measurable time-bound outcome-oriented targets regarding affected communities so far. Nevertheless, we track the effectiveness of our policies and actions in several ways.

As stated in section S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns, we work closely with the NGO community to ensure that the interests of society are represented through regular collaboration, dialogue and interaction with a wide range of stakeholders. In addition, we conduct social media monitoring activities and surveys to assess the impacts and outcomes of our initiatives.

Our level of ambition is defined by our commitment to fostering positive community relations. The results of the various dialogue measures, social media monitoring and surveys are used as qualitative indicators to evaluate the responsiveness and sentiment of the community towards our projects. Through these processes, we ensure the effectiveness of our policies and actions in relation to the identified material impacts and risks.

# 4. Governance information

# 4.1. ESRS G1 Business conduct

**We are committed to conducting business with integrity in all aspects of our operations and to complying with the laws and regulations in every country where we operate. We are continually enhancing our compliance programme and rely on building and maintaining a common understanding of how we expect business to be conducted with our people, suppliers and other third parties.**

## G1-1 - Corporate culture and business conduct policies

For matters related to business conduct, Elia Group has developed and applies the following policies[91]:

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Code of Ethics** | – Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct.<br><br>Subtopic: Corporate Culture<br><br>Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk).<br><br>Subtopic: Political influence and lobbying activities | The Code of Ethics serves as a guiding framework for employees in their daily work | Compliance with the Code of Ethics by our employees is mainly monitored by Internal Audit. | Own operations, Elia Group | Chief Alignment Officer | / |

[91] The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in this column information about:
- frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised benchmark was used;
- certifications offered by an independent external entity.
This list is not exhaustive.

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Anti-Bribery and Corruption Policy** | – Lack of strong preventive and detective measures (such as training, communication campaigns) can lead to corrupt practices within the organisation.<br><br>Subtopic: Corruption and bribery - Prevention and detection, including training<br><br>Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk).<br><br>Subtopic: Political influence and lobbying activities | The Anti-Bribery and Corruption policy describes the mandatory requirements and responsibilities for complying with laws that prohibit bribery and corruption in the conduct of (inter)national business. | The monitoring of the compliance with the Anti-Bribery & Corruption policy by our employees is mainly done by Internal Audit. | Own operations, Elia Group | Head of Internal Audit & Risk Management | Anti-bribery and corruption laws such as the Foreign Corrupt Practices Act, UK Bribery Act and all other applicable legislation (the Belgian and German 'Criminal Code) form the foundation of our Policy. |
| **Human Rights Policy** | – Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct.<br><br>Subtopic: Corporate Culture | This describes our commitment to upholding and promoting human and social rights when undertaking our activities, alongside with all applicable laws and regulations. It lays out general principles related to our commitment as well as some Human Rights priority areas, in relation with the priorities of our ActNow sustainability program. | Compliance with the Human Rights policy is mainly monitored by Internal Audit. | Own operations, Elia Group | Chief Alignment Officer | Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it;<br>International Labour Organization's Declaration on Fundamental Rights and Principles at Work;<br>United Nations Global Compact. |
| **Code of Conduct** | – Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct.<br><br>Subtopic: Corporate Culture | This Code aims to actively prevent violations of insider trading and market manipulation laws by its personnel and, as far as possible, to avoid even the appearance of improper conduct. | Compliance with the Code of Conduct by our employees is mainly monitored by Internal Audit and by the Secretary General as process owner. | Own operations, Elia Group | Secretary General | / |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Supplier Code of Conduct** | – The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve the Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.<br>– Consequently, the current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan.<br><br>Subtopic: Management of relationship with suppliers | This Code sets out guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects. | Annual risk analysis by the Procurement department and process compliance monitoring by Internal Audit | Upstream and own operations, Elia Transmission Belgium | Chief Procurement Officer | – Ten principles of the United Nations Global Compact;<br>– United Kingdom Bribery Act;<br>– United Nations Convention against Corruption;<br>– OECD principles against corruption and bribery;<br>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;<br>– ILO convention for the prohibition of child and forced labour |
| | | | | Upstream and own operations, 50Hertz Transmission Germany | Chief Procurement Officer | – Ten principles of the United Nations Global Compact;<br>– United Kingdom Bribery Act;<br>– United Nations Convention against Corruption;<br>– OECD principles against corruption and bribery;<br>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;<br>– ILO convention for the prohibition of child and forced labour |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Purchasing Conditions** | – The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve the Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.<br>– Consequently, the current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan.<br><br>Subtopic: Management of relationship with suppliers | The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards. | Contractual agreement | Upstream and own operations, Elia Group (legal adoptions for each country) | Chief Procurement Officer | Applicable regulations |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium** | – The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve the Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.<br>– Consequently, the current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan.<br><br>Subtopic: Management of relationship with suppliers | These regulations describe Elia Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work on behalf of Elia Transmission Belgium or its subsidiaries. | Operational monitoring; | Upstream and own operations, Elia Transmission Belgium | Head of Health, Safety & Security | – Applicable social and environmental regulations;<br>– United Nations' Sustainable Development Goals; |

| Policy | Correspondence with impacts, risks and opportunity | Key contents and objective | Monitoring process | Scope | Function accountable | Third-party standard or initiative |
|---|---|---|---|---|---|---|
| **Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany** | – The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve the Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.<br>– Consequently, the current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan.<br><br>Subtopic: Management of relationship with suppliers | These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz Transmission Germany | Operational monitoring; | Upstream and own operations, 50Hertz Transmission Germany | Head of Corporate Governance | – Applicable laws on labour, working conditions and safety. |
| **Whistleblowing Framework** | – Lack of strong preventive measures and whistleblower protection can lead to corrupt practices within the organisation.<br><br>Subtopic: Protection of whistle-blowers | The Whistleblowing Framework describes the mandatory requirements that should be implemented by Elia Group and its majority-owned subsidiaries to comply with European and national laws and regulations regarding the establishment of whistleblowing systems to express concerns on certain types of violations and to protect whistleblowers. | Process monitoring is performed by the respective Whistleblowing Commissions. | Upstream and own operations, Elia Group | Compliance Officer | Applicable law transposing Directive (EU) 2019/1937<br><br>Supply Chain Due Diligence Act (LkSG) |

The following policies are also included in other topical standards. Please see below the cross cutting overview:

| Policy | Reference to topical standard | Correspondence with impacts, risks and opportunity |
|---|---|---|
| **Supplier Code of Conduct** | ESRS S2 Workers in the value chain | – Elia Transmission Belgium and 50Hertz Transmission Germany implement a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct and health and safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions.<br><br>Subtopic: Working conditions in the supply chain |
| | ESRS E1 Climate Change | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions |
| | ESRS E4 Biodiversity and ecosystems | – Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change |
| | ESRS E5 Resource Use and Circular Economy | – Elia Group's construction and maintenance activities generate waste.<br>– Recycling materials lowers decommissioning costs.<br><br>Subtopic: Waste |

| Policy | Reference to topical standard | Correspondence with impacts, risks and opportunity |
|---|---|---|
| **Purchasing Conditions** | ESRS S2 Workers in the value chain | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety |
| | ESRS E1 Climate Change | – Indirect greenhouse gas emissions generated within Elia Group's value chain (Scope 3) related to grid construction and maintenance activities.<br><br>Subtopic: GHG Emissions |
| | ESRS E4 Biodiversity and ecosystems | – Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change |
| | ESRS E5 Resource Use and Circular Economy | – Elia Group's construction and maintenance activities generate waste.<br><br>Subtopic: Waste |
| **Human Rights Policy** | ESRS S1 Own Workforce | / |
| **General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium** | ESRS E4 Biodiversity and ecosystems | – The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change |
| | ESRS S2 Workers in the value chain | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety |
| **Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany** | ESRS E4 Biodiversity and ecosystems | – The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.<br><br>Subtopic: Land-use change, fresh water-use change and sea-use change |
| | ESRS S2 Workers in the value chain | – Elia Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.<br>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.<br>– Health and safety events may harm one of our suppliers.<br>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.<br><br>Subtopic: Health and safety |

To be able to steer the strategy we rely on a solid governance structure. Our Board of Directors provides oversight and we have internal controls in place alongside a solid approach to risk management. We carry out audits to ensure we comply with relevant legal, regulatory and internal requirements while also preventing and avoiding fraud.

Elia Group's commitment to responsible corporate governance is also described in its sustainability programme, ActNow, whose steering structure can be consulted in section 1.2. Governance.

In addition, the Elia Group Corporate Governance Charter aims to present Elia Group's governance policy in a transparent and clear way.

As Elia Group's shares are listed on Euronext Brussels, the Elia Group's Code of Conduct helps to prevent employees from breaching any Belgian legislation regarding the use of privileged information or market manipulation. More information can be found in section 1.10. Code of conduct, code of ethics and corporate governance Charter of the Governance & risk report.

Due to their legal status as transmission system operators, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are subject to a large number of legal and regulatory regulations in their respective countries. These rules stipulate three fundamental principles:

— non-discriminatory conduct;

— confidential treatment of information;

— transparency towards all electricity market participants with regard to non-confidential market information

Employees can access organisational principles, binding policies, and company regulations through the company intranet.

## Human Rights Policy

The Group Human Rights Policy Statement manifests the Elia Group's commitment to upholding and promoting human and social rights when undertaking our activities, along with all applicable laws and regulations. It lays out general principles related to our commitment as well as certain Human Rights priority areas, relating to the priorities of our ActNow sustainability programme. The priority areas of the Human Rights Policy of Elia Group cover Health and Safety, Diversity, Equity & Inclusion and Governance, Ethics & Compliance. For each area, Elia Group pays special attention to the related human rights within its operation.

Our commitment to human rights comprises an acknowledgement of and support for internationally recognised instruments, such as the Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it, as well as the International Labour Organization's Declaration (ILO: C87, C98 and C135) on Fundamental Rights and Principles at Work. Our human rights policy document was drawn up following guidance published by the UN Global Compact, to which we are a signatory. The Human Rights Policy is made available to internal and external stakeholders via our website and intranet.

Although policies related to our own workforce do not explicitly tackle trafficking in human beings, forced labour or child labour, these specific human rights are addressed in the international frameworks to which we are signatory. As a signatory of the UN Global Compact, we publicly stand by our commitment to follow the laws in the countries we operate at all times, respect international labour rights and human rights, have zero tolerance for corruption and continuously improve our sustainability performance. Respecting the human rights of our workers and safeguarding their dignity and working conditions is foundational to our approach as an employer.

More information on the general approach of Elia Group to engagement with people in its own workforce can be found in section S1-2 Processes for engaging with own workers and workers representatives about impacts whereas more information on measures taken to provide and/or enable remedy for human rights impacts can be found in section S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns.

## Code of Ethics

The Code of Ethics is based on the core labour standards of the International Labour Organization (ILO) and the ten principles of the UN Global Compact (UNGC), of which both Elia Transmission Belgium and 50Hertz Transmission Germany are members.

The Code of Ethics and corresponding guidelines outline proper corporate behaviour, emphasising legal compliance and zero tolerance for corruption. These principles are reinforced in organisational regulations and detailed in a policy addressing bribery and corruption.

## Training and awareness

Regular communication from the Board and Executive Management clarifies the mutual rights and responsibilities of the company and its employees. These principles are communicated to new employees and incorporated into employment contracts. Senior management ensures compliance and takes appropriate actions when necessary.

In addition, Elia Group has developed a Group-wide interactive training programme covering various business conduct matters, including the Code of Ethics, Code of Conduct, Anti-Bribery and Corruption, GDPR, Whistleblowing and conflicts of interest. This training has been available since the end of 2024 and is mandatory for:

— all newcomers

— on an annual basis: all employees (including directors) and long-term non-employees (intramuros)

Training attendance is monitored to ensure compliance.

## Whistleblowing Framework

Elia Group offers its internal and external stakeholders the opportunity to express their concerns about alleged breaches of the Group's Code of Ethics (including human rights matters) without fear of reprisal and/or unfair treatment via an established Whistleblowing Framework. This Whistleblowing Framework describes the mandatory requirements that should be implemented by Elia Group and its majority-owned subsidiaries to comply with European and national laws and regulations regarding the establishment of whistleblowing systems to express concerns about certain types of violations and to protect whistleblowers.

As a rule, Elia Group encourages its employees and other stakeholders, if possible, to discuss concerns about integrity violations first internally with their immediate superior, line manager, HR Business Partner or local Internal Auditor.

If this is not possible or if this discussion does not lead to the desired reaction, or if, for some reason, there is no possibility of addressing the issue, Elia Group has implemented the EthicsAlert reporting tool in compliance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council (Whistleblowing Directive). This external system, managed by an independent third party, enables both internal and external stakeholders to report any violations of laws, regulations or our Code of Ethics confidentially and securely. Reports can be submitted anonymously and whistleblowers are protected from retaliation or unfair treatment.

At 50Hertz Transmission Germany, the whistleblower system has been expanded to include the requirements of the Supply Chain Due Diligence Act (LkSG) for establishing a grievance procedure for human rights and environmental violations. In addition to the web-based platform, a legal ombudsman is available as external contact. This independent lawyer, bound by professional secrecy, only shares information with the internal reporting office with the whistleblower's express consent, ensuring confidentiality and protection of the whistleblower's identity.

Through these processes and channels, we strive to ensure that any negative impacts are effectively remediated and that both internal and external stakeholders can raise concerns confidently and receive timely responses.

At Elia Transmission Belgium and 50Hertz Transmission Germany, upon receiving a report, an initial review assesses its validity and severity. Inadmissible or unspecific reports are rejected (with reasons given) and mistaken submissions are redirected to the correct channel. Confirmed suspicions lead to detailed investigations, with further information gathered and immediate measures taken if urgent. Investigations may be assigned to relevant units, such as Internal Audit, and may involve the Audit Committee if necessary.

For confirmed human rights or environmental violations, remedial or preventive measures are taken immediately. The whistleblower may be included in the process if contact details are available. All measures are followed up and coordinated by the responsible unit.

Reports are initially processed by the internal, impartial and independent reporting office. In-depth investigations should be completed within three months, with final reports protecting identities. The results of the investigation, and if applicable, recommendations to improve our processes, will be reported to management. Management is responsible for implementing effective actions in accordance with the results of the investigation. The Reporter will receive feedback, except where the report was submitted anonymously, about the actions and measures taken or planned, and the main reasons for such actions and measures.

The status of all reports made are tracked anonymously in dashboards to ensure that they are treated within the time limits set by law (in normal circumstances three months). Elia Group ensures that all stakeholders, and in particular its employees, are informed and trust the internal reporting system by regularly informing them through internal channels about its existence, purpose and process. In addition, Elia Group publishes yearly KPIs on the number of reports made and their outcome in our Sustainability Report and discusses these with the Workers' Councils of Elia Transmission Belgium and 50Hertz Transmission Germany. Trust is mainly gained by guaranteeing anonymity and ensuring non-retaliation for people that report (suspicions of) violations. Confidentiality is maintained throughout the process, respecting legal obligations to provide information to authorities.

## Internal controls

Integrity and ethics are fundamental to our internal control environment.

Elia Group has implemented mechanisms to identify, report and investigate concerns about unlawful behaviour or actions that contradict the company's code of conduct or similar internal rules. These mechanisms ensure transparency, accountability and trust within the organisation and among external stakeholders.

To detect any irregularities or suspicious activities, Elia Group conducts audits. In addition to the whistleblowers procedures in compliance with Directive (EU) 2019/1937, incidents involving business conduct, including corruption and bribery, are usually investigated by Elia Group's internal audit department.

The 50Hertz Transmission Germany internal audit department oversees all activities managed by the German TSO. All other activities, including the TSO activities of Elia Transmission Belgium as well as the non-regulated Group activities, fall within the scope of the Elia Transmission Belgium internal audit team. Internal Audit warrants a prompt, independent and objective investigation of business conduct matters in line with the provisions of their Internal Audit Charter. They independently report to the Audit Committee (of 50Hertz Transmission Germany, Elia Transmission Belgium or Elia Group) in order to avoid potential influence by the Executive Management Boards.

Depending on the nature of the incident and the complexity of the investigation, the internal audit department may seek external expert assistance.

The roles within the organisation that are most at risk in respect of corruption and bribery are identified based on their tasks and responsibilities. These functions include:

- Management of Elia Group, the two TSOs and other affiliates
- Procurement (particularly buyers and procurement management)
- Community relations
- Public & Regulatory Affairs / Kommunikation & Politik
- EU Affairs
- Customer Management (Key Account Managers or equivalent)
- Stromhandel (Front Office - for 50Hertz Transmission Germany)
- Individuals in commercial positions within non-regulated affiliates

## Corporate culture

In terms of corporate culture, six behavioural anchors form the basis for collaboration and the shared vision within Elia Group:

- Impact
- Simplification
- Co-Creating the future
- Feedback

— One Voice

— One Company

We aim to harness these behavioural anchors to actively shape change. This is what the Make A Difference'internal communication programme stands for: to promote change leading towards a common culture within Elia Group. We are integrating the six Make A Difference behavioural anchors into employees' daily work so that we can realise our ambitious strategy at Group and country level. Additionally, these anchors have been adopted into our HR processes, including recruitment and performance reviews, in order to evaluate not just what our employees do, but how they do it.

The Make A Difference programme was established at Elia Transmission Belgium in 2018 and later adopted by the entire Group. These behaviours were defined based on a survey of our employees, which assessed the current strengths of our culture and identified areas for improvement. Various parameters concerning our culture and the Make A Difference behaviours are regularly measured via employee surveys.

# G1-2 - Management of relationships with suppliers

## Principles Supplier Code of Conduct

Our Supplier Code of Conduct (SCoC), based on the ten principles of the United Nations Global Compact, establishes the minimum ethical, social, and environmental requirements that every supplier must accept and adhere to in order to work with Elia Group.

The SCoC requires suppliers to adhere to ethical conduct and to comply with local and international legal frameworks concerning anti-bribery, conflict of interests, confidentiality of information, fair competition, appropriate handling of intellectual property rights and the fight against money laundering. The Code explicitly mentions the United Nations Convention against Corruption as well as the principles of the Organization for Economic Cooperation and Development regarding corruption and bribery.

For social aspects, the SCoC expects suppliers to be compliant with local legislation, international principles and United Nations conventions in the area of Human Rights and Decent Work. Where no local regulation exists for social and labour aspects, the SCoC recommend following the related Convention of the International Labour Organization.

All suppliers must ensure that they and their subcontractors are not involved in human rights abuses. More specifically, the Code requires suppliers to apply strong principles in order to prohibit child and forced labour, inhumane treatment, illegal employment and discrimination, and to comply with standards on appropriate wages and working hours, freedom of association and the right to collective bargaining in their operations and in their own supply chain. The Code does not explicitly address trafficking in human beings in its requirements, although freedom from slavery is enshrined in international frameworks with which suppliers are required to comply.

For environmental aspects, the SCoC expects suppliers to mitigate their environmental impact. This includes reducing land, air, and water emissions; minimising waste to encourage recycling and circular models; using energy efficiently; generating or sourcing green energy; managing impacts on biodiversity and natural habitats. Suppliers must comply strictly with all applicable environmental and site-specific regulations. Additionally, suppliers should implement management systems to measure, manage and report on their environmental impacts, such as ISO 14001, EMAS or a similar standard.

For health and safety, the SCoC sets out guidelines to support the zero-accident goal. We expect our suppliers to share our deep commitment to achieving a safe work environment. Suppliers with excellent safety records and certified management system, such as ISO 45001 or similar, are valued.

The SCoC of Elia Transmission Belgium and 50Hertz Transmission Germany are under review and will be replaced by a harmonized Code at Group level. The roll out is planned for the next reporting period. This new code will enhance the process to better report on its adoption by suppliers.

Where non-compliance with the SCoC is identified, the company may decide to terminate the business relationship with the supplier or to engage with them to assist with establishing an action plan with clear deadlines to maintain the business relationship.

## Contractual relationship and purchasing conditions

Suppliers of both TSOs are expected to sign the SCoC. This code is a fundamental part of the contract documents submitted to suppliers for approval. During the tendering award phase, the code must be approved by the supplier. New suppliers are also expected to approve the SCoC during their registration process in our information system.

The requirements of the SCoC for Elia Transmission Belgium and 50Hertz Transmission Germany are also integrated into the Group-level General Purchasing Conditions for contracting with suppliers.

For each of the sourcing categories — IT, Works and Electrical Equipment — where the purchase order value is €100,000 or more, we have developed tailored versions of the purchasing conditions. For smaller purchases (with a purchase order value less than €100,000) in these categories, a shortened version of the purchasing conditions has been created.

The Specific Purchasing Conditions (SPC) apply alongside the General Purchasing Conditions (GPC) and are incorporated into contracts under the Elia Group General Purchasing Conditions. For purchases made by the Services department, the buyer has the discretion to decide whether the purchasing conditions (and if so, which set) will apply or if a standalone contract is more suitable.

The SCoC of Elia Transmission Belgium and 50Hertz Transmission Germany are available to all stakeholders on the companies' websites. Similarly, the Purchasing Conditions are available to all stakeholders on the company website.

The payment terms for our suppliers are defined in our General Terms and Conditions and/or in the individual purchase order, which state our payment terms as 30 days. Notwithstanding the size of the supplier’s company, the payment conditions are in general similar for all suppliers.

## Policies for health and safety

At Elia Transmission Belgium, the safety requirements of the SCoC are reflected in the local operations of contractors via the General safety, health and environmental regulations for contractors carrying out work for Elia Transmission Belgium. This document describes Elia

Transmission Belgium's safety, health and environmental rules, which apply to any outside company carrying out work for Elia Transmission Belgium or in Elia Transmission Belgium infrastructure. This General regulation supplements the General Purchasing Conditions of Elia Transmission Belgium. The company has also set up a comprehensive digital library documenting health and safety procedures, instructions, forms, documents, risk analysis and internal regulations relating to the operations of Elia Transmission Belgium. This is available on the company's intranet. Employees, non-employees and contractors must comply with the requirements set out in these guidelines.

Similarly, at 50Hertz Transmission Germany, the safety requirements of the SCoC are reflected in the local operations of contractors via the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz Transmission Germany. These instructions rely on applicable laws on labour and working conditions, in particular national labour protection legislation and safety regulations. The company has also established a body of specific health and safety guidelines and internal regulations that are applicable to offshore operations for employees, non-employees and contractors. These aim to reinforce the level of safety regulations, adapt them to these specific environments and avoid the risk of accidents. They cover specific requirements regarding general safety principles when working at sea and on vessels, personal equipment, training, etc. The health and safety guidelines are available on the intranet and must be signed by contractors before works begin.

## Interactions with suppliers

Various purchasing initiatives are also implemented at Group level or at the level of the TSO, such as:

During the tendering process, depending on the scope of work/supply, various non-financial information can be requested and assessed before final rewarding:

- The Group Procurement Works team (GPW), mainly responsible for civil works, includes Environmental and Health & Safety pass/fail criteria in the tender pre-qualification questionnaire (request for information, RFI). For example, the supplier is asked if they have an ISO 14001 certification or equivalent.
- For tenders managed by GPW (Works) and GPP (Large Projects), there are frequently, although not always systematically, environmental and/or social requirements as part of the technical and Health, Safety & Environment (HSE) requirements in the Request For Proposal. Such requirements can be imposed as part of the permit obligations but can also result from the nature and scope of the project and be decided by the Multi-Functional Team involved in the tendering process. When environmental criteria are used in the offer evaluation, the Elia Group Green Procurement team is invited to review and score the responses.
- For projects managed by GPP and GPE (Electrical Equipment), internal carbon pricing is systematically considered as part of the award criteria (part of the Total Cost of Ownership) or as a contractual requirement (with a bonus-malus system). For more information on Elia Group's internal carbon pricing, see section E1-8 - Internal carbon pricing.
- During the contract execution phase:
  - $CO_2$ passport: Both TSOs are in the process of requesting suppliers to complete a $CO_2$ passport on our Scope 3 accounting platform during the execution of their contracts. For more information on this platform, please see section E1-3 - Actions and resources in relation to climate change policies.
  - Strategic suppliers are required, as part of the contractual agreement, to be surveyed annually by an external service provider(EcoVadis) on sustainability matters, including environmental and social issues as well as human rights due diligence. The results are expressed in an overall score: the EcoVadis rating. By the end of 2025, this rating will form the basis for follow-up discussions with suppliers, identifying weak points that may necessitate action plans requested by Procurement.

## Due Diligence

50Hertz Transmission Germany has initiated the necessary steps as part of the legal requirements for the German Supply Chain Due Diligence Act (LkSG). The process is being implemented and tested at local level. Following successful testing, there are plans to implement the process throughout Elia Group. This process is part of the Group-wide effort to improve and harmonise due diligence procedures. It also contributes to the due diligence required for EU Taxonomy compliance.

At an early stage, 50Hertz Transmission Germany analysed its direct supply chains. As a result, four risks were prioritized:

- Health and safety in the workplace;
- Environmental protection and health;
- Employment and working conditions;
- Freedom of assembly and expression.

A process of analysing the risks of all direct suppliers in detail was started in the 2024 reporting year. An abstract analysis of around 3,000 suppliers was carried out. A risk inventory was created, consisting of multiple items:

- External risk sources : the Fragile State Index, Environmental Performance Index and BMAS Forschungsbericht;
- Country risk in connection with human rights and environmental rights;
- Industry risks by product group (according to the Federal Ministry of Labour);
- Internal indicators such as the total supply volume exceeding one million euro.

The EcoVadis rating of suppliers in this group was analysed, if available. As a result, 54 of 3,112 suppliers were subjected to further analysis.

The identified suppliers were assigned to the corresponding purchasers, and a risk catalogue with further indicators (extent, probability of occurrence, reversibility and intensity of the possible impact) was created. This catalogue is used by purchasers to evaluate the suppliers.

As a result, a risk value is determined and the suppliers are categorised into the following levels:

- Uncritical;
- Obtain external information (e.g. request EcoVadis rating);

— Direct dialogue with the supplier;

— Phase-out of the supplier as a final resort.

Before a phase-out, specific measures are agreed and implemented between the responsible purchaser and the supplier. The supplier categorisation was completed in November 2024.

Efforts are being made to examine how indirect suppliers can also be checked in future using a corresponding external tool.

Reporting on the German LkSG will be carried out for the 2024 financial year in a separate report in accordance with the requirements of the Federal Office of Economics and Export Control (BAFA).

## G1-3 - Prevention and detection of corruption/bribery

As described earlier in this section, Elia Group has established channels for internal and external stakeholders to report violations of guidelines outlined in the Code of Ethics, the Code of Conduct and the Human Rights Policy.

All policies are accessible in a dedicated section on Elia Group's intranet. The policies which are relevant to our external stakeholders are publicly available on our website.

When whistleblowing notifications are investigated regarding an (alleged) violation of our internal anti-bribery and corruption policy and/or external laws and regulations on this matter, the nature of the notification, the outcome and any proposed actions are anonymously communicated by the Compliance Officer to the Audit Committee. When it is not possible to communicate some of these items without impacting the anonymity of the reporter, those items are not communicated to the Audit Committee. The Audit Committee has the function of the internal reporting centre.

The Compliance Officer leads the investigation into the whistleblowing notification and chairs the whistleblowing commission. The Compliance Officer is separate from the company's operational chain of management. For Elia Group and its Belgian-based subsidiaries, the Compliance Officer is part of the Internal Audit & Risk Management department. The Head of this department officially reports to the Chair of the Elia Group Audit Committee, thus guaranteeing the independence of the function.

During the 2024 reporting period, there were no violations of corruption and bribery regulations by Elia Group, Elia Transmission Belgium, 50Hertz Transmission Germany or their employees. Furthermore, no contracts with suppliers were terminated or not renewed in connection with corruption or bribery issues.

As stated in section G1-1 - Corporate culture and business conduct policies Elia Group has developed a Group-wide interactive training programme covering various business conduct matters, including Anti-Bribery and Corruption. All functions-at-risk are covered by the training programme.

| | Elia Transmission Belgium | | | 50Hertz Transmission Germany | | | Non-regulated segment | | | Elia Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | **Total** | **Breakdown** | | **Total** | **Breakdown** | | **Total** | **Breakdown** | | **Total** | **Breakdown** | |
| **Fraud, non-compliance with internal policies and procedures** | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved |
| | **0** | 0 | 0 | **1** | 1 | 0 | **0** | 0 | 0 | **1** | 1 | 0 |
| **Non-compliance with laws and regulations** | **1** | 0 | 1 | **4** | 0 | 4 | **0** | 0 | 0 | **5** | 0 | 5 |
| **Corruption** | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 |

| | Elia Transmission Belgium | | | 50Hertz Transmission Germany | | | Non-regulated segment | | | Elia Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2023** | **Total** | **Breakdown** | | **Total** | **Breakdown** | | **Total** | **Breakdown** | | **Total** | **Breakdown** | |
| **Fraud, non-compliance with internal policies and procedures** | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved | | Pending | Resolved |
| | **2** | 0 | 2 | **0** | 0 | 0 | **0** | 0 | 0 | **2** | 0 | 2 |
| **Non-compliance with laws and regulations** | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 |
| **Corruption** | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 | **0** | 0 | 0 |

# G1-5 - Political influence and lobbying activities

Elia Transmission Belgium and 50Hertz Transmission Germany are responsible for contributing to political debate in their respective countries and to the development of legislation related to their business activities and further developments in the energy sector.

We carry out our trusted advisor role in a transparent manner. As a legal monopoly with public responsibilities, our TSOs communicate their viewpoints with the best interests of society in mind. As stated in our Code of Ethics, "We make sure that we have a comprehensive understanding of each of our different stakeholders, and we constantly ask ourselves what society wants and what value we are offering it."

These activities are anchored at Group level in the Group Communication & Reputation department, which covers both the internal and external communication teams and ensures and strengthens the overall reputation of the Elia Group. The department is the point of contact and advisor for internal and external stakeholders, responsible for building strong relationships with external stakeholders in order to strengthen the Group's position as a leading European energy company and thus position the Elia Group as an expert on an international level.

The growing number of EU energy policies impacting Elia Group's activities and the societies in which it operates have prompted the top management to create a European Affairs Team, which monitors all relevant legislation and regulations and takes part in European public and political debates via public position statements and publications.

In Germany, a Political Communications department is attached to the Corporate Communications division. Political Communications at 50Hertz Transmission Germany is the point of contact for political and social players at federal, state and - together with the Elia Group European Affairs Team - EU level and develops the energy and socio-political positions.

Elia Group's positions are communicated transparently on the respective website. An overview is given below.

| Entity | Topic | Main Positions |
|---|---|---|
| Elia Group | International Offshore Collaboration | Support international cooperation and innovative solutions for offshore wind and grid development to achieve Europe's Green Deal goals. |
| Elia Group | Elia Group input for the 2024 European elections | Ensure faster project delivery, forward-looking offshore regulation, reliable supply chains and unleash flexibility in the energy system |
| Elia Transmission Belgium | Belgium's Long-Term Energy Vision | Urge development of a long-term energy strategy to avoid energy crises and guarantee necessary investments. |
| Elia Transmission Belgium | Flexible consumption | Promote participation of homes and businesses in energy flexibility to manage costs effectively. |
| Elia Transmission Belgium | Digital sovereignty | Stress the need for robust digital infrastructure management and legislative protection. |
| 50Hertz Transmission Germany | Germany's Energy Policies | Support regulations for converting decommissioned plants, grid stability, and expand renewable energy regulations. |
| 50Hertz Transmission Germany | Equity Interest Rate Methodology | Call for thorough discussions on scientific approaches to equity interest rates |
| 50Hertz Transmission Germany | Electricity Market Design | Favour proposals to enhance market design and demand flexibility. |
| 50Hertz Transmission Germany | Renewable Energy Directive (RED III) | Support national implementation to simplify grid expansion and stabilise regulations. |

In reporting year 2024, neither Elia Transmission Belgium SA/NV nor 50Hertz Transmission GmbH made any direct donations to politicians or political parties. For Elia Transmission Belgium SA/NV no indirect financial political contributions have been made in reporting year 2024.

To support and accelerate grid expansion in order to integrate the steadily increasing share of renewable energies in the electricity mix in its grid area, the Political Communication department of 50Hertz Transmission Germany provides information at the political level

beyond its position papers. 50Hertz Transmission Germany provides speakers for panels on topics related to the energy transition and information stands at events organised by non-party associations, which are open to both members of political parties and interested business representatives. Participation fees are usually charged for information stands. An overview of these for 2024 is given below.

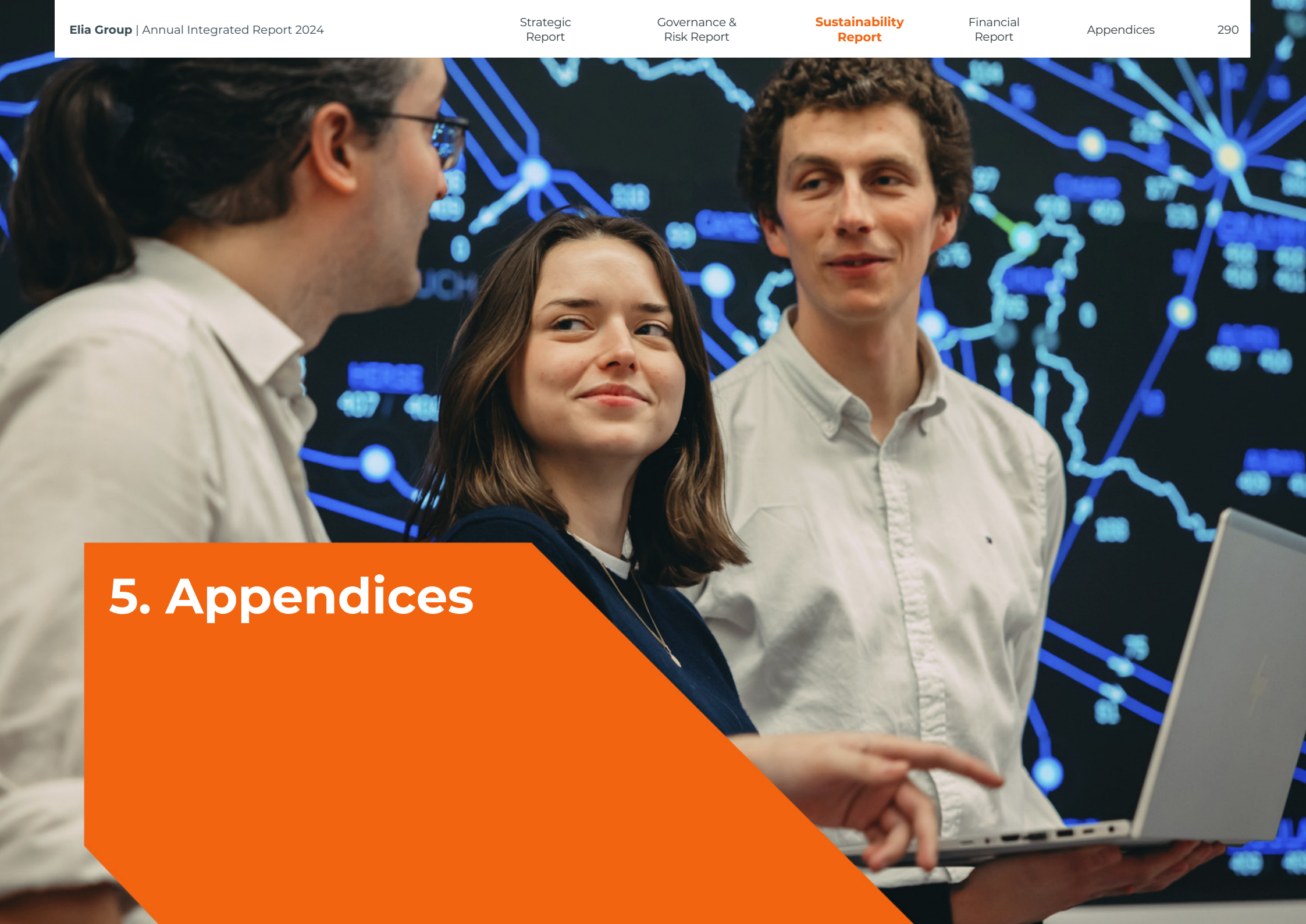
| Political Party | Contribution | Expenditure |
|---|---|---|
| CDU Christian Democratic Union | Booth and panel speaker | €8,000 |
| SPD Social Democratic Party | No suitable format in 2024 | / |
| Bündnis 90/ Die Grünen | Supply of information material and panel speaker | €6,500 |

Both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are listed in the EU Transparency Register and are committed to its Code of Conduct. The corresponding webpages are:

— Elia Transmission Belgium SA/NV

— 50Hertz Transmission GmbH

For information regarding newly appointed members of the Board of Directors and Audit Committee during reporting year 2024 and their previous positions, please refer to the section 1.1. Introduction on changes within the Board of directors from the Governance & Risk Report.



# 5. Appendices

# 5.1. ESRS content index

The tables below list the ESRS Disclosure Requirements that this sustainability statement complies with, pursuant to the outcome of the materiality assessment and the section where these can be found if they are material.

| **Cross-cutting standards**<br>**ESRS 2 General disclosures** | | **Included (Yes/Partially/No and comment)** |
|---|---|---|
| BP-1 | General basis for preparation of the sustainability statement | Yes |
| BP-2 | Disclosures in relation to specific circumstances | Yes |
| GOV-1 | The role of the administrative, management and supervisory bodies | Yes |
| GOV-2 | Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies | Yes |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | Yes |
| GOV-4 | Statement on due diligence | Yes |
| GOV-5 | Risk management and internal controls over sustainability reporting | Yes |
| SBM-1 | Strategy, business model and value chain | Yes |
| SBM-2 | Interests and views of stakeholders | Yes |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Yes |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Yes |
| IRO-2 | Disclosure Requirements in ESRS covered by the undertaking's sustainability statement | Yes |

| **Environmental standards**<br>**ESRS E1 Climate change** | | **Included (Yes/Partially/No and comment)** |
|---|---|---|
| ESRS 2 GOV-3 | Integration of sustainability-related performance in incentive schemes | Yes- Included in the general information section |
| E1-1 | Transition plan for climate change mitigation | Yes |
| ESRS 2 SBM-3 E1 | Material impacts, risks and opportunities, and their interaction with strategy and business model | Yes |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | Yes- Included in the general information section |
| E1-2 | Policies related to climate change mitigation and adaptation | Yes |
| E1-3 | Actions and resources in relation to climate change policies | Yes |
| E1-4 | Targets related to climate change mitigation and adaptation | Yes |
| E1-5 | Energy consumption and mix | Yes |
| E1-6 | Gross Scopes 1, 2, 3 and total GHG emissions | Yes |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | Yes |
| E1-8 | Internal carbon pricing | Yes |
| E1-9 | Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | No, it is phased-in in the ESRS |

| **ESRS E2 Pollution** | | **Included (Yes/Partially/No and comment)** |
|---|---|---|
| ESRS 2 IRO-1 | Description of the processes to identify and assess material pollution-related impacts, risks and opportunities | No, this topic is not material |
| E2-1 | Policies related to pollution | No, this topic is not material |
| E2-2 | Actions and resources related to pollution | No, this topic is not material |
| E2-3 | Targets related to pollution | No, this topic is not material |
| E2-4 | Pollution of air, water and soil | No, this topic is not material |
| E2-5 | Substances of concern and substances of very high concern | No, this topic is not material |
| E2-6 | Anticipated financial effects from pollution-related impacts, risks and opportunities | No, this topic is not material |
| **ESRS E3 Water and marine resources** | | **Included (Yes/Partially/No and comment)** |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities | No, this topic is not material |
| E3-1 | Policies related to water and marine resources | No, this topic is not material |
| E3-2 | Actions and resources related to water and marine resources | No, this topic is not material |
| E3-3 | Targets related to water and marine resources | No, this topic is not material |
| E3-4 | Water consumption | No, this topic is not material |
| E3-5 | Anticipated financial effects from water and marine resources-related impacts, risks and opportunities | No, this topic is not material |
| **ESRS E4 Biodiversity and ecosystems** | | **Included (Yes/Partially/No and comment)** |
| E4-1 | Transition plan and consideration of biodiversity and ecosystems in strategy and business model | Yes |
| ESRS 2 SBM-3 E4 | Material impacts, risks and opportunities and their interaction with strategy and business model | Yes |
| ESRS 2 IRO-1 | Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities | Yes- Included in the general information section |
| E4-2 | Policies related to biodiversity and ecosystems | Yes |
| E4-3 | Actions and resources related to biodiversity and ecosystems | Yes |
| E4-4 | Targets related to biodiversity and ecosystems | Yes |
| E4-5 | Impact metrics related to biodiversity and ecosystems change | Yes |
| E4-6 | Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities | No, it is phased in in the ESRS |
| **ESRS E5 Resource use and circular economy** | | **Included (Yes/Partially/No and comment)** |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | Yes - Included in the general information section |
| E5-1 | Policies related to resource use and circular economy | Yes |
| E5-2 | Actions and resources related to resource use and circular economy | Yes |
| E5-3 | Targets related to resource use and circular economy | Yes |
| E5-4 | Resource inflows | Yes |
| E5-5 | Resource outflows | Partially, only waste |
| E5-6 | Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities | No, it is phased in in the ESRS |

| **Social standards**<br>**ESRS S1 Own workforce** | | **Included (Yes/Partially/No and comment)** |
|---|---|---|
| ESRS 2 SBM-2 | Interests and views of stakeholders | Yes - Included in the general information section |
| ESRS 2 SBM-3 S1 | Material impacts, risks and opportunities and their interaction with strategy and business model | Yes |
| S1-1 | Policies related to own workforce | Yes |
| S1-2 | Processes for engaging with own workers and workers' representatives about impacts | Yes |
| S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | Yes |
| S1-4 | Taking action on material impacts, risks and opportunities related to own workforce | Yes |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Yes |
| S1-6 | Characteristics of the undertaking's employees | Yes |
| S1-7 | Characteristics of non-employee workers in the undertaking's own workforce | No, it is phased in in the ESRS |
| S1-8 | Collective bargaining coverage and social dialogue | Yes |
| S1-9 | Diversity metrics | Yes |
| S1-10 | Adequate wages | Yes |
| S1-11 | Social protection | No, it is phased in in the ESRS |
| S1-12 | Persons with disabilities | No, this topic is not material |
| S1-13 | Training and skills development metrics | No, it is phased in in the ESRS |
| S1-14 | Health and safety metrics | Yes |
| S1-15 | Work-life balance metrics | No, it is phased in in the ESRS |
| S1-16 | Compensation metrics (pay gap and total compensation) | Yes |
| S1-17 | Incidents, complaints and severe human rights impacts | Yes |
| **ESRS S2 Workers in the value chain** | | **Included (Yes/Partially/No and comment)** |
| ESRS 2 SBM-2 | Interests and views of stakeholders | Yes - Included in the general information section |
| ESRS 2 SBM-3 S2 | Material impacts, risks and opportunities and their interaction with strategy and business model | Yes |
| S2-1 | Policies related to value chain workers | Yes |
| S2-2 | Processes for engaging with value chain workers about impacts | Yes |
| S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | Yes |
| S2-4 | Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action | Yes |
| S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Yes |

| ESRS S3 Affected communities | | Included (Yes/Partially/No and comment) |
|---|---|---|
| ESRS 2 SBM-2 | Interests and views of stakeholders | Yes- Included in the general information section |
| ESRS 2 SBM-3 S3 | Material impacts, risks and opportunities and their interaction with strategy and business model | Yes |
| S3-1 | Policies related to affected communities | Yes |
| S3-2 | Processes for engaging with affected communities about impacts | Yes |
| S3-3 | Processes to remediate negative impacts and channels for affected communities to raise concerns | Yes |
| S3-4 | Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | Yes |
| S3-5 | Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities | Yes |

| ESRS S4 Consumers and end users | | Included (Yes/Partially/No and comment) |
|---|---|---|
| ESRS 2 SBM-2 | Interests and views of stakeholders | No, this topic is not material |
| ESRS 2 SBM-3 S4 | Material impacts, risks and opportunities and their interaction with strategy and business model | No, this topic is not material |
| S4-1 | Policies related to consumers and end-users | No, this topic is not material |
| S4-2 | Processes for engaging with consumers and end-users about impacts | No, this topic is not material |
| S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | No, this topic is not material |
| S4-4 | Taking action on material impacts on consumers and end-users,and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | No, this topic is not material |
| S4-5 | Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities | No, this topic is not material |

| Governance standards<br>ESRS G1 Business Conduct | | Included (Yes/Partially/No and comment) |
|---|---|---|
| ESRS 2 GOV-1 | The role of the administrative, supervisory and management bodies | Yes - Included in the general information section |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material impacts, risks, and opportunities | Yes - Included in the general information section |
| G1-1 | Corporate culture and business conduct policies | Yes |
| G1-2 | Management of relationships with suppliers | Yes |
| G1-3 | Prevention and detection of corruption and bribery | Yes |
| G1-4 | Confirmed incidents of corruption or bribery | No, this topic is not material |
| G1-5 | Political influence and lobbying activities | Partial, political influence is not a material topic for segment Elia Transmission Belgium |
| G1-6 | Payment practices | No, this topic is not material |

# 5.2. Index for the datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

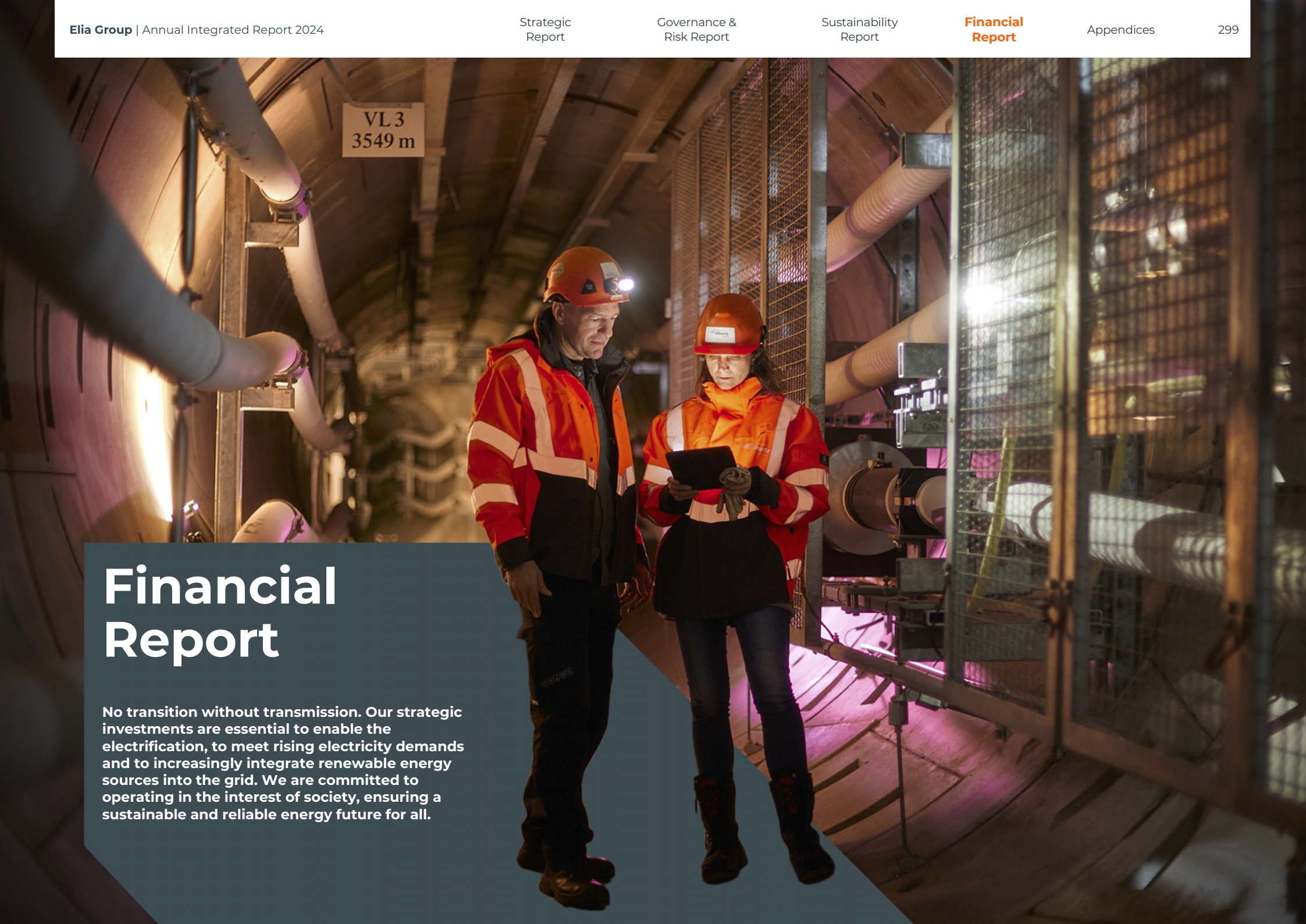
The table below includes the datapoints that derive from other EU legislation as listed in ESRS 2, Appendix B, indicating where these can be found in the Annual Report and which data points were deemed 'not material' during the double materiality assessment.

| Disclosure requirement | Data point and description | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Section where the datapoint is available |
|---|---|---|---|---|---|---|
| ESRS 2 GOV-1 | §21d) – Board gender diversity | X | | X | | Corporate Governance report / 1.3. Board of directors and 1.7. Executive management board |
| ESRS 2 GOV-1 | §21e) – Percentage of board members who are independent | | | X | | Corporate Governance report / 1.3. Board of directors |
| ESRS 2 GOV-4 | §30) – Statement on due diligence | X | | | | GOV4 - Statement on due diligence |
| ESRS 2 SBM-1 | §40d) i. – Involvement in activities related to fossil fuel activities | X | X | X | | Negative statement in SBM -1 - Strategy, business model and value chain |
| ESRS 2 SBM-1 | §40d) ii. – Involvement in activities related to chemical production | X | | X | | Negative statement in SBM -1 - Strategy, business model and value chain |
| ESRS 2 SBM-1 | §40d) iii. – Involvement in activities related to controversial weapons | X | | X | | Negative statement in SBM -1 - Strategy, business model and value chain |
| ESRS 2 SBM-1 | §40d) iv. – Involvement in activities related to the cultivation and production of tobacco | | | X | | Negative statement in SBM -1 - Strategy, business model and value chain |
| ESRS E1-1 | §14) – Transition plan to reach climate neutrality by 2050 | | | | X | E1-1 - Transition plan for climate change mitigation |
| ESRS E1-1 | §16g)– Undertakings excluded from Paris-aligned Benchmarks | X | X | | | Negative statement in E1-1 - Transition plan for climate change mitigation |
| ESRS E1-4 | §34) – GHG emission reduction targets | X | X | X | | E1-4 - Targets related to climate change mitigation and adaptation |
| ESRS E1-5 | §38) – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | X | | | | The Elia Transmission Belgium and 50Hertz Transmission Germany segments from the table at E1-5 - Energy consumption and mix |
| ESRS E1-5 | §37) – Energy consumption and mix | X | | | | E1-5 - Energy consumption and mix |
| ESRS E1-5 | §40-43) – Energy intensity associated with activities in high climate impact sectors | X | | | | Energy intensity based on net revenue |
| ESRS E1-6 | §44) –Gross Scope 1, 2, 3 and Total GHG emissions | X | X | X | | E1-6 - Gross Scopes 1,2, 3 and Total GHG emissions |
| ESRS E1-6 | §53-55) – Gross GHG emissions intensity | X | X | X | | GHG intensity based on net revenue |
| ESRS E1-7 | §56) – GHG removals and carbon credits | | | | X | E1-7 - GHG removals |
| ESRS E1-9 | §66) – Exposure of the benchmark portfolio to climate-related physical risks | | | X | | This datapoint is phased in according to the ESRS |

| Disclosure requirement | Data point and description | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Section where the datapoint is available |
|---|---|---|---|---|---|---|
| ESRS E1-9 | §66) – Exposure of the benchmark portfolio to climate-related physical risks | | X | | | This datapoint is phased in according to the ESRS |
| ESRS E1-9 | §66a) – Disaggregation of monetary amounts by acute and chronic physical risk | | X | | | This datapoint is phased in according to the ESRS |
| ESRS E1-9 | §67c) – Breakdown of the carrying value of its real estate assets by energy-efficiency classes | | | X | | This datapoint is phased in according to the ESRS |
| ESRS E2-4 | §28) – Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil | X | | | | The E2 standard is not material for Elia Group |
| ESRS E3-1 | §9) – Water and marine resources policies | X | | | | The E3 standard is not material for Elia Group |
| ESRS E3-1 | §13) – Dedicated policy | X | | | | The E3 standard is not material for Elia Group |
| ESRS E3-1 | §14) – Sustainable oceans and seas | X | | | | The E3 standard is not material for Elia Group |
| ESRS E3-4 | §28c) – Total water recycled and reused | X | | | | The E3 standard is not material for Elia Group |
| ESRS E3-4 | §29) – Total water consumption in m3 per net revenue on own operations | X | | | | The E3 standard is not material for Elia Group |
| ESRS 2 SBM-3 E4 | §16a) | X | | | | ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS 2 SBM-3 E4 | §16b) | X | | | | ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS 2 SBM-3 E4 | §16c) | X | | | | ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS E4-2 | §24b) – Sustainable land/agriculture practices or policies | X | | | | Not a material topic |
| ESRS E4-2 | §24c) – Sustainable oceans/seas practices or policies | X | | | | Not a material topic |
| ESRS E4-2 | §24d) – Policies to address deforestation | X | | | | E4-2 - Policies related to biodiversity and ecosystems |
| ESRS E5-5 | §37d) – Non-recycled waste | X | | | | E5-5 - Resource outflows |
| ESRS E5-5 | §39) – Hazardous waste and radioactive waste | X | | | | E5-5 - Resource outflows |
| ESRS 2- SBM3 – S1 | §14f) – Risk of incidents of forced labour | X | | | | No identified risk |
| ESRS 2- SBM3 – S1 | §14g) –Risk of incidents of child labour | X | | | | No identified risk |
| ESRS S1-1 | §20) – Human rights policy commitments | X | | | | S1-1 - Policies related to own workforce |
| ESRS S1-1 | §21) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 | | | X | | S1-1 - Policies related to own workforce |
| ESRS S1-1 | §22) – Processes and measures for preventing trafficking in human beings | X | | | | No identified risk |
| ESRS S1-1 | §23) – Workplace accident prevention policy or management system | X | | | | S1-1 - Policies related to own workforce |

| Disclosure requirement | Data point and description | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Section where the datapoint is available |
|---|---|---|---|---|---|---|
| ESRS S1-3 | §32c) – Grievance/complaints handling mechanisms | X | | | | S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns |
| ESRS S1-14 | §88b&c) – Number of fatalities and number and rate of work-related accidents | X | | X | | S1-14 - Health and safety metrics |
| ESRS S1-14 | §88e) – Number of days lost to injuries, accidents, fatalities or illness | X | | | | S1-14 - Health and safety metrics |
| ESRS S1-16 | §97a) – Unadjusted gender pay gap | X | | X | | S1-16 - Remuneration metrics |
| ESRS S1-16 | §97b) – Excessive CEO pay ratio | X | | | | S1-16 - Remuneration metrics |
| ESRS S1-17 | §103a) – Incidents of discrimination | X | | | | S1-17 - Incidents, complaints and severe human rights incidents |
| ESRS S1-17 | §104a) – Non-compliance with UNGPs on Business and Human Rights and OECD | X | | X | | S1-17 - Incidents, complaints and severe human rights incidents |
| ESRS 2- SBM3 – S2 | §11b) – Significant risk of child labour or forced labour in the value chain | X | | | | No identified risk |
| ESRS S2-1 | §17) – Human rights policy commitments | X | | | | S2-1 - Policies related to value chain workers |
| ESRS S2-1 | §18) – Policies related to value chain workers | X | | | | S2-1 - Policies related to value chain workers |
| ESRS S2-1 | §19) Non-compliance with UNGPs on Business and Human Rights principles and OECD guidelines | X | | X | | S2-1 - Policies related to value chain workers |
| ESRS S2-1 | §19) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 | | | X | | S2-1 - Policies related to value chain workers |
| ESRS S2-4 | §36) – Human rights issues and incidents connected to its upstream and downstream value chain | X | | | | S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers |
| ESRS S3-1 | §16) – Human rights policy commitments | X | | | | S3-1 - Policies related to affected communities |
| ESRS S3-1 | §17) – Non-compliance with UNGPs on Business and Human Rights, ILO principles or and OECD guidelines | X | | X | | S3-1 - Policies related to affected communities |
| ESRS S3-4 | §36) – Human rights issues and incidents | X | | | | S3-4 - Taking action on material impacts, risks and opportunities related to affected communities |
| ESRS S4-1 | §16) – Policies related to consumers and end-users | X | | | | The S4 standard is not material for Elia Group |
| ESRS S4-1 | §17) – Non-compliance with UNGPs on Business and Human Rights and OECD guidelines | X | | X | | The S4 standard is not material for Elia Group |
| ESRS S4-4 | §35) – Human rights issues and incidents | X | | | | The S4 standard is not material for Elia Group |
| ESRS G1-1 | §10b) – United Nations Convention against Corruption paragraph | X | | | | G1-1 - Corporate culture and business conduct policies |
| ESRS G1-1 | §10d) – Protection of whistle-blowers | X | | | | G1-1 - Corporate culture and business conduct policies |

| Disclosure requirement | Data point and description | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Section where the datapoint is available |
|---|---|---|---|---|---|---|
| ESRS G1-4 | §24a) – Fines for violation of anti-corruption and anti-bribery laws | X | | X | | Not material topic |
| ESRS G1-4 | §24b) – Standards of anti-corruption and anti- bribery | X | | | | Not material topic |




# Financial Report

**No transition without transmission. Our strategic investments are essential to enable the electrification, to meet rising electricity demands and to increasingly integrate renewable energy sources into the grid. We are committed to operating in the interest of society, ensuring a sustainable and reliable energy future for all.**

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# Consolidated financial statements

## Consolidated statement of profit or loss

| (in € million) – Period ended 31 December | Notes | 2024 | 2023 |
|---|---|---|---|
| Revenue | (5.1) | 3,767.0 | 3,842.6 |
| Raw materials, consumables and goods for resale | (5.2) | (23.0) | (17.2) |
| Other income | (5.1) | 383.6 | 210.7 |
| Net income (expense) from settlement mechanism | (5.1) | (47.8) | (99.7) |
| Services and other goods | (5.2) | (2,071.8) | (2,278.3) |
| Personnel expenses | (5.2) | (471.0) | (414.5) |
| Depreciation, amortisation and impairment | (5.2) | (619.4) | (557.5) |
| Changes in provisions | (5.2) | (0.3) | 4.6 |
| Other expenses | (5.2) | (38.2) | (46.4) |
| **Results from operating activities** | | **879.1** | **644.2** |
| Share of profit of equity accounted investees (net of tax) | (6.5) | 33.2 | 30.2 |
| **Earnings before interest and tax (EBIT)** | | **912.2** | **674.4** |
| **Net finance costs** | (5.3) | **(172.4)** | **(119.3)** |
| Finance income | | 104.1 | 61.6 |
| Finance costs | | (276.5) | (181.0) |
| **Profit before income tax** | | **739.8** | **555.0** |
| Income tax expense | (5.4) | (227.3) | (155.5) |
| **Profit for the period** | | **512.5** | **399.5** |
| **Profit attributable to:** | | | |
| Equity holders of the parent - equity holders of ordinary shares | | 421.3 | 324.5 |
| Equity holders of the parent - hybrid securities | | 29.3 | 31.0 |
| Non-controlling interest | | 62.0 | 44.1 |
| **Profit for the period** | | **512.5** | **399.5** |
| **Earnings per share (in €)** | (5.5) | | |
| Basic earnings per share | | 5.73 | 4.41 |
| Diluted earnings per share | | 5.73 | 4.41 |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

## Consolidated statement of profit or loss and comprehensive income

| (in € million) – Period ended 31 December | Notes | 2024 | 2023 |
|---|---|---|---|
| **Profit for the period** | | **512.5** | **399.5** |
| **Other comprehensive income (OCI)** | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | |
| Net changes in fair value of cash flow hedges | (5.6) | 230.5 | (380.1) |
| Foreign currency translation differences of foreign operations | | 0.2 | — |
| Related tax | (5.6) | (69.5) | 112.7 |
| **Items that will not be reclassified to profit or loss:** | | | |
| Remeasurements of post-employment benefit obligations | (5.6) | 22.0 | (6.5) |
| Net changes in fair value of investments | (5.6) | 65.9 | — |
| Related tax | (5.6) | (7.4) | 1.8 |
| **Other comprehensive income for the period, net of tax** | | **241.7** | **(272.2)** |
| **Total comprehensive income for the period** | | **754.3** | **127.3** |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the parent - ordinary shareholders | | 616.8 | 102.2 |
| Equity holders of the parent - hybrid securities holders | | 29.3 | 31.0 |
| Non-controlling interest | | 108.2 | (5.9) |
| **Total comprehensive income for the period** | | **754.3** | **127.3** |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

## Consolidated statement of financial position

| (in € million) – As at | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **21,425.9** | **16,820.2** |
| Property, plant and equipment | (6.1) | 17,692.6 | 13,648.7 |
| Goodwill | (6.3) | 2,411.1 | 2,411.1 |
| Intangible assets | (6.2) | 565.2 | 313.2 |
| Equity-accounted investees | (6.5) | 512.7 | 269.1 |
| Other financial assets | (6.6) | 186.3 | 121.0 |
| Derivatives | (6.7) | 2.3 | — |
| Trade and other receivables non-current | (6.4) | 55.0 | 55.0 |
| Deferred tax assets | (6.8) | 0.7 | 2.1 |
| **Current assets** | | **3,501.7** | **2,570.0** |
| Inventories | (6.9) | 224.6 | 42.7 |
| Trade and other receivables | (6.10) | 1,098.4 | 1,066.2 |
| Current tax assets | (6.11) | 94.3 | 64.4 |
| Derivatives | (6.7) | 10.0 | 7.2 |
| Cash and cash equivalents | (6.12) | 2,030.3 | 1,368.1 |
| Deferred charges and accrued revenues | (6.10) | 44.1 | 21.4 |
| **Total assets** | | **24,927.6** | **19,390.1** |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

| (in € million) – As at | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity** | | **6,177.4** | **5,517.3** |
| Equity attributable to owners of the Company | (6.13) | 5,556.2 | 5,088.5 |
| Equity attributable to ordinary shares: | | 5,040.3 | 4,572.6 |
| Equity attributable to hybrid securities holders | (6.13) | 515.9 | 515.9 |
| Non-controlling interest | | 621.2 | 428.8 |
| **Non-current liabilities** | | **14,899.2** | **10,034.8** |
| Loans and borrowings | (6.14) | 13,968.8 | 9,254.8 |
| Employee benefits | (6.15) | 61.4 | 87.1 |
| Derivatives | (6.7) | 4.5 | 8.5 |
| Provisions | (6.16) | 172.1 | 165.9 |
| Deferred tax liabilities | (6.8) | 301.9 | 146.9 |
| Other liabilities | (6.17) | 390.5 | 371.7 |
| **Current liabilities** | | **3,851.0** | **3,837.8** |
| Loans and borrowings | (6.14) | 859.7 | 755.2 |
| Provisions | (6.16) | 8.9 | 8.4 |
| Trade and other payables | (6.18) | 2,158.0 | 2,149.4 |
| Current tax liabilities | (6.11) | 10.2 | 5.3 |
| Derivatives | (6.7) | 2.3 | 217.4 |
| Other liabilities | (6.17) | 0.6 | — |
| Accruals and deferred income | (6.21) | 811.2 | 702.2 |
| **Total equity and liabilities** | | **24,927.6** | **19,390.1** |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

## Consolidated statement of changes in equity

| (in € million) - Year ended 31 December | Share capital | Share premium | Hedging reserve | Reserves | Treasury shares | Translation adjustments | Retained earnings | Equity attributable to ordinary shares | Equity attributable to hybrid securities | Equity attributable to the owners of the company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **1,823.1** | **738.6** | **119.2** | **173.0** | **(1.8)** | | **1,766.2** | **4,618.3** | **701.4** | **5,319.7** | **436.7** | **5,756.4** |
| Profit for the period | | | | | | | 355.4 | 355.4 | | 355.4 | 44.1 | 399.5 |
| Other comprehensive income | | | (217.8) | | | | (4.3) | (222.1) | | (222.1) | (50.0) | (272.2) |
| **Total comprehensive income for the period** | | | **(217.8)** | | | | **351.1** | **133.3** | | **133.3** | **(5.9)** | **127.3** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | | |
| **Contributions by and distributions to Owners** | | | | | | | | | | | | |
| Shares issued | 0.1 | 0.5 | | | | | | 0.6 | | 0.6 | | 0.6 |
| Share-based payment expenses | 0.1 | | | | | | | 0.1 | | 0.1 | | 0.1 |
| Hybrid: issuance/(repayment) of hybrid securities | | | | | | | | | (200.0) | (200.0) | | (200.0) |
| Hybrid: set-up fee & agio | | | | | | | (3.3) | (3.3) | | (3.3) | | (3.3) |
| Hybrid: dividend accrual | | | | | | | (14.5) | (14.5) | 14.5 | — | | — |
| Hybrid: coupon paid | | | | | | | (16.4) | (16.4) | | (16.4) | | (16.4) |
| Hybrid: tax effect on dividend accrual | | | | | | | (3.6) | (3.6) | | (3.6) | | (3.6) |
| Acquisition of treasury shares | | | | | (0.5) | | | (0.5) | | (0.5) | | (0.5) |
| Dividends to non-controlling interests | | | | | | | | | | | (26.0) | (26.0) |
| Dividends | | | | | | | (140.4) | (140.4) | | (140.4) | | (140.4) |
| Other | | — | | 7.3 | | | (8.1) | (0.8) | | (0.8) | 24.0 | 23.2 |
| **Total transactions with owners** | **0.2** | **0.5** | **—** | **7.3** | **(0.5)** | | **(186.4)** | **(178.9)** | **(185.5)** | **(364.4)** | **(2.0)** | **(366.4)** |
| **Balance at 31 December 2023** | **1,823.3** | **739.1** | **(98.6)** | **180.3** | **(2.4)** | **—** | **1,930.9** | **4,572.7** | **515.9** | **5,088.5** | **428.8** | **5,517.3** |

| (in € million) - Year ended 31 December | Share capital | Share premium | Hedging reserve | Reserves | Treasury shares | Translation adjustments | Retained earnings | Equity attributable to ordinary shares | Equity attributable to hybrid securities | Equity attributable to the owners of the company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **1,823.3** | **739.1** | **(98.6)** | **180.3** | **(2.4)** | | **1,930.9** | **4,572.7** | **515.9** | **5,088.5** | **428.8** | **5,517.3** |
| Profit for the period | | | | | | | 450.6 | 450.6 | | 450.6 | 62.0 | 512.5 |
| Other comprehensive income | | | 128.0 | | | 0.2 | 67.3 | 195.5 | | 195.5 | 46.2 | 241.7 |
| **Total comprehensive income for the period** | | | **128.0** | | | **0.2** | **517.9** | **646.1** | | **646.1** | **108.2** | **754.3** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | | |
| **Contributions by and distributions to Owners** | | | | | | | | | | | | |
| Hybrid: coupon paid | | | | | | | (29.3) | (29.3) | | (29.3) | | (29.3) |
| Acquisition of treasury shares | | | | | (0.8) | | | (0.8) | | (0.8) | | (0.8) |
| Dividends to non-controlling interests | | | | | | | | | | | (36.0) | (36.0) |
| Dividends | | | | | | | (146.3) | (146.3) | | (146.3) | | (146.3) |
| Other | | | | 3.1 | | | (5.1) | (2.0) | | (2.0) | 120.2 | 118.2 |
| **Total transactions with owners** | **—** | **—** | **—** | **3.1** | **(0.8)** | **—** | **(180.7)** | **(178.4)** | **—** | **(178.4)** | **84.2** | **(94.2)** |
| **Balance at 31 December 2024** | **1,823.3** | **739.1** | **29.4** | **183.4** | **(3.2)** | **0.2** | **2,268.1** | **5,040.3** | **515.9** | **5,556.2** | **621.2** | **6,177.4** |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

## Consolidated statement of cash flows

| (in € million) – period ended 31 December | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit for the period** | | **512.5** | **399.5** |
| **Adjustments for:** | | | |
| Net finance costs | (5.3) | 172.5 | 119.3 |
| Other non-cash items | | 2.4 | 0.5 |
| Current income tax expense | (5.4) | 151.0 | 121.9 |
| Profit or loss of equity accounted investees, net of tax | | (33.2) | (30.2) |
| Depreciation of property, plant and equipment and amortisation of intangible assets | (5.2) | 618.7 | 557.4 |
| Loss / proceeds on sale of property, plant and equipment and intangible assets | | 14.0 | 16.5 |
| Impairment losses of current assets | | (0.1) | 4.7 |
| Change in provisions | | (4.2) | (5.9) |
| Change in deferred taxes | (6.8) | 76.2 | 33.6 |
| Changes in fair value of financial assets through profit or loss | | (0.3) | (0.2) |
| **Cash flow from operating activities** | | **1,509.6** | **1,217.2** |
| Change in inventories | | (182.4) | (21.5) |
| Change in trade and other receivables | | (71.4) | 159.8 |
| Change in other current assets | | (24.7) | 6.6 |
| Change in trade and other payables | | (112.3) | (2,805.4) |
| Change in other current liabilities | | 137.1 | 180.5 |
| **Changes in working capital** | | **(253.7)** | **(2,480.1)** |
| Interest paid | | (238.8) | (149.3) |
| Interest received | | 79.8 | 62.0 |
| Income tax paid | | (152.7) | (159.2) |
| **Net cash from operating activities** | | **944.2** | **(1,509.4)** |

| (in € million) – period ended 31 December | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Acquisition of intangible assets | | (255.8) | (134.3) |
| Acquisition of property, plant and equipment | | (4,420.1) | (2,179.5) |
| Acquisition of equity-accounted investees | | (230.4) | — |
| Acquisition of equity and debt instruments | | (1.6) | — |
| Proceeds from sale of property, plant and equipment | | 2.9 | 3.3 |
| Dividend received | | 35.0 | 23.4 |
| **Net cash used in investing activities** | | **(4,870.0)** | **(2,287.1)** |
| **Cash flow from financing activities** | | | |
| Proceeds from the issue of share capital | (6.13) | — | 0.6 |
| Proceeds from the capital increase - NCI | | 120.0 | 24.0 |
| Proceeds from the issue of hybrid securities | (6.13) | — | 500.0 |
| Repayment of hybrid securities | (6.13) | — | (700.0) |
| Expenses related to financing activities | | (6.3) | (3.3) |
| Purchase of own shares | (6.13) | (1.3) | (1.0) |
| Dividend paid | (6.13) | (146.3) | (140.4) |
| Hybrid coupon paid | (6.13) | (29.3) | (16.4) |
| Dividends to non-controlling parties | | (36.0) | (26.0) |
| Repayment of borrowings | (6.14) | (639.9) | (787.1) |
| Proceeds from withdrawal of borrowings | (6.14) | 5,337.0 | 2,162.9 |
| **Net cash flow from (used in) financing activities** | | **4,597.9** | **1,013.4** |
| **Effects of changes in exchange rates** | | **(9.9)** | **—** |
| **Net increase (decrease) in cash and cash equivalents** | | **662.2** | **(2,783.1)** |
| Cash & Cash equivalents at 1 January | | 1,368.1 | 4,151.2 |
| Cash & Cash equivalents at 31 December | | 2,030.3 | 1,368.1 |
| **Net variations in cash & cash equivalents** | | **662.2** | **(2,783.1)** |

The accompanying notes (1-9) form an integral part of these consolidated financial statements.
Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

# Notes accompanying the consolidated financial statements

## 1. Reporting entity

The registered office of Elia Group SA/NV (hereafter referred to as the "Company" or "Elia") is established in Belgium and located at 20 Boulevard de l'Empereur, 1000 Brussels. Elia Group SA/NV is a public limited company, which is a listed company on Euronext Brussels, under the symbol ELI, whose reference shareholder is municipal holding company Publi-T SC.

The consolidated financial statements for the financial year 2024 include those of Elia Group SA/NV and its subsidiaries (collectively referred to as 'the Group' or 'Elia Group') and the group's interests in joint ventures and associates.

Elia Group comprises two electricity transmission system operators (TSOs): Elia Transmission Belgium SA/NV ("ETB") in Belgium and 50Hertz Transmission GmbH ("50HertZ"), in which Elia Group holds an 80% stake through Eurogrid International SA/NV (fully owned) and Eurogrid GmbH (80%). 50Hertz Transmission GmbH is one of Germany's four transmission system operators; it operates in the north and east of the country. We refer to the Group structure in Note 7 for further details.

The Group also has a 50% stake in Nemo Link Ltd, which constructed an electrical interconnector between the UK and Belgium: the Nemo Link interconnector. Nemo Link Ltd is a joint venture between Elia Transmission Belgium SA/NV and National Grid Ventures (in the UK). It began its commercial operations on 30 January 2019, with a transfer capacity of 1000 MW.

With around 4,020 employees and a transmission system that comprises some 19,741 km of high-voltage connections and serves 30 million end consumers, Elia Group is one of Europe's top five TSOs. It efficiently, reliably and securely transports electricity from generators to distribution system operators and major industrial consumers, while also importing and exporting electricity from and to neighbouring countries. The Group is a driving force behind the development of the European electricity market and the integration of energy generated from renewable sources. In addition to its transmission activities in Belgium and Germany, the Group offers businesses a range of consultancy and engineering services.

To make a fundamental contribution to the accelerated development of offshore energy, Elia Group created in 2022 a new subsidiary: WindGrid. With WindGrid, Elia Group continues to expand its activities overseas and confirms its determination to play a leading role in the offshore grid sector that is forecasting major developments in Europe and beyond. Elia Group, through its subsidiary WindGrid, has acquired in 2024 a stake in the US company energyRe Giga, a subsidiary of energyRe, the co-developer of US transmission and offshore projects. With this acquisition, Elia Group is entered the US markets, confirming its ambitions for expansion and diversification.

Through Elia and 50Hertz, Elia Group's mission is to drive the energy transition in line with the ambitions outlined in the European Green Deal. In line with the latter, large-scale investments in renewable energy production and the offshore grid are due to be undertaken over the next few years. We refer to note 6.1 where further information is provided on the investment plan.

## 2. Basis of preparation

### 2.1. Statement of compliance

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the European Union. In doing so, the Group applied all new and revised standards and interpretations published by the International Accounting Standards Board (IASB), including those which came into effect for the financial year starting on 1 January 2024, which are applicable to the Group's activities.

#### New and amended standards and interpretations

The standards, amendments and interpretations listed below came into effect in 2024, with little or limited impact on the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

The Group intends to adopt these new and amended standards if applicable when they become effective. The changes to the standards, amendments and interpretations listed below are not expected to have a material impact on these annual accounts and are therefore not outlined in any great detail:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025);
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);

— IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);
— Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU);
— Annual Improvements – Volume 11 (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU) ;
— Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU).

The Group is currently working to identify all impacts the new standard IFRS 18 will have on the primary financial statements and notes to the financial statements. The other amendments and standards are not likely to have a material impact on the Group's financial statements.

## 2.2. Functional and presentation currency

These consolidated financial statements are presented in millions of euro, rounded to the nearest hundred thousand, unless stated otherwise.

## 2.3. Basis of measurement

In general, these consolidated financial statements were prepared on a historical cost basis. However, reporting related to the following categories deviate from this general rule:

— Subsidiaries: acquisitions are accounted for using the acquisition method, where the purchase price is allocated to the identifiable assets acquired and liabilities assumed on a fair value basis and the remainder recognised as goodwill;
— Equity accounted investees: the equity method was applied to determine the value of a shareholding over which the group has a significant influence. On initial recognition the investment in an associate or a joint venture is recognised at cost;
— Other shareholdings: entities in which the group has a shareholding but over which it does not have a significant influence were valued at fair value through other comprehensive income (OCI);
— Employee benefits were valued at the present value of the defined benefit obligations, minus the fair value of the plan assets (see also Note 6.15);
— Derivative financial instruments were measured at fair value through OCI or profit and loss (P&L), depending on whether the derivative can be designated as a hedging instrument (see also Note 8.1);
— Decommissioning provisions were valued at present value.

## 2.4. Going concern

The directors reassessed the going concern assumption of the Company and, at the time of approving the financial statements, held a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future. The directors will therefore continue to adopt the going concern basis of accounting in the preparation of the financial statements.

In the current context of inflation and volatile market conditions, the Group paid particular attention to adequately reflecting the current and expected impact of the situation on the financial position, performance and cash flows of the company, applying the IFRS accounting principles in a consistent manner. In general, since Elia Group is acting in accordance with the regulatory frameworks in Belgium and Germany, the profitability and the financial position of the Group have not been affected.

## 2.5. Use of estimates and judgements

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that could affect the reported amounts of assets and liabilities and revenue and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances: the results of these estimates and assumptions form the basis for making judgements regarding the carrying amounts of assets and liabilities. Actual results could therefore differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either: in the period during which the estimate is revised if the revision only affects this period; or in the period during which the estimate is revised and throughout future periods if the revision affects both current and future periods.

The following points include information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements:

— The total allowed remuneration for the Group's role as TSO in the Belgian and German segments is mainly determined by calculation methods set by the Belgian federal regulator (the Commission for Electricity and Gas Regulation or CREG) and the German federal regulator (the Federal Network Agency or BNetzA) respectively. The recognition of deferral regulatory accounts is also based on the different regulatory schemes. For certain calculations, a level of professional judgement needs to be applied. More disclosures are provided in Notes 6.21, 9.1.4 and 9.2.3.
— Entities in which the Group holds less than 20% of the voting rights but has significant influence are accounted for under the equity method. Following the guidance in IAS 28, the Group assesses whether it has significant influence over its associates and therefore needs to account for them under the equity method (rather than applying IFRS 9) and reassesses this in each reporting period (see also Note 6.5).
— Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits in so far as it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In making a

judgement on this, management takes into account elements such as long-term business strategy and tax planning opportunities (see Note 6.8).

- Credit risk related to customers: management closely reviews the outstanding trade receivables, including by considering ageing, payment history and credit risk coverage (see Note 8.1).
- Employee benefits including reimbursement rights - See Note 6.15:
  - The Group has defined benefit plans and defined contribution plans which are disclosed in Note 6.15. The calculation of the liabilities or assets related to these plans is based on actuarial and statistical assumptions. For example, this is the case for the present value of future pension liabilities. The present value is, among other factors, impacted by changes in discount rates, and financial assumptions such as future increases in salary. In addition, demographic assumptions, such as average assumed retirement age, also affect the present value of future pension liabilities.
  - In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with currencies of the post-employment benefit obligation, i.e. euro, with at least an AA rating or above, as set by at least one leading rating agency and extrapolated along the yield curve to correspond with the expected term of the defined benefit obligation. Higher and lower yielding bonds are excluded in developing the appropriate yield curve.
  - Each plan's projected cash flow is matched to the spot rates of the yield curve to calculate an associated present value. A single equivalent discount rate is then determined that produces that same present value. The resulting discount rate therefore reflects both the current interest rate environment and the plan's distinct liability characteristics.
- Provisions for environmental remediation costs: at each year-end, an estimate is made regarding future expenses with respect to soil remediation, based on the expert advice. The extent of remediation costs is dependent on a limited number of uncertainties, including newly identified cases of soil contamination (see Note 6.16).
- Other provisions are based on the value of the claims filed or on the estimated amount of the risk exposure. The expected timing of the related cash outflow depends on the progress and duration of the associated process/procedures (see Note 6.16).
- In determining the appropriate discount rate to discount the future dismantling obligation, management considers the interest rates of corporate bonds in euro with at least an AA rating or above as set by at least one leading rating agency and extrapolated along the yield curve to correspond with the expected term of the dismantling obligation. A sensitivity analysis is performed to measure the impact of a differing discount rate.
- Goodwill impairment testing: the Group performs impairment tests on goodwill and on cash-generating units (CGUs) at the reporting date, and whenever there are indications that the carrying amount might be higher than the recoverable amount. This analysis is based on assumptions such as estimated investment plans, remuneration defined in the regulatory frameworks, market evolution, market share, margin evolution and discount rates (see Note 6.3).
- Fair value measurement of financial instruments: when the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for these valuation techniques are taken from observable markets where possible. Where this is not feasible, a certain level of professional judgement is required in establishing fair values. Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in OCI to the extent that the hedge is effective. If the hedge is ineffective, changes in fair value are recognised in profit or loss (see Note 6.19).
- The useful life of the fixed assets is defined to reflect the real depreciation of each asset. The depreciation of property, plant and equipment is mainly calculated based on the useful lives determined by the regulatory frameworks in Belgium and Germany, which are considered to be the best possible approximation of expected economic lives in the light of current events. (see Note 3.3.1 and 6.1)
- The Group makes use of practical expedients when applying IFRS 16 (Leasing):
  - The Group applies a single discount rate per type of contracts, summarised per their duration. Those leases are assumed to have similar characteristics. The discount rate used is the Group's best estimate of the weighted average incremental borrowing rate. Each lease contract is classified in a duration bucket (<5 years, between 5 and 10 years, etc.) for which an interest rate is derived equal to the interest rate of a traded bond with the same rating as Elia Group SA/NV in the same sector with a similar duration. The interest rate is fixed over the lifetime of the lease contract.
  - The Group assesses the non-cancellable period of each of the contracts falling within the scope of IFRS 16. This includes the period covered by an option to extend the lease, if the lessee is reasonably certain that they will exercise that option. Certainly, where it relates to office rent contracts, the Group makes its best estimate of the non-cancellable period based on all information at its disposal (see Note 6.20).

## 2.6. Declaration by responsible persons

These consolidated financial statements were authorized for publication by the Board of Directors on 20 March 2025.

The undersigned declare that to the best of their knowledge :

- the financial statements, which have been prepared in accordance with applicable accounting policies for financial statements, give a true and fair view of the assets, the financial position and results of Elia and of its subsidiaries included in the consolidation;
- the annual report gives a true and fair view of the evolution and the results of the Group and of the situation of Elia and of its subsidiaries included in the consolidation, as well as a description of the most significant risk and uncertainties they are facing.

**Brussels, 20 March 2025**

**Bernard Gustin**
Chief Executive Officer

**Geert Versnick**
President of the Board of Directors

# 3. Material accounting policies

## 3.1. Basis of consolidation

### Subsidiaries

A subsidiary is an entity that is controlled by Elia Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date this control commences until the date that it ceases. The accounting policies of subsidiaries are changed when necessary, in order to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in a deficit balance of the non-controlling interests. Changes to the Group's interest in a non-wholly-owned subsidiary that do not result in a loss of control are accounted for as equity transactions.

### Associates

Associates are those companies over which Elia Group exerts significant influence, but not control, in terms of their financial and operating policies. Investments in associates are accounted for in the consolidated financial statements in accordance with the equity method. They are initially recognised in the consolidated statement of financial position at cost, with all transaction costs incurred with the acquisition included, and are adjusted thereafter to reflect the Group's share of the profit or loss and other comprehensive income of the associate. This accounting under the equity method is done from the date that significant influence commences until the date that it ceases. When the Group's share of the losses exceeds its interest in an associate, its carrying amount is reduced to nil and further losses are not recognised except to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of an associate.

### Interests in joint ventures

A joint venture is an arrangement under which Elia Group has joint control and has rights to the net assets of the arrangement, as opposed to joint operations, under which the Group has rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost price, with all transaction costs incurred with the acquisition included. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the total recognised profits and losses of joint ventures on the basis of the equity method, from the date that joint control commences until the date that it ceases. When the Group's share of the losses exceeds its interest in joint ventures, its carrying amount is reduced to nil and further losses are not recognised except to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of a joint venture.

### Non-controlling interests

Non-controlling interests are measured in line with their proportional share of the acquiree's identifiable net assets on the acquisition date.

### Elimination of intra-group transactions

Intra-group balances and any unrealised gains or losses or income and expenses arising from intra-group transactions are eliminated when preparing the consolidated financial statements.

Unrealised gains from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 3.2. Foreign currency translation

### Foreign currency transactions and balances

Transactions in foreign currencies are converted into the functional currency of the Company at the foreign exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies on the reporting date are converted at the foreign exchange rate on that date. Foreign exchange differences arising on conversion are recognised in profit or loss, except where the application of hedge accounting requires inclusion in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are valued in terms of historical cost are converted at the exchange rate on the date of the transaction. As a result, they are not retranslated unless they are carried at fair value.

### Foreign operations

A foreign operation is an entity that is a subsidiary, an associate, an interest in a joint venture or a branch of the reporting entity whose activities are based or conducted in a country or currency other than those of the reporting entity.

The financial statements of all group entities that have a functional currency which differ from the Group's presentation currency are translated into the presentation currency as follows:

— assets and liabilities are translated at the exchange rate at the reporting date;

— income and expenses are translated at the average exchange rate of the year.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, interests in joint ventures and associates at closing exchange rates are included in shareholder's equity under OCI. Upon the (partial) disposal of foreign subsidiaries, joint ventures and associates, (partial) cumulative translation adjustments are recognised in the profit or loss as part of the gain or loss on the sale.

# 3.3. Statement of financial position

## 3.3.1 Property, plant and equipment

The Group has opted for the historical cost model.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. The useful lives are determined by the regulatory frameworks in Belgium and Germany, which are considered to be the best possible approximation of expected economic lives in the light of current events. For right-of-use assets, the Group uses the lease term to calculate the depreciation, except if its is much longer than the asset's useful life. The residual values , useful lives and methods of depreciation of property, plant and equipment are reviewed at each year end and adjusted prospectively, if appropriate.

The Group recognises in the carrying amount of an item of property, plant and equipment the subsequent costs of replacing part of such an item when that cost is incurred, but only when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repair and maintenance costs, are recognised in profit or loss as and when they are incurred.

| Type of assets | Class | Rate |
|---|---|---|
| Administrative buildings | Land and buildings | 1.67 – 2.00% |
| Industrial buildings | Land and buildings | 2.00 – 4.00% |
| Overhead lines | Machinery and equip. | 2.00 – 4.00% |
| Underground cables | Machinery and equip. | 2.00 – 5.00% |
| Substations (facilities and machines) | Machinery and equip. | 2.50 – 6.67% |
| Remote control | Machinery and equip. | 3.00 – 12.50% |
| Dispatching | Machinery and equip. | 4.00 – 10.00% |
| Other PPE (fitting out rented buildings) | Other | contractual period |
| Vehicles | Furniture and vehicles | 6.67 – 20.00% |
| Tools and office furniture | Furniture and vehicles | 6.67 – 20.00% |
| Hardware | Furniture and vehicles | 25.00 – 33.00% |
| Right of use assets | Leasing | contractual period |

These different types of assets are divided into six main classes: (i) Land and buildings, (ii) Machinery and equipment, (iii) Furniture and vehicles, (iv) Leasing, (v) Other tangible assets and (vi) Assets under construction.

Borrowing costs are capitalised when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In accordance with IAS 16, when Elia Group has a present, legal or constructive obligation to dismantle the item or restore the site, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A corresponding provision for this obligation is recorded for the amount of the asset component (the dismantling asset) and depreciated over the asset's entire useful life (see also 3.3.13 Provisions).

### Derecognition

An asset is no longer recognised when it is subject to disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of the asset (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss, under other income or other expenses, during the year in which the asset was derecognised.

## 3.3.2 Intangible assets

### Computer software

The Group capitalizes development costs associated with internally generated intangible assets, specifically software, in accordance with IAS 38 Intangible Assets.

Development costs are capitalized when all the following conditions are met:

- Technical Feasibility: Completion of the software is technically feasible, ensuring its availability for use or sale.
- Intention to Complete and Use or Sell: The Group intends to complete the software for use or sale.
- Ability to Use or Sell: There is an ability to use or sell the completed software.
- Market Availability or Internal Usefulness: Evidence of a market for the software exists or, if for internal use, the software is deemed useful.
- Availability of Resources: Sufficient technical, financial, and other resources are available to complete the development.
- Measurement of Costs: The costs related to the development of the software can be measured reliably.

Capitalized development costs are amortized over their estimated useful lives on a straight-line basis from the date the software is available for use. The amortization method, periods, and the residual values are reviewed at each financial year-end and adjusted if necessary.

Costs associated with cloud computing arrangements are capitalized if the Group controls the software. This control may be indicated by the right to take possession of the software or having exclusive rights of use. Configuration or customization costs in such arrangements are capitalized if they create or enhance a separate intangible asset.

Costs incurred before fulfilling the capitalization criteria are recognized as expenses in the period in which they are incurred. Similarly, costs associated with maintaining or servicing developed software are recognized as expenses as incurred.

### Licences, patents and similar rights

Expenditure on acquired licences, patents, trademarks and similar rights are capitalised and amortised on a straight-line basis over the contractual period, if any, or the estimated useful life.

Licences may be linked to administrative management software or, in most cases, to tools related to the Group's core business.

### Other intangible assets

The Group is also developing innovative tools, outside its core business, in energy-related fields to help companies make the most of their energy-related data.

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset.

### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets, unless the useful life is indefinite. Software is amortised from the date it becomes available for use. The estimated useful lives are as follows:

| Type of assets | Rate |
|---|---|
| Licences | 20% |
| Concessions | contractual period |
| Computer software | 20.00 – 25.00% |

Amortisation methods, remaining useful lives and residual values of intangible assets are reassessed annually and are prospectively adjusted as the occasion arises.

### Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising upon the recognition of the asset is included in the profit or loss.

## 3.3.3 Goodwill

Goodwill is stated at cost, less accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment (see Section 3.3.7 'Impairment of non-financial assets'). In the case of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associates.

## 3.3.4 Trade and other receivables

### Levies

In its role as TSOs, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are subject to various public service obligations (trusteeship) imposed by their respective governments and/or by regulation mechanisms. These identify public service obligations in various areas (such as promoting the use of renewable energy, social support, fees for the use of the public domain, offshore liabilities) that should be fulfilled by TSOs. The costs incurred by TSOs as they undertake these obligations are fully covered by the tariff 'levies' approved by the regulators in Belgium and Germany. The amounts outstanding (deficit) are reported as a trade and other receivables.

Throughout this process, as the TSOs are agents, the Group opted for a net presentation both at profit or loss and at balance sheet level. These transactions are fully "passed through".

See also Note 9.1.4.

### Trade and other receivables

Trade receivables and other receivables are initially recognised at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price, and are subsequently measured at amortised cost.

### Impairment

For trade receivables and contract assets, the impairment model is based on the expected credit loss model (ECLs). Under IFRS 9 standard, the Group applies a group-wide methodology when calculating the Expected Credit Losses (ECLs). An individual approach is used for customers and other counterparties, for which the change in credit risk is monitored on an individual basis.

See Note 8.1 'Credit risk', for a detailed description of the model.

## 3.3.5 Inventories

Inventories (spare parts) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price minus the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted-average-cost-price method. The cost includes the expenditure incurred in acquiring the inventories and the direct costs of bringing them to their location and making them operational.

Write-downs of inventories to net realisable value are recognised in the period in which the write-offs occurred.

## 3.3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank balances, commercial paper and deposits that can be withdrawn on demand. Overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 3.3.7 Impairment of non-financial assets

The carrying amount of the Group's assets, excluding inventories and deferred taxes, is reviewed at the end of the reporting period for each asset to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

The recoverable amount of goodwill is estimated at the end of each reporting period.

An impairment loss is recognised whenever the carrying amount of such an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Recognised impairment losses relating to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the units on a pro-rata basis.

After recognition of impairment losses, the depreciation costs for the asset will be prospectively adjusted.

### Calculation of the recoverable amount

The recoverable amount of intangible assets and property, plant and equipment is determined as the higher of their fair value less costs of disposal and their value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market assessment of the time value of money and the risks specific to the asset.

The Group's assets do not generate cash flows that are independent from other assets. The recoverable amount is therefore determined for the cash-generating unit (i.e. the entire high-voltage grid) to which the asset belongs. This is also the level at which the Group administers its goodwill and gathers the economic benefits of acquired goodwill.

### Reversals of impairment

An impairment loss with respect to goodwill is not reversed. Impairment loss on other assets is reversed if there have been changes in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.3.8 Financial assets

### Initial recognition and measurement

The classification of financial assets at initial recognition depends on their contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value (for financial assets measured at FVTOCI transaction costs are added).

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

– Financial assets at amortised cost (debt instruments)

– Financial assets measured at fair value through OCI (equity instruments)

– Financial assets measured at fair value through profit and loss

#### Financial assets at amortised cost

Financial assets at amortised cost are managed with a view to holding them to maturity and collecting contractual cash flows. The financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Financial assets measured at fair value through OCI (equity instruments FVOCI)

Upon initial recognition, the Group irrevocably classifies its equity investments as equity instruments measured at fair value through OCI when the Group does not have significant influence and the assets are not held for trading. This classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case any such gains are recorded in OCI. Equity instruments measured at fair value through OCI are not subject to impairment assessment. In case of disposal, any balance within fair value through comprehensive income reserve is reclassified directly to retained earnings and not recycled to the profit and loss.

The Group has elected to irrevocably classify non-listed equity investments over which the Group does not have significant influence in this category.

#### Financial assets measured at fair value through profit and loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. At Elia, this mainly concerns equity instruments (SICAVs) at fair value trough income.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for its debt instruments. See Note 8.1 'Credit risk', for a detailed description of the approach.

## 3.3.9 Derivative financial instruments and hedge accounting

### Derivative financial instruments

The Group sometimes uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate and commodity prices risks arising from operating, financing and investment activities. In accordance with its treasury policy, the Group neither holds nor issues derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as instruments held for trading purposes.

Derivative financial instruments are initially recognised at fair value. Any gain or loss resulting from changes in the fair value is immediately booked in the statement of profit or

loss. Where derivative financial instruments qualify for hedge accounting, the reflection of any resulting gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account the current interest rates and the current creditworthiness of the swap counterparties and the Group. The fair value of forward exchange contracts is their quoted market price at the end of the reporting period, i.e. the present value of the quoted forward price.

## Derivatives used as hedging instruments

### Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash-flow hedge are recognised directly in OCI to the extent that the hedge is effective. If the hedge is ineffective, changes in fair value are recognised in profit or loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The Group designates only the spot element of forward contracts as a hedged risk. The forward element is considered the cost of hedging and is recognised in OCI and accumulated in a separate component of the statement of financial position under hedging reserves.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is prospectively discontinued. The cumulative gain or loss previously recognised in OCI remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in OCI is transferred, where justified, to the carrying amount of the asset. In other cases, the amount recognised in OCI is transferred to profit or loss in the same period that the hedged item affects profit or loss.

When a derivative or hedge relationship is terminated, cumulative gains or losses still remain in OCI, provided that the hedged transaction is still expected to occur. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is removed from OCI and is immediately recognised in profit or loss.

The Group recognises derivatives to hedge the price for the future procurement of the physical requirement for grid losses that is expected in subsequent periods and is covered in each case by short-term procurement transactions on the spot market. These derivatives are measured at fair value in OCI with no effect on profit or loss as part of cash flow hedge accounting; they serve as price hedging of the physical demand for electrical energy to cover grid losses (underlying transaction). Due to the availability and liquidity of futures trading, the hedging period for intended price hedging covers a period of up to two years from the balance sheet date. In this context, the Group pursues a conservative hedging strategy oriented towards the regulatory framework and the ability to roll over the electricity procurement costs incurred, which enables timely and predictable price hedging.

The critical term match method measures effectiveness. If the valuation-relevant parameters of the hedged item and hedging instrument match, it is assumed that an effective hedging relationship exists and that changes in value from both items offset each other. The Group strives for full price hedging of the expected volume of grid loss energy (hedge ratio 1:1).

### Hedging of monetary assets and liabilities

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as foreign currency gains and losses.

# 3.3.10 Equity

## Share capital - transaction costs

Transaction costs related to the issuing of capital are deducted from the capital received. When needed, transaction costs are deferred to be accounted for in a subsequent period when the capital increase is completed.

## Dividends

Dividends are recognised as a liability in the period in which they are declared (see note 6.13.1).

## Hybrid securities

Hybrid securities are deeply subordinated securities. With the exception of ordinary shares, hybrid securities rank as the most junior instruments in the capital structure of the Group in an insolvency hierarchy. Hybrid securities are perpetual instruments and do not default on non-payment of coupons (unless such payment was mandatory following a resolution or payment of a dividend to ordinary shareholders).

The holders of hybrid securities have limited influence on the outcome of a bankruptcy proceeding or restructuring outside bankruptcy. Consequently, the holders cannot oblige the Group to pay distributions or redeem the securities in part or in full. Payment of distributions on and redemption of the securities is at our sole discretion. In light of their characteristics, hybrid securities are classified as an equity instrument under IFRS Accounting Standards. The associated issue costs are recognised directly in retained earnings.

## Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and are deducted from equity. The amount of treasury shares held is disclosed in the treasury share reserve. When treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

# 3.3.11 Financial liabilities

Financial liabilities consist of interest-bearing loans and borrowings in the Group. They are initially recognised at fair value, less related transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost price with any difference between amount at initial recognition and redemption value being recognised in profit or loss over the period of the loans on an effective interest basis.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## 3.3.12 Employee benefits

### Defined-contribution plans

In Belgium, contribution based promises, called defined-contribution pension plans under Belgian pension legislation, are classified as defined-benefit plans for accounting purposes due to the legal minimum return to be guaranteed by the employer.

Before 1 January 2016, the legal minimum return was 3.75% on employee contributions, 3.25% on employer contributions and 0% for inactive plan participants.

From 1 January 2016 onwards, the legal minimum return is a variable rate between 1.75% and 3.75%. The interest rate is automatically adapted on 1 January each year based on the average return OLO 10 years over 24 months, with 1.75% as a minimum. As of 1 January 2016, the legal minimum return is 1.75% on employee and employer contributions and 0% for inactive plan participants.

As the plans are funded via a pension fund, the vertical approach is applied, meaning that 1.75% is applied on all the reserves (even before 2016).

The employer needs to finance the deficits related to the "Law on Supplementary Pensions (LSP) guarantee at any time for the employee contract and at the moment the vested reserves are transferred in case of departure, retirement or liquidation of the pension for the employer contract.

For each plan, the fair value of assets equals the sum of the accrued individual reserves (if any) and the value of the collective fund(s) (if any).

The Defined-Benefit Obligation (DBO) was determined following the Projected Unit Credit (PUC) method. The plan formula (backloaded or not) determines whether the premiums are projected.

In Germany, the defined-contribution plan comprises a fixed pension to be paid to an employee upon retirement, which is usually based on one or more factors such as the employee's age, years of service and salary.

In both countries, the calculation is performed by an accredited actuary.

### Defined-benefit plans

For defined-benefit plans, which exist in both Belgium and Germany, the pension expenses for each plan are assessed separately on an annual basis by accredited actuaries using the PUC method. The estimated future benefit that employees have earned in return for their service in the current and previous periods is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the interest rate, at the end of the reporting period, on high quality bonds that have maturity dates approximately equivalent to the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss at the earlier of the following dates:

— when the plan amendment or curtailment occurs; or

— when the entity recognises related restructuring costs under IAS 37 or termination benefits.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements – comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined-benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined-benefit liability) – are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### Reimbursement rights Belgium

Reimbursement rights are recognised as a separate asset when, and only when, it is virtually certain that another party will reimburse some or all of the expenditure required to settle the corresponding benefit obligation. Reimbursement rights are presented as non-current assets under other financial assets and are measured at fair value. These rights are handled the same way as the corresponding defined-benefit obligation. When the changes in the period result from changes in financial assumptions or from experience adjustments or changes in demographic assumptions, then the asset is adjusted through OCI. The components of the defined-benefit cost are recognised net of amounts relating to changes in the carrying amount of the rights to reimbursement.

### Other long-term employee benefits

The Group's net obligation regarding long-term service benefits other than pension plans is assessed on an annual basis by accredited actuaries. The net obligation is calculated using the PUC method and is the amount of future benefit that employees have earned in return for their service in the current and previous periods. The obligation is discounted to its present value, and the fair value of any related assets is deducted. The discount rate is the yield, at the end of the reporting period, on high quality bonds that have maturity dates approximately equivalent to the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

### Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid out under a short-term cash bonus or profit-sharing plans if the Group has a legal or constructive obligation to pay this amount as a result of the employee's past service and the obligation can be reliably estimated.

## 3.3.13 Provisions

A provision is recognised in the balance sheet when the Group has a current legal or constructive obligation as a result of a past event and it is likely that an outflow of economic benefits – of which a reliable estimate can be made – will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, of the risks specific to the liability.

The Group's main long-term provisions are provisions for dismantling obligations. The present value of the obligation at the time of commissioning represents the initial amount of the provision for dismantling with, as the counterpart, an asset for the same amount, which is included in the carrying amount of the related property, plant and equipment and is depreciated over the asset's entire useful life.

Factors having a significant influence on the amount of provisions include:

— cost estimates
— the timing of expenditure ; and
— the discount rate applied to cash flows.

These factors are based on information and estimates deemed by the Group to be the most appropriate as of today.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 3.3.14 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost.

### Levies

In its role as a TSO, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are subject to various public service obligations imposed by the Government and/or by regulation mechanisms. These identify public service obligations in various fields (such as promoting the use of renewable energy, social support, fees for the use of the public domain, offshore liability) for fulfilment by TSOs. The costs incurred by TSOs in accordance with these obligations are fully covered by the tariff 'levies' approved by the regulator. The amounts outstanding (surplus) are reported as a trade and other payable.

In this process, as the TSOs are agents, the Group opted for a net presentation both at profit or loss and at balance sheet level. These transactions are fully "passed through".

See also Note 9.1.4.

## 3.3.15 Other non-current liabilities

### Government grants

Government grants are recognised when it is reasonably certain that the Group will receive such grants and that all underlying conditions will be met. Grants related to an asset are presented under other liabilities and will be recognised in the statement of profit or loss on a systematic basis over the expected useful life of the asset in question. Grants related to expense items are recognised in the statement of profit or loss in the same period as the expenses for which the grant was received. Government grants are presented as other operating income in the statement of profit or loss.

### Contract liabilities - Last mile connection

The consideration of the last mile connection is paid upfront, whilst the revenues are recognised over the lifetime of the underlying asset. The amounts to be released in future are reflected in this section. See also Note 3.4.1.

## 3.3.16 Leases

Upon the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease included in IFRS 16.

### The group as a lessee

The Group recognises a right-of-use asset and a lease liability on the lease commencement date. Assets and liabilities arising from a lease are initially measured on a present value basis and discounted using the Group's best estimate for the weighted average incremental borrowing rate, in case the rate implicit in the lease cannot be readily determined. The Group applies a single discount rate per group of similar contracts, summarised per their duration.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments. Variable lease payments are expensed as incurred. As a practical expedient, no distinction is made between lease and non-lease components. Components that do not transfer any goods or services (initial direct costs, prepayments) are excluded from the lease price.

Right of use assets are subsequently reduced by accumulated depreciation, impairment losses and any adjustments resulting from the remeasurement of the lease liability. These assets are depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment.

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by lease payments made. It is remeasured when there is a change in future lease

payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the reassessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option not to be exercised.

The Group presents right-of-use assets within 'property, plant and equipment' and lease liabilities within 'loans and borrowings' (current and non-current) in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.3.17 Regulatory deferral accounts

The Group operates in a regulated environment in which tariffs are meant to realise total revenue/income consisting of:

— a reasonable return on invested capital;

— all reasonable costs which are incurred by the Group.

Since the tariffs are based on estimates, there is always a difference between the tariffs that are actually charged and the tariffs that should have been charged (tariff setting agreed with regulator) to cover all reasonable costs of the system operator including a reasonable profit margin for its shareholders.

If the applied tariffs result in a surplus or a deficit at the end of the year, this means that the tariffs charged to end consumers should have been lower or higher respectively (and vice versa). This surplus or deficit is therefore reported in the regulatory deferral account.

The release of the regulatory deferral account will impact future tariffs: incurred regulatory liabilities will decrease future tariffs, whilst incurred regulatory assets will increase future tariffs.

In the absence of an IFRS standard which specifically applies to the treatment of these regulatory deferral accounts, Elia management referred to the requirements of IFRS 14 and the Conceptual Framework for Financial Reporting alongside the latest changes in the IASB project on Rate-regulated Activities to develop the following accounting policy:

— a liability is recognised in the statement of financial position and presented as part of "accruals and deferred income" with respect to the Elia group's obligation to deduct an amount from the tariffs to be charged to customers in future periods because the total allowed compensation for goods or services already supplied is lower than the amount already charged to customers, or excess revenues has been generated due to higher volumes than initially estimated (regulatory liability);

— an asset is recognised in the statement of financial position with respect to the Elia group's right to add an amount to the tariffs to be charged to customers in future periods because the total allowed compensation for the goods or services already supplied exceeds the amount already charged to customers or shortage in revenues has occurred due to lower volumes than initially estimated (regulatory asset); and

— the net movement in the regulatory deferral accounts for the period is presented separately in the statement of profit or loss within the line item "net regulatory income (expense)".

The amount in the regulatory deferral accounts is reported on an annual basis and assessed by the regulator.

The sum of revenue from contracts with customers (as defined in IFRS 15), other income and the net income (expense) from the settlement mechanism is also presented as a subtotal headed "Revenue, other income and net income (expense) from settlement mechanism", as in substance it represents the revenue that is economically earned during the period taking into account the regulated environment in which the Elia group operates. The effect of discounting is reflected in the financial result. See Note 9.

## 3.4. Items in the statement of profit or loss

### 3.4.1 Income

#### Revenues

The Group's main revenues are realised by TSOs which operate in accordance with regulatory frameworks and which have de facto/legal monopolies in their respective control zones. The frameworks which apply in the Group's main countries of activity are detailed in Note 9 'Regulatory framework and tariffs'.

With regard to the regulated business, each service is based on a standard contract with the customer, mostly with a predefined regulated tariff (unit price multiplied by the volume (injection or offtake) or the reserved capacity (depending on the type of service)), so pricing is not variable. The allocation of the transaction price over the different performance obligations is therefore straightforward (one-to-one relationship). Most of these contracts are concluded for an indefinite period and have general payment terms of 15-30 days.

Considering the business of the Elia group, there are no relevant right-of-return and warranty obligations.

For all services provided by the Group, Elia is the sole and primary party responsible for executing the service and is thus the principal.

However, in its role as a TSO, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are subject to public service obligations imposed by the government/regulation mechanisms. These obligations mainly relate to financial support for the development of renewable energy. TSOs act as agents for these activities, and since the expense/income streams are fully covered by tariffs, they have no impact on the statement of profit and loss. See section 'Levies' of Note 3.3.14 for more information on the accounting treatment.

The Group's main performance obligations/contract types, their pricing and the revenue recognition method for 2024 can be summarised as follows:

## Revenue by category for Elia Transmission Belgium

| Revenue stream | Nature, customer and timing of satisfaction of performance obligations | Contract – Price setting |
|---|---|---|
| **Grid revenues** | | |
| **Grid connection** | Technical studies conducted at the request of grid users, connected directly to the grid with a view to having a new connection built or an existing connection altered. The revenue is recognised at the point in time when the study is delivered. | Contract and tariff approved by regulator. Fixed amount per type of study. |
| | Last-mile connection is a component of the grid connection contract. At the request of a future grid user, ETB constructs/adjusts a dedicated/ physical connection, known as a last-mile connection, to connect the customer's facility to ETB's grid. Although control of the asset is not transferred as such to the grid user, the grid user obtains direct access to the high-voltage grid. The access right transferred by Elia is valuable to the grid user, hence why the grid user compensates ETB in cash. Since the grid user simultaneously enters into a grid connection contract, the two activities (access right and grid connection services) are not distinct and constitute a single performance obligation and interdependence between the contracts.<br>As the total amount of revenue recognised for this single performance obligation, which includes grid connection services, is recognised over the life of the assets, the contract has no specific end date. This component of the grid connection/grid user contract is presented separately (not part of the grid connection/revenues from the revenue cap) because the tariff-setting method is very specific from a regulatory perspective. | Standard contract approved by regulator, but the price is set on the basis of the budget for implementing the connection. |
| | The fees charged to grid users/distribution system operators (DSOs) cover the maintenance and operating costs relating to the dedicated connection facilities. The revenue is recognised over time, as this service is performed continuously throughout the contractual term. | Contract and tariff approved by regulator. Tariff is set per asset type (e.g. bay, km of cable). |
| **Management and development of grid infrastructure** | This component of the access contract signed with access holders/DSOs covers the development and management of the grid with a view to meeting capacity needs and satisfying demand for electricity transmission. The revenue is recognised over time, as providing sufficient capacity and a resilient grid is a service performed continuously throughout the contractual term. | Contract and tariff approved by regulator. EUR per kW/KVA for yearly/monthly peak and power available at access point. |
| **Management of the electricity system** | This component of the access contract signed with access holders/DSOs covers the management and operation of the electricity system and the offtake of additional reactive energy relating to Elia's grid (different from the connection assets). The revenue is recognised over time, as these services are performed continuously throughout the contractual term. | Contract and tariff approved by regulator. EUR per kW/ kVArh at access point. |
| **Market integration** | This component is part of the access contract signed with access holders/DSOs, and covers (i) services to facilitate the energy market; (ii) services to develop and enhance the integration of an effective and efficient electricity market; (iii) the management of interconnectors and coordination with neighbouring countries and the European authorities; and (iv) the publication of data, as required by transparency obligations. The revenue is recognised over time, as these services are performed continuously throughout the contractual term. | Contract and tariff approved by regulator. EUR per kW at access point. |
| **Compensation for imbalances** | As defined in the BRP contract, the BRP (Balance Responsible Party) has a commitment to ensure a perfect balance between offtake and injection on the grid. In the event of an imbalance caused by a BRP, Elia has to activate the ancillary services, which are then invoiced to the BRP. The revenue is recognised at the point in time when an imbalance occurs. | Contract and tariff/mechanism approved by regulator. Based on market prices, EUR per kW imbalance at access point. |
| **International revenues** | Grid use along borders is organised through half-yearly, quarterly, monthly, weekly, weekend, daily and intra-day auctions. Elia and the regulators decide which auctions are conducted along each border. Auctions are organised through an auction office, which acts as an agent. The auction office collects the revenues paid by the European energy traders, which are ultimately shared between neighbouring TSOs based on the volumes imported/exported on the border. The revenue is recognised at the point in time when an import/export activity occurs. | Framework agreement with parties and auction office. Price is set based on price difference in cross-border market prices. |

## Revenue by category for 50Hertz Transmission

| Revenue stream | Nature and timing of satisfaction of performance obligations | Contract – Price setting |
|---|---|---|
| **Grid revenues** | | |
| **Revenues from incentive regulation** | The 'grid use fee' is charged to grid users/DSOs connected to the grid for the offtake on the onshore grid. This contract is signed with grid users.<br>The revenue is recognised over time, as this service is a performed continuously throughout the contractual term. | Standard contract and grid tariffs defined by regulator. |
| | Last-mile connection ("client contribution") is a component of the 'grid use fee' contract. At the request of a future grid user, 50Hertz constructs a dedicated/physical connection, known as a last-mile connection, to create an interface point to the grid.<br>Although control of the asset is not transferred as such to the grid user, the grid user obtains direct access to the high-voltage grid.<br>The access right transferred by 50Hertz is valuable to the grid user, hence why the grid user compensates 50Hertz in cash.<br>Since the grid user simultaneously enters into a grid connection contract, the two activities (access right and grid connection services) are not distinct and constitute a single performance obligation and interdependence between the contracts.<br>As the total amount of revenue recognised for this single performance obligation, which includes grid connection services, is recognised over the life of the assets, the contract has no specific end date.<br>This component of the grid connection/grid user contract is presented separately (not part of the grid connection/revenues from the revenue cap) because the tariff-setting method is very specific from a regulatory perspective. | Standard contract approved by regulator, but the price is set on the basis of the budget for implementing the connection. |
| **Revenues from offshore regulation** | This component comprises tariffs charged to grid users/DSOs to cover grid connection costs for offshore wind farms.<br>The revenue is recognised over time, as this service is performed continuously throughout the contractual term | Contract and tariffs predefined in regulatory mechanism. |
| **Energy revenues** | This revenue stream consists of different components | |
| | Congestion management and redispatch fees are paid by market participants for use of the capacity made available by 50Hertz on specific lines (including use of cross-border assets). This allocation mechanism is governed by transparent, market-oriented procedures.<br>The revenue is recognised at the point in time when it is generated | Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes. |
| | Compensation for imbalances<br>Market participants (BRPs) have a commitment to ensure a perfect balance between offtake and injection on the grid. In the event of an imbalance, Elia invoices the market participant to compensate for the costs incurred.<br>The revenue is recognised at the point in time when an imbalance occurs. | Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes. |
| | Horizontal reimbursement of lignite back-up costs<br>In its role as a TSO, 50Hertz charges fees to other TSOs for services related to the reserve power required by the legal framework.<br>The revenue is recognised over time, as this service is performed continuously throughout the contractual term. | |

## Other revenues

| Revenue stream | Nature and timing of satisfaction of performance obligations | Contract – Price setting |
|---|---|---|
| **Other revenues** | | |
| **Third-party services** | Elia Grid International provides consultancy services to third parties around the world. The revenue is recognised over the completion of the contract. Third-party services are presented in other revenues. | Contract negotiated between EGI and customer. The contract price is set when the contract is concluded with the customer. |
| | | The payment term is generally 30 days from the invoice date. |
| **Commission fee** | Re.alto provides a platform through which energy actors (e.g. traders, prosumers) can exchange energy data. re.alto receives a commission on transactions undertaken via the platform. The revenue is recognised at the point in time when the transaction occurs. The commission fee is presented in other revenues. | The commission fee is a fixed percentage on each transaction. |
| **Others** | This mainly covers other services than those described above. The revenue is recognised at the point in time when the service is complete. | |

Consequently, all revenue components contain revenue from contracts with customers, i.e. parties that have contracts in place with the Group to obtain services resulting from the Group's ordinary activities in exchange for a consideration.

## Other income

Other income is recognised when the related service is performed and no further performance obligations arise.

## Net regulatory income (expense) from settlement mechanism

Since the tariffs are based on estimates, there is always a difference between the tariffs that are actually charged and the tariffs that should have been charged (tariff setting is agreed with the regulator) to cover all the system operator's reasonable costs, including a reasonable profit margin for the shareholders.

If the applied tariffs result in a surplus or deficit at the end of the year, this means that the tariffs charged to consumers/the general public could have been lower or higher. This surplus or deficit is therefore reported in the settlement mechanism deferral account.

The release of this deferral account will impact future tariffs: where regulatory liabilities are incurred, future tariffs will be lower, and where regulatory assets are incurred, future tariffs will be higher. The net movement in the regulatory deferral accounts for the period is presented separately in the statement of profit or loss in the line 'Net income (expense) from settlement mechanism'. See also Note 3.3.17.

# 3.4.2 Expenses

## Other expenses

Property taxes are directly recognised in full as soon as ownership is certain (generally on 1 January of the year in question). However, these costs, which are considered to be non-controllable costs under the regulatory framework, are recorded as revenue through the settlement mechanism for the same amount, resulting in zero impact in terms of profit or loss.

## Finance income and expenses

Finance expenses comprise interest payable on borrowings (calculated using the effective interest rate method), interest on lease liabilities, foreign-exchange losses, gains on currency hedging instruments that offset currency losses, results on interest-rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as being for trading purposes and impairment losses on financial assets as well as any losses from hedge ineffectiveness.

Finance income includes interest receivables on bank deposits, which are recognised in profit or loss using the effective interest rate method as they accrue.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### Income taxes

Income taxes comprise current and deferred tax. Income tax expense is recognised in profit or loss, except where it relates to items recognised directly in equity. Taxes on hybrid coupons are recognised in the statement of profit and loss as these are a tax on profits whereas the hybrid coupon itself is recognised directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to tax payable in relation to previous years.

Deferred tax is recognised, using the balance sheet method, on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and joint ventures where these will probably not be reversed in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising from initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and the deferred items relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they are intended to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is likely that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer likely that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

## 3.5. Statement of comprehensive income and statement of changes in equity

The statement of comprehensive income presents an overview of all revenues and expenses recognised in the consolidated statement of profit or loss and in the consolidated statement of changes in equity. The Group has elected to present comprehensive income using the two-statement approach, i.e. the statement of profit or loss immediately followed by the statement of other comprehensive income. As a result of this approach, the content of the statement of changes in equity is restricted to owner-related changes.

# 4. Segment reporting

There were no changes made to the basis of preparation and therefore no restatements of figures from previous years were required.

## 4.1. Basis for segment reporting

The Group has opted for segment reporting, in conformity with the different regulatory frameworks that currently exist within the Group. This reporting approach closely reflects the Group's operational activities and is also in line with the Group's internal reporting to the Chief Operating Decision Maker (CODM), enabling the CODM to better evaluate and assess the Group's performance and activities in a transparent way.

Pursuant to IFRS 8, the Group has identified the following operating segments based on the aforementioned criteria:

- Elia Transmission Belgium, which comprises the activities based undertaken in line with the Belgian regulatory framework: the regulated activities of Elia Transmission Belgium SA/NV, Elia Asset SA/NV, Elia Engineering SA/NV, Elia Re SA, HGRT SAS and Coreso SA/NV, whose activities are directly linked to the role of the Belgian transmission system operator and are subject to the regulatory framework applicable in Belgium – see Section 9.1.3.
- 50Hertz Transmission Germany, which comprises the activities undertaken in line with the German regulatory framework: Eurogrid GmbH, 50Hertz Transmission GmbH, 50Hertz Offshore GmbH and 50Hertz Connectors, whose activities are directly linked to the role of the transmission system operator in Germany – see Section 9.2.3.
- Non-regulated activities and Nemo Link, comprising:
  - Elia Group NV/SA, mainly consisting of the holding activities in the Elia Transmission Belgium and 50Hertz Transmission Germany segment;
  - Eurogrid International NV/SA;
  - Nemo Link Ltd., which connects the UK and Belgium using high-voltage electricity cables, enabling power to be exchanged between the two countries and for which a specific regulatory framework has been set up – see Section 9.3 for more details;
  - the non-regulated segment of the Elia Transmission Belgium segment. 'Non-regulated segment' refers to activities which are not directly related to the role of a TSO – see Section 9.1;
  - EGI (Elia Grid International NV/SA, Elia Grid International GmbH, Elia Grid International LLC Saudi Arabia and Elia Grid International Inc Canada, which are companies that supply specialists in consulting, services, engineering and procurement, creating value by delivering solutions based on international best practice while fully complying with regulated business environments;
  - Re.Alto-Energy BV/SRL and Re.Alto-Energy GmbH, a start-up founded in August 2019 which is the first European digital marketplace for energy data and services;
  - WindGrid (WindGrid NV/SA, WindGrid USA Holding LLC and WindGrid USA LLC, EnergyRe Giga Projects), founded in 2022, which was established to manage expected increase in investments in renewable energy production and the offshore grid expansion. On the 1st of February 2024, the Group acquired a minority interest in EnergyRe Giga Projects, a group of companies that aims to develop electricity transmission and renewable energy generation in the US.

The CODM has been identified by the Group as the Boards of Directors, CEOs and Management Committees of each segment. The CODM periodically reviews the performance of the Group's segments using various indicators such as revenue, EBITDA and results from operating activities.

The information presented to the CODM follows the Group's IFRS accounting policies, so no reconciling items have to be disclosed.

# 4.2. Elia Transmission Belgium

The table below shows the 2024 consolidated results for Elia Transmission Belgium:

| Results Elia Transmission (in € million) – period ended 31 December | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Revenue, other income and net income (expense) from settlement mechanism | 1,608.9 | 1,383.9 | 16.3 % |
| Revenues | 1,190.6 | 1,276.3 | (6.7)% |
| Other income | 170.5 | 57.2 | 198.2 % |
| Net income (expense) from settlement mechanism | 247.8 | 50.4 | 391.3 % |
| Depreciation, amortisation, impairment and changes in provisions | (244.2) | (219.8) | 11.1 % |
| Results from operating activities | 348.7 | 287.6 | 21.2 % |
| Equity accounted investees | 3.3 | 2.8 | 17.0 % |
| EBIT | 352.0 | 290.5 | 21.2 % |
| EBITDA | 596.1 | 510.2 | 16.8 % |
| Finance income | 26.4 | 19.2 | 37.6 % |
| Finance costs | (96.9) | (73.9) | 31.2 % |
| Income tax expenses | (67.7) | (54.9) | 23.3 % |
| **Net profit** | **213.8** | **180.9** | **18.2 %** |

| Consolidated statement of financial position (in € million) | 31 December 2024 | 31 December 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 9,466.4 | 8,277.8 | 14.4 % |
| Capital expenditures | 1,221.2 | 747.5 | 63.4 % |
| Net financial debt | 4,365.3 | 3,479.1 | 25.5 % |

The tariff methodology approved by the CREG on 29 February 2024 came into force in 2024. The methodology is applicable for a four-year period (2024 – 2027). See Note 9.1 for more information about the new regulatory framework.

## Financial

Elia Transmission's **revenue** reached €1,608.9 million, marking an increase of 16.3% compared to €1,383.9 million in 2023. The growth was driven by a higher regulated net profit, increased depreciations due to the expanding asset base, and elevated net financial costs associated with ETB's debt funding partly offset by higher interest income on deposits.

The table below provides more details about revenue component changes:

| (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| **Grid revenue:** | **1,186.4** | **1,234.9** | **(3.9)%** |
| Grid connection | 53.5 | 46.2 | 15.8 % |
| Management and development of grid infrastructure | 472.9 | 461.3 | 2.5 % |
| Management of the electrical system | 122.9 | 157.0 | (21.7)% |
| Compensation for imbalances | 384.2 | 255.1 | 50.6 % |
| Market integration | 20.8 | 21.0 | (0.9)% |
| International revenue | 132.1 | 294.3 | (55.1)% |
| Last mile connection | 3.4 | 3.3 | 2.6 % |
| Other revenue | 0.9 | 38.2 | (97.7)% |
| **Subtotal revenue** | **1,190.6** | **1,276.3** | **(6.7)%** |
| Other income | 170.5 | 57.2 | 198.2 % |
| Net income (expense) from settlement mechanism | 247.8 | 50.4 | 391.3 % |
| **Total revenue and other income** | **1,608.9** | **1,383.9** | **16.3 %** |

Revenues from the **management and development of grid infrastructure and the market integration** remained stable, with minimal impact on the revenue change between 2023 and 2024.

The revenues from the **grid connection** rose from €46.2 million to €53.5 million (+€7.3 million), driven primarily by the increase of the tariffs for the connections and studies.

Services rendered in the context of energy management and individual balancing of balancing groups are paid within the revenues from **compensation for imbalances.** These revenues increased from €255.1 million to €384.2 million (+50.6%, +€129.1 million) driven by higher tariffs for power reserves and black start services (+€70.8 million), as well as increased revenues from the tariff for maintaining and restoring the residual balance of individual Balance Responsible Parties (+€58.3 million). The latter was primarily due to negative imbalance prices between March and October, which generated revenues when both the System Imbalance and balance responsible parties were long as a consequence of negative FRR down prices (incompressibility situations).

Revenues from **management of the electrical system** dropped from €157.0 million to €122.9 million, decreasing by 21.7%, mainly due to a decrease of the tariff for the Electrical system management (-€41.4 million). This was partially offset by an increase in revenues for the zonal DGO reactive power tariff (+€7.7 million).

**International revenue** amounted to €132.1 million, decreasing by 55.1%, mainly due to a decrease in annual auction revenues (- €172.2 million). The 2023 annual auctions, held in November 2022, took place during the peak of the crisis and France's ongoing nuclear unavailability, leading to high prices. By the end of 2023, conditions for the 2024 auctions were more stable and less strained.

**The last mile connection** remained flat compared with previous year. The decrease in other revenues is mainly attributed to works provided to third parties, which were classified as other income in the current year. Throughout 2024, the volume of works delivered to third parties has increased. Furthermore, the increase in other income is attributed to the Group recognizing €40.0 million in income for the excess cap of previous regulatory period paid by Nemo Link.

**The settlement mechanism** increased from €50.4 million in 2023 to €247.8 million in 2024 and encompassed both deviations in the current year from the budget approved by the regulator (-€59.7 million) and the settlement of net surpluses from the previous tariff period (€307.5 million).The operating surplus (-€59.7 million), with respect to budgeted costs and revenue authorised by the regulator, will be returned to consumers in a future tariff period. The surplus was primarily the result higher influenceable costs (+€9.6 million), a decrease in international and other sales (+€45.9 million) primarily from lower congestion income, lower financial costs (+€16.2 million) and a higher net profit (+€5.0 million). This was more than offset by an increase in tariff sales (-€83.6 million) due to imbalance revenue, lower costs for ancillary services (-€37.1 million), and an adjustment of the controllable budget (-€19.8 million).

**EBITDA** rose to €596.1 million (+16.8%) due to a higher regulated net profit, higher depreciations linked to the realisation of the investment programme and higher net financial costs, all passed through into revenue. The **EBIT** increase was slightly more pronounced (+21.2%), mainly linked to the depreciations for intangible assets expensed during the previous regulatory period and thus not covered by the tariffs and leasing adjustments. The contribution of equity-accounted investments slightly increased to €3.3 million, linked to the contribution from HGRT.

**Net finance cost** increased (+28.8%) compared to previous year. This was mainly driven by the additional debt issued by ETB to support organic growth while also allowing the reimbursement of the €500 million bond maturing in May 2024. Additionally, the net financial costs were also impacted by the costs linked to a €1.26 billion sustainability-linked RCF and the regulatory settlements following the saldi 2023 review (-€2.6 million). These effects were partially counterbalanced by higher interest income from cash deposits and the increased activation of borrowing costs, driven by the expansion of the asset base (+ €10.2 million). In early 2024, ETB capitalized on favourable market conditions to issue its second green bond, amounting to €800 million, to fund eligible green projects. Additionally, ETB fully utilized the €650 million green credit facility from the European Investment Bank, which was designated for the first phase of the Princes Elisabeth Island project, securing favourable terms for the benefit of consumers. Following these transactions, the average cost of debt increased to 2.4% (+40 bps) at year-end. Elia continues to maintain a well-balanced debt maturity profile, with all outstanding debt at a fixed coupon.

**Net profit** rose by 18.2% to €213.8 million, mainly due to the following:

- A higher fair remuneration (+€27.6 million) due to asset growth. Furthermore, ETB benefitted from higher equity remuneration compared to last year, as the average 10-year OLO rate (2.91%) surpasses the fixed risk-free of 2.4% rate applied in the prior regulatory period (2023)
- Increase in incentives (+€3.3 million), reflecting a strong operational performance, primarily linked to good performance on the incentives for interconnection capacity, on innovation and the limited interruptions of the network. This was partly offset by a lower incentive linked to the availability of the MOG due to issues with the Rentel cable and a reduction in the influenceable incentive caused by higher reservation costs
- Higher capitalised borrowing costs driven by an increase in assets under construction and the slight rise in average cost of debt (+€9.9 million)
- Regulatory settlements and the reversal of provision for the influenceable incentive (-€4.5 million): The saldi 2023 review resulted in higher regulatory settlements, while the previous year's results were positively impacted by a more substantial reversal of provision
- Other (-€3.4 million): this was mainly driven by higher issuance costs for long-term borrowings (+€1.0 million), lower depreciation of software and hardware (+€1.4 million) and a higher contributions from employee benefits (+€0.7 million) offset by lower dismantling provisions for the Modular Offshore Grid covered by the tariffs while capitalized under IFRS (-€3.3 million), higher deferred tax effects (-€2.7 million)

**Total assets** increased by €1,188.6 million to €9,466.4 million, driven by the realisation of the investment programme (€1,177.1 million) and higher liquidity following ETB's fund raising.

**Net financial debt** increased to €4,365.3 million (+25.5%), as ETB's CAPEX programme was partially financed through cash flows from operating activities supplemented with debt funding. The sustainability-linked RCF (€1,260 million) and the commercial paper (€300 million) remained fully undrawn at the end of 2024. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poors.

# 4.3. 50Hertz Transmission Germany

The table below shows the 2024 consolidated results for 50Hertz Transmission Germany system operator activities in Germany:

| Results 50Hertz Transmission Germany (in € million) – period ended 31 December | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Revenue, other income and net income (expense) from settlement mechanism | 2,520.1 | 2,578.2 | (2.3)% |
| Revenues | 2,566.1 | 2,553.0 | 0.5 % |
| Other income | 249.6 | 175.3 | 42.4 % |
| Net income (expense) from settlement mechanism | (295.6) | (150.1) | 96.9 % |
| Depreciation, amortisation, impairment and changes in provisions | (373.6) | (332.2) | 12.5 % |
| Results from operating activities | 532.0 | 378.7 | 40.5 % |
| EBIT | 532.0 | 378.7 | 40.5 % |
| EBITDA | 905.6 | 710.9 | 27.4 % |
| Finance income | 60.5 | 37.5 | 61.4 % |
| Finance costs | (142.4) | (97.3) | 46.3 % |
| Income tax expenses | (142.3) | (100.4) | 41.7 % |
| **Net profit** | **307.9** | **218.5** | **40.9 %** |
| **Of which attributable to the Elia Group** | **246.3** | **174.8** | **40.9 %** |

| Consolidated statement of financial position (in € million) | 31 December 2024 | 31 December 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 14,155.3 | 10,086.6 | 40.3 % |
| Capital expenditures | 3,710.0 | 1,728.1 | 114.7 % |
| **Net financial debt** | **7,224.0** | **4,693.3** | **53.9 %** |

## Financial

**50Hertz Transmission's total revenue** and other income slightly decreased compared with 2023 (-2.3%). Total revenues are detailed in the table below:

| (in € million) | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| **Grid revenue:** | **2,553.4** | **2,535.4** | **0.7 %** |
| Revenue from incentive regulation | 1,733.5 | 1,558.0 | 11.3 % |
| Revenue from offshore regulation | 417.7 | 400.9 | 4.2 % |
| Energy revenue | 402.1 | 576.5 | (30.2)% |
| Other revenue (incl. last mile connection) | 12.7 | 17.7 | (28.0)% |
| **Subtotal revenue** | **2,566.1** | **2,553.0** | **0.5 %** |
| Other income | 249.6 | 175.3 | 42.4 % |
| Net income (expense) from settlement mechanism | (295.6) | (150.1) | 96.9 % |
| **Total revenue and other income** | **2,520.1** | **2,578.2** | **(2.3)%** |

**Revenues from incentive regulation** consist of grid tariffs before the settlement mechanism; they are primarily driven by the regulatory remuneration for onshore activities (revenue cap).

Revenues from incentive regulation increased by €175.5 million. The main driver was the volume effects (+€397.8 million) marking a positive shift from last year's high-volume deviations. This effect was partially compensated by the revenue cap decrease (-€222.3 million), based on significantly lower cost allowance for pass-through energy costs for redispatch (-€378.4 million) due to lower energy prices last year. Also, since the major investments into the Power-to-Heat assets were done last year, the pass-through costs for this mechanism have decreased in 2024 (-€62.6 million). Moreover, with the start of the new regulatory period not only the base year revenues have been revised (+€78.9 million) leading especially to higher allowance for operational costs, but also the investment remuneration has changed. In total the remuneration for new investments increased by €50.5 million. While investment measures are no longer used, the capital cost adjustment model has been implemented in which new assets are remunerated with a higher (floating) rate (5.65% post-tax for 2024), whereas the existing assets of the base year are remunerated at a fixed rate (4.13% post-tax). Meanwhile there is a higher allowance of grid losses (+€105.1 million) as declining prices are overcompensated by higher volumes.

**Revenues from offshore surcharge** include all revenues derived from the offshore grid surcharge. This includes regulatory remuneration for the connection of offshore wind farms, the reimbursement of offshore liability payments and offshore costs charged to 50Hertz by third parties, e.g. other TSOs.

The offshore surcharge revenues increased (+€16.8 million) compared to the previous year. The remuneration of 50Hertz's own offshore grid connection costs increased (+€98.1 million) driven by ongoing offshore investments in Ostwind 3, Ostwind 4, Gennaker and LanWin 3 and the commissioning of the second platform and two cables of Ostwind 2 in 2024. This was partially offset as the pass-through costs charged to 50Hertz by third parties fell when compared to the same period last year (-€81.3 million).

**Energy revenues** include all revenues related to system operations and are mostly corresponding costs charged on to third parties, such as redispatch measures, costs for reserve power plants or control power costs. Revenues generated from auctioning off interconnector capacity are also included in this section. Energy revenues strongly decreased compared to the previous year (-€174.4 million), due to a sharp drop in energy prices since last year. As a result, charges to other TSOs for redispatch measures (-€101.8 million) and control power costs charged to balancing groups (-€35.4 million) decreased significantly. Also, due to the discontinuation of the cost sharing mechanism, there are lower revenues from reserve power plants (-€48.0 million).

**Other revenues** decreased (-€4.9 million) mainly as the Inter-TSO compensation (pass-through mechanism) shifted from revenue side in 2023 to cost side in 2024 (-€5.8 million).

**Other income** rose (+€74.4 million), mainly as a result of higher own work capitalised following the increase in staffing to execute and manage the investment programme (+ €41.4 million) as well as higher revenues from service level agreements (+€28.5 million).

The **net regulatory income (expense) from settlement mechanism** neutralises regulatory time lags. It consists of two components: firstly, the neutralisation of differences between cost allowances in the tariffs and the actual costs incurred for the current year (-€389.2 million); secondly, the balancing of said differences from prior years (+€93.6 million).

**EBITDA** increased to €905.6 million (+27.4%). The growing onshore and offshore asset base benefitted the investment remuneration (+€152.4 million). Base year revenues increased as well with the new regulatory period due to a higher allowance of operational costs compared to last year (+€64.0 million). In parallel, operating expenses and other costs and revenues increased (-€20.8 million) due to several elements: (i) the expansion of the talent pool to manage the growing and increasingly complex investment programme resulted in additional personnel costs (-€31.5 million). Nevertheless, this increase was more than offset by higher own work capitalised (+€34.6 million). (ii) Moreover, other operational expenses rose (-€5.6 million) driven by general business growth and higher maintenance and repair costs resulting from the June storm in Lusatia, which damaged seventeen pylons. (iii) Furthermore, due to an adjustment in the regulatory framework for personnel costs (e.g. salary payments for vacation days above the legally required level), the revenues decreased (-€10.0 million) but are partially compensated via the base year instead. (iv) Finally, a positive regulatory settlement was observed in 2023, whereas no such settlement was recorded in 2024 (-€8.3 million). **EBIT** increased as well (+40.5%) despite the higher depreciation costs (-€42.2 million) arising from the execution of the investment program.

The **net financial result** decreased to -€81.8 million (-€22.0 million), primarily due to increased funding costs and associated with Eurogrid's green bond issuances and the new RCF (-€83.4 million). However, this was partially offset by capitalized interest during construction (+€52.9 million) as result of numerous projects being in the construction phase and discounting effects on long term provisions (+€8.3 million).

**Net profit** increased to €307.9 million (+40.9%) as a result of:

- Higher investment remuneration (+€106.6 million) as the asset growth leads to a higher net profit despite the lower regulatory return rate on equity
- Higher depreciations (-€29.5 million) due to the commissioning of projects
- Lower financial results (-€15.4 million), driven primarily by the higher interest costs partially offset by higher capitalized interest during construction
- Higher base year revenues due to the updated allowance of costs with the start of a new regulatory period (+€44.8 million)
- Increased Opex and other costs (-€17.0 million) driven by the expansion of the business, some adjusted remuneration mechanisms for Opex within the new regulatory period and last year's positive regulatory settlements

**Total assets** rose by €4,068.7 million compared to 2023, largely due to the significant progress made on the investment programme (€3,627.2 million). In addition, the liquidity as per end of December increased mainly due to Eurogrid's bond issuances in the last quarter of 2024. The free cash flow totalled -€2,883.0 million and was significantly impacted by the execution of the investment programme, while the net cash inflow from EEG and similar mechanisms was limited (+€7.9 million). It should be noted that 50Hertz functions as a trustee for these mechanisms.

The **net financial debt, excl. EEG and similar mechanisms** increased by €2,538.6 million compared to end of 2023, reaching a total of €7,584.5 million. The execution of the investment programme was partially financed from operating cash flow, but also through funds obtained from accessing the debt market on several occasions. Taking into account EEG and similar mechanisms, the net financial debt rose by €2,530.7 million due to a slight increase in the cash balance for EEG and similar mechanisms. As of December 2024, the cash position for these schemes amounted to €360.5 million.

In 2024, Eurogrid continued to tap the bond market to strengthen its liquidity position in relation to its investment plan. In the first half of 2024, it issued a dual tranche of green bonds in the amount of €1.5 billion with a term of 5 year (coupon of 3.60%) and 10 years (coupon of 3.92%) respectively. Later in the year, it benefitted from the drop-in interest rates, to issue again a dual tranche of green bonds in the amount of €1.5 billion with a term of 3 years (coupon of 3.08%) and 11 years (coupon of 3.73%) respectively. Following these transactions, the average cost of debt increased to 2.9% (+90bps) at the end of 2024. Moreover, Eurogrid strengthened its liquidity at the beginning of the year by signing a new RCF of €3 billion. Eurogrid is rated BBB with a stable outlook by Standard & Poors.

# 4.4. Non-regulated segment and Nemo Link

The table below shows the 2024 consolidated results for the 'Non-regulated segment and Nemo Link.

| Results Non-regulated segment and Nemo Link (in € million) – period ended 31 December | 2024 | 2023 | Difference (%) |
|---|---|---|---|
| Total revenues | 84.7 | 18.5 | 358.2 % |
| Other income | 22.6 | 50.5 | (55.2)% |
| Depreciation, amortisation, impairment and changes in provisions | (2.0) | (0.9) | 108.3 % |
| Results from operating activities | (1.0) | (22.0) | (95.3)% |
| Share of profit of equity accounted investees (net of income tax) | 29.9 | 27.3 | 9.2 % |
| EBIT | 28.8 | 5.4 | 433.7 % |
| Adjusted EBIT | 28.8 | 17.3 | 66.5 % |
| EBITDA | 30.8 | 6.3 | 388.7 % |
| Finance income | 17.1 | 4.9 | 249.4 % |
| Finance costs | (37.8) | (9.8) | 284.9 % |
| Income tax expenses | (17.3) | (0.2) | n.r. |
| **Net profit** | **(9.2)** | **0.2** | **n.r.** |
| **Of which attributable to the Elia Group** | **(9.6)** | **(0.2)** | **n.r.** |
| Adjusted items | — | (11.9) | (100.0)% |
| **Adjusted net profit** | **(9.2)** | **12.1** | **(176.0)%** |

| Consolidated statement of financial position (in € million) | 31 December 2024 | 31 December 2023 | Difference (%) |
|---|---|---|---|
| Total assets | 2,621.9 | 1,844.9 | 42.1 % |
| Capital expenditures | 1.5 | 1.1 | n.r. |
| Net financial debt | 1,208.9 | 469.6 | 157.4 % |

## Financial

**Non-regulated revenue** increased by 55.5% to €107.3 million compared to previous year. This evolution is mainly attributed to the rise in transactions between segments, particularly involving Elia Group SA, Elia Transmission Belgium, and 50Hertz, and primarily related to the growing IT activities. The implications of these intersegment activities can be found in 'Note 4.5. Reconciliation of information on reportable segments to IFRS amounts'. The revenues from Elia Grid International ('EGI') (-€0.1 million) remained flat year-over-year, while WindGrid supported the development of energyRe Giga (+€1.3 million).

**Equity-accounted investments,** including Nemo Link and the newly acquired stake in energyRe Giga, contributed €29.9 million to the Group's result (+€2.6 million).

Nemo Link, as the largest contributor, provided a net contribution of €31.7 million, marking an increase of €4.4 million compared to last year. The revenues of Nemo Link decreased because the spreads sold in the long-term auctions were lower than in 2023, in which Nemo Link locked in a part of the revenue at high spreads in the turbulent 2022 (gas crisis). Nevertheless, Nemo Link succeeded to exceed the allowed in-year revenue cap, which increased due to inflation and favourable GBP/EUR rate, coupled with a very high availability of the interconnector (98.9%).

In the first half of this year, Elia Group closed the acquisition of a minority stake in energyRe Giga with an initial investment of €229.9 million (US$250 million). To date, this has resulted in a negative contribution of -€1.9 million to the net result, as the projects are currently under development.

**Adjusted EBIT** rose to €28.8 million (+€11.5 million). The EBIT was positively impacted by a higher net contribution from the holding (+€8.0 million) and from the associates Nemo Link and energyRe Giga (+€2.6 million). Additionally, the operating loss of WindGrid decreased (+ €0.7 million) as the development of the US activities is carried out by energyRe Giga, while the EBIT also benefits from regulatory settlements following the saldi 2023 review (+€1.9 million). These effects were partially offset by lower contribution from EGI (-€0.4 million) and re.alto (-€0.7 million). Finally, last year's **EBIT** was marked by the one-off costs linked the acquisition of a minority stake in energyRe Giga (€11.9 million).

The **net finance cost** increased to €20.7 million. This increase was mainly driven by the financing cost of energyRe Giga (including the bridge facility and the term loan totalling -€11.1 million), the €600 million bond Elia Group issued to finance the organic growth in Germany as well as for general corporate purposes (-€13.2 million), and other financial costs to Elia Group SA primarily driven by back-up facilities (-€1.0 million) and the revaluation of the earn-out linked to the acquisition of energyRe Giga. These were partially balanced out by the higher income generated from cash deposits due to the Group's pro-active liquidity management (+€1.8 million). Finally, the Group concluded an FX derivative to manage its USD exposure on WindGrid US, leading to a one-off financial gain of €7.5 million.

**(Adjusted) net loss** increased by -€21.3 million to -€9.2 million, due to:

- Higher contribution from Nemo Link (+€4.5 million)
- Higher cost for the holding (-€23.0 million) primarily driven by higher funding costs linked to the acquisition of energyRe Giga and the financing of the organic growth in Germany
- Lower contribution of WindGrid (-€3.3 million), partially driven by the operational losses of energyRe Giga
- Other items (+€0.5 million): primarily driven by regulatory settlements (+€1.5 million) and lower other non-regulated costs (+€0.2 million), partly offset by higher costs for re.alto (-€1.1 million). EGI's contribution remained flat year-over year (-€0.1 million)

**Net financial debt** increased by €739.3 million to €1,208.9 million. Throughout 2024, the Group used its leverage capacity to fund its investments in energyRe Giga (€229.9 million), while a portion of the €600 million senior bond proceeds was allocated to strengthen the equity base of Eurogrid GmbH. Elia Group contributed €480 million, while KfW contributed €120 million, demonstrating the strong support of Eurogrid's shareholders in advancing investments in its grid infrastructure. Consequently, **total assets** saw a more significant increase (+42.1%), amounting to €2,621.9 million (+€777.0 million).

# 4.5. Reconciliation of information on reportable segments to IFRS amounts

| Consolidated results (in € million) – period ended 31 December | 2024<br>Elia Transmission<br>( a ) | 2024<br>50Hertz Transmission<br>( b ) | 2024<br>Non-regulated segment and Nemo Link<br>( c ) | 2024<br>Consolidation entries & intersegment transactions<br>( d ) | 2024<br>Elia Group<br>( a ) + ( b ) + ( c ) + ( d ) |
|---|---|---|---|---|---|
| Revenue | 1,190.6 | 2,566.1 | 84.7 | (74.4) | 3,767.0 |
| Other income | 170.5 | 249.6 | 22.6 | (59.1) | 383.6 |
| Net income (expense) from settlement mechanism | 247.8 | (295.6) | — | — | (47.8) |
| Depreciation, amortisation, impairment and changes in provisions | (244.2) | (373.6) | (2.0) | — | (619.7) |
| **Results from operating activities** | **348.7** | **532.0** | **(1.0)** | **(0.6)** | **879.1** |
| Share of profit of equity accounted investees, net of tax | 3.3 | — | 29.9 | — | 33.2 |
| Earnings before interest and tax (EBIT) | 352.0 | 532.0 | 28.8 | (0.6) | 912.2 |
| Earnings before depreciation, amortisation, interest and tax (EBITDA) | 596.1 | 905.6 | 30.8 | (0.6) | 1,531.9 |
| Finance income | 26.4 | 60.5 | 17.1 | — | 104.1 |
| Finance costs | (96.9) | (142.4) | (37.8) | 0.6 | (276.5) |
| Income tax expenses | (67.7) | (142.3) | (17.3) | — | (227.3) |
| **Net profit** | **213.8** | **307.9** | **(9.2)** | **—** | **512.5** |
| **Profit attributable to the owners of the company** | **213.8** | **246.3** | **(9.6)** | **—** | **450.6** |

| Consolidated statement of financial position (in € million) | 31/12/2024 | 31/12/2024 | 31/12/2024 | 31/12/2024 | 31/12/2024 |
|---|---|---|---|---|---|
| Total assets | 9,466.4 | 14,155.3 | 2,621.9 | (1,316.0) | 24,927.6 |
| Capital expenditures | 1,221.2 | 3,710.0 | 1.5 | — | 4,932.7 |
| Net financial debt | 4,365.3 | 7,224.0 | 1,208.9 | — | 12,798.2 |

| Consolidated results (in € million) – period ended 31 December | 2023 Elia Transmission ( a ) | 2023 50Hertz Transmission ( b ) | 2023 Non-regulated segment and Nemo Link ( c ) | 2023 Consolidation entries & intersegment transactions ( d ) | 2023 Elia Group ( a ) + ( b ) + ( c ) + ( d ) |
|---|---|---|---|---|---|
| Revenue | 1,276.3 | 2,553.0 | 18.5 | (5.3) | 3,842.6 |
| Other income | 57.2 | 175.3 | 50.5 | (72.3) | 210.7 |
| Net income (expense) from settlement mechanism | 50.4 | (150.1) | — | — | (99.7) |
| Depreciation, amortisation, impairment and changes in provisions | (219.8) | (332.2) | (0.9) | — | (552.9) |
| **Results from operating activities** | **287.6** | **378.7** | **(22.0)** | **(0.1)** | **644.2** |
| Share of profit of equity accounted investees, net of tax | 2.8 | — | 27.3 | — | 30.2 |
| Earnings before interest and tax (EBIT) | 290.5 | 378.7 | 5.4 | (0.1) | 674.4 |
| Earnings before depreciation, amortisation, interest and tax (EBITDA) | 510.2 | 710.9 | 6.3 | (0.1) | 1,227.3 |
| Finance income | 19.2 | 37.5 | 4.9 | — | 61.6 |
| Finance costs | (73.9) | (97.3) | (9.8) | 0.1 | (181.0) |
| Income tax expenses | (54.9) | (100.4) | (0.2) | — | (155.5) |
| **Net profit** | **180.9** | **218.5** | **0.2** | **—** | **399.5** |
| **Profit attributable to the owners of the company** | **180.9** | **174.8** | **(0.2)** | **—** | **355.4** |

| Consolidated statement of financial position (in € million) | 31/12/2023 | 31/12/2023 | 31/12/2023 | 31/12/2023 | 31/12/2023 |
|---|---|---|---|---|---|
| Total assets | 8,277.8 | 10,086.6 | 1,844.9 | (819.2) | 19,390.1 |
| Capital expenditures | 747.5 | 1,728.1 | 1.1 | — | 2,476.7 |
| Net financial debt | 3,479.1 | 4,693.3 | 469.6 | — | 8,641.9 |

There are no significant intersegment transactions.
The Group has no concentration of customers in either of the operating segments.

## 4.6. Adjusted items – reconciliation table

In 2024, there were no adjusted items incurred.

In 2023, the Group reports the transaction costs related to the acquisition of a minority share in EnergyRe Giga US as "adjusted items".

| (in € million) – Period ended 31 December 2023 | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries | Elia Group |
|---|---|---|---|---|---|
| **Adjusted items** | | | | | |
| Transaction costs (acquisition of a minority stake in energyRe Giga - US) | — | — | (11.9) | — | (11.9) |
| **Adjusted EBIT** | **—** | **—** | **(11.9)** | **—** | **(11.9)** |
| Tax impact | — | — | — | — | — |
| **Net profit – adjusted items** | **—** | **—** | **(11.9)** | **—** | **(11.9)** |

# 5. Items in the consolidated statement of profit or loss and other comprehensive income

There were no changes made to the basis of preparation and therefore no restatements of figures from previous years were required.

## 5.1. Revenue, net income (expense) from settlement mechanism and other income

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Revenue** | **3,767.0** | **3,842.6** |
| Grid revenue | 3,739.8 | 3,770.3 |
| Last mile connection | 4.8 | 4.8 |
| Other revenue | 22.4 | 67.5 |
| **Net income (expense) from settlement mechanism** | **(47.8)** | **(99.7)** |
| **Other income** | **383.6** | **210.7** |
| Services and technical expertise | 0.0 | 1.6 |
| Own production | 218.7 | 156.6 |
| Optimal use of assets | 17.2 | 17.4 |
| Other controllable income | 24.7 | 15.3 |
| Other non controllable income | 65.9 | — |
| Tax credit (Group contribution) | 14.5 | — |
| Gain on sale PPE | 1.8 | 2.5 |
| Other | 40.8 | 17.2 |

We refer to the segment reports for a detailed analysis of the Group's recognised revenues at segment level. The Elia Transmission Belgium segment reported revenues and other income of € 1,608.9 million (Note 4.2), the 50Hertz Transmission Germany segment reported revenues and other income of €2,520.1 million (Note 4.3) and the Non-regulated segment and Nemo Link reported revenues and other income of €107.3 million (Note 4.4). The total reported revenues and other income amount to €4,102.9 million.

No further geographical information is provided as revenues are generated in the countries where the grid infrastructure is located, which largely corresponds to the segments mentioned above.

The Group's own production relates to time spent on fixed assets developed by group employees (infrastructure and IT projects).

The other controllable income relates to various recoveries (reduction in withholding taxes, recovery of costs related to levies management, ...).

In 2024, the Group reports other non controllable income resulting mainly from insurance recoveries and from the excess cap for the previous regulatory period paid by Nemo Link to Elia Transmission Belgium in 2024 (€40.0 million vs €0.0 million in 2023). Insurance recoveries 2024 were due to a number of technical incidents which led to the intervention of insurance companies and whose recoveries materialized in 2024.

As also stated in Note 5.4, the Group made use of a Belgian tax mechanism known as the "Group contribution" mechanism, similar to a tax consolidation scheme. This mechanism gives rise to the recognition of an indemnity which, in accounting terms, offsets the tax effect reported in income taxes (€15.0 million).

In 'Other", the Group reports other recoveries generated mainly by non-regulated entities or activities.

The Group recognised €4.7 million of revenue in the reporting period that was included in the contract liability balance at the beginning of the period (€159.5 million). Additional information is provided in Note 6.17. The Group did not recognise any substantial revenues in the reporting period with respect to performance obligations in previous periods .

# 5.2. Operating expenses

### Cost of materials, services and other goods

| (in € million) | 2024 | 2023 |
|---|---|---|
| Raw materials, consumables and goods for resale | 23.0 | 17.2 |
| Purchase of ancillary services | 1,452.1 | 1,673.7 |
| Services and other goods (excl. purchase of ancillary services) | 619.7 | 604.6 |
| **Total** | **2,094.8** | **2,295.6** |

The Group's costs for 'Raw materials, consumables and goods for resale' increased to €23.0 million for the financial year 2024. In 2024, the costs are attributable to the Belgian segment for €6.9 million (€4.4 million in 2023), the German segment for €15.9 million (€12.8 million in 2023) and EGI for €0.2 million (€0.1 million in 2023).

Purchase of ancillary services include the costs for services which enable the Group to balance generation with demand, maintain constant voltage levels and manage congestion across its grids. The cost incurred in 2024 by Elia Transmission Belgium increased to €390.6 million (up from €375.1 million in 2023) mainly because of higher prices to cover electricity losses in a context of strong growth in installed renewable energy capacity. 50Hertz Transmission Germany incurred decreased costs of €1,061.5 million in 2024 compared to €1,298.6 million in 2023 mainly due to a volume effect which more than offsets the price effect, especially for expenses for measures pursuant to Sec. 13 EnWG.

Services and other goods relates to maintenance of the grid, services provided by third parties, insurance and consultancy fees, and others. The cost of these increased by €15.1 million (+2.50%) to €619.7 million. The increase is mainly explained by the increased level of activities (in the regulatory business but also in EGI activities) in an inflationary environment.

### Personnel expenses

| (in € million) | 2024 | 2023 |
|---|---|---|
| Salaries and wages | 354.7 | 313.2 |
| Social security contributions | 74.6 | 64.2 |
| Pension costs | 27.3 | 25.6 |
| Other personnel expenses | 7.9 | 7.8 |
| Share-based payments expenses | 0.1 | 0.1 |
| Employee benefits (excl. pensions) | 6.4 | 3.6 |
| **Total** | **471.0** | **414.5** |

Personnel expenses increased by €56.6 million in 2024 as a consequence of the indexation and the continued growth in headcount, especially in the non-regulated segment. For Elia Transmission Belgium the personnel expenses amounted to €215.8 in 2024 compared to €188.4 million in 2023. 50Hertz Transmission Germany accounted for €233.0 million of the Group's personnel expenses for 2024 (previous year: €201.8 million) and the non-regulated segmented and Nemo Link accounted for €22.3 million (previous year: €24.2 million). The segments Elia Transmission Belgium and 50Hertz Transmission Germany have experienced a growth in the number of full-time equivalents to support the acceleration of the energy transition and the development opportunities linked to the expansion of its international offshore activities. The non-regulated segment and Nemo Link have experienced a decrease of €1.9 million compared to 2023. This decrease is mainly linked to lower costs in the non regulated segment of Elia Transmission Belgium.

See Note 6.13.1 for more information about share-based payments expenses and Note 6.15 'Employee benefits' for more information about pension costs and employee benefits'.

### Depreciation, amortisation, impairment and changes in provisions

| (in € million) | 2024 | 2023 |
|---|---|---|
| Amortisation of intangible assets | 53.2 | 40.2 |
| Depreciation of property, plant and equipment | 565.9 | 517.3 |
| **Total depreciation and amortisation** | **619.1** | **557.5** |
| Impairment of inventories and trade receivables | 0.3 | — |
| **Total impairment** | **0.3** | **—** |
| Provisions for litigations | 0.9 | (2.6) |
| Environmental provisions | 0.2 | (2.0) |
| Other provisions | (0.8) | 0.0 |
| **Changes in provisions** | **0.3** | **(4.6)** |
| **Depreciation, amortisation, impairment and changes in provisions** | **619.7** | **552.9** |

The total 'depreciation, amortisation, impairment and changes in provisions' increased from €552.9 million in 2023 to €619.7 million in 2024, mainly because of an increase in depreciation of property, plant and equipment due to increasing fixed assets.

A detailed description and movement schedule is provided in other sections for 'Intangible assets' (see Note 6.2), 'Property, plant and equipment' (see Note 6.1) and 'Provisions' (see Note 6.16).

### Other expenses

| (in € million) | 2024 | 2023 |
|---|---|---|
| Taxes other than income tax | 15.5 | 22.1 |
| Loss on disposal/sale of property, plant and equipment | 16.0 | 19.2 |
| Losses on realization of trade debtors | (0.5) | 2.6 |
| Other | 7.2 | 2.5 |
| **Total** | **38.2** | **46.4** |

In 2024, the share of Elia Transmission Belgium in the Group's other expenses was €21.0 million (€25.3 million in 2023), 50Hertz Transmission Germany's total share amounted to €15.2 million (€15.6 million in 2023) and the share of the non-regulated segment and Nemo Link segment accounted for €2.2 million (€6.7 million in 2023).

Taxes other than income tax mainly consist of property taxes. The decrease is mainly due to lower property taxes paid in 2024 by the Group in Germany.

Losses on disposal for property, plant and equipment totalled €7.3 million for Elia Transmission Belgium, compared with €11.5 million in the previous year. 50Hertz Transmission Germany recorded €8.7 million of losses on disposal for property, plant and equipment in 2024, from €7.7 million in 2023.

The losses on realization trade receivables is explained in Note 8.1 'Financial risk and derivative management'.

The increase in other is mainly related to higher maintenance and repair costs resulting from the June storm in Lusatia in Germany, which damaged 17 pylons.

## 5.3. Net finance costs

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Finance income** | **104.1** | **61.6** |
| Interest income on cash and cash equivalents and granted loans | 79.3 | 58.5 |
| Recycling from other comprehensive income of derivatives | 0.3 | — |
| Other financial income | 24.4 | 3.2 |
| **Finance costs** | **(276.5)** | **(181.0)** |
| Interest expense on eurobonds and other bank borrowings | (234.0) | (162.4) |
| Recycling from other comprehensive income of derivatives | 5.7 | 2.8 |
| Interest cost on leasing | (1.8) | (1.3) |
| Other financial costs | (46.4) | (20.1) |
| **Net finance costs** | **(172.4)** | **(119.3)** |

Finance income increased from €61.6 million in 2023 to €104.1 million in 2024. The global variation results from:

- Increase in interest income mainly due to higher interest rates and higher cash balances over the year especially following fund raising ;
- Increase in other financial income from €3.2 million in 2023 to €24.7 million in 2024 driven by a positive foreign exchange result and higher interests on regulatory balances in Germany.

The interest expenses on Eurobonds and other bank borrowings increased by €71.6 million compared to the previous year. See Note 6.14 for more details regarding the loans outstanding and the interest paid in 2024.

The interest cost on leasing is stable compared to previous year.

Other financial costs increased from €20.1 million in 2023 to €46.4 million in 2024 (+€26.3 million) due to higher bank fees (+€22.8 million) and higher interests on regulatory issues in Germany (+€3.7 million)

Please see Note 6.14 for more details about outstanding loans and the interest.

# 5.4. Income taxes

## Recognised in profit or loss

The consolidated income statement includes the following taxes:

| (in € million) | 2024 | 2023 |
|---|---|---|
| Current year | 143.0 | 120.7 |
| Adjustments for prior years | 8.1 | 1.2 |
| **Total current income tax expenses** | **151.1** | **121.9** |
| Origination from and reversal of temporary differences | 76.2 | 33.6 |
| **Total deferred taxes expenses** | **76.2** | **33.6** |
| **Total income taxes and deferred taxes recognised in profit and loss** | **227.3** | **155.5** |

Total income tax expenses 2024 are higher than in 2023. The increase is mainly explained by the higher profit generated by the Group and a higher effective tax rate (see here below).

Deferred income taxes are discussed further in Note 6.8.

## Reconciliation of the effective tax rate

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits (losses) of the consolidated companies:

| (in € million) | 2024 | 2023 |
|---|---|---|
| Profit before income tax | 739.8 | 555.0 |
| Domestic corporate income tax | 25.0 % | 25.0 % |
| **Income tax, using the domestic corporate tax rate** | **(184.9)** | **(138.8)** |
| Effect of the foreign tax rate | (23.2) | (16.8) |
| Share of profit of equity accounted investees, net of tax | 8.2 | 8.3 |
| Non-deductible expenses | (10.6) | (16.6) |
| Adjustments for prior years | 0.7 | (0.1) |
| Tax credits and other tax reductions | 4.8 | 5.5 |
| Effect of unrecognized deferred tax assets on tax loss carry-forwards | (18.2) | (5.9) |
| Tax on hybrid securities | 7.3 | 8.6 |
| Group contribution | (15.0) | — |
| Other | 3.6 | 0.4 |
| **Total income taxes and deferred taxes recognised in profit and loss** | **(227.3)** | **(155.5)** |

The effective tax rate 2024 of the Group is 30.72%, compared to 28.00% in 2023. This increase is mainly explained by:

- the higher contribution of the German segment to the profit before tax at an higher effective tax rate (31.6%) compared to last year (31.5%) and the average tax rate (30.8%);
- the higher income taxes reported by the Non-regulated segment which increase from €0.2 million to €17.3 million: this increase is mainly explained by taxes (€15.0 million) paid under a tax consolidation mechanism applicable in Belgium ("Group contribution rule") and that Elia will reclaim and potentially recover in future years.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 14 December 2023, the government of Belgium, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in Belgium, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%.

Based on analyses performed, the Group does however expect not to be subject to the top-up tax in relation to its operations in any of these jurisdictions. Under the applicable Transitional Safe Harbour rules, no minimum top-up tax would be due for any of these jurisdictions and, based on the Group's income tax forecasts, and based on currently available information, a similar conclusion can be reached for the foreseeable future (2025 - 2026).

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

# 5.5. Earnings per share (EPS)

## Basic EPS

Basic earnings per share are calculated by dividing the net profit attributable to the Company's shareholders (after adjustment for the distribution on hybrid securities) (€421.3 million) by the weighted average number of ordinary shares outstanding during the year.

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Profit attributable to equity holders of ordinary shares** | **421.3** | **324.5** |
| **Earnings for the purposes of diluted earnings per share** | **421.3** | **324.5** |
| Ordinary shares issued on 1 January | 73,521,823 | 73,515,839 |
| Treasury shares as at 1 January | (22,079) | (13,480) |
| Ordinary shares issued in April 2023 | — | 5,984 |
| Treasury shares - net movement for the year | (16,662) | (8,599) |
| **Outstanding ordinary shares as at 31 December** | **73,483,082** | **73,499,744** |
| **Weighted average of outstanding ordinary shares (basic)** | **73,496,080** | **73,499,387** |
| Effect of dilutive potential ordinary shares | — | — |
| **Weighted average number of outstanding ordinary shares (diluted)** | **73,496,080** | **73,499,387** |
| | | |
| **Basic earnings per share (in €)** | **5.73** | **4.41** |
| **Diluted earnings per share (in €)** | **5.73** | **4.41** |

## Diluted EPS

Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and convertible bonds.

Diluted earnings per share are equal to basic earnings per share, since there are no share options or convertible bonds.

# 5.6. Other comprehensive income

Total comprehensive income includes both the result of the period recognised in the statement of profit or loss and other comprehensive income recognised in equity. 'Other comprehensive income' includes all changes in equity other than owner-related changes, which are reported in the statement of changes in equity.

The total other comprehensive income for 2024 amounts to €241.7 million positive impact, representing a significant increase compared with the previous year (€513.9 million positive impact). The most important drivers of this are described below.

### Cash flow hedges

Since 2021, 50Hertz applies hedge accounting for the purpose of reducing the risk of fluctuations in the expected amount of grid losses. Due to the evolution in energy prices over the year, the fair value of these contracts increased from -€224.8 million in 2023 to + €11.5 million end of 2024, or an increase of €236.3 million (pre-tax). This impact has been partly offset by the negative fair value variation of the derivates contracted in Belgium (pre-hedge and FX hedge). The fair value of these derivatives decreased from €36.5 million in 2023 to €30.7 million (pre-tax) end of 2024. We refer to notes 6.7 and 6.19 for further details.

The related tax on these elements amounts to €69.5 million.

### Financial assets measured at fair value through other comprehensive income

The measurement at fair value of the participation of EEX (see note 6.6) , in which 50Hertz Transmission holds a 5.4% stake resulted in a gain of €65.9 million as of 31 December 2024 and €1.8 million related tax effect. There was no significant remeasurement in 2023.

### Remeasurements of post-employment benefit obligations

The other comprehensive income on post-employment obligations had a positive impact amounting to €22.0 million. This impact is mainly explained by the increase in the discount rate, experience adjustments resulting from the salary evolution and the ceiling mechanism applicable in Belgium, and the positive return of the plan assets. See Note 6.15 for more details.

The related tax on these elements amounts to €5.6 million.

# 6. Items in the consolidated statement of financial position

## 6.1. Property, plant and equipment

| (in € million) | Land and buildings | Machinery and equipment | Furniture and vehicles | Other tangible assets | Leasing and similar rights | Assets under construction | Total |
|---|---|---|---|---|---|---|---|
| **Acquisition value** | | | | | | | |
| **Balance at 1 January 2023** | **476.8** | **12,745.3** | **504.2** | **46.4** | **151.0** | **2,390.1** | **16,313.8** |
| Additions | 7.9 | 220.8 | 44.9 | 0.6 | 14.6 | 2,045.8 | 2,334.5 |
| Disposals | (3.7) | (86.9) | (10.7) | (6.3) | (18.5) | (0.1) | (126.2) |
| Transfers | 8.4 | 416.5 | 7.5 | 0.2 | (9.4) | (422.7) | 0.6 |
| **Balance at 31 December 2023** | **489.4** | **13,295.7** | **545.9** | **40.9** | **137.7** | **4,013.2** | **18,522.6** |
| | | | | | | | |
| **Balance at 1 January 2024** | **489.4** | **13,295.7** | **545.9** | **40.9** | **137.7** | **4,013.2** | **18,522.6** |
| Additions | 51.5 | 397.5 | 73.8 | 1.2 | 19.8 | 4,080.5 | 4,624.4 |
| Disposals | (1.2) | (84.9) | (38.0) | — | (3.7) | (3.7) | (131.5) |
| Transfers | 27.6 | 1,478.8 | 21.4 | 0.9 | 9.5 | (1,521.6) | 16.5 |
| **Balance at 31 December 2024** | **567.3** | **15,083.7** | **603.0** | **42.9** | **163.3** | **6,568.4** | **23,028.7** |
| **Depreciation and impairment** | | | | | | | |
| **Balance at 1 January 2023** | **(45.5)** | **(4,060.3)** | **(256.7)** | **(44.0)** | **(62.5)** | **—** | **(4,469.1)** |
| Depreciation | (6.1) | (430.2) | (64.9) | (0.5) | (15.5) | — | (517.3) |
| Disposals | 3.0 | 76.7 | 10.2 | 6.3 | 16.8 | — | 113.1 |
| Transfers | — | (9.7) | — | (0.2) | 9.4 | — | (0.5) |
| **Balance at 31 December 2023** | **(48.6)** | **(4,423.5)** | **(311.4)** | **(38.5)** | **(51.8)** | **—** | **(4,873.9)** |
| | | | | | | | |
| **Balance at 1 January 2024** | **(48.6)** | **(4,423.5)** | **(311.4)** | **(38.5)** | **(51.8)** | **—** | **(4,873.9)** |
| Depreciation | (6.7) | (471.4) | (70.5) | (0.7) | (17.4) | — | (566.7) |
| Disposals | 0.9 | 77.1 | 36.8 | — | 2.6 | — | 117.3 |
| Transfers | — | (2.5) | — | (0.8) | (9.5) | — | (12.8) |
| **Balance at 31 December 2024** | **(54.4)** | **(4,820.4)** | **(345.2)** | **(39.9)** | **(76.2)** | **—** | **(5,336.1)** |
| | | | | | | | |
| **Carrying amount** | | | | | | | |
| Balance at 1 January 2023 | 431.4 | 8,684.9 | 247.4 | 2.3 | 88.5 | 2,390.1 | 11,844.7 |
| Balance at 31 December 2023 | 440.8 | 8,872.1 | 234.5 | 2.4 | 85.8 | 4,013.2 | 13,648.7 |
| Balance at 1 January 2024 | 440.8 | 8,872.1 | 234.5 | 2.4 | 85.8 | 4,013.2 | 13,648.7 |
| Balance at 31 December 2024 | 513.0 | 10,263.3 | 257.9 | 3.0 | 87.1 | 6,568.4 | 17,692.6 |

Large-scale (onshore and offshore) infrastructure projects in both Belgium and Germany are under construction. These projects are focusing on strengthening both the Belgian and German grids, developing the necessary offshore infrastructures to allow the integration of increasing amounts of renewable energy into the grid and the digitalisation of the infrastructure. The acceleration of the energy transition and the current inflationary environment are driving the investments of the Group.

Throughout 2024, Elia Transmission Belgium made investments totalling €1,083.2 million in property, plant and equipment. The primary focus remained on fortifying and expanding the 380 kV grid, laying the groundwork for offshore grid expansion and the seamless integration of renewable energy. Specifically, €375.8 million was allocated to offshore developments, €443.6 million to grid reinforcements and client connections, while approximately €161.5 million supported 209 replacement projects across the Belgian grid.

In Germany, 50Hertz Transmission invested €3,369.9 m€ in property, plant and equipment. Significant investments include the DC line SuedOstLink (€ 464.9 million), crucial for connecting growing offshore production in northern Germany to southern consumption centers and Ostwind 3 (grid connection wind farm area Windaker to Stilow, € 362,0 million). The main commissioning projects in 2024 were the Uckermark South line with € 284.0 million and the restructuring of the 380-kV Roe-Wd-Re with € 243.6 million in the 50Hertz Transmission and the CWA 2 grid connection with € 668.7 million in the 50Hertz Offshore.

During 2024, €93.8 million of borrowing costs were capitalised on assets under construction. An amount of €17.7 million based on an average interest rate of 2.37% originated from the Elia Transmission Belgium segment (€8.7 million at 2.01% in 2023). An amount of €76.1 million based on an average interest rate of 2.8% was accounted for in the 50Hertz Transmission segment (€25.1 million at 1.7% in 2023).

For the Group as a whole, energy transition represents a challenge, but also opportunities. Climate goals merely confirms the strategic and economic value of the current asset base without significant impact on the useful life of the existing assets. Asset base will continue to be modernised and developed.

There were no mortgages, pledges or similar securities on PP&E relating to loans.

Outstanding capital expenditure commitments are described in Note 8.2. The analysis of lease liabilities is presented in note 6.20.

# 6.2. Intangible assets

| (in € million) | Development costs of software | Licenses/ concessions | Other intangible assets | Intangible assets under development | Total |
|---|---|---|---|---|---|
| **Acquisition value** | | | | | |
| **Balance at 1 January 2023** | **356.8** | **37.6** | **1.6** | **—** | **395.9** |
| Additions | 30.3 | 2.1 | — | 110.5 | 143.0 |
| Disposals | (0.2) | — | — | — | (0.2) |
| Transfers | (57.9) | — | 1.9 | 55.5 | (0.6) |
| **Balance at 31 December 2023** | **329.0** | **39.7** | **3.4** | **166.0** | **538.2** |
| | | | | | |
| **Balance at 1 January 2024** | **329.0** | **39.7** | **3.4** | **166.0** | **538.1** |
| Additions | 70.7 | 12.7 | 1.4 | 223.7 | 308.4 |
| Disposals | (65.5) | — | — | — | (65.5) |
| Transfers | 51.3 | — | — | (55.1) | (3.7) |
| **Balance at 31 December 2024** | **385.6** | **52.4** | **4.8** | **334.7** | **777.4** |
| **Depreciation and impairment** | | | | | |
| **Balance at 1 January 2023** | **(170.5)** | **(14.4)** | **(0.5)** | **—** | **(185.4)** |
| Depreciation | (36.2) | (4.1) | — | — | (40.2) |
| Disposals | 0.2 | — | — | — | 0.2 |
| Transfers | 1.1 | — | (0.6) | — | 0.5 |
| **Balance at 31 December 2023** | **(205.4)** | **(18.4)** | **(1.1)** | **—** | **(224.9)** |
| | | | | | |
| **Balance at 1 January 2024** | **(205.4)** | **(18.4)** | **(1.1)** | **—** | **(224.9)** |
| Depreciation | (46.9) | (4.7) | (1.1) | | (52.6) |
| Disposals | 65.4 | — | — | | 65.4 |
| Transfers | — | — | — | | — |
| **Balance at 31 December 2024** | **(186.9)** | **(23.1)** | **(2.2)** | **—** | **(212.1)** |
| | | | | | |
| **Carrying amount** | | | | | |
| Balance at 1 January 2023 | 186.3 | 23.2 | 1.1 | — | 210.5 |
| Balance at 31 December 2023 | 123.6 | 21.3 | 2.3 | 166.0 | 313.2 |
| Balance at 1 January 2024 | 123.6 | 21.3 | 2.3 | 166.0 | 313.2 |
| Balance at 31 December 2024 | 198.7 | 29.3 | 2.6 | 334.7 | 565.2 |

Software comprises both IT applications developed by the Group for operating the grid and software for the Group's normal business operations.

The Group invested a total amount of €308.4 million, of which €138.0 million in Elia Transmission Belgium, €169.1 million in 50Hertz Transmission and €1.4 million in the non-regulated segment and Nemo Link segment.

During 2024, €2.2 million in borrowing costs were capitalised on software in development (compared with €1.1 million in 2023) in the Elia Transmission Belgium segment, based on an average interest rate of 2.37% (2.01% in 2023). An amount of €1.5 million based on an average interest rate of 2.8% was accounted for in the 50Hertz Transmission segment (nihil in 2023).

The Group does not hold individual intangible assets that are material to its financial statements, except capacity entitlements in the Kontek cable (Denmark) that amount to €12.2 million (with a remaining useful life of 9 years (until 2033)) and the ERP (€64.4 million with a remaining useful life of 5 years - until 2029). In addition, an amount of €91.2 million is attributable to (i) internally developed system platforms for controlling and operating the electricity grid (€27.8 million) and to (ii) private cloud solutions (€116.9 million), which are still under development as of 31 December 2024.

# 6.3. Goodwill

There were no changes in goodwill during the years 2023-2024. The carrying amount is the following:

| (in € million) | Goodwill |
|---|---|
| **Acquisition value** | |
| Balance at 1 January 2023 | 2,411.1 |
| **Balance at 31 December 2023** | **2,411.1** |
| | |
| Balance at 1 January 2024 | 2,411.1 |
| **Balance at 31 December 2024** | **2,411.1** |

The goodwill relates to the following business combinations and is allocated to the cash generating unit (CGU) Elia Transmission for the acquisition of Elia Asset and Elia Engineering and to the CGU 50Hertz Transmission for the acquisition of the 20% stake in Eurogrid International:

| (in € million) | Goodwill |
|---|---|
| Acquisition Elia Asset – 2002 | 1,700.1 |
| Acquisition Elia Engineering – 2004 | 7.7 |
| Acquisition Eurogrid International – 2018 | 703.4 |
| **Total 2024** | **2,411.1** |

## Impairment test for cash-generating units containing goodwill

According to IFRS Accounting Standards, goodwill should be tested for impairment on at least an annual basis or upon the occurrence of a triggering event. Goodwill is allocated to the CGUs Elia Transmission and 50Hertz Transmission for impairment testing. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually.

The recoverable amount of CGUs is determined by reference to a value in use that is calculated based on different methods (Discounted Cash Flow and Discounted Dividend Model) using cash flow projections drawn up on the basis of the 2024 updated forecast and the 2025-2029 business plan, as approved by the Management Committee and the Board of Directors, and on extrapolated cash flows beyond that time frame.

The forecasts and projections included in the reference scenario were determined on the basis of the estimated investment plans, remuneration defined in the regulatory frameworks, market evolution, market share and margin evolution. As the Group's asset base consists of assets with long useful lives, the business plan's projection period was set to encompass the coming two regulatory periods.

The discount rates used correspond to the weighted average cost of capital, which is adjusted in order to reflect the business, market, country and currency risk relating to each goodwill CGU reviewed. The discount rates used are consistent with available external information sources.

The growth rates associated with the terminal values do not exceed the inflation rate or the long-term average growth rate for the market to which the CGU is dedicated.

More details are provided below by CGU.

## Acquisition of Elia Asset and Elia Engineering

The acquisition of Elia Asset (in 2002) and Elia Engineering (in 2004) by the Company resulted in a positive consolidation difference of respectively €1,700.1 million and €7.7 million which could not be allocated to specific assets. This difference has consequently been recognised as goodwill assigned to the regulated activity in Belgium. Since 2004, annual impairment tests have been conducted and have not resulted in the recognition of any impairment losses.

The impairment test was conducted by an independent expert. This impairment test is based on the value in use and uses two main valuation methods to estimate the recoverable amount: 1) a discounted cash flows method (DCF); and 2) a dividend discount model (DDM), both of which are further detached in valuation variants depending on the terminal value calculation.

Future cash flows and future dividends are based on a business plan for the period 2024-2034. This business plan is based on the assumptions confirmed by the Board of Directors, in particular in terms of the scope of the Princess Elisabeth project for which the Group confirmed a postponement of the HVDC phase. As the Group's asset base consists of assets with long useful lives, the business plan's projection period was set to encompass the coming two regulatory periods. Note that the regulatory framework within which Elia operates is characterised by an allowed revenues basis structured around: 1) a fair

remuneration of the regulated asset base; and 2) incentives to guarantee the continuity of supply and improve efficiency. Considering that the regulator will allow a fair remuneration of the regulated asset base consistent with market expectations, the estimated regulated asset base for the last forecast year can be considered an indication of the terminal value. This approach does not take into account potential cash flows generated by meeting or beating future efficiency targets.

The valuation methods are subject to different assumptions, the most important of which are outlined below.

**1. Discounting of future cash flows (DCF-models):**

- Cost of equity of 7.8%

— Risk-free-rate: 2.5%
— Beta: 0.85
— Equity market risk premium: 5.5%
— Country risk premium: 0.8%
— Small firm premium: 1.0%
  - Operational risk premium of -1.1%
  - Pre-tax Cost of Debt of 3.4%;
  - Corporate tax rate of 25%;
  - Target gearing (D/(D+E)): 60%;
  - Post-tax WACC: 4.6%.
— Terminal value based on two variants:
  - Terminal value based on a 1.16x RAB multiple in 2034.

NB: as such, the RAB itself does not take into account the contribution that the incentive remuneration makes to the value creation process.

— Terminal value based on a perpetual growth rate of 2.5%. This long term growth rate is higher than long term expected inflation to capture the returns generated from the significant investments in the business plan.

**2. Discounting of future dividends (DDM-models):**

— Discount rate:
  - Cost of Equity of 7.8%
— Terminal value based on two variants:
  - Terminal value based on 1.16x RAB multiple in 2034.
— NB: as such, the RAB itself does not take into account the contribution of the incentive remuneration to the value creation process.
  - Terminal value based on a perpetual growth rate of 2.5%. This approach assumes that the residual value consists of profit after tax less investments and considers net borrowings (in relation to the investments). However, profit and thus dividend payments in FY34 most likely does not yet reflect the (positive) impact of the investments planned in FY27-FY34.

**Conclusion:**

— The independent analysis, which was based on a (€4,286 million) midpoint of the different valuation approaches and variants used did not result in the identification of an impairment of goodwill in the financial year 2024. Moreover, market multiples (based on current enterprise values and current/forecasted EBITDA) were applied for plausibility.
— As the median and the average of the different methods presented above were relatively far apart (€4.066 million and €4.948 million respectively), mainly due to differences in assumptions for the terminal value, the expert's mid-point is based on 75% of the median and 25% of the average, bearing in mind, among other factors, that the median alone might not appropriately reflect the impact of incentive remuneration on the terminal value (see above for more details).
— Compared to 2023, the method and the assumptions have been consistently applied. The discussions on the new tariffs methodology (2024-2027) have led to a new mechanism designed to protect ROE against a rise of interest rates. An additional remuneration is foreseen in the methodology in connection with the OLO level. The fact that the regulated return on equity is now directly linked to the evolution of the risk-free rate triggers the use of a negative operational risk premium. This negative premium results from the difference between the average of ROE and the cost of equity, taking into account the beta derived from the peer group (0.66 = market view) and this COE.
— Considering this evolution and the regulated nature of the businesses grouped with the CGU, a reasonable change in any of the valuation inputs would not result in impairment losses. Nevertheless the Group concluded a series of sensitivity analysis to evaluate the impact of key factors on the equity value:
  - DCF/DDM with residual value based on RAB
    - RAB multiple TV: the EV/RAB multiples in the market range between 1.18x and 1.50x for TSOs, with the median at 1.31x (we are using 1.16x, the median between 1.00x and 1.31x). When applying 1.31x on the RAB in the residual value, the equity value increases by 43.5% (DCF) or 17.8% (DDM). Applying a lower multiple (1.00x) would result in a decrease by respectively
      - -43.5% and a negative headroom of €0.6 million for the DCF model
      - -17.8% and a negative headroom of €0.5 million for the DDM model
    - The Group also conducted a sensitivity analysis to examine how changes in the long term RAB affect equity value in both models. Considering its dependence on both capital expenditures and depreciation, we assessed the impact of percentage increases or decreases in annual CAPEX during the final three years of the business plan. Depreciation was adjusted based on CAPEX variations compared to the standard business plan, assuming a 20-year asset lifetime. Any changes in depreciation charges are then considered in the revenues. In that respect, a 10% reduction in annual CAPEX over this period leads to a 2.1% decrease in perpetuity RAB, while reductions of 20% and 30% result in decreases of 4.2% and 6.3% respectively. In none of these scenarios would we find the equity value derived from the DCF model in a situation of impairment. The headroom would become negative for the DDM model, resulting in a negative amount of maximum €0.2 million.
  - DCF/DDM with residual value based on perpetuity

- Growth rate: a decrease by 0.5% of the 2.5% growth rate would result in a variation of respectively -42.2% (DCF) and -11.4% (DDM) and would not lead to an impairment.

## Acquisition of Eurogrid international

- In April 2018, the acquisition of an extra 20% stake in Eurogrid International by the Group resulted in a goodwill of €703.4 million. This consolidation difference has been allocated to the CGU 50Hertz Transmission, since it comprises all income and expenses generated thereof.
- The impairment test was conducted by an independent expert. This impairment test is based on two main valuation methods: 1) a discounted cash flows (DCF) method; and 2) a dividend discount model (DDM). The main method used to determine the equity value is the DCF - RV RAB. Other methods were analyzed as a cross-check and are in line with the estimates of the DCF - RV RAB. Both methods are further detached in valuation variants depending on the terminal value calculation. Future cash flows and future dividends are based on a business plan for the period 2024-2034 (two regulatory periods). As the Group's asset base consists of assets with long useful lives, the business plan's projection period was set to encompass the next two regulatory periods.

The valuation methods are subject to different assumptions, most importantly:

**1. Discounting of future cash flows (DCF-models):**

- Cost of equity of 7.5%
  - Risk-free-rate: 2.5%
  - Beta 0.85
  - Equity market risk premium 5.5%
  - Small firm premium 1.0%
  - Operational risk premium of -0.7%
- Pre-tax Cost of Debt of 3.4%;
- Corporate tax rate of 30%;
- Target gearing (D/(D+E)): 60%;
- Post-tax WACC: 4.4%.
- Terminal value based on two variants:
  - Terminal value based on a 1.16x RAB multiple in 2034;
  - Terminal value based on a perpetual growth rate of 2.0%.

**2. Discounting of future dividends (DDM-models):**

- Discount rate:
  - Cost of Equity: 7.5%
- Terminal value based on two variants:
  - Terminal value based on 1.16x RAB multiple in 2034;
  - Terminal value based on a perpetual growth rate of 2.0%.

**Conclusion:**

- Neither the independent analysis, which was primarily based on a (€5,847 million) midpoint of the retained valuation method and variants used, nor the sensitivity analysis resulted in the identification of an impairment of goodwill in the financial year 2024. Moreover, market multiples (based on current enterprise values and current/forecasted EBITDA) were applied for plausibility.
- The median and the average of the different methods presented above were relatively close (€6,468 million and €6,807 million respectively), as the assumptions for the terminal value were similar. Neither the independent analysis based on a median of the different valuation approaches and variants used, nor the sensitivity analysis resulted in the identification of an impairment of goodwill in the financial year 2024.
- Since 2023, the discussions on the new tariffs methodology have led to a new mechanism designed to protect return in equity (ROE) against a rise of interest rates. ROE will be linked to the German risk-free rate for all new assets. The fact that the regulated return on equity is now directly linked to the evolution of the risk-free rate triggers the use of a negative operational risk premium. This negative premium results from the difference between the average of ROE and the cost of equity, taking into account the beta derived from the peer group (0.66 = market view) and this COE.
- Considering this evolution and the regulated nature of the businesses grouped with the CGU, a reasonable change in any of the valuation inputs would not result in impairment losses. the Group concluded a series of sensitivity analysis to evaluate the impact of key factors on the equity value:
  - DCF/DDM with residual value based on RAB
    - RAB multiple TV: the EV/RAB multiples in the market range between 1.18x and 1.50x for TSOs, with the median at 1.31x (we are using 1.16x, the median between 1.00x and 1.31x). When applying 1.31x on the RAB in the residual value, the equity value increases by 73.2% (DCF) or 17.8% (DDM). Applying a lower multiple (1.00x) would result in a decrease by respectively
      - -73.2% and a negative headroom of €0.9 million for the DCF model
      - -17.8% and a positive headroom of €3.4 million for the DDM model
    - The Group also conducted a sensitivity analysis to examine how changes in the long term RAB affect equity value in both models. Considering its dependence on both capital expenditures and depreciation, we assessed the impact of percentage increases or decreases in annual CAPEX during the final three years of the business plan. Depreciation was adjusted based on CAPEX variations compared to the standard business plan, assuming a 20-year asset lifetime. Any changes in depreciation charges are then considered in the revenues. In that respect, a 10% reduction in annual CAPEX over this period leads to a 2.9% decrease in perpetuity RAB, while reductions of 20% and 30% result in decreases of 5.8% and 8.7% respectively. In none of these scenario would we find the equity values derived from both models in a situation of impairment.
  - DCF/DDM with residual value based on perpetuity
    - Growth rate: a decrease by 0.5% of the 2.0% growth rate would result in a variation of respectively -71.2% (DCF) and -12.4% (DDM) and would not lead to an impairment.

# 6.4. Non current trade and other receivables

The non current trade and other receivables are mainly composed by the long term part of the granted investment subsidy (€55.0 million in 2024 and 2023) out of a total subsidy of €99.7 millions based on a total budgeted investment of circa €600.0 millions.

This subsidy has been granted for the building of an offshore island (The Princess Elisabeth Island) and within the framework of the Recovery and Resilience Facility (EU instrument to support project of Member States and help the EU emerge stronger and more resilient from the current crisis). This island will serve as a multifunctional energy hub/an extension of the electricity grid in the North Sea. It will connect wind farms from the sea to the mainland and create new connections with neighbouring countries.

The payment of this subsidy is linked to predefined milestones. The project was globally shifting 1 year. Therefore at 31 December 2024, the amount of €55.0 million remains receivable beyond 2026 and is therefore presented as long-term receivable while €40.0 million remains classified in short term.

Cash is collected as predefined milestones are reached. The recoverability of this amount is contractually guaranteed. No credit risk has been considered on this long-term receivable.

# 6.5. Equity-accounted investees

The movements in the equity-accounted investees are summarised as follows:

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Equity accounted investees (opening balance)** | **269.1** | **261.2** |
| Profit for the year | 33.2 | 30.2 |
| Dividends received | (33.6) | (22.2) |
| Investment in equity accounted investee | 235.0 | — |
| Other movement in equity of the associates | (0.8) | — |
| Currency translation adjustment | 9.8 | — |
| **Equity accounted investees (closing balance)** | **512.7** | **269.1** |
| Of which joint ventures | 251.6 | 250.7 |
| Of which associates | 261.0 | 18.4 |

Details are given in the subchapters below.

## 6.5.1 Joint ventures

### Nemo Link Ltd

On 27 February 2015, Elia System Operator and National Grid signed a joint venture agreement to build the Nemo Link Interconnector between Belgium and the UK. This project consists of subsea and underground cables connected to converter stations and an electricity substations in each country, allowing electricity to flow in either direction between the two countries, so giving the UK and Belgium improved reliability and access to electricity and sustainable generation. Each shareholder holds a 50% stake in Nemo Link Ltd, a UK company. The interconnection was commissioned in late January 2019.

To finance the project both shareholders have provided funding to Nemo Link Ltd since 2016 via equity contributions and loans (divided on a 50/50 basis). In June 2019, the loans were incorporated in the share capital (loan swap to equity).

In 2024, Nemo Link Ltd paid out dividends totalling €61.7 million (€40.0 million in 2023) to its shareholders.

The joint ventures had no contingent liabilities or significant capital commitments as at 31 December 2024 and 2023.

The following table summarises the financial information of the joint venture, based on its IFRS financial statements and reconciliation with the carrying amount for the Group's interest in the consolidated financial statements.

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Percentage ownership interest** | **50.0%** | **50.0%** |
| Non-current assets | 539.3 | 564.6 |
| Current assets | 114.0 | 87.5 |
| Of which: Cash and cash equivalents | 100.5 | 76.8 |
| Non-current liabilities | 37.6 | 36.3 |
| Of which: Non-current financial liabilities (excluding trade and other payables and provisions) | 13.4 | 13.5 |
| Current liabilities | 112.4 | 114.4 |
| Equity | 503.2 | 501.5 |
| **Group's carrying amount for the interest** | **251.6** | **250.7** |
| | | |
| Revenue | 129.6 | 116.5 |
| Depreciation, amortisation, impairment and changes in provisions | (27.4) | (27.2) |
| Other operating expenses | (17.9) | (16.4) |
| Net finance costs | (0.1) | (1.3) |
| **Profit before income tax** | **84.2** | **71.6** |
| Total income taxes and deferred taxes recognised in profit and loss | (20.8) | (16.9) |
| **Profit for the year** | **63.5** | **54.6** |
| Total comprehensive income for the year | 63.5 | 54.6 |
| **Group's share of profit for the year** | **31.7** | **27.3** |
| Dividends received | 30.9 | 20.0 |

## 6.5.2 Associates

As of 31 December 2024, the Group has 4 associates, all being equity-accounted investees. None of these companies are listed on any public exchange.

### Coreso

The Group has a 22.16% stake in Coreso SA/NV. Coreso SA/NV is a company that provides coordination services aimed at facilitating the secure operation of the high-voltage grid in several European countries.

### HGRT

The Group holds a 17.0% stake in HGRT SAS. HGRT SAS is a French company with a 49.0% stake in Epex Spot, the exchange for power spot trading in Germany, France, Austria, Switzerland, Luxembourg and (through its 100% associate APX) the UK, Netherlands and Belgium. As one of the founding partners of HGRT, the Group has a 'golden share', giving it a minimum number of representatives on HGRT's Board of Directors. This constitutes a significant influence and therefore HGRT is accounted for using the equity method. In 2024, the Group received a dividend of €2.7 million from HGRT (€2.2 million in 2023).

### Link Digital Gmbh

50Hertz Transmission also holds 33.33% or €50k of the Link digital GmbH, Würzburg, share capital. This entity was established in 2024. No figures are available at the reporting date.

### energyRe Giga

As from 1 February 2024, the Group has a 25.25% stake in energyRe Giga Projects USA Holdings LLC, acquired from energyRe. energyRe is a diversified renewable energy generation and transmission company founded in 2020 and headquartered in New York with expertise in solar, wind, distributive generation, and transmission. energyRe Giga had been formed in 2023 through the contribution by energyRe of portfolio of assets, consisting of energyRe's onshore transmission, offshore transmission, offshore wind projects and onshore renewable generation projects to be connected to the Clean Path New York transmission line. Investing in energyRe Giga core assets aligns with Elia's strategy, unlocking diversification and positioning the Group as a leader in the global energy transition.

It is expected that Elia Group will invest US$400 million over three years into energyRe Giga. US$250 million out of the US$400 million have been paid as part of the closing and Elia Group's equity stake will increase as the amount is deployed over time, reaching 35.1% once the US$400 million is fully deployed. An earn-out clause is contractually provided for and can be triggered by the completion of certain milestones in projects development. The impact has been estimated by management to US$6.0 million at the acquisition date (or an undiscounted value of €10 million out of a maximum contractual compensation of $50 million). The estimate has been determined in accordance with the business plan assumptions (Commercial Operations date). As of 31 December 2024, the earnout is accounted for US$7.9 million (US$6.0 million at acquisition date).

Following the first investment tranche, the Group holds 25.25% of energyRe Giga.

The investment is classified as an associate and measured using the equity method. Elia does not control energyRe Giga but has a significant influence. Even if protective rights exist to protect Elia's rights as a project partner, the Group has concluded that they are not such as to confer (co)-control.

In connection with the transaction, €0.7 million of directly attributable transaction costs incurred in 2024 have been included in the cost of the investment.

| (in € million) | 2024 |
|---|---|
| Investment value in €, including hedging reserve & contingent consideration | 235.0 |
| Transaction costs | 0.7 |
| Loss of the period | (1.9) |
| Other movements in equity of the associate | (1.5) |
| Currency translation adjustment | 9.8 |
| **Equity accounted investment - energyRe Giga (Closing balance)** | **242.1** |

The investment value as per 31 December 2024 includes a goodwill of € 67.2 million, embedded in the value. This goodwill included as part of the carrying amount of the investment in the associate is not tested separately for impairment but, instead, as part of the test for impairment of the investment as a whole. As per 31 December 2024, the Group has concluded that there was no indication that the investment value might be impaired. the outlook reflected in the latest business plans remains in line with that prevailing at the time of acquisition.

This goodwill resulted from the notional purchase price allocation process completed by the Group in accordance with IAS28. The consideration paid has been allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition. In this context, the portfolio of projects has been revaluated using a DCF model to reflect its fair value. A deferred tax liability has been recognized with the US tax base rate of 28.3% for the step-up in value of the fair value of investments in associates. There were no other applicable remeasurements of other positions. As a result, a goodwill of €266.2 million (100%) has been recognized reflecting the expected synergies and other benefits from combining the assets and activities of energyRe Giga with Elia Group. The goodwill is not deductible for income tax purpose.

The following table details the fair value of the identifiable assets and liabilities of energyRe Giga at the date of acquisition, as well as the purchase consideration transferred (translated in euro using the exchange rate of the transaction - hedged rate).

| (in € million) | Fair value recognised on acquisition per 1 February 2024 |
|---|---|
| Investments in associates | 656.2 |
| **Total non-current assets** | **656.2** |
| Inventories and construction contracts | 1.7 |
| Trade and other receivables (current) | 231.4 |
| Cash and cash equivalents | 4.6 |
| **Total current assets** | **237.6** |
| **Total assets** | **893.8** |
| | |
| Other long-term liabilities | 13.8 |
| Deferred tax liabilities | 137.0 |
| **Total non-current liabilities** | **150.8** |
| Short-term borrowings | 65.4 |
| Trade and other payables | 9.6 |
| **Total current liabilities** | **75.0** |
| **Total liabilities** | **225.8** |
| | |
| **Net assets** | **667.9** |
| | |
| **Total equity** | **934.1** |
| **Goodwill** | **266.2** |
| | |
| **Group's share of net assets** | **168.7** |
| **Total contribution paid** | **234.8** |
| **Goodwill (Elia's share)** | **67.2** |

As per 31 December 2024, the value of the investment in energyRe Giga amounts to €242.1 million. The start of the new US Administration has created uncertainty around the short-term evolution of wind energy (especially offshore). Even if it remains early stage to have full clarity on the concrete impact on the projects, the Group has reassessed each project, noting no situation that could trigger an impairment. Hence, there is also no indication that the fair value of the projects at the end of the reporting period deviates from the fair value calculated at the date of the acquisition of energyRe Giga. The right to acquire additional shares over 3 years did not trigger an accounting impact at the end of the reporting period.

There is a high need of additional and stable transmission infrastructure to assure the supply and to meet the demand and needs related to electrification, data centres , etc. Transmission projects have been progressing steadily in 2024. For the offshore project owned by energyRe for which leases have already been secured and PPAs awarded , the current project schedule has already taken account of the potential delays to the permitting process.

The Group is continuing to monitor the progress of its existing projects, and works with its partner to develop new opportunities and sign new contracts.

## Summarised financial information

The following table illustrates the summarised financial information of the Group's investment in these companies, based on their respective financial statements prepared in accordance with IFRS Accounting Standards.

As per 31 December 2024, figures of energyRe Giga are the figures from the third quarter 2024 with estimates for the three last months of the year. The operational capacity of the associate does not enable the entity to meet the reporting's deadline from the group. A reconciliation between estimates and actuals is performed on a regular basis.

| (in € million) | Coreso SA/NV 2023 | HGRT SAS 2023 | energyRe Giga LLC 2023 |
|---|---|---|---|
| **Percentage ownership interest** | **22.2%** | **17.0%** | **—%** |
| Non-current assets | 17.5 | 99.5 | — |
| Current assets | 4.7 | 1.0 | — |
| Non-current liabilities | — | — | — |
| Current liabilities | 16.2 | — | — |
| Equity | 6.0 | 100.4 | — |
| **Group's carrying amount for the interest** | **1.3** | **17.1** | **—** |
| | | | |
| Revenue | 32.6 | — | — |
| Depreciation, amortisation, impairment and changes in provisions | (3.0) | — | — |
| Other operating expenses | (27.9) | 16.1 | — |
| Net finance costs | (0.2) | — | — |
| **Profit before income tax** | **1.4** | **16.1** | **—** |
| Total income taxes and deferred taxes recognised in profit and loss | (0.7) | (0.2) | — |
| **Profit for the year** | **0.7** | **15.9** | **—** |
| Other comprehensive income | — | — | — |
| **Total comprehensive income for the year** | **0.7** | **15.9** | **—** |
| **Group's share of total comprehensive income for the period** | **0.2** | **2.7** | **—** |
| Dividends received | — | 2.2 | — |

| (in € million) | Coreso SA/NV 2024 | HGRT SAS 2024 | energyRe Giga LLC 2024 |
|---|---|---|---|
| **Percentage ownership interest** | **22.2%** | **17.0%** | **25.3%** |
| Non-current assets | 28.2 | 102.0 | 1,022.1 |
| Current assets | 4.7 | 0.7 | 103.9 |
| Non-current liabilities | — | — | 162.3 |
| Current liabilities | 25.8 | — | 5.5 |
| Equity | 7.2 | 102.7 | 958.3 |
| **Group's carrying amount for the interest** | **1.6** | **17.5** | **242.0** |
| | | | |
| Revenue | 42.2 | — | 6.1 |
| Depreciation, amortisation, impairment and changes in provisions | (2.2) | — | — |
| Other operating expenses | (37.7) | (0.1) | (12.2) |
| Net finance costs | (0.4) | — | 3.1 |
| Share of profit of equity-accounted investees | — | 18.5 | (4.6) |
| **Profit before income tax** | **1.9** | **18.4** | **(7.7)** |
| Total income taxes and deferred taxes recognised in profit and loss | (0.7) | (0.2) | — |
| **Profit for the year** | **1.2** | **18.3** | **(7.7)** |
| Other comprehensive income | — | — | — |
| **Total comprehensive income for the year** | **1.2** | **18.3** | **(7.7)** |
| **Group's share of total comprehensive income for the period** | **0.3** | **3.1** | **(1.9)** |
| Dividends received | — | 2.7 | — |

Coreso, HGRT and energyRe Giga had no contingent liabilities or significant capital commitments as at 31 December 2024 and 2023.

As per 31 December 2024, energyRe has contingent consideration clauses arising from its investments in project companies. These contingent consideration obligations have been initially recognized at fair value and are remeasured at each reporting date, the changes in fair value being recognized in profit or loss. At year ended 2024, the liability amounts to €19.4 million.

# 6.6. Other financial assets

| (in € million) | 2024 | 2023 |
|---|---|---|
| Immediately claimable deposits | 7.5 | 7.2 |
| Reimbursement rights | 34.6 | 36.8 |
| Other shareholdings | 143.0 | 76.7 |
| Other | 1.3 | 0.3 |
| **Other financial assets (non-current)** | **186.3** | **121.0** |
| **Other financial assets (current)** | **—** | **—** |
| **Other financial assets** | **186.3** | **121.0** |

The total other financial assets increased by €65.3 million compared with the previous year.

Please note that as from 2024 the Group reports its derivatives on a separate line item "Derivatives". As per 31 December 2023, an amount of €7.2 million of current derivative was reported in Other financial asset (current). We refer to note 6.7 for further details about derivatives.

Immediately claimable deposits are measured at fair value. The risk profile of these investments is discussed in Note 8.1. The value as at 31 December 2024 is stable compared to 2023.

Reimbursement rights are linked to the obligations regarding (i) the retired employees falling under specific benefit schemes (Scheme B - unfunded plan); and for (ii) health plan and reduced energy pricing plans for retired staff members. See Note 6.15: 'Employee benefits'. The reimbursement rights are recoverable through the regulated tariffs. The following principle applies: all incurred pension costs for 'Scheme B' retired employees and the costs linked to healthcare and reduced energy pricing plans for retired Elia staff members are defined by the regulator (CREG) as non-controllable expenses that are recoverable through the regulatory tariffs. The decrease in the carrying value of this asset is disclosed in Note 6.15: 'Employee benefits' and mainly explained by the change in discount rate. Considering the nature (regulatory asset) of these financial assets, they are not considered to be at risk of impairment.

## Other shareholdings and investments

| (in € million) | Type of Measurement | Ownership (at 100%) | 2024 | 2023 |
|---|---|---|---|---|
| European Energy Exchange (EEX) | FVOCI | 5.36 % | 141.5 | 75.6 |
| JAO Joint Allocation Office SA | FVOCI | 8.00 % | 0.5 | 0.5 |
| TSCNET Services GmbH | FVOCI | 6.25 % | 0.4 | 0.4 |
| decarbon1ze GmbH | FVOCI | 5.73 % | 0.5 | 0.5 |
| Stiftung Kurt-Sanderling-Akademie des Konzerthausorchesters | FVOCI | 10.44 % | 0.01 | 0.01 |
| SET Fund IV | FVPL | — % | 1.3 | — |
| **Total** | | | **144.3** | **77.0** |

Other investments are measured at fair value. At each reporting date (except for EEX for which the reassessment is carried out each two years - see also note 6.19), a re-measurement is performed to re-evaluate these investments. Deviation from the previous period is recorded under other comprehensive income (+€65.9 million in 2024) or under profit and loss (-€0.3 million in 2024).

In 2024, Elia Group committed to investing €12.5 million in SET Fund IV, a international venture capital fund managed by SET Ventures. As a leader in the field of digital energy innovation, SET Ventures actively monitors European start-up companies in relevant sub-sectors such as distributed energy systems, flexibility, energy efficiency and electric vehicle charging. SET's fund is focusing on growth companies that have proven their technology or services and now seek to scale up. This capital will be invested progressively over the next 4 years in European start-ups that are developing digital technologies and services and are mature enough to be scaled up. This investment is measured at fair value through P&L.

As per 31 December 2024, Elia Group has an investment of €1.6 million in SET Fund IV remeasured at €1.3 million at fair value through P&L.

# 6.7. Derivative instruments

## Derivatives instruments measured at fair value in the consolidated statement of financial position

The following table gives an overview of the carrying amount of all derivatives instruments by category as defined by IFRS 9, all of them being measured at fair value (carrying amount = fair value).

| (in € million) | Classification | Level | 2024 | 2023 |
|---|---|---|---|---|
| **Assets** | | | **12.3** | **7.2** |
| Commodity risk (grid losses) | | Level 1 | 2.3 | — |
| *Derivative financial instruments designated in a cash flow hedge relationship* | *Fair value through other comprehensive income* | | 2.3 | — |
| **Non-current derivatives** | | | **2.3** | **—** |
| Commodity risk (grid losses) | | Level 1 | 10.0 | — |
| Forecasted transactions | | Level 1 | — | 7.2 |
| *Derivative financial instruments designated in a cash flow hedge relationship* | *Fair value through other comprehensive income* | | 9.2 | 7.2 |
| *Derivative financial instruments designated in a cash flow hedge relationship* | *Fair value through profit and loss* | | 0.8 | — |
| **Current derivatives** | | | **10.0** | **7.2** |
| **Liabilities** | | | **6.8** | **225.9** |
| Commodity risk (grid losses) | | Level 1 | — | 8.5 |
| Interest rate risk | | Level 1 | 4.5 | — |
| *Derivative financial instruments designated in a cash flow hedge relationship* | *Fair value through other comprehensive income* | | 4.5 | 8.5 |
| **Non-current derivatives** | | | **4.5** | **8.5** |
| Foreign currency risk | | Level 1 | 1.4 | 1.1 |
| Commodity risk (grid losses) | | Level 1 | 0.9 | 216.3 |
| *Derivative financial instruments designated in a cash flow hedge relationship* | *Fair value through profit and loss* | | 2.3 | 217.4 |
| **Current derivatives** | | | **2.3** | **217.4** |

The Group is exposed to certain risks relating to its ongoing business operations, meaning commodity risks, interest rate and foreign currency risks.

As per 31 December 2024, the Group had derivative instruments in 2 categories (commodities and financial derivatives), all of them being designated as hedging instruments:

### Commodities - Grid losses

The Group recognises derivatives to hedge the price for the future procurement of the physical requirement for grid losses in Germany that is expected in subsequent periods and is covered in each case by short-term procurement transactions on the spot market.

These derivatives are measured at fair value in OCI as part of cash flow hedge accounting. They fall under level 1 of the measurement hierarchy. Their value is determined based on the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. As a result of de-designation, futures must be treated as stand-alone derivatives and measured in full through profit or loss. It is then necessary to remove cumulative effects on profit or loss from OCI accordingly and recognize them in profit or loss.

Credit and default risks are avoided with this form of price hedging via exchange transactions. They serve as price hedging of the physical demand for electrical energy to cover grid losses (underlying transaction). Due to the availability and liquidity of futures trading, the hedging period for intended price hedging covers a period of up to two years from the balance sheet date. In this context, the Group pursues a conservative hedging strategy oriented towards the regulatory framework and the ability to roll over the electricity procurement costs incurred, which enables timely and predictable price hedging.

The critical terms match method measures effectiveness. If the valuation-relevant parameters of the hedged item and hedging instrument match, it is assumed that an effective hedging relationship exists and that changes in value from both items offset each other. The Group strives for full price hedging of the expected volume of grid losses (hedge ratio 1:1).

At 31 December 2024, the Group reported derivative financial instruments with a positive net amount of €11.4 million (previous year: negative net amount of €224.8 million caused by a sharp drop in electricity price in 2023) as part of hedge accounting. The forward contracts were concluded in the financial year at prices between €73.37 and €115.51 per MWh.

As a result of the shortfall in the price hedging volume to hedge grid losses for 2025, it was decided to remove some futures contracts from hedge accounting. These contracts will be recognized as freestanding derivatives on the liabilities side for the first time on the 2024 balance sheet date. As part of the de-designation, OCI was adjusted by €0.4 million. The subsequent measurement of these freestanding derivatives as at December 31, 2024 results in an effect on profit or loss for the period of €0.4 million, i.e. a total of €0.8 million in 2024.

In the financial year, a negative result of €236.3 million was realised from hedging with futures contracts (prior year: negative result of €89.3 million), which is included in the cost of materials.

### Cash flow hedges - financial derivatives

In Belgium, the Group also uses cash flow hedging (CFH) derivative contracts to hedge (future) financial transactions and to manage interest rate or foreign currency risks. All the financial derivatives are measured at fair value in OCI and are reported in level 1 based on market-to-market values. The hedging reserves are recycled into profit and loss over the lifetime of the underlying hedged item.

— In 2018, the Group hedged the interest rate risk linked to the acquisition of a 20% stake in 50Hertz Transmission Germany for which a bridge loan was initially put in place. To cover the potential exposure to interest rate risk, the Group entered into a pre-hedge

interest rate swap agreement in June 2018 to lock in market interest rates at the moment of the issuance of the €300 million senior bond. The Group applied hedge accounting as the derivative transaction met the requirements under IFRS 9. Upon the settlement of the transaction in September 2018, the portion of the loss on the derivative was recognised within hedging reserves and had an impact of -€5.7 million. The remaining reserve as per 31 December 2024 amounted to -€2.1 million (see section 6.13 - hedging reserve).

- In 2022, the Group entered into Interest Rate Swaps contracts as pre-hedge for probable forecast debt transactions. The purpose of those instruments was to fix the rate at which the Group will borrow in the context of future bond issuances planned in 2023 and 2024. Upon the settlement of the transactions, the gain resulting from the hedge was recognized within hedging reserves for a total of respectively €36.5 million (in 2023) and €8.4 million (in 2024). The remaining reserve as per 31 December 2024 amounted to €37.3 million (see section 6.13 - hedging reserve).
- End of 2023, the Group entered into an agreement to acquire a minority stake in a US company, energyRe Giga Projects USA Holdings. In connection with this transaction, the Group entered into forward contracts (EUR-USD 250.0 million) to lock in the exchange rate to the completion date of the acquisition. The fair value of these contracts was positive at the settlement date (+€0.3 million entirely reclassified from other comprehensive income as per transaction date).
- In March 2024 the Group entered into an IRS agreement to fix the rate of the new €300.0 million term loan (-€4.5 million fair value as per 31 December 2024)
- End of 2024, the Group entered into forward contracts to lock in the exchange rate on the intercompany loan issued in 2023 to finance the acquisition of the minority stake in energyRe Giga Projects USA Holdings (-€1.4 million fair value as per 31 December 2024).

All these instruments have been concluded with terms that perfectly match those of the hedged item. As per 31 December 2024, no ineffectiveness has resulted from the financial derivatives.

As per 31 December 2024, the Group reports a negative value linked to the Interest Rate Swap contracted to fix the rate of the term loan signed in June 2024 (-€4.5 million) and a negative value (€1.4 million) linked to the forward contracts. The other cash flow hedges open as per 31 December 2023 have been settled following the issuance of the Green Bond by Elia Transmission SA/NV and the completion of the acquisition of energyRe Giga (Forex).

## Income and expenses of financial instruments recognized in the consolidated income statement and in other comprehensive income

Income and expenses on financial instruments recognized in other comprehensive income include the following:

| (in €) | 2024 | 2023 |
|---|---|---|
| Recycling from other comprehensive income of derivative financial instruments designated in a cash flow hedge relationship | (6.0) | (2.8) |
| Effective portion of changes in fair value of cash flow hedges | 236.4 | (377.3) |
| **Total** | **230.4** | **(380.1)** |

## Notional amounts

Notional amounts and maturities of cash flow hedges are as follows:

| As of 31 December 2023 | Unit | 2024 | 2025 | 2026 | Total as of 31 December 2023 |
|---|---|---|---|---|---|
| Interest rate risk | (in € million) | 125.0 | — | — | 125.0 |
| Commodity risk (grid losses) | TWh | 2.6 | 0.6 | — | 3.2 |
| Foreign currency risk | (in USD million) | 250.0 | — | — | 250.0 |

| As of 31 December 2024 | Unit | 2025 | 2026 | 2027 | Total as of 31 December 2024 |
|---|---|---|---|---|---|
| Interest rate risk | (in € million) | — | — | 300.0 | 300.0 |
| Commodity risk (grid losses) | TWh | 2.4 | 0.6 | — | 3.0 |
| Foreign currency risk | (in USD million) | 240.9 | — | — | 240.9 |

# 6.8. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **(in € million)** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Property, plant and equipment | 23.5 | (331.0) | 23.3 | (285.9) |
| Intangible assets | — | (40.3) | — | (16.2) |
| Financial assets | — | (1.8) | 67.4 | (10.1) |
| Non-current trade and other receivables | 6.9 | — | 9.3 | (13.1) |
| Interest-bearing loans and other non-current financial liabilities | 36.5 | (13.4) | 35.8 | (10.5) |
| Employee benefits | 13.8 | (8.6) | 20.6 | (9.2) |
| Derivatives | 0.3 | (13.0) | — | — |
| Provisions | 41.0 | — | 40.9 | — |
| Deferred revenue | 33.6 | (1.2) | 31.9 | (1.2) |
| Regulatory liabilities | — | (13.3) | — | (12.3) |
| Deferred tax on investment grants | — | (28.7) | — | (25.3) |
| Losses carried forward | 9.2 | — | 11.2 | — |
| Other items | 0.2 | (14.8) | 8.5 | (9.9) |
| **Tax asset/liability before offsetting** | **165.0** | **(466.1)** | **249.0** | **(393.8)** |
| Offsetting of tax | (164.2) | 164.2 | (247.0) | 247.0 |
| **Net tax asset/(liability)** | **0.7** | **(301.9)** | **2.1** | **(146.8)** |

The changes in deferred tax assets and liabilities can be presented as follows:

**Changes in deferred tax assets and liabilities resulting from movements in temporary differences during the financial year**

| (in € million) | Net tax asset/ (liability) | Recognised in income statement | Recognised in comprehensive income | Other | Total |
|---|---|---|---|---|---|
| **2023** | | | | | |
| Property, plant and equipment | (233.5) | (29.1) | — | | (262.6) |
| Intangible assets | (15.8) | (0.4) | — | | (16.2) |
| Financial assets | (55.1) | — | 112.5 | | 57.3 |
| Non-current trade and other receivables | 1.2 | (5.0) | — | | (3.8) |
| Interest-bearing loans and other non-current financial liabilities | 28.4 | 0.3 | (3.5) | | 25.2 |
| Employee benefits | 8.4 | 1.3 | 1.7 | | 11.4 |
| Derivatives | — | — | — | | — |
| Provisions | 36.3 | 4.7 | — | | 40.9 |
| Deferred revenue | 27.1 | 3.6 | — | | 30.7 |
| Regulatory liabilities | 3.1 | (15.4) | — | | (12.3) |
| Deferred tax on investment grants | (25.3) | — | — | | (25.3) |
| Losses carried forward | 12.6 | (1.4) | — | | 11.2 |
| Other items | (9.2) | 7.9 | — | | (1.4) |
| **Total** | **(221.8)** | **(33.6)** | **110.7** | | **(144.8)** |

| (in € million) | Net tax asset/ (liability) | Recognised in income statement | Recognised in comprehensive income | Other | Total |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Property, plant and equipment | (262.6) | (44.9) | — | | (307.5) |
| Intangible assets | (16.2) | (24.1) | — | | (40.3) |
| Financial assets | — | — | (1.8) | | (1.8) |
| Non-current trade and other receivables | (3.8) | 10.7 | — | | 6.9 |
| Interest-bearing loans and other non-current financial liabilities | 25.2 | (2.8) | 0.7 | | 23.1 |
| Employee benefits | 11.4 | (0.7) | (5.6) | | 5.1 |
| Derivatives | 57.3 | 0.1 | (70.2) | | (12.7) |
| Provisions | 40.9 | — | — | | 41.0 |
| Deferred revenue | 30.7 | 1.7 | — | | 32.4 |
| Regulatory liabilities | (12.3) | (1.0) | — | | (13.3) |
| Deferred tax on investment grants | (25.3) | — | — | (3.4) | (28.7) |
| Losses carried forward | 11.2 | (2.1) | — | | 9.1 |
| Other items | (1.4) | (13.3) | — | | (14.6) |
| **Total** | **(144.8)** | **(76.2)** | **(76.9)** | **(3.4)** | **(301.2)** |

The deferred tax liability on right-of-use assets from IFRS 16 leases is shown under 'Property, plant and equipment', whilst the deferred tax asset on finance lease liability is shown under 'Interest-bearing loans and other non-current financial liabilities'.

## Unrecognised deferred tax assets or liabilities

As at 31 December 2024, the group had unrecognised deferred tax assets for a total of €60.0 million. This amount can be summarised follows:

| (in € million) | Gross | Deferred taxes |
|---|---|---|
| **Tax losses** | **49.0** | **12.3** |
| Realto | 7.3 | 1.8 |
| EGI (including branches) | 1.3 | 0.3 |
| Windgrid | 40.5 | 10.1 |
| | | |
| **Dividend received deduction** | **117.9** | **29.5** |
| Elia Group | 110.6 | 27.6 |
| Eurogrid International (BE) | 7.3 | 1.8 |
| EGI | — | — |
| | | |
| **Exceeding borrowing costs** | **73.0** | **18.3** |
| Elia Group | 73.0 | 18.3 |
| | | |
| **Total** | **239.9** | **60.0** |

These unused tax losses carried forward, Dividend Received Deduction carried forward and non-deductible interests carried forward (Corporate Interest Restriction rule) have no expiry date. An assessment is conducted each year to determine the probability that these fiscal deductions could be used in the future to lower the tax base.

## 6.9. Inventories

| (in € million) | 2024 | 2023 |
|---|---|---|
| Raw materials and consumables | 46.2 | 41.8 |
| Work in progress | 195.9 | 17.9 |
| Write-downs | (17.5) | (17.1) |
| **Total** | **224.6** | **42.7** |

The warehouse primarily stores replacement and spare parts for maintenance and repair work carried out along the Group's high-voltage substations, overhead lines and underground cables.

The share of the wind farm operator Skyborn in the two offshore platforms in the 'OST 6-1' project (€195.9 million in 2024; €17.9 million in 2023) in Germany will be reported as Work in Progress until acceptance.

The value of inventories increased compared to December 31, 2023. This is is essentially caused by the construction progress of these two offshore platforms (+€178.0 million).

Write-downs are recorded following the non-utilisation of stock items based on their underlying rotation. These were +slightly higher than in 2023 (€0,4 million as an expense during the period).

## 6.10. Current trade and other receivables, deferred charges and accrued revenues

| (in € million) | 2024 | 2023 |
|---|---|---|
| Contract assets | 5.0 | 7.2 |
| Trade and other receivables | 650.3 | 544.0 |
| Advance payments | 7.8 | 25.1 |
| Levies | 103.4 | 7.1 |
| VAT and other taxes | 198.7 | 120.4 |
| Other | 133.2 | 362.3 |
| **Trade and other receivables** | **1,098.4** | **1,066.2** |
| Deferred charges | 38.2 | 15.0 |
| Accrued interest | 5.9 | 6.3 |
| **Deferred charges and accrued revenues** | **44.1** | **21.4** |
| **Total** | **1,142.5** | **1,087.5** |

The total current trade and other receivables, deferred charges and accrued revenues increased by €55.0 million compared with previous year. This is mainly explained by a increase in trade receivables, levies and VAT and a decrease in other receivables.

Contract assets remained stable and are mainly related to EGI's consulting business and transmission work for third parties.

Trade receivables are non-interest-bearing and generally have payment terms of 15 to 30 days. The increase is driven by both Belgian and German segments. This increase is mainly due to a timing effect and a diminution in the allowance for expected credit losses.

The levies outstanding balance relates to Belgium (€68.7 million) and Germany (€34.7 million). The increase has been driven by a price effect, especially for the federal levies in Belgium that have moved from a debt to a receivable position (€67.4 million) in 2024 due to the higher price at which offshore parks are compensated taking into account lower-than-expected electricity prices.

The higher VAT receivables result from the advance VAT returns in Q4 2024. A high amount of invoices received at the end of the year leads to an increase of VAT receivables as of end of December 2024.

'Other receivables' mainly relate to the margin calls (advances received or paid as part of collateralization agreements set up by the Group to manage counterparty risk on commodity transactions) of the German segments (€50.3 million in 2024, €289.5 million in 2023) and indemnities to receive from insurance companies.

The Group's exposure to credit and currency risks, and impairment losses related to trade receivables are shown in Note 8.1.

At 31 December, the ageing analysis of trade and other receivables is as follows:

| (in € million) | 2024 | 2023 |
|---|---|---|
| Not past due | 631.6 | 519.0 |
| Past due 0-30 days | 14.7 | 18.6 |
| Past due 31-60 days | 1.1 | 8.4 |
| Past due 61 days - one year | 2.8 | 2.6 |
| Past due one year - two years | 0.3 | 5.5 |
| **Total (excl. impairment)** | **650.5** | **554.1** |
| Doubtful amounts | 203.5 | 202.7 |
| Amounts write-offs | (203.2) | (202.3) |
| Allowance for expected credit losses | (0.5) | (10.4) |
| **Total** | **650.3** | **544.0** |

See Note 8.1 for a detailed analysis of the credit risk incurred in connection with these trade receivables.

Considering the nature (as regulatory assets) and/or the risk profile of the counterparties (Belgian/German state) of the most significant other receivables, there is a low impairment risk and thus it is not needed to record a loss allowance.

# 6.11. Current tax assets and liabilities

| (in € million) | 2024 | 2023 |
|---|---|---|
| Tax receivables | 94.3 | 64.4 |
| Tax liabilities | (10.2) | (5.3) |
| **Total** | **84.0** | **59.1** |

The Group shows a net tax asset position of €84.0 million. This position increased compared with the previous year following a higher level of tax prepayments. The €94.3 million income tax receivables recorded on 31 December 2024 mainly relates to advances on corporate tax to be recovered in the financial year 2025. Income tax liabilities increased to €10.2 million and are also payable within one year.

# 6.12. Cash and cash equivalents

| (in € million) | 2024 | 2023 |
|---|---|---|
| Short-term deposits | 1,820.3 | 1,163.7 |
| Balance at bank | 210.0 | 204.4 |
| **Total** | **2,030.3** | **1,368.1** |

Cash and cash equivalents increased by €662.2 million. The variation is explained in the consolidated statement of cashflows.

Short-term deposits are invested for periods varying from a few days or weeks to several months (generally not exceeding three months), depending on immediate cash requirements, and earn interest in accordance with the interest rates for short-term deposits.

Bank account balances earn or pay interest in line with the variable rates of interest on the basis of daily bank deposit interest rates. The Group's interest rate risk and the sensitivity analysis for financial assets and liabilities are discussed in Note 8.1.

The cash and cash equivalents disclosed above and in the statement of cash flows include restricted cash for a total of €360.5 million held by 50Hertz Transmission GmbH and €2.4 million held by Elia Re.

# 6.13. Shareholders

## 6.13.1 Equity attributable to the owners of the Company

### Share capital and share premium

| Number of shares | 2024 | 2023 |
|---|---|---|
| Number of issued shares at the beginning of the year | 73,521,823 | 73,515,839 |
| Issued against cash payment | — | 5,984 |
| **Number of issued shares at the end of the year** | **73,521,823** | **73,521,823** |
| Number of treasury shares at the end of the year | 38,741 | 22,079 |
| **Number of outstanding shares at the end of the year** | **73,483,082** | **73,499,744** |

There were no equity transactions in 2024.

In 2023, the movement was related to the second tranche of the capital increase for Elia employees decided by the extraordinary shareholders' meeting held on 21 June 2022 (capital increase in two steps/periods: one in 2022 for a maximum of €5.0 million and the other in 2023 for a maximum of €1.0 million) completed in April 2023. The capital increase resulted in the creation of 5,984 additional shares without nominal value for a total amount of €0.2 million capital increase and a €0.5 million share premium increase.

### Reserves

In line with Belgian legislation, 5% of the Company's statutory net profit must be transferred to the legal reserve each year until the legal reserve represents 10% of the capital. As at 31 December 2024, the Group's legal reserve amounts to €183.4 million and represents 10.0% of the capital.

The Board of Directors can propose the pay-out of a dividend to shareholders totalling up to a maximum of the available reserves plus the profit carried forward from the Company's previous financial years, including the profit for the financial year ending on 31 December

2024. Shareholders must approve the dividend payment at the Annual General Meeting of Shareholders.

## Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments. The Group has commodity derivatives (in Germany to hedge grid losses) and financial derivatives (in Belgium to hedge probable expected transactions).

| In € million - Group share | 2024 | 2023 | Variation |
|---|---|---|---|
| BE - CFH - Senior Bond 2018 | (2.1) | (2.7) | .5 |
| BE - CFH - Green Bond 2023 | 29.5 | 33.1 | (3.5) |
| BE - CFH - Green Bond 2024 | 7.8 | 7.2 | .6 |
| BE - CFH - FX Forward rate 2024 | — | (1.1) | 1.1 |
| BE - CFH - IRS term loan 2024 - 2027 | (4.5) | — | (4.5) |
| GE - CFH - Grid losses | 9.1 | (179.9) | 189.0 |
| **Total** | **39.8** | **(143.4)** | **183.2** |
| GE - Tax impact | (2.7) | 54.0 | (56.7) |
| BE - Tax impact | (7.7) | (9.1) | 1.4 |
| **Hedging reserves - net of taxes** | **29.4** | **(98.6)** | **127.9** |

In 2024, the hedging reserve increased from a negative/debit amount of -€98.6 million to a positive/credit amount of €29.4 million. This variation is mainly explained by the positive variation in commodity derivatives in Germany, where the evolution in energy prices had a positive impact on contracts concluded to hedge grid losses.

As the costs for grid losses are almost fully passed through to the tariffs, the fair value of the future contracts has no relevance for the current or future profitability of the company.

The cash flow hedging (CFH) reserve for financial derivatives in Belgium slightly decreased compared to 31 December 2024.

We refer to notes 6.7 for further details about derivatives.

## Treasury shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. On 31 December 2024, the Group held 38,741 of the Company's shares.

| Number of treasury shares | 2024 | 2023 |
|---|---|---|
| On 1 January | 22,079 | 13,480 |
| Repurchased during the year | 377,575 | 434,830 |
| Sold during the year | (360,913) | (426,231) |
| **Number of treasury shares at the end of the year** | **38,741** | **22,079** |

In 2024, the consideration for the acquired or sold shares amounted to respectively €36.4 million (€49.6 million in 2023) and €35,0 million (€48.7 million in 2023).

## Share-based payments

At 31 May 2021, Eurogrid International SA/NV has granted 1,640 stock options to the employees of RealTo BV/SRL and RealTo GmbH at a strike price of €100 per stock option at exercise date 31 March 2024. Subsequently, 940 additional stock options have been granted to new employees at the same terms and conditions. In total, 2,560 stock options were granted out of a total of 4.000 options to be offered in the plan. As per 31 December 2024, all options have expired but none has been exercised. The share-based payments cost amounted to €0.1 million in 2024 (€0.1 million in 2023). As the stock option plan concerns shares in RealTo BV/SRL and its parent company, the share-based payments are not presented separately in the statement of equity.

## Dividend

After the reporting date, the Board of Directors will put forward the dividend proposal outlined below.

| Dividend (in €) | 2024 | 2023 |
|---|---|---|
| Per ordinary share entitled to dividend | 2.05 | 1.99 |

It was proposed and approved, at the Shareholders' Meeting convened to approve the Elia Group SA/NV financial statements for the year ended 31 December 2023, to pay a dividend of €1.99 per share, representing a payout of €146.3 million.

The Board of Directors meeting on 20 March 2025 proposed a gross dividend of €2.05 per share with regard to 2024. This dividend is subject to approval by shareholders at the Annual General Meeting on 20 May 2025 and is not included as a liability in the Group's consolidated financial statements.

The total dividend, calculated based on the number of shares outstanding on 18 March 2025 corresponds to a total of €150.7 million.

# 6.13.2 Hybrid securities

On 9 March 2023, Elia Group SA/NV ("Elia Group") successfully placed €500 million hybrid securities to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market.

This transaction was part of a liability management exercise including the refinancing of the existing hybrid bond of € 700 million issued in 2018 to finance the additional 20% stake in 50Hertz Transmission Germany through Eurogrid International SA/NV.

The hybrid securities will carry a fixed coupon of 5.85% until the 15 June 2028, with a reset every five years thereafter and will be callable from 15 March 2028.

As at 31 December 2024, the unpaid cumulative dividend related to the new hybrid bond amounts to €15.9 million. A coupon of €29.3 million was paid to the holders of hybrid securities in 2024.

The hybrid securities are structured as perpetual instruments, have junior ranking to all senior debt and are recorded as equity in the Group's accounts pursuant to IFRS Accounting Standards.

## 6.14. Interest-bearing loans, borrowings and lease liabilities

| (in € million) | 2024 | 2023 |
|---|---|---|
| Non-current borrowings | 13,895.4 | 9,181.3 |
| Lease liabilities – non-current | 73.4 | 73.5 |
| **Subtotal non-current borrowings** | **13,968.8** | **9,254.8** |
| Current borrowings | 621.9 | 622.3 |
| Lease liabilities – current | 16.3 | 14.6 |
| Accrued interest | 221.4 | 118.4 |
| **Subtotal current loans and borrowings** | **859.7** | **755.2** |
| **Total** | **14,828.5** | **10,010.0** |

The tables below show the changes in the group's liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes.

| (in € million) | Current interest-bearing loans and borrowings | Non-current interest-bearing loans and borrowings | Total |
|---|---|---|---|
| **Balance at 1 January 2023** | **867.2** | **7,715.6** | **8,582.8** |
| Cash flow: repayment of borrowings | (772.0) | (15.1) | (787.1) |
| Cash flow: proceeds from withdrawal borrowings | 100.0 | 2,062.9 | 2,162.9 |
| Accrued interest | 36.5 | 0.5 | 37.0 |
| Other | 523.6 | (509.1) | 14.5 |
| **Balance at 31 December 2023** | **755.2** | **9,254.8** | **10,010.0** |
| **Balance at 1 January 2024** | **755.2** | **9,254.8** | **10,010.0** |
| Cash flow: repayment of borrowings | (622.3) | (17.5) | (639.8) |
| Cash flow: proceeds from withdrawal borrowings | — | 5,337.0 | 5,337.0 |
| Accrued interest | 103.1 | 4.4 | 107.4 |
| Other | 623.7 | (609.9) | 13.8 |
| **Balance at 31 December 2024** | **859.7** | **13,968.8** | **14,828.5** |

In 2023, the Group successfully issued in Belgium a first green bond of €500 million with a fixed rate of 3.625%, dedicated to funding eligible green projects. Moreover, in March the Group syndicated a Green Loan of €600 million from seven banks with a ten-year term, which was fully drawn at year-end. In April, the Group made a re-entry into the market, issuing a 7-year bond of €650 million at an interest rate of 3.722%. In October, the Group tapped on the bond issued in April, issuing an extra €150 million under this series at the prevailing market price with a re-offer yield of 4.534%. Finally, the Group concluded a private placement of €50 million and syndicated another €120 million bank loan.

Furthermore, Elia Group has secured two bilateral Revolving Credit Facilities, amounting to a total of €120 million, of which €100 million was drawn at the end of 2023.

Repayment of borrowings from 2023 mainly related to the €750.0 bond maturing in 2023 and the capital repayment of the amortising loan (€22.0 million).

The total loans and borrowings increased from €10,010.0 million (31 December 2023) to €14,828.5 million (31 December 2024). This variation is mainly explained by new debt issuances in 2024 :

— In January 2024, Elia Transmission Belgium NV/SA placed a €800 million 12-year green bond with a coupon of 3.750% via its €6 billion Euro Medium Term Notes ("EMTN") program;

— In February 2024, Eurogrid GmbH issued two Green Bonds on the Luxembourg Stock Exchange. The first bond was issued with a nominal amount of €700 million. The coupon is 3.598% with five years maturity. The second bond was issued with a nominal amount of €800 million on 1st February 2024. The coupon is 3.915% with ten years maturity;

— In June 2024, Elia Group NV/SA has successfully placed a €600 million senior, unsecured bond listed on the Euro MTF market. The coupon is 3.875% with a maturity of seven year. In 2024, Elia Group NV/SA has also successfully obtained a €300 million term loan, with a 3-year term and a fixed debt cost of 3.5033%. This loan has been used to refinance the existing bridge facility and for general corporate purposes, including the Group's ongoing $400 million investment in energyRe Giga.

— In October 2024, Eurogrid GmbH issued two Green Bonds on the Luxembourg Stock Exchange. The first bond was issued with a nominal amount of €650 million. The coupon is 3.075% with three years maturity. The second bond was issued with a nominal amount of €850 million. The coupon is 3.732% with eleven years maturity;

— In October 2024, Elia Transmission Belgium secures a €650 million green credit facility from the European Investment Bank for the Princess Elisabeth Island project further broadening ETB's financing portfolio and advancing Europe's transition from fossil fuels to green energy;

This increase has been partially offset by the repayments of loans and borrowings for €639.8 million, of which :

— €14.0 million of nominal amount repayment of the amortising loan (Elia Transmission Belgium SA/NV);

— €8.4 million of nominal amount repayment of the amortising bond in the segment Non-regulated and Nemo Link; and

— €500.0 million of Eurobond 2015 (Elia Transmission Belgium SA/NV);

— €100.0 million of revolving credit facility (Elia Group SA/NV);

— €17.5 million of lease payments;

Changes in "Other" are mainly composed by the transfer for non-current liabilities to current liabilities and the new accrual IFRS 16.

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

Information on the terms and conditions of outstanding interest-bearing loans and borrowings is outlined below:

As per 31 December 2024:

| (in € million) - 31 December 2024 | Maturity | Redemption schedule | Amount | Interest rate |
|---|---|---|---|---|
| Eurobond issues 2013/15 years | 2028 | At maturity | 561.9 | 3.25% |
| Eurobond issues 2013/20 years | 2033 | At maturity | 204.6 | 3.50% |
| Eurobond issues 2014/15 years | 2029 | At maturity | 355.9 | 3.00% |
| Eurobond issues 2015/8.5 years | 2024 | At maturity | — | 1.38% |
| Eurobond issues 2017/10 years | 2027 | At maturity | 251.7 | 1.38% |
| Senior bond 2018/10 years | 2028 | At maturity | 300.2 | 1.50% |
| Eurobond issues 2019/7 years | 2026 | At maturity | 506.3 | 1.38% |
| Eurobond issues 2020/10 years | 2030 | At maturity | 798.0 | 0.88% |
| Green Bond issue 2023/10 years | 2033 | At maturity | 514.7 | 3.63% |
| Amortising bond – 7.7 years | 2028 | Linear | 33.9 | 1.56% |
| Amortising bond – 23.7 years | 2044 | Linear | 134.5 | 1.56% |
| Green bond 2024/12 years | 2036 | At maturity | 824.0 | 3.75% |
| Senior bond 2024/7 years | 2031 | At maturity | 608.2 | 3.88% |
| Bond as part of Debt Issuance Programme 2015 | 2025 | At maturity | 505.1 | 1.87% |
| Bond as part of Debt Issuance Programme 2016 | 2030 | At maturity | 140.1 | 2.62% |
| Bond as part of Debt Issuance Programme 2020 | 2028 | At maturity | 756.7 | 1.50% |
| Bond as part of Debt Issuance Programme 2020 - Private placement | 2040 | At maturity | 199.7 | 0.88% |
| Bond as part of Debt Issuance Programme 2021 | 2032 | At maturity | 753.4 | 1.11% |
| Bond as part of Debt Issuance Programme 2021 | 2031 | At maturity | 755.9 | 3.28% |
| Bond as part of Debt Issuance Programme 2021 | 2033 | At maturity | 501.2 | 0.74% |
| Bond as part of Debt Issuance Programme 2023 | 2030 | At maturity | 815.3 | 3.72% |
| Bond as part of Debt Issuance Programme 2023 - Private placement | 2038 | At maturity | 50.5 | 4.06% |

| (in € million) - 31 December 2024 | Maturity | Redemption schedule | Amount | Interest rate |
|---|---|---|---|---|
| Bonds as part of Debt Issuance Programme 2024 | 2029 | At maturity | 721.3 | 3.60% |
| Bonds as part of Debt Issuance Programme 2024 | 2034 | At maturity | 826.1 | 3.92% |
| Bonds as part of Debt Issuance Programme 2024 | 2027 | At maturity | 652.3 | 3.08% |
| Bonds as part of Debt Issuance Programme 2024 | 2035 | At maturity | 853.8 | 3.73% |
| Registered bond 2014 | 2044 | At maturity | 50.1 | 3.00% |
| **Total bonds, including accrued interests** | | | **12,675.3** | |
| Loan with bankconsortium | 2033 | At maturity | 600.0 | 3.54% |
| Loan with bankconsortium | 2033 | At maturity | 120.0 | 3.87% |
| Revolving Credit Facility | 2027 | At maturity | 0.1 | Euribor + min 0.4% |
| Revolving Credit Facility | 2027 | At maturity | 1.1 | Euribor + min 0.75% |
| Amortising term loan - Nemo dedicated | 2033 | Linear | 141.2 | 1.80% |
| European Investment Bank | 2025 | At maturity | 100.2 | 1.08% |
| European Investment Bank | 2039 | At maturity | 651.4 | 2.94% |
| Sustainable Revolving Credit Facility | 2024 | At maturity | 0.2 | Euribor + 0.35% |
| Revolving Credit Facility | 2025 | At maturity | 0.0 | 4.29% |
| Revolving Credit Facility | 2026 | At maturity | 0.0 | 4.31% |
| Revolving Credit Facility | 2027 | At maturity | 0.0 | Euribor + 0,25% |
| Revolving Credit Facility | 2029 | At maturity | 0.0 | Euribor + 0,45% |
| Term loan ING | 2027 | At maturity | 299.3 | Euribor + 0,74% |
| **Total bank loans** | | | **1,913.5** | |
| Loan KfW | 2026 | At maturity | 150.0 | 0.90% |
| **Total other loans** | | | **150.0** | |
| **Lease debts** | | | **89.7** | |
| **Total loans and borrowings (current and non-current)** | | | **14,828.5** | |

As per 31 December 2023:

| (in € million) - 31 December 2023 | Maturity | Redemption schedule | Amount | Interest rate |
|---|---|---|---|---|
| Eurobond issues 2013/15 years | 2028 | At maturity | 561.5 | 3.25% |
| Eurobond issues 2013/20 years | 2033 | At maturity | 204.5 | 3.50% |
| Eurobond issues 2014/15 years | 2029 | At maturity | 355.5 | 3.00% |
| Eurobond issues 2015/8.5 years | 2024 | At maturity | 503.9 | 1.38% |
| Eurobond issues 2017/10 years | 2027 | At maturity | 251.4 | 1.38% |
| Senior bond 2018/10 years | 2028 | At maturity | 299.9 | 1.50% |
| Eurobond issues 2019/7 years | 2026 | At maturity | 505.9 | 1.38% |
| Eurobond issues 2020/10 years | 2030 | At maturity | 796.8 | 0.88% |
| Green Bond issue 2023/10 years | 2033 | At maturity | 514.4 | 3.63% |
| Amortising bond – 7.7 years | 2028 | Linear | 42.0 | 1.56% |
| Amortising bond – 23.7 years | 2044 | Linear | 134.8 | 1.56% |
| Bond as part of Debt Issuance Programme 2015 | 2025 | At maturity | 504.7 | 1.87% |
| Bond as part of Debt Issuance Programme 2016 | 2030 | At maturity | 140.0 | 2.62% |
| Bond as part of Debt Issuance Programme 2020 | 2028 | At maturity | 756.3 | 1.50% |
| Bond as part of Debt Issuance Programme 2020 - Private placement | 2040 | At maturity | 199.7 | 0.88% |
| Bond as part of Debt Issuance Programme 2021 | 2032 | At maturity | 755.6 | 1.11% |
| Bond as part of Debt Issuance Programme 2021 | 2031 | At maturity | 753.2 | 3.28% |
| Bond as part of Debt Issuance Programme 2021 | 2033 | At maturity | 501.0 | 0.74% |
| Bond as part of Debt Issuance Programme 2023 | 2030 | At maturity | 814.4 | 3.72% |
| Bond as part of Debt Issuance Programme 2023 - Private placement | 2038 | At maturity | 50.5 | 4.06% |
| Registered bond 2014 | 2044 | At maturity | 50.1 | 3.00% |
| **Total bonds, including accrued interests** | | | **8,696.0** | |

| (in € million) - 31 December 2023 | Maturity | Redemption schedule | Amount | Interest rate |
|---|---|---|---|---|
| Amortising term loan - Nemo dedicated | 2033 | Linear | 155.3 | 1.80% |
| Revolving Credit Facility | 2024 | At maturity | 100.6 | |
| Loan with bankconsortium | 2033 | At maturity | 720.0 | 3,43% to 3,63% |
| European Investment Bank | 2025 | At maturity | 100.0 | 1.08% |
| **Total bank loans** | | | **1,075.9** | |
| Loan with KfW | 2026 | At maturity | 150.1 | 0.90% |
| **Total other loans** | | | **150.1** | |
| **Lease debts** | | | **88.1** | |
| **Total loans and borrowings (current and non-current)** | | | **10,010.0** | |

# 6.15. Employee benefits

The Group has various legal and constructive defined benefit obligations linked to its Belgian and German operations.

The total net liability for employee-benefit obligations is as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| (in € million) | Belgium | Germany | Total | Belgium | Germany | Total |
| Defined benefit plans | (19.2) | 26.9 | 7.7 | 2.9 | 26.0 | 28.9 |
| Post-employment benefits other than pensions | 50.6 | 6.2 | 56.7 | 53.4 | 7.5 | 60.9 |
| **Subtotal** | **31.3** | **33.0** | **64.4** | **56.3** | **33.5** | **89.9** |
| Other (non actuarial provision) | — | 0.6 | 0.6 | — | — | — |
| **Total provisions for employee benefits** | **31.3** | **33.6** | **65.0** | **56.3** | **33.5** | **89.9** |

Of the €65.0 million in employee benefits provisions recognised at the end of the financial year 2024, €61.5 million is presented in the long term and €3.5 million in the short term which is part of the provision discussed in note 6.16.

## Belgium

### Defined-contribution plan

Employees remunerated based on a salary scale and recruited after 1 June 2002, as well as management staff recruited after 1 May 1999 are covered by two defined-contribution pension plans (Powerbel and Enerbel):

— The Enerbel plan is a plan for salaried employees hired after 1 June 2002, to which the employee and the employer contribute based on predefined formula.

— The Powerbel plan is a plan for managers hired after 1 May 1999. The contributions of the employee and employer are based on a fixed percentage of the employee's salary.

The law regarding occupational pension plans, published at the end of 2015, made various changes to the guaranteed return on defined-contribution plans. For payments made after 1 January 2016, the law requires employers to guarantee an average annual return of at least 1.75% (up to 3.75% depending on who contributes) over the course of each employee's career.

For insured plans the minimum guaranteed return until 31 December 2015 still needs to be equivalent to at least 3.25% for the employer's contribution and 3.75% for the employee's contribution, with any shortfall being covered by the employer.

As a result of the above changes and as mentioned in the accounting policies, all defined-contribution pension plans under Belgian pension legislation are classified as defined-benefit plans for accounting purposes, due to the legal minimum return to be guaranteed by the employer, which represents a plan amendment. They are accounted for using the Projected Unit Credit method (PUC-method). For each plan, the fair value of assets equals the sum of the accrued individual reserves (if any) and the value of the collective fund(s) (if any), hence no application of IAS 19 § 115. In addition, with the exception of Enerbel, the defined-contributions (DC) plans are not backloaded, as such these plans are valued without projection of future contributions. The Enerbel DC plan is backloaded and this plan is valued with projection of future contributions.

Elia Transmission Belgium has transferred certain acquired reserves guaranteed by the insurers to 'Cash balance – best of' plans since 2016. The main objective of these plans is to guarantee for every subscriber a minimum guaranteed return of 3.25% on the acquired reserves until retirement age.

Both employee' and employer' contributions are paid on a monthly basis for the base plans. The employee' contribution is deducted from their salary and paid to the insurer by the employer. The amount of future cash flows depends on wage growth.

### Defined-benefits plans

For a closed population, collective agreements in the electricity and gas industries provide 'pension supplements' based on the annual salary and an employee's career within a company (partially revertible to the inheritor in case of early death of the employee).The benefits granted are linked to Elia's operating result. There is no external pension fund or group insurance for these liabilities, which means that no reserves are constituted with third parties. The obligations are classified as a defined-benefit.

The collective agreement determines that active staff hired between 1 January 1993 and 31 December 2001 and all managerial/executive staff hired prior to 1 May 1999 will be granted the same guarantees via a defined-benefit pension scheme (Elgabel and Pensiobel – closed plans). Obligations under these defined-benefit pension plans are funded by a number of pension funds for the electricity and gas industries and by insurance companies.

As mentioned above, Elia Transmission Belgium has transferred certain acquired reserves guaranteed by the insurers to 'Cash balance – best of' plans since 2016. As this guarantee is an employer obligation, these plans represent defined-benefit plans.

Both employees' and employers' contributions are paid on a monthly basis for the base plans. The employee's contribution is deducted from the salary and paid to the insurer by the employer.

## Other personnel obligations

Elia Transmission Belgium has also granted staff certain early-retirement schemes and other post-employment benefits such as reimbursement of medical expenses and a contribution to their energy bills, as well as other long-term benefits (seniority payments). Not all of these benefits are funded and, in accordance with IAS 19, these post-employment benefits are classified as defined-benefit plans.

# Germany

## Defined contribution plans

In the case of externally financed defined contribution plans, 50Hertz Transmission Germany's obligation is limited to paying the agreed contributions. For those defined contribution plans recognised in the form of direct guarantees, there are pledged congruent employer's liability insurance policies in place.

- Pension obligations for executives (agreement with staff representatives from 2003 onwards): individual contractual pension obligations based on an agreement with representatives;
- Pension obligations for executives (agreement with staff representatives from 19 August 2008 onwards): individual contractual pension obligations relating to a company pension plan with the Vattenfall Europe Group;
- Collective bargaining agreement on the company pension scheme: obligations based on the collective bargaining agreement made in relation to 50Hertz Transmission's company pension scheme, concluded on 28 November 2007;
- Direct insurance: direct insurance policies for all former employees who worked at Vereinigte Energiewerke AG (VEAG) from 1993 to 31 December 2004, with the exception of managers;
- Individual commitments: individual commitments which are financed exclusively by external pension funds (welfare fund and pension fund).

## Defined-benefit plans

Defined-benefit plans entitle employees to submit direct pension claims to 50Hertz Transmission. Provisions for these are recognised in the statement of financial position. If plan assets are created for the sole purpose of fulfilling pension obligations, the amount is offset against the present value of the obligation. The following defined-benefit plans exist in Germany:

### Group works agreement regarding the company pension scheme

In accordance with the Group works agreement regarding the company pension scheme, employees are granted a company pension plan on the basis of a defined-contribution plan (effective 1 January 2007). This agreement applies to all employees within the meaning of Sec. 5 (1) of the German Work Constitution Act (BetrVG) and came into effect at the Company on 1 January 2007. Participation in the scheme is voluntary. The scheme grants pension benefits to employees once they reach the statutory retirement age, once they take early retirement from statutory pension insurance, and in the event of occupational disability for death. Current pension benefits are increased by 1% p.a., so the scheme is classified as a defined-benefit plan.

### TVV Energie

This pension plan relates to direct guarantees resulting from a collective bargaining agreement concluded on 16 October 1992. It was closed to new hires on 1 January 1993. This contribution plan applies to employees who worked at Vereinigte Energiewerke AG until 30 November 2001 and whose vested benefits were allocated to Vattenfall Europe Transmission GmbH (now 50Hertz Transmission GmbH). The scheme covers pension obligations, based on years of service and remuneration level and grants retirement and disability pensions, but no pension for surviving dependants. It is not possible to index current post-employment benefits falling due for the first time after 1 January 1993.

## Other personnel obligations

50Hertz Transmission also has following obligations, which are listed under 'Other personnel obligations':

- Obligations for long-service benefits;
- Obligations from German phased retirement schemes;
- Obligations for working lifetime accounts.

Not all of these benefits are funded and, in accordance with IAS 19, these post-employment benefits are classified as defined-benefit plans.

## Employee benefit obligations at group level

The Group's net liability for employee benefit obligations is as follows:

| | Pensions | | Other | |
|---|---|---|---|---|
| **(in € million)** | **2024** | **2023** | **2024** | **2023** |
| Present value of funded defined benefit obligation | (280.0) | (281.7) | (115.5) | (111.0) |
| Fair value of plan assets | 272.4 | 252.8 | 58.6 | 50.1 |
| **Net employee benefit liability** | **(7.6)** | **(28.9)** | **(56.9)** | **(60.9)** |

The net employee benefit liability decreased in total by €25.3 million, of which €0.3 million on German level and €25.0 million on Belgian level.

The net impact is mainly explained by the increase in discount rate compared with 2023 and experience adjustments following salary evolution and the salary ceiling mechanism applicable in Belgium.

| **Movement in the present value of the defined benefit obligation** | Pensions | | Other | |
|---|---|---|---|---|
| **(in € million)** | **2024** | **2023** | **2024** | **2023** |
| **At the beginning of the period** | **(281.7)** | **(249.6)** | **(111.0)** | **(93.3)** |
| Current service cost | (16.2) | (14.5) | (7.0) | (11.8) |
| Interest cost/income | (8.8) | (10.0) | (3.5) | (3.5) |
| Contributions from plan participants | (1.2) | (1.0) | — | — |
| **Including remeasurement gains/(losses) in OCI and in Statement of profit or loss, arising from** | | | | |
| 1) Changes in demographic assumptions | — | — | — | — |
| 2) Changes in financial assumptions | 5.6 | (7.2) | 1.4 | (3.7) |
| 3) Changes from experience adjustments | 3.5 | (15.8) | 1.0 | (2.5) |
| Payments from the plan | 18.8 | 16.4 | 3.6 | 3.6 |
| **At the end of the period** | **(280.0)** | **(281.7)** | **(115.5)** | **(111.0)** |

| **Movement in the fair value of the plan assets** | Pensions | | Other | |
|---|---|---|---|---|
| **(in € million)** | **2024** | **2023** | **2024** | **2023** |
| **At the beginning of the period** | **252.8** | **224.5** | **50.1** | **41.3** |
| Interest income | 8.0 | 8.5 | 0.1 | 0.2 |
| **Remeasurement gains/losses in OCI arising from:** | | | | |
| Return of plan assets (excluding interest income on plan assets) | 10.3 | 14.9 | 0.2 | 0.3 |
| Contributions from employer | 15.0 | 17.5 | 9.4 | 10.2 |
| Contributions from plan participants | 1.2 | 1.0 | — | — |
| Benefit payments | (15.0) | (13.6) | (1.2) | (2.0) |
| **At the end of the period** | **272.4** | **252.8** | **58.6** | **50.1** |

| Amounts recognised in comprehensive income and statement of profit and loss | Pensions | | Other | |
|---|---|---|---|---|
| **(in € million)** | **2024** | **2023** | **2024** | **2023** |
| **Service cost** | | | | |
| Current service cost | (16.2) | (14.5) | 2.0 | (2.9) |
| Settlements | 0.7 | 0.6 | 0.2 | — |
| Actuarial gains/(losses) on defined-benefit obligation | — | — | 0.5 | (1.5) |
| **Net interest on the net defined-benefit liability/(asset)** | **(0.8)** | **(1.5)** | **(3.3)** | **(3.3)** |
| Interest cost on defined-benefit obligation | (8.8) | (10.0) | (3.5) | (3.5) |
| Interest income on plan assets | 8.0 | 8.5 | 0.1 | 0.2 |
| **Other** | **—** | **—** | **(1.0)** | **(0.3)** |
| **Defined-benefit costs recognised in profit or loss** | **(16.2)** | **(15.3)** | **(1.6)** | **(8.0)** |
| **Actuarial gains(/losses) on defined obligations arising from:** | | | | |
| 1) Changes in demographic assumptions | — | — | — | — |
| 2) Changes in financial assumptions | 5.6 | (7.2) | 1.4 | (3.2) |
| 3) Changes from experience adjustments | 3.5 | (15.8) | 0.5 | (1.5) |
| Return on plan assets (excluding interest income on plan assets) | 10.3 | 14.9 | 0.2 | 0.3 |
| **Remeasurements of net defined benefit (liability)/asset recognised in other comprehensive income (OCI)** | **19.4** | **(8.1)** | **2.1** | **(4.4)** |

Considering the actuarial gains or losses recognised in other comprehensive income for the reimbursement rights (€0.4 million for 2024 - see hereafter), the net impact of the remeasurement of post-employments benefit obligations amounts to €22.0 million.

| **(in € million)** | **2024** | **2023** |
|---|---|---|
| **Breakdown of defined-benefit obligation by type of plan participants** | **(395.9)** | **(392.7)** |
| Active plan participants | (311.2) | (314.8) |
| Terminated plan participants with def.-benefit entitlements | (35.7) | (24.4) |
| Retired plan participants and beneficiaries | (49.0) | (53.6) |
| **Breakdown of defined-benefit obligation by type of benefits** | **(395.9)** | **(392.7)** |
| Retirement and death benefits | (284.2) | (280.6) |
| Other post-employment benefits | (97.3) | (98.8) |
| Seniority payments | (14.3) | (13.4) |

When determining the appropriate discount rate, the Group considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

A stress test is performed annually. This test verifies that the minimum funding requirements are covered to deal with 'shocks' with probabilities of occurrence of 0.5%.

The members (mostly) contribute to the financing of the retirement benefits by paying a personal contribution.

The annual balance of the defined benefit lump sum is financed by the employer through a recurrent allowance, which is expressed as a percentage of the total payroll of the participants. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing involves smoothing future costs over the remaining period of the plan. The costs are estimated on a projected basis (taking into account salary growth and inflation). The assumptions related to salary increase, inflation, employee turnover and age term are defined on the basis of historical data from the Company. The mortality tables used are those corresponding to the observed experience within the financing vehicle and take into consideration expected changes in mortality. The Group calculates the net interest on the net defined benefit liability (asset) using the same high-quality bond discount rate (see above) used to measure the defined benefit obligation (net interest approach). These assumptions are challenged on a regular basis.

Exceptional events (such as modifications made to the plan, changes in assumptions and overly short coverage terms) can lead to outstanding payments from the sponsor.

The defined benefit plans expose the Company to actuarial risks such as investment risk, interest-rate risk, longevity risk and salary risk.

## Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined based on high-quality corporate bonds. The difference between the actual return on assets and the interest income on plan assets is included in the remeasurements component (OCI). Currently the plan has a relatively balanced range of investments, as shown below:

| (in % and years) | 2024 | 2023 |
|---|---|---|
| **Investments quoted in an active market** | **73.88%** | **73.44%** |
| Shares - Eurozone | 13.29% | 13.42% |
| Shares - outside Eurozone | 17.60% | 17.58% |
| Government bonds - Eurozone | 1.40% | 0.95% |
| Other bonds - Eurozone | 25.86% | 25.09% |
| Other bonds - outside Eurozone | 15.72% | 16.40% |
| **Unquoted investments** | **26.12%** | **26.56%** |
| Qualifying insurance contracts | 10.31% | 11.02% |
| Property | 2.40% | 2.25% |
| Cash and cash equivalents | 2.79% | 2.85% |
| Other | 10.62% | 10.45% |
| **Total (in %)** | **100.00%** | **100.00%** |

Due to the long-term nature of the plan liabilities, it is considered appropriate that a reasonable portion of the plan assets be invested in equity securities to leverage the return generated by the fund. In Germany, all plan assets are invested in insurance agreements.

## Interest risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's assets, of which approximately 90% is now invested in pension funds with an expected return of 4.60%.

## Longevity risk

The present value of the defined benefit plan liability is calculated based on the best estimate of the life expectancy of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. The prospective mortality tables from the IA/BE are used in Belgium and the 2018 Heubeck tables are used in Germany.

## Salary risk

The present value of the defined benefit plan liability is calculated based on the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### Actuarial assumptions

| | Belgium | | Germany | |
|---|---|---|---|---|
| (in % and years) | 2024 | 2023 | 2024 | 2023 |
| **Discount rate** | | | | |
| - Pensions - defined benefit plans and cash balance - best off plans | 3.25% | 3.23% | 3.45% | 3.13% |
| - Pensions - defined contribution plans | 3.42% | 3.16% | —% | —% |
| - Other | 3.42% | 3.16% | 3.45% | 3.13% |
| Expected average salary increase (excluding inflation) | 1.30% | 1.30% | 3.25% | 3.00% |
| Expected inflation | 2.10% | 2.10% | 2.00% | 2.25% |
| Expected increase in health benefits (including inflation) | 3.10% | 3.10% | 2.00% | 2.25% |
| Expected increase in tariff advantages | 2.10% | 2.10% | 0.0 | 0.0 |
| Average assumed retirement age | | | | |
| - Employee | 63.0 | 63.0 | 65.0 | 65.0 |
| - Manager | 65.0 | 65.0 | 65.0 | 65.0 |
| **Life expectancy in years of a pensioner retiring at age 65 at closing date:*** | | | | |
| Life expectancy for a 65 year old male | 19.9 | 19.9 | 20.9 | 20.8 |
| Life expectancy for a 65 year old female | 23.6 | 23.6 | 24.3 | 24.2 |

*Mortality tables used: IABE in Belgium, 2018 Heubeck in Germany

| | Belgium | | Germany | |
|---|---|---|---|---|
| (in years ) | 2024 | 2023 | 2024 | 2023 |
| Weighted average duration of the defined benefit obligation | 6.0 | 6.1 | 24.8 | 24.9 |
| Weighted average duration of the defined contribution plans | 10.7 | 10.7 | — | — |
| Weighted average duration of the post-employment benefits other than pensions | 12.1 | 12.5 | 13.4 | 13.5 |

In Germany, the liability of the defined contribution plans is completely covered by the plan assets. Therefore, no weighted average duration is necessary and thus not calculated.

The actual return on plan assets in percentage terms for 2024 was positive, ranged between 2.6% and 8.5% (compared with a range of 2.6% to 10.1% in 2023).

Below is an overview of the expected cash outflows for the DB plans:

| Future expected cash outflows | < 12 months | 1-5 years | 6 - 10 years |
|---|---|---|---|
| Pensions | (4.9) | (21.9) | (26.7) |
| Other | (5.0) | (19.1) | (20.8) |
| **Total (in € million)** | **(9.9)** | **(41.0)** | **(47.5)** |

There is some degree of uncertainty linked to the above expected cash outflows which can be explained by the following factors:

- differences between assumptions and actual data can occur, e.g. retirement age and future salary increase;
- the expected cash outflows shown above are based on a closed population and therefore do not incorporate future new hires;
- future premiums are calculated based on the last known aggregate cost rate, which is reviewed on an annual basis and varies depending on the return on plan assets, the actual salary increase as opposed to the assumptions, and unexpected changes in the population.

### Sensitivity analysis

| Effect on defined benefit obligation | Belgium | Germany |
|---|---|---|
| (in €) | Increase (+) / Decrease (-) | Increase (+) / Decrease (-) |
| **Impact on the net defined-benefit obligation of an increase in:** | | |
| Discount rate (0.5% movement) | 7.6 | (6.6) |
| Average salary increase - excl. inflation (0.5% movement) | (6.6) | 3.9 |
| Inflation (0.25% movement) | (3.4) | 0.2 |
| Increase of healthcare care benefits (1.0% movement) | (0.3) | n.r. |
| Life expectancy of pensions (1 year) | 15.7 | 0.9 |

## Reimbursement rights Belgium

As described in Note 6.6, a non-current asset (within other financial assets) is recognised as reimbursement rights linked to the defined benefit obligation for the population benefitting from the interest scheme and medical plan liabilities and tariff benefits for retired Elia employees. Each change in these liabilities equally affects the corresponding reimbursement rights under non-current other financial assets.

The change in reimbursement rights is presented below:

| Movement in the present value of the reimbursement rights | Pensions | | Other | |
|---|---|---|---|---|
| (in €) | 2024 | 2023 | 2024 | 2023 |
| **At the beginning of the period** | **(13.3)** | **(14.0)** | **(23.5)** | **(19.7)** |
| Current service costs | — | — | — | — |
| Interest cost/income | (0.4) | (0.5) | (0.7) | (0.8) |
| **Actuarial gains(/losses) on defined obligations arising from:** | | | | |
| 1) Changes in demographic assumptions | — | — | — | — |
| 2) Changes in financial assumptions | 0.3 | (0.4) | 0.7 | (1.8) |
| 3) Changes from experience adjustments | (1.6) | (0.7) | 0.1 | (3.0) |
| Payments from the plan | 2.1 | 2.3 | 1.7 | 1.9 |
| **At the end of the period** | **(13.0)** | **(13.3)** | **(21.6)** | **(23.5)** |

The sum of 'Pensions' (€13.0 million) and 'Other' (€21.6 million) reimbursement rights amounted to €34.6 million in 2024 (2023: €36.8 million), which reconciles with the reimbursement rights listed in Note 6.6.

# 6.16. Provisions

| (in € million) | Environment | Elia Re | Dismantling Obligations | Employee benefits | Other | Total |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **11.1** | **2.9** | **132.0** | **3.2** | **5.7** | **154.8** |
| Increase | 1.3 | — | 19.3 | — | 0.5 | 21.2 |
| Reversals | (3.2) | — | — | — | (1.9) | (5.2) |
| Utilisation | (0.3) | (1.3) | — | — | (0.2) | (1.6) |
| Discounting of provisions | — | — | 5.0 | — | — | 5.1 |
| **Balance at 31 December 2023** | **9.0** | **1.7** | **156.3** | **3.2** | **4.1** | **174.4** |
| Long-term portion | 7.2 | 1.7 | 156.3 | | 0.7 | 165.9 |
| Short-term portion | 1.8 | | | 3.2 | 3.4 | 8.4 |
| **Balance at 1 January 2024** | **9.0** | **1.7** | **156.3** | **3.2** | **4.1** | **174.4** |
| Increase | 0.5 | 0.7 | 2.4 | 0.3 | 0.2 | 4.0 |
| Reversals | (0.3) | — | (1.3) | — | (0.6) | (2.2) |
| Utilisation | — | (0.1) | — | (0.1) | — | (0.1) |
| Discounting of provisions | — | — | 4.2 | 0.1 | 0.6 | 4.9 |
| **Balance at 31 December 2024** | **9.2** | **2.3** | **161.6** | **3.5** | **4.3** | **181.0** |
| Long-term portion | 7.3 | 2.3 | 161.6 | | 0.9 | 172.1 |
| Short-term portion | 1.9 | | | 3.5 | 3.4 | 8.9 |

The expected utilisation of provisions is summarised below:

| (in € million) | Carrying amount as of 31 December 2023 | 2024 | 2025 to 2028 | From 2029 |
|---|---|---|---|---|
| Environment | 9.0 | 1.8 | 7.2 | — |
| Elia Re | 1.7 | — | 1.7 | — |
| Dismantling Obligations | 156.3 | — | — | 156.3 |
| Employee benefits | 3.2 | 3.2 | — | — |
| Other | 4.1 | 3.4 | 0.2 | 0.5 |
| **Total** | **174.4** | **8.4** | **9.0** | **156.9** |

| (in € million) | Carrying amount as of 31 December 2024 | 2025 | 2026 to 2029 | From 2030 |
|---|---|---|---|---|
| Environment | 9.2 | 1.9 | 7.3 | — |
| Elia Re | 2.3 | — | 2.3 | — |
| Dismantling Obligations | 161.6 | — | — | 161.6 |
| Employee benefits | 3.5 | 3.5 | — | — |
| Other | 4.3 | 3.4 | 0.4 | 0.5 |
| **Total** | **181.0** | **8.9** | **9.9** | **162.1** |

The Group has recognised provisions for the following:

Environment: The environmental provision provides for existing exposure with respect to land decontamination. The €9.2 million provision mainly relates to the Belgian segment, with only a €1.8 million provision relating to the German segment. There were no significant movements in the environmental provisions in 2024.

More specifically for the Belgian segment, Elia has conducted soil surveys on over 200 sites in Flanders in accordance with contractual agreements and Flemish legislation. Significant soil contamination was found on a number of sites, with this being mainly attributable to historical pollution arising from earlier or nearby industrial activities (gas plants, incinerators, chemicals, etc.). In the Brussels-Capital and Walloon Regions, Elia also carried out analyses and studies to detect contamination at a number of substations and a number of plots occupied by pylons for overhead power lines. Based on the analyses and studies it conducted, Elia has made provisions for possible future soil remediation costs in line with the relevant legislation.

Environmental provisions are recognised and measured based on an expert appraisal bearing in mind BATNEEC (Best Available Techniques Not Entailing Excessive Costs) as well as on the circumstances known at the end of the reporting period. The timing of the settlement is unclear but for the premises where utilisations occur, the underlying provision is classified as a short-term provision.

Elia Re: An amount of €2.3 million is included at year-end for Elia Re, a captive reinsurance company. €1.3 million of this is linked to claims for overhead lines, whilst €1.0 million is linked to electrical installations. The expected timing of the related cash outflow depends on the progress and duration of the respective procedures.

Dismantling provisions: As part of the Group's CAPEX programme, the Group is exposed to decommissioning obligations; most of which are related to offshore projects. These provisions take into account the effect of discounting and the expected cost of dismantling and removing the equipment from sites or from the sea. The carrying amount of the provision as at 31 December 2024 is €161.6 million. The provision increased due a lower discount rate and the reassessment of the costs (inflation and additional projects), especially in Germany where the obligation went from €130.7 million to €136.1 million. The Group has applied a case-by-case approach to estimate the cash outflow needed to settle the liability.

Elia Group uses corporate bond rates (minimum AA rating) and sets them out to match the lifetime of the provisions in order to discount the dismantling provisions. In case the discount rate is below 0%, the rate is floored at 0%. The discount rates used in 2024 ranged between 2.86% and 3.47%, depending on the lifetime of the asset to dismantle. Should the discount rate increase by 1%, the dismantling provisions would decrease by €21.7 million.

Employee benefits: See Note 6.15 for more details of these short-term employee benefits.

'Other' consists of various provisions for litigation to cover likely payment where legal proceedings have been instituted against the Group by a third party or where the Group is involved in legal proceedings. These estimates are based on the value of claims filed or on the estimated level of risk exposure. The expected timing of the related cash outflow depends on the progress and duration of the associated proceedings.

No assets have been recognised in connection with the recovery of certain provisions.

## 6.17. Other current and non-current liabilities

| (in € million) | 2024 | 2023 |
|---|---|---|
| Investment grants | 214.9 | 209.6 |
| Contract liabilities | 164.5 | 159.5 |
| Project related liabilities related to third parties | 7.0 | — |
| Other | 4.1 | 2.6 |
| **Total non-current other liabilities** | **390.5** | **371.7** |
| Project related liabilities related to third parties | 0.6 | — |
| **Total current other liabilities** | **0.6** | **—** |

Of the total investment grants, €128.6 million relates to 50Hertz Transmission Germany and €86,3 million to Elia Transmission Belgium. The investment grants are spread over several assets. The most significant projects are:

— In Belgium: the Princess Elisabeth energy island ("PEI") which will serve as an extension of the electricity grid in the North Sea. This grant has been signed in December 2022 for

a total amount of €99,7 million (pre-taxes), out of which €73,1 million are reported in the Other non-current liability (post taxes). In 2024, 2 new investment grants for a total of €9.4 million have been recognized in connection with (i) the enhancement of biodiversity around the Princess Elisabeth Island project (€7.5 million) as disclosed in E4-3 - Actions and resources related to biodiversity and ecosystems - Compensation measures/actions required under the permit (including offshore) and (ii) the improvement of ecological corridor management as disclosed in E4-3 actions and resources related to biodiversity and ecosystems (€1.9 million).

— In Germany: SuedOstLink and Kriegers Flak Combined Grid Solution.

All were subsidised by the European Union or the Belgian State. The grants are released in profit and loss based on the useful lives of the assets to which they relate. The terms and conditions of the grants were monitored and met as per 31 December 2024.

Contract liabilities remained stable. They mainly relate to upfront payment for last mile connection. At the end of 2024, a liability of €134.5 million was recognised within Elia Transmission Belgium and a liability of €30.0 million within 50Hertz Transmission Germany with that respect. The income is released over the lifetime of the asset where the last mile connection relates to. As already disclosed in Note 5.1, the Group has recognised €4.7 million of revenue in the reporting period that was included in the contract liability balance at the beginning of the period (€159.5 million).

We provide here below the timing in which the Group expects to recognize as revenue the outstanding contract liabilities:

| (in € million) | 2024 | 2023 |
|---|---|---|
| < 1 year | 5.0 | 4.7 |
| 1-5 years | 19.3 | 19.7 |
| > 5 years | 140.2 | 135.2 |
| **Total Contract liabilities** | **164.5** | **159.5** |

As per 31 December 2024, the Group is liable for a debt under an earn out clause following the acquisition of energyRe Giga for €7.6 million.

# 6.18. Trade and other payables

| (in € million) | 2024 | 2023 |
|---|---|---|
| Trade debts | 1,326.8 | 1,308.0 |
| VAT and other taxes | 21.2 | 17.4 |
| Remuneration and social security | 51.5 | 51.3 |
| Dividends payable | 1.2 | 1.2 |
| Levies | 472.6 | 562.2 |
| Other | 102.1 | 95.2 |
| Accrued liabilities | 182.6 | 114.1 |
| **Total** | **2,158.0** | **2,149.4** |

The trade debts increased by €18.8 million in a context of increased activity levels, ambitious CAPEX plan and high volatility in energy prices.

The amount for levies can be split into levies related to 50Hertz Transmission (€428.8 million) and levies related to Elia Transmission (€43.8 million).

The levies for Elia Transmission decreased compared with the previous year (€-60.7 million). The levies include (i) federal levies, which totalled €0.0 million on 31 December 2024 (€72.3 million in 2023 - see note 6.10 for further details about the debit position 2024), (ii) levies for renewable energies in Wallonia (€37.8 million) which have increased due to less green certificates than foreseen and good results of auctions and (iii) levies for renewable energies in Brussels (€1.6 million). The remaining balance mainly consists of CRM reserves (€3.0 million).

The levies for 50Hertz Transmission slightly decreased from €457.6 million to €428.8 million end of 2024 due to the continuous decrease of the EEG balance following a change in the regulatory mechanism.

The other payables mainly related to project related accruals of the German segment (€143.0 million as of 31 December 2024 compared to €80.5 million last year) and other regulatory liabilities.

# 6.19. Financial instruments - fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

| | Carrying amount | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| (in € million) | Fair value through profit and loss | Fair value through OCI | Amortised cost | Other financial liabilities at amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Balance at 31 December 2023** | | | | | | | | | |
| **Other financial assets** | **7.5** | **76.7** | **36.8** | **0.0** | **121.0** | **7.5** | **0.0** | **76.7** | **84.2** |
| Equity instruments at fair value through other comprehensive income | | 76.7 | | | 76.7 | | | 76.7 | 76.7 |
| Equity instruments at fair value through profit and loss | 7.5 | | | | 7.5 | 7.5 | | | 7.5 |
| Regulatory assets | | | 36.8 | | 36.8 | | | | |
| **Derivatives** | **0.0** | **7.2** | **0.0** | **0.0** | **7.2** | **7.2** | **0.0** | **0.0** | **7.2** |
| **Trade and other receivables (Current and Non-Current)** | **0.0** | **0.0** | **1,121.2** | **0.0** | **1,121.2** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Cash and cash equivalents** | **0.0** | **0.0** | **1,368.1** | **0.0** | **1,368.1** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Loans and borrowings (Current and Non-Current)** | **0.0** | **0.0** | **0.0** | **(10,010.0)** | **(10,010.0)** | **(8,021.6)** | **(93.9)** | **0.0** | **(8,115.5)** |
| Unsecured bond issues | | | | (8,579.8) | (8,579.8) | (8,021.6) | (93.9) | | (8,115.5) |
| Unsecured financial bank loans and other loans | | | | (1,223.8) | (1,223.8) | | | | |
| Lease liabilities | | | | (88.1) | (88.1) | | | | |
| Accrued interest | | | | (118.4) | (118.4) | | | | |
| **Derivatives** | **0.0** | **(225.9)** | **0.0** | **0.0** | **(225.9)** | **(225.9)** | **0.0** | **0.0** | **(225.9)** |
| **Other (non-) current liabilities** | **0.0** | **(371.7)** | **0.0** | **0.0** | **(371.7)** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Trade and other payables** | **0.0** | **0.0** | **0.0** | **(2,149.4)** | **(2,149.4)** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Total** | **7.5** | **(513.7)** | **2,526.1** | **(12,159.5)** | **(10,139.6)** | **n.r** | **n.r** | **n.r** | **n.r** |

| (in € million) | Carrying amount | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fair value through profit and loss | Fair value through OCI | Amortised cost | Other financial liabilities at amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Balance at 31 December 2024** | | | | | | | | | |
| **Other financial assets** | **8.7** | **143.0** | **34.6** | **0.0** | **186.3** | **7.5** | **0.0** | **144.2** | **151.7** |
| Equity instruments at fair value through other comprehensive income | | 143.0 | | | 143.0 | | | 143.0 | 143.0 |
| Equity instruments at fair value through profit and loss | 8.7 | | | | 8.7 | 7.5 | | 1.3 | 8.7 |
| Regulatory assets | | | 34.6 | | 34.6 | | | | |
| **Derivatives** | **0.8** | **11.5** | **0.0** | **0.0** | **12.3** | **12.3** | **0.0** | **0.0** | **12.3** |
| **Trade and other receivables (Current and Non-Current)** | **0.0** | **0.0** | **1,153.4** | **0.0** | **1,153.4** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Cash and cash equivalents** | **0.0** | **0.0** | **2,030.3** | **0.0** | **2,030.3** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Loans and borrowings (Current and Non-Current)** | **0.0** | **0.0** | **0.0** | **(14,828.5)** | **(14,828.5)** | **(12,014.5)** | **(93.8)** | **0.0** | **(12,108.2)** |
| Unsecured bond issues | | | | (12,459.0) | (12,459.0) | (12,014.5) | (93.8) | | (12,108.2) |
| Unsecured financial bank loans and other loans | | | | (2,058.3) | (2,058.3) | | | | |
| Lease liabilities | | | | (89.7) | (89.7) | | | | |
| Accrued interest | | | | (221.4) | (221.4) | | | | |
| **Derivatives** | **(2.3)** | **(4.5)** | **0.0** | **0.0** | **(6.8)** | **(6.8)** | **0.0** | **0.0** | **(6.8)** |
| **Other (non-) current liabilities** | **(7.6)** | **0.0** | **0.0** | **(383.5)** | **(391.1)** | **0.0** | **0.0** | **(7.6)** | **(7.6)** |
| **Trade and other payables** | **0.0** | **0.0** | **0.0** | **(2,158.0)** | **(2,158.0)** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Total** | **(0.4)** | **149.9** | **3,218.3** | **(17,370.0)** | **(14,002.1)** | **n.r.** | **n.r.** | **n.r.** | **n.r.** |

The above tables do not include fair value information for financial assets and liabilities not measured at fair value, such as cash and cash equivalents, trade and other receivables, and trade and other payables, as their carrying amount is a reasonable approximation of fair value. We consider that the carrying amount approximates the fair value considering the financial and short-term nature.

## Fair value hierarchy

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's-length transaction. IFRS 7 requires, for financial instruments that are measured in the statement of financial position at fair value and for financial instruments measured at amortised cost for which the fair value has been disclosed, the disclosure of fair value measurements by level in the following fair value measurement hierarchy:

- Level 1: The fair value of a financial instrument that is traded in an active market is measured based on quoted (unadjusted) prices for identical assets or liabilities. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These maximise the use of observable market data where these are available and rely as little as possible on entity-specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), the instrument is included in level 2.
- Level 3: If one or more of the significant inputs used in applying the valuation technique is not based on observable market data, the financial instrument is included in level 3. The fair value amount included under 'Other financial assets' has been determined by referring to either: (i) recent transaction prices, known by the Group; for similar financial assets or (ii) valuation reports issued by third parties.

The fair value of financial assets and liabilities, other than those presented in the above table, approximates to their carrying amounts largely due to the short-term maturities of these instruments. As specifically states in paragraph 29 of IFRS 7, disclosures of fair values are not required for lease liabilities and are therefore an excluded item for fair value disclosure.

## Other financial assets

The fair value of other financial assets increased by €67.5 million compared with previous year. This variation mainly result from the reevaluation of the shares held in EEX (+€65.9 million). The fair value has been determined applying the capitalized earning values method and therefore using non-observable market data. The Group uses third party qualified valuers to perform the valuation. The expert opinion is commissioned by EEX every two years. The valuation was performed using a risk-free rate of 2.70%, a marked risk premium of 7.50% and a terminal growth rate of 1.00%. In fiscal year 2024, the new valuation led to a remeasurement gain of € 65.9 million.

The fair value of sicavs falls into level 1, i.e. valuation is based on the listed market price on an active market for identical instruments.

## Derivatives

The fair values of the derivative is reported in level 1 based on market-to-market values. We refer to note 6.7 for further details.

## Loans and borrowings

The fair value of the bonds is €12,108.2 million (prior period: €8,115.5 million). It increased following the changes in the financial debt and a better pricing on the market. Fair value was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy).

In level 2, the Group reports the fair value of the private placement (€50.7 million) and the registered bond (€43.1 million).

The fair value of other bank loans approximates to their carrying amounts largely due to the short-term maturities of these instruments

## Other (non)-current liabilities

In other liabilities, the Group reports third party liabilities which fall into level 3. They relate to variable and contingent considerations in connection with acquisitions. The valuation is based on management judgement on the probability of reaching certain milestones in projects in development. The judgement is the result of a thorough analysis with technical advisors at the time of the acquisition. The assessment on the probability is done at each reporting period and reflected in the liability. The liability is discounted for net present value based on the expected rate of return of the underlying project in development. The net present value of the liability as per 31 December 2024 was estimated at €7.6 million.

# 6.20. Leasing

## The group as a lessee

The group mainly leases buildings, cars and optical fibres. It also has some rights to use (portions) of land and overhead lines. The valuation period used is based on the contractual term. Where a fixed term has not been set and an ongoing extension is subject to the contract, the relevant department has set an assumed termination date. In the event that the lease contract contains a lease extension option, the group assesses whether it is reasonably certain of exercising the option and makes its best estimate of the termination date.

Information about leases for which the group is a lessee is presented below.

### Right-of-use assets

Right-of-use assets are presented separately within 'Property, plant and equipment' and can be broken down in the table below, with the discounted lease liability for comparison. The split between current and non-current lease liabilities also provided.

| (in € million) | Use of land and overhead lines | Rent of buildings / offices | Cars | Optical fiber | Other | Total |
|---|---|---|---|---|---|---|
| **As of 1 January 2023** | **42.2** | **28.9** | **13.7** | **2.3** | **1.5** | **88.5** |
| Additions and remeasurements | 0.8 | 0.2 | 12.2 | 1.5 | (0.2) | 14.6 |
| Depreciations | (1.3) | (6.0) | (7.2) | (0.7) | (0.2) | (15.5) |
| Derecognition of right-of-use assets | — | (0.2) | (0.7) | (1.0) | (0.1) | (1.9) |
| **As of 31 December 2023** | **41.7** | **23.0** | **18.0** | **2.0** | **1.1** | **85.8** |

| (in € million) | Use of land and overhead lines | Rent of buildings / offices | Cars | Optical fiber | Other | Total |
|---|---|---|---|---|---|---|
| **As of 1 January 2024** | **41.7** | **23.0** | **18.0** | **2.0** | **1.1** | **85.8** |
| Additions and remeasurements | (0.5) | 0.2 | 20.3 | 0.4 | (0.6) | 19.8 |
| Depreciations | (1.4) | (5.9) | (9.3) | (0.4) | (0.3) | (17.3) |
| Derecognition of right-of-use assets | — | — | (1.1) | — | — | (1.1) |
| **As of 31 December 2024** | **39.8** | **17.2** | **27.9** | **2.0** | **0.2** | **87.1** |

The right-of-use assets are briefly described below:

— The use of land and overhead lines constitutes a right for the Group to use a well identified piece of land to build on someone's property. Only the contracts under which the Group has the full right to control the use of the identified asset are in scope.

— The Group leases buildings and offices in which corporate functions are performed.

— The Group has car leasing contracts which are used by employees for business and private activities.

— The Group leases optical fibres to transmit data. Only cables that are clearly identified are in scope.

– Other lease contracts: printer lease contracts and strategic reserves contracts. Strategic reserves are contracts where the Group has the right to control the use of a power plant to maintain a balance on the grid.

The Group only has lease contracts with fixed lease payments and assesses whether it is reasonable to extend a lease contract. If so, the lease contract is valued as if the extension were exercised.

## Lease liabilities

Information concerning the maturity of the contractual undiscounted cash flows is provided below:

| Maturity analysis - contractual undiscounted cash flows<br>(in € million) | 2024 | 2023 |
|---|---|---|
| < 1 year | 17.5 | 15.4 |
| 1-5 years | 40.0 | 35.3 |
| > 5 years | 43.1 | 48.8 |
| **Total undiscounted lease liabilities at 31 December** | **100.6** | **99.6** |
| **Lease liabilities in the statement of financial position at 31 December** | **89.7** | **88.1** |
| Lease liabilities – current | 16.3 | 14.6 |
| Lease liabilities – non-current | 73.4 | 73.5 |

The discount rate used to discount the lease liabilities is the Group's best estimate of the weighted average incremental borrowing rate. The Group made use of the practical expedients, i.e. a single discount rate per group of contracts, summarised per their duration.

The Group has assessed the extension options concluded in the lease contracts and considers it reasonably likely that these extension options will be executed. The Group has therefore considered the lease contract as if the extension option is exercised in the lease liability.

The Group has no lease contracts with variable payments nor residual value guarantees. The Group did not commit to any lease that has not yet commenced. The Group has no contracts which include contingent rental payments nor include any escalation clauses or restrictions that are significant regarding the use of the asset in question.

## Amounts recognised in profit and loss

The following amounts were recognised in profit and loss for the financial year:

| (in € million) | 2024 | 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets | 17.3 | 15.5 |
| Interest on lease liabilities | 1.8 | 1.3 |
| Expenses relating to short-term leases | 1.3 | 0.8 |
| Expenses relating to low-value assets | 0.2 | 0.1 |
| **Total recognised in profit and loss** | **20.6** | **17.7** |

A total of €20.6 million in lease expenses was recognised in the statement of profit or loss in 2024. There were no variable lease payments included in the measurement of lease liabilities.

The total cash outflow for leases remained stable and amounted to €16.3 million in 2024 (€16.3 million in 2023). This amount is included in the "Repayment of borrowings" of the cash flow statement.

# The group as a lessor

The Group leases out optical fibres, land and buildings, which are presented as part of 'Property, plant and equipment'. Leasing is only an ancillary business. Rental income is presented under 'Other income'.

Contracts that do not relate to separately identifiable assets or under which the customer cannot directly the use of the asset or does not substantially obtain all the economic benefits associated with the use of the asset do not constitute a lease. The new lease definition led to the exclusion of some telecommunication equipment

The Group has classified these leases as operating leases as they do not substantially transfer all the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date and considering the best estimate of the contractual term:

| (in € million) | 2024 | 2023 |
|---|---|---|
| Within 1 year | 16.3 | 16.6 |
| 1 to 2 years | 15.0 | 15.9 |
| 2 to 3 years | 14.4 | 15.3 |
| 3 to 4 years | 13.7 | 15.3 |
| 4 to 5 years | 13.8 | 15.1 |
| More than 5 years | 337.2 | 377.6 |
| **Total** | **410.5** | **455.8** |

The group recognised €16.2 million in rental income in 2024 (2023: €15.2 million).

# 6.21. Accruals and deferred income

| (in € million) | 2024 | 2023 |
|---|---|---|
| Accruals and deferred income | 169.7 | 106.8 |
| Deferral account from settlement mechanism Belgian regulatory framework | 66.0 | 310.6 |
| Deferral account from settlement mechanism German regulatory framework | 575.5 | 284.8 |
| **Total** | **811.2** | **702.2** |

The movements in deferral account from settlement mechanism are as follows:

| (in € million) | Regulatory claims | Regulatory obligations | Total |
|---|---|---|---|
| **Balance at 1 January 2024** | **1,245.7** | **(1,841.1)** | **(595.5)** |
| Increase | 71.5 | (529.7) | (458.2) |
| Reversals | (0.4) | 102.8 | 102.4 |
| Utilisation | (922.6) | 1,230.1 | 307.5 |
| Other (e.g. discounting) | 1.4 | 0.9 | 2.3 |
| **Balance at 31 December 2024** | **395.4** | **(1,036.9)** | **(641.5)** |

In the Elia Transmission segment, the deferral account from the settlement mechanism (€66.0 million) decreased compared with year end 2023 (€310.6 million). The decrease in the deferral account from the settlement mechanism encompasses the settlement of net surpluses from the prior tariff period (-€307.5 million), the review of the regulator on previous year's settlement mechanism (+€2.5 million) and the operating surplus generated in the current year over the budget approved by the regulator (+€62.1 million). Any operating surplus/deficit, in relation to the budget of the costs and revenues authorised by the regulator, needs to be returned to/refunded by the consumers and therefore does not form part of the revenues.

In 2024, there was an operational surplus (€ 62.1 million), reported as an additional regulatory obligation. This operating excess is primarily a result of higher tariff sales (+€83.6 million), lower controllable and non controllable costs (+€29.3 million), partly offset by lower non controllable revenue (-€45,9 million).

In the 50Hertz Transmission segment, the deferral accounts from the settlement mechanism (€575.5 million) is the nominal amount of €659.5 million (€361.3 million as of 31 December 2023) less an interest effect of €84.0 million (€76.5 million in 2023). The net liability increased compared to year end 2023 (€290.7 million).

The release of the deferral account is determined in the tariff setting process. The amounts on the deferral account are recognised on a yearly basis and the release depends on the source of the deferral, some are released in T+1, whilst others are released in T+2 and some are released after a longer period of time.

The future release of the deferral account from the settlement mechanism to the future tariffs is set out in the table below (situation on 31 December 2024):

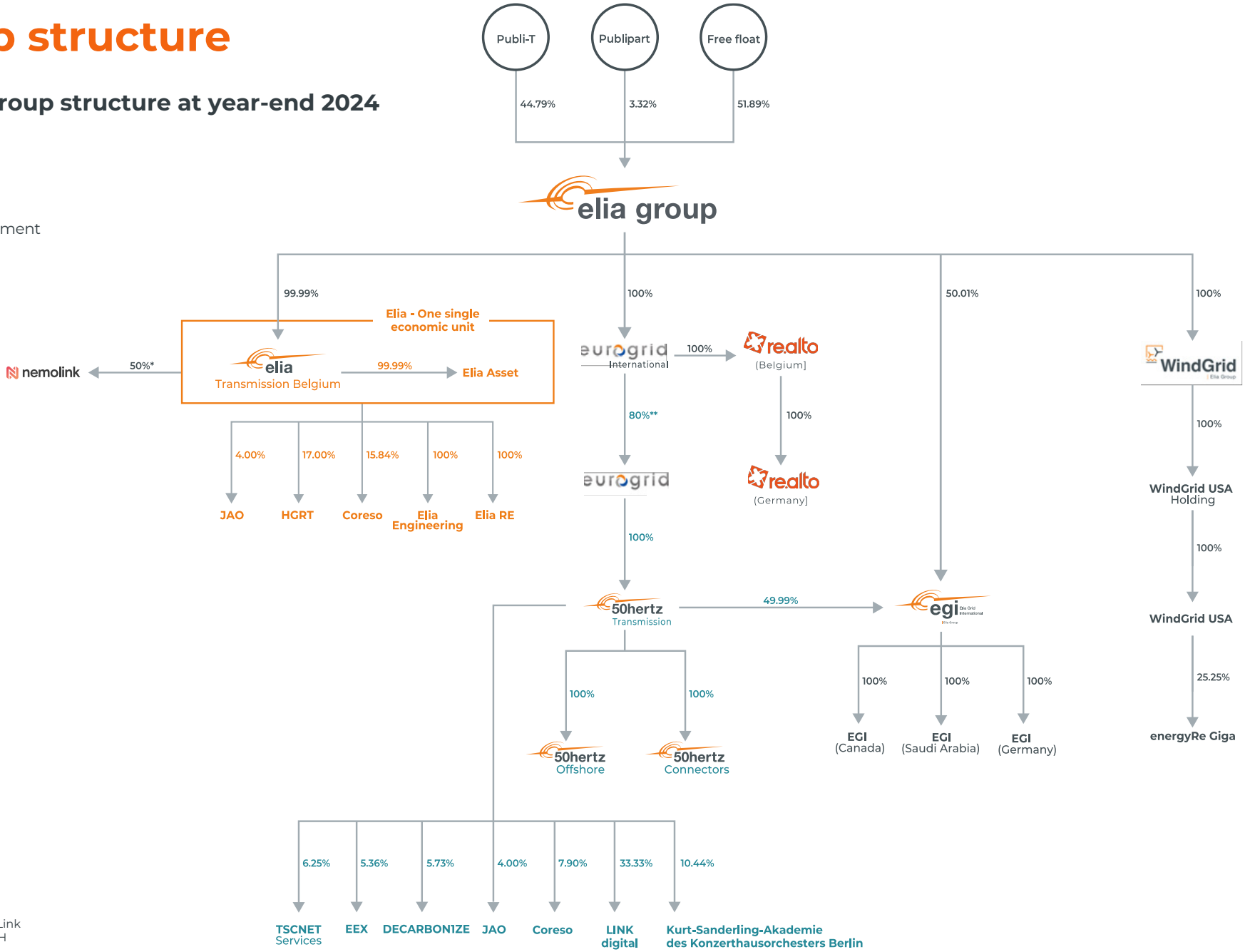
| (in € million) | Belgian regulatory framework | German regulatory framework |
|---|---|---|
| To be refunded to the tariffs in the current regulatory period | — | 235.2 |
| To be refunded to the tariffs in the next regulatory period (or after) | 66.0 | 340.3 |
| Other regulatory transfer | — | — |
| **Total regulatory deferral account** | **66.0** | **575.5** |

Please note that the current regulatory periods in Belgium and Germany are respectively 2024-2027 and 2024-2028

# 7. Group structure

## Overview of group structure at year-end 2024

Belgian segment
German segment
Non-regulated segment and Nemo Link




*National Grid owns 50% of Nemo Link
**KFW holds 20% of Eurogrid GmbH

## Interest in other entities

Elia Group SA/NV has direct and indirect control of the entities listed below.

As explained in Note 6.5.2, the Group completed, on 1 February 2024, the acquisition of a minority equity interest (25.25% as per 31 December 2024) in energyRe Giga. As from September 2024, the Group also holds 33.33% shares in Link Digital GmbH, a newly incorporated entity (no activity in 2024). Another change in the scope of consolidation compared to the previous year relates to the Decarbon1ze. Following a capital increase, the share of 50Hertz Transmission GmbH in Decarbon1ze now amounts to 5.7 % (instead of 6.6 % as of 31 December 2023).

All the entities keep their accounts in euros (except Windgrid USA Holding LLC, Windgrid USA LLC and energyRe Giga USA in US dollars) and have the same reporting date as Elia Group SA/NV.

| Name | Country of establishment | Headquarters | Percentage of interest 2024 | 2023 |
|---|---|---|---|---|
| **Subsidiaries** | | | | |
| Elia Transmission Belgium SA/NV | Belgium | Bd de l'Empereur 20, 1000 Brussels | 99.99 | 99.99 |
| Elia Asset SA/NV | Belgium | Bd de l'Empereur 20, 1000 Brussels | 99.99 | 99.99 |
| Elia Engineering SA/NV | Belgium | Bd de l'Empereur 20, 1000 Brussels | 100.00 | 100.00 |
| Elia Re SA | Luxembourg | Rue de Merl 65, 2146 Luxembourg | 100.00 | 100.00 |
| Elia Grid International SA/NV | Belgium | Bd de l'Empereur 20, 1000 Bussels | 90.00 | 90.00 |
| Elia Grid International GmBH | Germany | Heidestraße 2, 10557 Berlin | 90.00 | 90.00 |
| Elia Grid International LLC | Saudi Arabia | Al Akaria Plaza Olaya Street, Al Olaya Riyadh 11622 | 90.00 | 90.00 |
| Elia Grid International Inc. | Canada | 1500-850 2 ST SW, T2P0R8 Calgary | 90.00 | 90.00 |
| Eurogrid International SA/NV | Belgium | Bd de l'Empereur 20, 1000 Brussels | 100.00 | 100.00 |
| Eurogrid GmbH | Germany | Heidestraße 2, 10557 Berlin | 80.00 | 80.00 |
| 50Hertz Transmission GmbH | Germany | Heidestraße 2, 10557 Berlin | 80.00 | 80.00 |
| 50Hertz Offshore GmbH | Germany | Heidestraße 2, 10557 Berlin | 80.00 | 80.00 |
| 50Hertz Connectors GmbH | Germany | Heidestraße 2, 10557 Berlin | 80.00 | 80.00 |
| Re.Alto-Energy BV/SRL | Belgium | Bd de l'Empereur 20, 1000 Brussels | 100.00 | 100.00 |
| Re.Alto-Energy GmbH | Germany | Ratingstraße 9, 40213 Dusseldorf | 100.00 | 100.00 |
| WindGrid SA/NV | Belgium | Bd de l'Empereur 20, 1000 Brussels | 100.00 | 100.00 |
| WindGrid USA Holding LLC | USA | 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 | 100.00 | 100.00 |
| WindGrid USA LLC | USA | 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 | 100.00 | 100.00 |
| **Investments accounted for using the equity-method – Joint ventures** | | | | |
| Nemo Link Ltd. | United Kingdom | Strand 1-3, London WC2N 5EH | 50.00 | 50.00 |
| **Investments accounted for using the equity-method – Associates** | | | | |
| H.G.R.T S.A.S. | France | 1 Terrasse Bellini, 92919 La Défense Cedex | 17.00 | 17.00 |
| Coreso SA/NV | Belgium | Avenue de Cortenbergh 71, 1000 Brussels | 22.16 | 22.16 |
| energyRe Giga-Projects USA Holdings LLC | USA | 1300 Post Oak Boulevard, Suite 1000,Houston TX77056 | 25.25 | 0.00 |
| LINK digital GmbH | Germany | Friedrichstr. 10A, 97082 Würzburg | 26.66 | 0.00 |
| **Investments accounted for using IFRS9 - Other shareholdings** | | | | |
| JAO SA | Luxembourg | 2, Rue de Bitbourg, 1273 Luxembourg Hamm | 7.20 | 7.20 |
| Decarbon1ze GmbH | Germany | Mariendorfer Damm 1, 12099 Berlin | 4.58 | 5.28 |
| European Energy Exchange AG (EEX) | Germany | Augustusplatz 9, 0409 Leipzig | 4.29 | 4.29 |
| TSCNET Services GmbH | Germany | Dingolfinger Strasse 3, 81673 Munich | 5.00 | 5.00 |
| Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin | Germany | Gendarmenmarkt, 10117 Berlin | 8.35 | 8.35 |

# 8. Other notes

## 8.1. Financial risk and derivative management

### Principles of financial risk management

The Group aims to identify each risk and sets out strategies to control their economic impact on the Group's results.

The Risk Management Department defines the risk management strategy, monitors risk analyses and reports to management and the Audit Committee. The financial risk policy is implemented by determining appropriate policies and setting up effective control and reporting procedures. Selected derivative hedging instruments are used depending on the assessment of the risk involved. Derivatives are used exclusively as hedging instruments. The regulatory framework in which the Group operates significantly restricts their effects on profit or loss (see the section 'Regulatory framework and tariffs'). The major impact of increased interest rates, credit risk, etc. can be settled in the tariffs, in accordance with the applicable legislation.

### Market risk

The market risk takes into account negative effects on the financial position and cash flows of the Group arising as a result of price changes on the market which cannot be otherwise avoided. The activities of the Group extend to the electricity market – in particular through selling the electricity generated from renewable energy as well as the procurement of energy to cover grid energy losses – as well as to the market for short-term deposits. In Germany, the Group counteracts the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX electricity exchange.

As the financial costs and the costs for grid losses are passed through to the tariffs, the Group is not really exposed to a change in market conditions. There is no sensitivity analysis to provide on that respect.

### Foreign currency risk

Up to and including 2023, the Group was not exposed to any significant currency risk, either from transactions or from exchanging foreign currencies into euro, since it had no material foreign investments or activities expressed in currencies other than euros.

In 2024, following the acquisition of a minority stake in the US company energyRe Giga Projects USA Holdings as well as the development of Elia Grid International's activities, the exposure of the Group to foreign currency risk increased. In 2024, the Group was mainly exposed to US Dollar.

The Group's currency risk can be split into two categories :

— Transactional risk: the transactional risk is the exchange risk related to a specific transaction

— Translation risk : the translation exchange risk is the risk affecting the Group's consolidated financial statements related to investees operating in a currency other than the group's currency (EUR).

In connection with the transaction with energyRe Giga, the Group had entered into forward contracts to lock in the exchange rate USD-EUR to the date of acquisition. The goal was to fully hedge the first tranche of €250,0 million. This instrument was unwind on the acquisition date and is fully settled.

End of 2024, the Group entered into forward contracts to lock in the exchange rate on the intercompany loan issued in 2023 to finance the acquisition of the minority stake in energyRe Giga Projects USA Holdings.

The translation risk of the net investment in foreign operation is not hedged as per 31 December 2024. Exchange differences arising on the consolidation of this net asset are deferred in equity until the associate is disposed of or liquidated (CTA).

See note 6.7 for more information on the forward contracts.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

In fiscal year 2024 and at the reporting date, all Group's debt was contracted at fixed rate except one term loan (nominal of €300,0 million) hedged with an interest-rate swap to fix the rate. This interest-rate swap is 100% effective. The interest rate risk is therefore very limited at Elia Group's level.

See Note 6.14 for a summary of the outstanding loans and their respective interest rates and Note 6.7 for more information on the interest-rate swap.

### Risks from energy procurement

The Group counters the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX power exchange. To cover the required grid loss volumes, the Group enters into daily day ahead transactions on the spot market (EPEX Spot). Due to the availability and liquidity of futures trading, the hedging period for the intended price hedging covers a period of up to two years from the balance sheet date. Credit and default risks are avoided with this form of price hedging via exchange transactions.

Spot market procurement is a highly probable transaction, because the actual occurrence of grid losses is physically determined and must necessarily be compensated for by the grid operator through the purchase of energy. The Group pursues a conservative recovery strategy aligned with the regulatory framework and regulatory recognition of the electricity procurement costs incurred, which enables timely and predictable price hedging. The Group aims at fully hedging the price of the expected volume of grid loss energy.

Price hedging of future required spot market procurement of grid loss energy volumes using futures provides a highly effective hedging method. The price development of the settlement price of EEX fully reflects the price change of the spot price on the EPEX spot market, so that a 100% effectiveness of the hedging relationship can be assumed in this

respect. As the volume of electricity required for the grid losses that will arise in the future is not known at the time the hedging transactions are entered into, the Group determines the highly probable volume required (expected value) and derives the procurement strategy for price hedging from this; this expected value forms the basis for the hedging transactions under hedge accounting.

The forecast of the future volume of electricity required to cover grid losses is naturally subject to uncertainties relating to external factors, in particular wind feed-in, the electricity generation mix and the respective grid situation (influenced by generation, consumption and interventions such as redispatch measures). The expected value for grid loss procurement determined with the aid of a model is based on historical experience values, taking into account as best as possible any future changes in the relevant factors and foreseeable events on the basis of available information at the time of procurement planning. Changes in the forecast quantity are monitored on an ongoing basis and lead to an adjustment of the procurement strategy as far as possible.

See note 6.7 for more information.

## Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Group in relation to lending, hedging, settlement and other financial activities. The Group is exposed to credit risk from its operating activities and treasury activities. With regards to its operating activities, the Group has a credit policy in place, which takes into account customer's risk profiles. The exposure to credit risk is monitored on an ongoing basis, resulting in a request to issue bank guaranties from the counterparty for some major contracts.

At the end of the reporting period there were no significant concentrations of credit risks. The maximum credit risk is the carrying amount for each financial asset, including derivative financial instruments.

| (in € million) | Notes | 2024 | 2023 |
|---|---|---|---|
| Immediately claimable deposits | | 7.5 | 7.2 |
| Reimbursement rights | | 34.6 | 37.1 |
| Other shareholdings | | 144.2 | 76.7 |
| **Other financial assets (Current and Non-current)** | (6.6) | **186.3** | **121.0** |
| **Derivatives (Current and Non-current)** | (6.7) | **12.3** | **7.2** |
| **Non-current trade and other receivables** | (6.4) | **55.0** | **55.0** |
| **Trade and other receivables** | (6.10) | **1,098.4** | **1,066.3** |
| **Tax receivables** | (6.11) | **94.3** | **64.4** |
| **Cash and cash equivalents** | (6.12) | **2,030.3** | **1,368.1** |
| **Deferred charges and accrued revenues** | (6.10) | **44.1** | **21.4** |
| **Total** | | **3,520.7** | **2,703.3** |

The movement in the allowance for expected credit losses in relation to trade receivables during the year was as outlined in the table below:

| (in € million) | Bad debtors | Impairment losses | Remaining balance |
|---|---|---|---|
| **Balance at 1 January 2023** | **202.2** | **(201.7)** | **0.5** |
| Changes during the year | 0.5 | (0.7) | (0.2) |
| **Balance at 31 December 2023** | **202.7** | **(202.3)** | **0.4** |
| **Balance at 1 January 2024** | **202.7** | **(202.3)** | **0.4** |
| Changes during the year | 0.9 | (0.9) | — |
| **Balance at 31 December 2024** | **203.5** | **(203.2)** | **0.4** |

Almost all bad debtors are related to outstanding receivables linked to the regulatory levies in Germany. If a debtor goes bankrupt, 50Hertz Transmission is compensated by the levy system for the loss incurred.

The Group believes that the unimpaired amounts overdue by more than 30 days are still collectible, based on historical payment behaviour and extensive analysis of customer credit risk, including customers' underlying credit ratings, when available. The credit quality of trade and other receivables is assessed based on a credit policy.

IFRS 9 requires the Group to impair financial assets based on a forward-looking expected credit loss (ECL) approach.

As of 2022, the Group applies an individualised approach for trade receivables, for which the Group has set rules for defining the stage of the concerned asset for Expected Credit Loss (ECL) calculations.

— stage 1 covers financial assets that have not deteriorated significantly since initial recognition. The ECL for stage 1 is calculated on a 12-month basis,

— stage 2 covers financial assets for which the credit risk has significantly increased. The ECL for stage 2 is calculated on a lifetime basis. The decision to move an asset from stage 1 to stage 2 is based on certain criteria such as:
  - a significant downgrade in the creditworthiness of a counterparty and/or its parent company and/or its guarantor (if any),
  - significant adverse changes in the regulatory environment,
  - changes in political or country-related risks, and
  - any other aspect the Group may consider relevant.

Regarding financial assets that are more than 30 days past due, the move to stage 2 is not systematically applied as long as the Group has reasonable and supporting information that demonstrates that, even if payments become more than 30 days past due, this does not represent a significant increase in the credit risk since initial recognition.

– stage 3 covers assets for which default has already been observed, such as:

— when there is evidence of failure in credit support from a parent company to its subsidiary (in this case the subsidiary is the Group's counterparty at risk),

— when a Group entity has initiated legal proceedings against the counterparty for non-payment.

Regarding financial assets that are more than 90 days past due, the presumption can be rebutted if the Group has reasonable and supportable information that demonstrates that even if payments become more than 90 days past due, this does not indicate counterparty default.

The ECL formula applicable in stages 1 and 2 is ECL = EAD x PD x LGD, where:

- for 12-month ECL, Exposure At Default (EAD) equals the carrying amount of the financial asset, to which the relevant Probability of Default (PD) and the Loss Given Default (LGD) are applied;
- for lifetime ECL, the calculation method consists in identifying changes in exposure for each year, especially the expected timing and amount of the contractual repayments, and then applying to each repayment the relevant PD and the LGD, and discounting the figures obtained. ECL is then the sum of the discounted figures; and
- probability of default is the likelihood of default over a particular time horizon (in stage 1, this time horizon is 12 months after the reporting period; in stage 2 this time horizon is the entire lifetime of the financial asset). This information is based on external data from a well-known rating agency. The PD depends on the time horizon and of the rating of the counterparty.

The Group uses external ratings if they are available; or an internal rating for major counterparties with no external rating.

Subsequently, a loss given default is calculated as the percentage of the amount of trade receivables that is not covered by a bank guarantee. The total outstanding amount of trade receivables covered by a bank guarantee totals €1,435.4 million. The loss given default is multiplied by the probability of default and the outstanding trade receivables.

This approach is deemed more relevant than the portfolio approach to provide a better assessment of the risk, especially in the current context of volatile market conditions. The impact of this new approach is not significant. Furthermore, any losses would be recoverable through the tariffs.

The model is applied to the trade receivables, all other financial assets being not assessed at risk of impairment considering their nature (regulatory assets, amounts recoverable through future tariffs in compliance with the regulatory frameworks), risk profile (reliable counterparty being for the levies the Belgian/German state) or measurement method (at fair value). More details are provided in the different notes.

## Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its financial obligations. The Group limits this risk by constantly monitoring cash flows and ensuring that there are always sufficient credit-line facilities available.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, confirmed and unconfirmed credit facilities, commercial paper programmes, etc. For medium- to long-term funding, the Group uses bonds. The maturity profile of the debt portfolio is spread over several years. The Group Treasury frequently assesses its funding resources taking into account its own credit rating and general market conditions.

Bond issuances realised over the last years , various loan contracted with investors and different banks prove that the Group has access to different sources of funding.

The Group has several bank facilities and credit lines available to guarantee the financing of its activities and to cushion possible variations in levies or derivatives. Indeed, the high volume of futures contracts contracted by 50Hertz Transmission Germany also has an impact on the Group's liquidity management. The daily cash settlement of futures contracts with the exchange can have short-term effects on liquidity, which largely follow the general price trend on the electricity market.

In accordance with agreed maturity dates and interest due, the contractually agreed cash outflows from financial liabilities will be as follows in the future:

### Non-derivative financial liabilities

| (in € million) | Face value | Closing balance | Expected cash outflows | 6 months | 6-12 months | 1-2 years | 2-5 years | > 5 years |
|---|---|---|---|---|---|---|---|---|
| Unsecured bond issues | 8,615.0 | 8,579.8 | (9,817.7) | (644.4) | (38.0) | (682.2) | (2,834.8) | (5,618.3) |
| Unsecured financial bank loans and interest accruals | 1,342.4 | 1,342.2 | (1,513.0) | (124.9) | (21.6) | (145.3) | (276.6) | (944.6) |
| Trade and other payables | 2,149.4 | 2,149.4 | (2,149.4) | (2,149.4) | — | — | — | — |
| **Total at 31 December 2023** | **12,106.8** | **12,071.4** | **(13,480.1)** | **(2,918.7)** | **(59.6)** | **(827.5)** | **(3,111.4)** | **(6,562.9)** |

| (in € million) | Face value | Closing balance | Expected cash outflows | 6 months | 6-12 months | 1-2 years | 2-5 years | > 5 years |
|---|---|---|---|---|---|---|---|---|
| Unsecured bond issues | 13,006.7 | 12,562.1 | (14,952.9) | (754.0) | (89.7) | (1,216.5) | (4,963.9) | (7,928.7) |
| Unsecured financial bank loans and interest accruals | 2,060.0 | 2,176.6 | (2,632.3) | (164.7) | (134.9) | (621.6) | (325.6) | (1,385.5) |
| Trade and other payables | 2,148.0 | 2,148.0 | (2,148.0) | (2,148.0) | — | — | — | — |
| **Total at 31 December 2024** | **17,214.7** | **16,886.8** | **(19,733.3)** | **(3,066.7)** | **(224.6)** | **(1,838.1)** | **(5,289.6)** | **(9,314.2)** |

Details of the used and unused back-up credit facilities are set out below:

| (in € million) | Maturity | Available amount | Average basic interest | Amount used | Amount not used |
|---|---|---|---|---|---|
| Sustainable Revolving Credit Facility | 16/02/2027 | 1,260.0 | Euribor + 0.35% | — | 1,260.0 |
| Confirmed credit line | 3/7/2025 | 60.0 | Euribor + 0.37% | — | 60.0 |
| Confirmed credit line | 3/7/2026 | 60.0 | Euribor + 0.50% | — | 60.0 |
| Straight Loan EGI | unlimited | 2.5 | Euribor + 0,75% | — | 2.5 |
| Confirmed credit line | 5/7/2027 | 50.0 | Euribor + 0.25% | — | 50.0 |
| Confirmed credit line | 22/11/2029 | 50.0 | Euribor + 0.45% | — | 50.0 |
| Confirmed credit line | 29/3/2027 | 300.0 | Euribor + 0.74% | 300.0 | — |
| Confirmed credit line | 26/2/2027 | 750.0 | Euribor + min. 0.4% | — | 750.0 |
| Confirmed credit line | unlimited | 150.0 | av. 1 month Euribor + 0.275% | — | 150.0 |
| Confirmed credit line | 14/12/2026 | 150.0 | 0.90 % | 150.0 | — |
| Confirmed credit line | 31/3/2033 | 600.0 | 3.54 % | 600.0 | — |
| Confirmed credit line | 25/11/2033 | 120.0 | 3.87 % | 120.0 | — |
| Confirmed credit line | 26/2/2027 | 3,000.0 | Euribor + min. 0.75% | — | 3,000.0 |
| Confirmed credit line | 30/6/2032 | 4.4 | 2.87 % | — | 4.4 |
| **Total** | | **6,556.9** | | **1,170.0** | **5,386.9** |

## Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. We refer to the note 6.7 for more information.

## Capital risk management

The purpose of the Group's capital-structure management is to ensure that the debt and equity ratios related to its regulated activities are as closely aligned as possible with the recommended level set by the relevant regulatory frameworks.

The Company's dividend guidelines involve optimising dividend payments while bearing in mind that self-financing capacity is needed to carry out its legal mission as transmission system operator, finance future CAPEX projects and, more generally, implement the Group's strategy.

The Company offers its employees the opportunity to subscribe to capital increases that are exclusively reserved for them.

| (in € million) | 2024 | 2023 |
|---|---|---|
| Total assets | 24,927.6 | 19,390.1 |
| Equity | 6,177.4 | 5,517.3 |
| **Equity ratio** | **25 %** | **28 %** |

# 8.2. Commitments and contingencies

## Main commitments and guarantees

| (in € million) | 2024 | 2023 |
|---|---|---|
| Capital expenditure commitment | 18,727.7 | 11,509.0 |
| SG&A expenditure commitment | 420.1 | 280.8 |
| Guarantees given by third parties on behalf of the entreprise | (1,435.4) | (1,350.0) |
| Guarantees given | 248.6 | 234.4 |
| Guarantees on behalf of 3rd party | 239.4 | — |
| Capital commitment | 154.5 | — |
| **Total** | **18,354.8** | **10,674.2** |

As of 31 December 2024, the Group had rights and commitments not reflected in the balance sheet for a total of €18,354.8 million.

They mainly related to CAPEX and OPEX expenditure commitments, as well as various guarantees given to suppliers or public authorities ("performance bonds", "contractual guarantees",...) and received from customers (contractual guarantees, notably with BRPs).

At the end of 2024, it is also important to note that the Group has an open capital commitment of €10.9 million as part of its investment in SET Fund and €143.6 million ($150 million) as part of the acquisition of energyRe Giga.

As part of the financing of EnergyRe Giga's activities, the Group has also pledged its shares in EnergyRe Giga as collateral for €239.4 million.

## Contingent liabilities

As stated in Note 6.16, the group defends litigation matters relating to business interruptions, contractual claims or disputes with third parties. Generally, in line with good business practice, the group does not recognise any pending proceeding which has not matured and/or where the probability of existing or future exposure is unlikely, where financial impact is not estimable and for which no contingent liabilities are able to be quantified.

Nevertheless, at the end of 2024, it may be relevant to note that, in connection with an open procedure, the group received, in 2023, a judgement that could result in it having to pay compensation amounting to around €14.0 million. The Group decided to file on appeal against the court's decision. The Group and its lawyers are confident that their arguments will be heard. The probability of an impact in profit or loss is considered remote and no provision has been recognised in connection with this litigation. As per 31 December 2024, the procedure is still ongoing.

## Other contingencies and commitments

**Green certificates - buyback obligations**

The Decree of 29 June 2017 amending the Decree of 12 April 2011 relating to the organisation of the regional electricity market and the Decree of 5 March 2008 (creation of the Walloon Agency for Air and Climate), stated that the green certificates transferred by Elia can be gradually resold by the AwAC on time to time taking into account the market conditions that exist for green certificates at that time. The legislation also envisages the green certificates being held by the AwAC for a period of up to nine years, after which Elia is required to buy back any unsold certificates. These repurchase commitments will have no impact on Elia's financial performance, as the cost and expense for the repurchase will be fully recovered through the tariffs for levies. The legislation was supplemented in 2021 by new provisions that allow the Government to decide, after consultation with the LTSO, on the gradual resale to Elia of certain quantities of green certificates held by AwAC.

Considering (i) the state of the Walloon green certificate market and (ii) the amounts actually available following the application of the surcharge in 2023 and 2024, the Walloon Government has decided to ask Elia to buy back certificates held by AwAC for an amount of respectively €65 million and €0 million. As per 31 December 2024, no future buyback obligations have been confirmed by the Group with AwAC.

**Project risks and related contingencies**

In the context of the Princess Elisabeth Island project (MOG II), the construction of the foundations of the artificial island and the implementation of the previously signed alternating current (HVAC) contracts continues and some delays in completion cannot be excluded.

It is to be noted that discussions are currently ongoing with a contractor for the Princess Elizabeth Island who recently introduced a "variation request". Based on a preliminary analysis, the Group does not believe there to be grounds for such request, but the analysis is still ongoing and further information is being gathered. At this stage, considering the contractual terms, the Group intends to formally reject this request. The contractor will still

have the possibility of initiating an amicable settlement procedure before potentially proceeding to court. The Group will continue to assess the consequences of this request, which, in view of the complexity of such a case, are at the time of this report impossible to assess reliably. The Group does not expect a material consequence on its financial position, and it is also important to note that any impact resulting from the variation request that might still materialize would be of a capitalizable nature.

# 8.3. Related parties

## Controlling entities

The core shareholder of Elia Group is Publi-T and this remained unchanged from 2022. Other than the yearly dividend payment, no transactions occurred with the core shareholder in 2024.

The shareholder structure of the Group can be found in Note 7.

## Transactions with key management personnel

Key management personnel include Elia's Board of Directors and Elia's Management Committee, both of which have a significant influence across the entire Elia Group.

The members of Elia's Board of Directors are not employees of the Group. The remuneration for their mandate is detailed in the Corporate Governance Statement, which forms part of this Annual Report (see the remuneration report).

The other members of key management personnel are hired as employees. The components of their remuneration are detailed below (i.e. excluding the directors who are not employees).

The names of the key management personnel are included in the Corporate Governance report.

Key management personnel did not receive stock options, special loans or other advances from the Group throughout the year.

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Short-term employee benefits** | **3.4** | **3.9** |
| Basic remuneration | 2.4 | 2.7 |
| Variable remuneration | 1.0 | 1.1 |
| **Long-term employee benefits** | **0.4** | **0.6** |
| **Post-employment benefits** | **0.5** | **0.7** |
| **Other variable remuneration** | **0.6** | **0.5** |
| **Total gross remuneration** | **4.9** | **5.6** |
| Number of persons | 6.0 | 7.8 |
| Average gross remuneration per person | 0.8 | 0.7 |
| **Number of shares (in units) held as at 31 December** | **7,348** | **9,288** |

## Transactions with joint ventures and associates

Transactions between the Company and subsidiaries that are related parties were eliminated during consolidation and therefore are not recognised in this note.

Transactions with joint ventures and associates (as defined in Note 7) were not eliminated, so details of these transactions are shown below:

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Transactions with joint ventures and associates** | **35.2** | **(4.2)** |
| Sales of goods | 43.1 | 1.9 |
| Purchases of goods | (8.0) | (6.1) |
| Interest and similar revenue | 0.0 | 0.0 |
| **Outstanding balances with joint ventures and associates** | **(0.2)** | **0.3** |
| Long-term debtors | 0.0 | 0.0 |
| Trade debtors | 0.7 | 0.3 |
| Trade debts | (0.9) | — |

In 2023 and 2024, entities of the Elia Group had transactions with Nemo Link Ltd. and Coreso SA/NV. The sale of goods relates to corporate services (SLAs) rendered by Elia to Nemo Link Ltd and Coreso SA/NV. In 2024, Nemo Link Ltd. also paid to Elia Transmission Belgium the cap surplus 2023 in accordance with the regulatory framework for an amount of €40.0 million. This amount has been recognized by the Group as a non controllable revenue returned in full to the tariffs.

Nemo Link Ltd. also rents a building (Herdersbrug) from Elia Asset SA/NV (see also Note 6.20). Purchases of goods mostly relates to services rendered by Coreso SA/NV to the group.

## Transactions with shareholders

There were no transactions with shareholders in 2024, except for the dividend payment.

## Transactions with related parties

Elia's Management Committee also assessed whether transactions occurred with entities in which they or members of the Board of Directors exercise a significant influence (e.g. positions as CEO, CFO, vice-chair of the Management Committee, etc.).

There were some transactions in 2024 in which the key management personnel of the Group has a significant influence. All these transactions took place in the normal course of Elia's business activities. The total value of expenses amounted to €1.2 million. There were sales during 2024 for €45.0 thousand. As at 31 December 2024, there were outstanding trade-receivable positions for €26.6 thousand. There were no outstanding trade-debt positions with related parties.

# 8.4. Subsequent events

No significant events that would result in the financial statements being adjusted occurred after the closing of the financial statements as of 31 December 2024.

However, the following non-adjusting subsequent events can be reported:

**Announcement of a €2.2 billion equity package including a secured €850 million via private placement**

On 7 March 2025, Elia Group announced that the Group has successfully secured €850 million through a private placement (PIPE) of new shares to specific investors including ATLAS Infrastructure with The Future Fund, BlackRock Inc., Canada Pension Plan Investment Board (CPP Investments), and Publi-T/NextGrid Holding. The proceeds will be used to invest in the Group's infrastructure and advance its growth strategy.

Details of the transaction:

- ATLAS Infrastructure with The Future Fund: €234.6 million
- BlackRock: €117.3 million
- CPP Investments: €117.3 million
- Publi-T/NextGrid Holding: €380.7 million (maintaining its 44.79% ownership)

The PIPE is part of a broader plan to raise approximately €2.2 billion, with a rights issue to be completed promptly following the close of the PIPE (before end of April 2025). The PIPE will result in the issuance of approximately 13.8 million new shares. The new shares issued under the PIPE will not be entitled to the 2024 dividend, which is scheduled to be paid in June 2025. They will be issued at a price of €61.88 per share, corresponding to the 30-day Volume Weighted Average Price (VWAP), with no discount, adjusted for the 2024 dividend entitlement detachment.

The closing of the PIPE and the corresponding issue of the new shares under the PIPE are conditional upon certain requirements not yet met at the date of authorization of this report (i.e. 20 March 2025), and in particular the effective launch of the rights issue.

ATLAS, BlackRock and CPP Investments have committed to exercise any subscription rights attached to the shares received in the context of the PIPE. Similarly, Publi-T/ NextGrid Holding has committed to subscribe to all rights it will receive on both its existing and newly issued PIPE shares. Additionally, Publi-T/NextGrid Holding will acquire Publipart's rights corresponding to their ownership of Class A shares (2.5%), with the intention of exercising them and subscribing to the corresponding number of new Class C shares.

In aggregate Elia Group has thus received irrevocable commitment subscriptions representing in excess of 55% of the contemplated rights issue size. The non committed portion of the rights issue is expected to be hard underwritten by a syndicate of banks.

**Additional facilities in Germany**

Eurogrid GmbH, the parent company of 50Hertz Transmission GmbH, entered into a contract with twelve banks for a redeemable loan of one billion euros with a term of ten years as part of 'green' syndicated financing supported by KfW. The loan will finance two offshore grid connections in the North and Baltic Seas. In addition, an existing bond was increased by € 200 million.

# 8.5. Miscellaneous

## The impact of the war in Ukraine

Given the nature and location of its operations and the fact that Elia Group does not currently have activities in Russia nor in Ukraine or with Russian companies, Elia Group does not observe a direct impact of the Ukrainian conflict on its business. However, there is a strong push at the European level to become less dependent from Russian gas and fossil fuels. Accordingly, the Group observes a willingness among the authorities in Belgium and Germany to accelerate the energy transition and the related investment plans.

## Supply chain challenges

The supply chains for key materials and components are getting increasingly stressed and tight. Raw materials are more expensive, wages have increased, and transportation costs are higher than ever. The impact of the war in Ukraine and the geopolitical tensions have increased these pressures. This all resulted in higher price of equipment and works leading to higher projects costs affecting the incurred and forecasted capital expenditures/ regulated asset base. See also note 6.3. Goodwill.

## Climate related matters

Elia Group committed to an absolute GHG emissions reduction target for all Scope 1 and Scope 2 emissions, including grid losses, of 28% by 2030 (taking 2019 as the base year). In addition, Elia Group aims to be fully carbon-neutral in system operations by 2040. In the future, the company will capitalise on the improvements that our suppliers - from the upstream value chain - apply to their CO2 accounting methods. This will enable the setting of Scope 3-related targets.

The resilience of the business model was conducted in financial year 2024, utilizing a robust climate scenario analysis framework to understand the potential impacts on our business model over the next decade. These scenarios guide our strategic planning and decision-making, ensuring that we remain resilient and prepared to mitigate risks across a range of possible climate futures. The outcome of the risk assessment - which considers the capacity to adapt to risks based on the mitigation measures applied - do not lead us to believe, based on the analysed climate scenarios, that climate adaptation, transition and physical risks would have a significant impact on the company's business activities.

The technical installations of both TSO's, spread all over Belgium could be affected by severe weather events like heavy storm or floods. In 2024 heavy storms in Germany and Belgium damaged high voltage pylons, resulting in a write-off of € 0.32 million of the dismantled tangible assets. Elia Group considers that these exceptional weather conditions could be related to E1 Climate change risks.

# 8.6. Services provided by the Auditors

The General Meeting of Shareholders appointed as joint auditors BDO Bedrijfsrevisoren BV (represented by Mr. Michaël Delbeke) and EY Bedrijfsrevisoren BV (represented by Mr. Paul Eelen) for the audit of the consolidated financial statements of Elia Group SA/NV and Elia Transmission Belgium SA/NV. The statutory financial statements of Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Asset SA/NV, and Elia Engineering SA/NV are jointly audited by BDO Bedrijfsrevisoren BV and EY Bedrijfsrevisoren BV. The statutory financial statements of Elia Grid International SA/NV, Eurogrid International SA/NV, WindGrid SA/NV and Coreso SA/NV are solely audited by BDO Bedrijfsrevisoren BV, while Re.Alto BV/SRL is solely audited by EY Bedrijfsrevisoren BV.

50Hertz Transmission Germany appointed BDO AG Wirtschaftsprüfungsgesellschaft for the audit of the consolidated financial statements of Eurogrid GmbH and the statutory financial statements of Eurogrid GmbH, 50Hertz Transmission GmbH, 50Hertz Offshore GmbH and Elia Grid International GmbH.

The following table sets out the fees of the joint auditors and their associates in connection with services delivered with respect to the financial year 2024:

| (in €) | Belgium | Germany | Total |
|---|---|---|---|
| **Statutory audit and review of consolidated and parent company financial statements** | **492,590** | **358,000** | **850,590** |
| **Non-audit services** | **651,719** | **404,047** | **1,055,766** |
| Other audit services (legal requirements) | 480,230 | 309,640 | 789,870 |
| Tax services | 49,989 | — | 49,989 |
| Other services | 121,500 | 94,407 | 215,907 |
| **Total** | **1,144,308** | **762,047** | **1,906,355** |

# 9. Regulatory framework and tariffs

## 9.1. Regulatory framework in Belgium

### 9.1.1 Federal legislation

The Electricity Act, which forms the general basis, lays down the core principles of the regulatory framework governing Elia's activities as a transmission system operator in Belgium.

This Act was heavily amended on 8 January 2012 by the transposition at federal level of the third package of European directives. These changes ensure that the Electricity Act:

- sets out the unbundling of transmission operations from generation, distribution and supply activities;
- sets out in greater detail the rules for operating and accessing the transmission system;
- redefines the transmission system operator's legal mission, mainly by expanding it to the offshore areas over which Belgium has jurisdiction; and
- strengthens the role of the regulatory authority, particularly with regards to the determination of the transmission tariffs.

A number of royal decrees provide more details relating to the regulatory framework that applies to the transmission system operator, particularly the Royal Decree on the Federal Grid Code. Similarly, the decisions passed by the CREG supplement these provisions to form the regulatory framework within which Elia operates at federal level.

### 9.1.2 Regional legislation

Belgium's three regions are primarily responsible for the local transmission of electricity through grids with a voltage of 70 kV or less across their respective territories. Whilst the regional regulators are in charge of all non-tariff aspects of local transmission-system regulation, the setting and monitoring of tariffs falls under federal jurisdiction.

The Flemish Region, the Brussels-Capital Region and the Walloon Region have also transposed into their legislative frameworks the provisions of the third European package that applies to them. The regional decrees have been supplemented by various other rules and regulations relating to matters such as public service obligations, renewable energy and authorisation procedures for suppliers.

### 9.1.3 Regulatory agencies

As required by EU law, the Belgian electricity market is monitored and controlled by independent regulators.

#### Federal regulator

CREG is the federal regulator, and its powers with regard to Elia include:

- approving the standardised terms in the three main contracts used by the company at federal level: the connection contract, the access contract and the ARP contract;
- approving the capacity allocation system at the borders between Belgium and neighbouring countries;
- approving the appointment of the independent members of the Board of Directors;
- determining the tariff methodology to be observed by the system operator when calculating the various tariffs which apply to grid users;
- certifying that the system operator actually owns the infrastructure it operates and that it meets the regulatory requirements for independence from generators and suppliers.

#### Regional regulators

The operation of electricity networks with voltages of 70 kV or less falls under the jurisdiction of the regional regulators. Each of these may require any operator (including Elia if it operates such networks) to abide by any specific provision of the regional electricity rules on pain of administrative fines or other sanctions. However, the regional regulators do not have the power to set tariffs for electricity transmission systems, as tariff setting falls under the exclusive remit of the CREG for these networks.

### 9.1.4 Tariff setting

#### General principles of tariff setting

The essential part of ETB's income and profits come from regulated tariffs charged for the use of the electricity transmission system.

Transmission tariffs are set pursuant to specific regulations and approved by the CREG, based on a methodology, which, in turn, is based on tariff guidelines set out in the Electricity Law. These tariff guidelines have been amended several times, amongst others, to incentivise demand-side response and storage and to increase the competitiveness of the electro-intensive industry, the efficiency of the market and the energy system (including energy efficiency).

Once approved, tariffs are published and are non-negotiable between individual network users and ETB. If the applicable tariffs are, however, no longer proportionate due to changed circumstances, the CREG may require ETB to, or ETB may at its own initiative, submit an updated tariff proposal for approval to the CREG.

The actual volumes of electricity transmitted may differ from the forecasted volumes. Deviations between real volumes of electricity transmitted and budgeted volumes and between effectively incurred costs/revenues and budgeted costs/revenues can result in a so-called "regulated debt" or a "regulated receivable", which is booked on an accrual account. This mechanism applies to all of the above mentioned key parameters for tariff-setting (i.e. fair remuneration, controllable elements, non-controllable elements, influenceable costs and other incentive components). The financial settlement of any such deviations is taken into account when setting the tariffs for the next period.

Regardless of deviations between forecasted parameters and actually incurred costs and revenues, the CREG takes the final decision as to whether the incurred costs and revenues are deemed reasonable, in order to be included in the tariff calculation. This decision can result in the acceptance or rejection of such costs or revenues. To the extent that certain elements are rejected, the corresponding amounts will not be taken into account for the setting of tariffs for the next period.

## Tariff methodology applicable for the tariff period 2024-2027

This section describes the tariff methodology that applied from 2024 to 2027. As foreseen by the Electricity Law, the CREG and ETB agreed in December 2021 on the formal process in relation to the organisation to the steps to be taken (i) to define the tariff methodology for the period 2024-2027 and (ii) to define the effective tariffs applicable for the tariff period 2024-2027.

The process relating to the definition of the tariff methodology for the period 2024-2027 was completed on 30 June 2022. On that date, the CREG published its tariff methodology for the period 2024-2027. At the end of November 2023, the CREG launched a public consultation until 22 December 2023 on a proposed decision to adapt the tariff methodology in order to (i) reevaluate the remuneration with respect to the calculation of the fair margin and (ii) introduce a regulatory framework for the expansion of the Modular Offshore Grid ("MOG II").

The tariff methodology for the period 2024-2027 is very similar to the previous tariff methodology (2020-2023), but the parameters of the fair margin calculation and the incentive framework have been reviewed with one significant change: the risk free rate (OLO) used in the calculation of the fair margin is no longer fixed as in the period 2020-2023 - and as initially planned in the June 2022 decision - but has become floating.

The methodology is "service driven" (cost +) and is largely determined by a "fair remuneration" mechanism combined with certain "incentive components". The tariffs are based on budgeted costs reduced by non-tariff revenues and based on the estimated volumes of electricity transported through the grid. The different drivers for tariff setting are determined based on the following key parameters: (i) fair remuneration; (ii) "non-controllable elements" (costs and revenues not subject to an incentive mechanism); (iii) "controllable elements" (costs and revenues subject to an incentive mechanism); (iv) "influenceable costs" (costs and revenues subject to an incentive mechanism under specific conditions); (v) "incentive components"; and (vi) the settlement of deviations from budgeted sales volumes.

### Fair remuneration

Fair remuneration is the return on capital invested in the grid based on the Capital Asset Pricing Model (CAPM). It is based on the average annual value of the regulated asset base (RAB), which is calculated annually, taking into account new investments, divestments, depreciations and changes in working capital.

For the period 2024-2027, the formula for the calculation of fair remuneration has been defined for any one year (n) as follows:

A: [S x average RAB x [(OLO(n)+(β x risk premium)]]

plus, if the TSO financial structure is greater that 40%, the variable S in the formula in the previous paragraph is set at 40%. and the result of the following formula is added:

B: [(S – 40%) x average RAB x (OLO(n) + 0,70%]

for which:

- RAB(n) = RAB(n-1) + investments(n) – depreciation(n) – divestments(n) – decommissioning(n) +/- change in working capital needs;
- average RAB = average of RAB(n) and RAB(n-1);
- OLO(n), which is also referred to as the risk-free rate, is set at 1.68%;
- S = the aggregated capital and reserves/average RAB, in accordance with Belgian GAAP;
- beta (β) is now fixed and set at 0.69;
- risk premium = 3.5%

The formula which includes the risk-free rate, the beta (β) factor and the risk premium applies to the equity component applied to 40%. of the RAB of the relevant year. Any equity above 40% threshold is remunerated at the risk-free rate plus 0.70%.

It is to note that, in the final tariff methodology for the period 2024-2027 published on 29 February 2024, is included an additional remuneration mechanism linked with the evolution of the Belgian ten-year linear bond rate, as further described below; under "Characteristics of the proposed additional remuneration mechanism".

### Non-controllable elements

A number of costs are considered to be non-controllable by the tariff methodology. These include items such as depreciation of tangible fixed assets, ancillary services (except for the reservation costs of ancillary services excluding black start, which qualify as influenceable costs), costs related to line relocation imposed by a public authority, and taxes, partially compensated by revenues from non-tariff activities (for example cross-border congestion revenues). The costs related to seabed surveys and the repair of offshore installations are also considered non-controllable. Finally, the costs relating to the open integration (e.g. Coreso and JAO) are also non-controllable.

ETB is deemed to have very limited or no impact on these items. Accordingly, they can be covered by the transmission tariffs whatever the amount, as long as they are considered to be "reasonable". Under the previous tariff methodology, certain exceptional costs specific to offshore assets (e.g. the Modular Offshore Grid) have been added to the list of non-controllable costs (see above). This was maintained under the new methodology (relevant e.g. for MOG II). Non-controllable costs also include financing costs incurred in relation to indebtedness to which the so-called "embedded debt principle" is applied. As a consequence, all actual and reasonable financing costs related to debt issued by ETB are included in the tariffs.

### Controllable elements

Controllable elements are costs that are considered by the tariff methodology to be under the ETB's control. The CREG pre-defines a yearly allowance for the period 2024-2027, taking inflation into account. The Company is incentivised to decrease these costs compared to the pre-defined allowance, meaning that they are subject to a sharing rule of productivity and efficiency improvements which may occur during the regulatory period. The sharing factor remains at 50%. Therefore, ETB is encouraged to control its costs and revenue for those controllable elements.

The possible reduction of this pre-defined amount leads to an additional profit equivalent to 50% of the reduction. The remaining 50% is reflected in a reduction of future tariffs. Conversely, cost overruns are non-recoverable (and therefore at the expense of the ETB's shareholders) for 50% and covered by the (future) tariffs for the remaining 50%.

### Influenceable costs

The reservation costs for ancillary services, except for black-start and voltage control, and the costs of energy to compensate for grid losses are considered as influenceable costs, meaning that budget overruns or efficiency gains will create a negative or positive incentive, insofar as they are not caused by a certain list of external factors. 20% of the difference between a reference established for the period and the year Y (corrected by external factors) constitutes a profit (pre-tax) for ETB. The established reference includes a "natural" improvement factor of 10% every year making the saving more difficult to reach year after year. For each of the two categories of influenceable costs (power reserves and grid losses), the total annual amount of the incentive before taxes cannot be negative or exceed €5 million per year.

### Other incentive components

The methodology maintains the incentives as defined for the tariff period 2020-2023 (see below), while adapting the technical parameters for some of them, and adding two new incentives to the current list (one relating to the maximisation of the intraday transmission capacity and the other relating to the improvement of the energy efficiency of Elia Transmission Belgium's substations).

If Elia Transmission Belgium does not perform in line with the targets for these incentives, as set by the regulator, the amount of the incentive allocated to Elia Transmission Belgium will decrease. The impact is reflected in the deferred revenues which will generate future tariff decreases, see the description of the settlement mechanism below (all amounts are pre-tax).

- Market integration: This incentive consists of three elements: (i) financial participations, (ii) increase of cross-border commercial exchange capacity and (iii) the timely commissioning of investment projects contributing to market integration. These incentives can contribute positively to the ETB's profit (€0 to €33.8 million for cross-border capacity (including a new incentive on the intra-day capacity optimisation), % 0 to €8.4 million for timely commissioning). The profit (dividends and capital gains) resulting from financial participations in other companies, which the CREG has accepted as being part of the RAB, is allocated as follows: 60% is allocated to future tariff reductions and 40% is allocated to the ETB's profit (amounts are pre-tax).
- Network availability: The incentive for ETB consists of: (i) if the average interruption time ("AIT") reaching a target predefined by the CREG, ETB's net profit (pre-tax) could be impacted positively with a maximum of €8.8 million; (ii) in case that the availability of the Modular Offshore Grid is in line with the level set by the CREG, the incentive could contribute to ETB's profit from €0 to €4.2million; and (iii) ETB could benefit from €0 to €3.4 million in case that the predefined portfolio of maintain and redeploy investments is realised in time and on budget (amounts are pre-tax).
- Innovation and grants: The content and the remuneration of this incentive covers: (i) the realisation of innovative projects which could contribute to ETB's remuneration for €0 to €5.4 million (pre-tax); and (ii) the subsidies granted on innovative projects could impact ETB's profit with a maximum of €0 to €1 million (pre-tax).
- Quality of customer-related services: This incentive relates to three sub-incentives: (i) the level of client satisfaction related to the realisation of new grid connections which can generate a profit for ETB of €0 to €2.3 million; (ii) the level of client satisfaction for the full client base which would contribute with €0 to €4.2 million to ETB's profit; and (iii) the data quality that ETB publishes on a regular basis which can generate a remuneration for ETB of €0 to €8.4 million (amounts are pre-tax).
- Enhancement of system balancing mechanisms: ETB gets a reward if certain projects related to system balancing as defined by the CREG are realised. This incentive can generate a remuneration between €0 and €4.2 million (pre-tax).
- A new incentive relating to the improvement of the energy efficiency of ETB's substations, amounting to a maximum of €0.8 million.

Based on hypotheses of performance, the contribution of the incentive is estimated at a net remuneration of 1.3-1.4% to be applied to 40% of the RAB, as long as Elia Transmission Belgium succeeds in reaching a reasonable target of 65-70% of the maximum amount on average for all the incentives.

### Regulatory framework for the Modular Offshore Grid

Since 2020, the CREG has amended the tariff methodology to create specific rules applicable to investment in the MOG.

The tariff methodology 2020-2023 included specific rules applicable to the investment in the first stage of the Modular Offshore Grid ("MOG I"). The main features of those rules were (i) a specific risk premium to be applied to this investment (resulting in an additional net return of 1.4% applicable to equity invested in MOG I assets, (ii) specific depreciation rates applicable to the MOG I assets, (iii) certain costs specific to the MOG I assets being treated differently compared to the costs for onshore activities and (iv) a dedicated incentive based on the availability of the MOG I assets.

For the tariff period 2024-2027, the CREG confirmed the regulatory framework as defined in the previous tariff methodology.

For MOG II, the CREG has defined the risk premium at around 1.4% (applicable to 40% of the MOG II regulated asset base), taking into account the fact that MOG II will be part of the larger Princess Elisabeth island. For the island, the CREG proposes a depreciation period of 60 years. For MOG I and II, Elia Transmission Belgium expects that the risk premium will contribute around 0.2% to the regulatory return on equity of Elia Transmission Belgium.

### Characteristics of the additional remuneration mechanism

For each year of the new tariff period 2024-2027, the annual daily average of the Belgian ten-year linear bond rate ("OLO10Y") is determined. Depending on the OLO10Y, the fair margin will be determined based on a three-step, cumulative assessment:

- Step 1: if the OLO10Y falls below 1.68%, the fair margin remuneration rate is fixed at 4.1%, ensuring a floor return;
- Step 2: if the OLO10Y fluctuates between 1.68% and 2.87%, the entire average equity will receive an additional compensation equal to the difference between the OLO10Y and 1.68% At the upper end of this range, this translates into an additional remuneration of 1.19%.; and
- Step 3: if the rate surpasses 2.87%., the entire average equity will benefit from the remuneration of step 1 & step 2, plus a contribution proportional to the difference between the OLO10Y and 2.87%. Hereby, the CREG has decided to differentiate the remuneration

between the old RAB and the new RAB. The old RAB, i.e. assets commissioned until and including 31 December 2021, will receive 50%. of the difference, while the new RAB, i.e. assets commissioned on or after 1 January 2022, will receive the full 100% of the difference.

Based on the parameters as described in the tariff methodology for the period from 2024 to 2027, the average regulatory return on equity for that period is expected to be around 7.2%, depending in part on the actual results, the evolution of the annual daily average of the 10-year Belgian linear bond rate (assuming a OLO10Y of 3.27% over the period 2024-2027), the performance in relation to the various incentives, the respective weight of the new and the old RAB and assuming a target equity/debt gearing ratio of 40/60. Where the assumptions in relation to any of such elements are not met, this can have an adverse impact on the expected average regulatory return on equity. This could in particular be the case if the OLO10Y were to fall (and be lower than 3.27% over a sustained period, which has been assumed for purposes of arriving at an expected average return of 7.2% for ETB).

### Regulatory deferral account: deviations from budgeted values

Over the course of a year, the actual volumes of electricity transmitted may differ from the volumes which are forecasted. If the transmitted volumes are higher (or lower) than those forecast, the deviation is booked to an accrual account during the year in which it occurs. These deviations from budgeted values (a regulatory debt or a regulatory receivable) are accumulated and will be taken into account when the tariffs are set for the subsequent tariff period. Regardless of deviations between the forecast parameters for tariff-setting (fair remuneration, non-controllable elements, controllable elements, influenceable costs, incentive components, cost and revenue allocation between regulated and non-regulated segments) and the actual incurred costs or revenues related to these parameters, the CREG takes the final decision each year as to whether the incurred costs/revenue can reasonably be borne by the tariffs. This decision may result in the rejection of incurred elements. In the event that any incurred elements are rejected, the relevant amount will not be taken into account when the tariffs are set for the next period. Although Elia Transmission Belgium can ask for a judicial review of any such decision, if this judicial review were to be unsuccessful, a rejection may well have an overall negative impact on Elia Transmission Belgium's financials.

### Cost and revenue allocation between regulated and non-regulated segments

The tariff methodology for 2024-2027 features a mechanism enabling Elia Transmission Belgium to develop activities outside the Belgian regulated perimeter and whose costs are not covered by grid tariffs in Belgium. This methodology establishes a mechanism to ensure that Elia Transmission Belgium's financial participation in other companies not considered part of the RAB by the CREG (e.g. stakes in regulated or non-regulated segments outside Belgium) has a neutral impact on Belgian grid users.

### Public service obligations

In its role as a TSO, Elia Transmission Belgium is subject to various public service obligations imposed by the government and/or by regulation mechanisms. Public authorities/ regulation mechanisms identify public service obligations in various fields (such as the promotion of renewable energy, green certificates, strategic reserves, social support, fees for the use of the public domain, offshore liability) for fulfillment by TSOs. The costs incurred by the TSO with respect to these obligations are fully covered by tariff 'levies' as approved by the regulator or by a specific financing by the Belgian state (under the supervision of the regulator). The amounts outstanding are reported as levies.

# 9.2. Regulatory framework in Germany

## 9.2.1 Relevant legislation

The German legal framework is laid down in various pieces of legislation. The key law is the German Energy Act (Energiewirtschaftsgesetz, EnWG), which defines the overall legal framework for the gas and electricity supply industry in Germany. The EnWG is complemented by a number of additional laws, ordinances and regulatory decisions, which provide detailed rules regarding the current system of incentive regulation, accounting methods and grid access arrangements, including:

- the Ordinance on Electricity Network Tariffs (Verordnung über die Entgelte für den Zugang zu Elektrizitätsversorgungsnetzen (Stromnetzentgeltverordnung, StromNEV)), which establishes, among other things, the principles and methods for the grid-tariff calculations and other obligations applying to system operators;
- the Ordinance on Electricity Network Access (Verordnung über den Zugang zu Elektrizitätsversorgungsnetzen (Stromnetzzugangsverordnung, StromNZV), which, among other things, sets out further details about how to grant access to the transmission systems (and other types of networks) by way of establishing the balancing groups, the scheduling of electricity deliveries, control energy and other general obligations, e.g. congestion management (Engpassmanagement), publication obligations, metering, minimum requirements for various types of contracts and the duty of certain system operators to manage the balancing amount system for renewable energy;
- the Ordinance on Incentive Regulation (Verordnung über die Anreizregulierung der Energieversorgungsnetze (Anreizregulierungsverordnung, ARegV)), which sets out the basic rules for incentive regulation for TSOs and other system operators (as outlined in more detail below). It also describes in general terms how to benchmark efficiency, which costs are included in the efficiency benchmarking, how to determine inefficiency and how this translates into yearly targets for efficiency growth.

## 9.2.2 Regulatory agencies in Germany

The regulatory agencies for the energy sector in Germany are the Bundesnetzagentur (BNetzA, or Federal Network Agency) in Bonn for grids to which over 100,000 grid users are directly or indirectly connected; and the specific regulatory authorities in the various federal states for grids to which fewer than 100,000 grid users are directly or indirectly connected. The regulatory agencies are, among other things, in charge of ensuring non-discriminatory third-party access to grids and monitoring the grid-use tariffs levied by the TSOs. 50Hertz Transmission and 50Hertz Offshore are subject to the authority of the Federal Network Agency.

## 9.2.3 Tariff setting in Germany

The tariff regulation mechanism in Germany is currently determined by EnWG, StromNEV and ARegV. The grid tariffs are calculated based on the revenue cap (Section 17 ARegV) and comprise the onshore business.

The initial level of the revenue cap is determined by BNetzA for each TSO for a five-year regulatory period based upon a cost assessment for a "base" year. However, the initial level of the revenue cap is adjusted annually to account for specific cases provided for in the ARegV. If network operators retain revenues in excess of their individually determined revenue cap, a compensation mechanism applies (Section 5 ARegV). The fourth regulatory period started on 1 January 2024 and will end on 31 December 2028.

Tariffs are public and fixed. Only certain customers (under specific circumstances that are accounted for in the relevant laws) are allowed to agree to individual tariffs according to Section 19 StromNEV (for example, in the case of sole use of a network asset). As of 2023 nationwide uniform network tariffs for all German TSOs with control area responsibility are calculated based on an aggregation of their respective cost basis.

To determine the revenue cap for each year within the regulatory period, the costs of TSOs are classified into the following categories.

- Permanently non-influenceable costs (PNIC): these costs are generally direct pass-through costs to customers and are recovered fully, with a two-year time lag, unless stated otherwise. The cost items recognized as PNIC are defined in the ARegV. Examples for PNIC are worker council costs, operational taxes and costs and revenues resulting from so-called procedural regulations inter alia for grid losses, redispatch, costs for European initiatives, ITC or grid reserves, etc. Prior to the fourth regulatory period, the remuneration regime for onshore investments “investment measures” ("IM") were valid for predefined expansion and restructuring investments in the onshore grid, which were considered PNIC. However, the ARegV revision in 2021 introduced the capital cost adjustment (CCA) regime as the new remuneration regime for onshore transmission network investments. The new regime replaced the regime of investment measures in 2024. On 7 March 2024, 50Hertz notified the BNetzA that all investment measures will be transferred to the CCA with retroactive effect from 1 January 2024.
- Temporarily non-influenceable costs (TNIC) and influenceable costs (IC): TNIC are determined and fixed by BNetzA for one regulatory period during the cost assessment. Examples for TNIC are maintenance costs, IT-OPEX, legal and consulting costs, etc. They are included in the revenue cap considering an annual adjustment for inflation and the Xgen. The Xgen reduces the revenue cap as part of the regulation formula. Pursuant to Section 9 paragraph 3 ARegV BNetzA had to determine a new Xgen for the fourth regulatory period. The regulator's final decision on the Xgen was published on 8 January 2025 with value of 0.86 %.In addition, the regulatory framework provides for an individual efficiency value. The efficiency value specifies how the influenceable costs are to be reduced over the course of the regulatory period. 50Hertz is 100% efficient, so actually this regulation does not apply.

Both TNIC and IC include the capital costs (i.e. remuneration for return on equity (based on a cap of 40 %), cost of debt (also subject to a cap if it cannot be proven as being in line with the market), depreciation and imputed trade tax for assets which are included in the base year mechanism with capital cost deduction as one element of the CCA regime).

- The capital cost surcharge as second element of the CCA regime enables an annual adjustment of the revenue cap for cost of capital for new investments. However, this is neither a PNIC nor a TNIC. The capital cost surcharge is calculated in accordance with Section 10a ARegV. It consists of imputed depreciation, imputed interest and imputed trade tax calculated on the basis of the acquisition and production costs of the assets required for operations. The imputed interest rate consists of the return on equity (see

below) as well as a fixed interest rate for cost of debt. The capital cost surcharge is an application procedure. The application for the capital cost surcharge has to be submitted annually by June 30 to BNetzA. When calculating the capital cost surcharge, the capitalised assets necessary for operations are considered if they were capitalised from 1 January of the year following the base year of the revenue cap to be adjusted and are expected to be capitalised by 31 December of the year for which the capital cost surcharge is approved. Only investments that are operationally necessary in accordance with Section 10a ARegV are approved.

With regard to return on capital, BNetzA provides separate revenue allowances for the return on equity and cost of debt, based on 40 % of the total asset value regarded as "financed by equity" with the remainder of the investment treated as "quasi-debt".

The return on equity (RoE) rate is determined by BNetzA for every regulatory period. In October 2021 BNetzA determined the RoE for the fourth regulation period. The RoE is set at 5.07 % (post tax being 4.13 %) for investments realized after 2006 (3.51 % for investments until 2006). 50Hertz appealed against BNetzA's decision on the return on equity. However, in its decision of December 17, 2024, the BGH confirmed the BNetzA's determination of the equity interest rates for the electricity grid operators for the 4th regulatory period. On 24 January 2024, BNetzA announced another decision regarding the regulatory RoE for onshore investments in response to an unexpected and substantial rise in interest rates. According to this decision, the RoE for new onshore investments within the CCA from 2024 onwards will be determined annually, incorporating a fixed risk premium (3 %) and an updated base interest rate ("Base Rate") for that specific year. This Base Rate depends on the performance of the risk-free rate in the underlying year published by the German Federal Bank. This leads to an adjustment from 4.13 % to 5.65 % after tax (which corresponds to 6,92 % before corporate income tax) for the year 2024. As for existing investments up to 2023 and projects that have already been commissioned, the initial unadjusted rate of 4.13 % after tax (which corresponds to 5.07 % before corporate income tax) will be applied throughout the entire regulatory period. With decision from 2 October 2024 BNetzA extended the same regulations to offshore assets. 50Hertz appealed against the BNetzA decision. The process is still pending on the level of the higher regional court.

The fixed interest rate for cost of debt for the respective year of acquisition is to be used in accordance with Section 10a ARegV and is to be calculated as arithmetic mean of following interest rate series published by the German Federal Bank:

1. current yields on domestic bearer bonds - corporate bonds and

2. loans to non-financial corporations over EUR 1 million, with an initial fixed interest rate with a term of more than one year and up to five years.

In addition to the grid tariffs, costs and revenues regarding the offshore business are subject to the Offshore Grid Surcharge as of 2019. The Offshore Grid Surcharge comprises CAPEX (including return on equity) and actual OPEX according to the StromNEV and the ARegV as well as payments to offshore wind farms following the offshore liability provisions established in the EnWG to compensate for interruptions or delays of offshore grid connections. The Offshore Grid Surcharge is calculated annually based on planned costs for year t with a later actual cost settlement in year t+1 and corresponding compensation for deviations between planned and actual costs in the Offshore Grid Surcharge of the year t+2.

Furthermore, 50Hertz is compensated for costs incurred related to its renewable energy obligations, including EEG and CHP/KWKG, and other obligations like the individual grid tariffs mechanism according to Section 19 StromNEV as subject to surcharges. With a new regulation to reallocate additional cost of distribution system operators for the integration of RE systems BNetzA entitles network operators with substantial financial burden to pass on parts of their network costs for the integration of RE systems also to the surcharge for individual grid tariffs.

## 9.3. Regulatory framework for the Nemo Link interconnector

A new five-year period has started in 2024 (period under which the regulators assess the cumulative interconnector revenues) but there were no significant changes to the regulatory framework for the Nemo Link interconnector itself.

For the sake of completeness, below is the detailed description of the regulatory framework applicable to the Nemo Link interconnector.

A specific regulatory framework is applicable to the Nemo Link interconnector from the date of operation which took place on 31 January 2019. The framework is part of the tariff methodology issued on 18 December 2014 by the CREG. The cap and floor regime is a revenue-based regime with a term of 25 years. The national regulators of the UK and Belgium (Ofgem and the CREG, respectively) determined the return levels of the cap and floor ex-ante (before construction) and these remain largely fixed (in real terms) for the duration of the regime. The cap return level can be increased or decreased with maximum 2 per cent. on availability incentives. Consequently, investors will have certainty about the regulatory framework during the lifetime of the interconnector.

The interconnector is currently operational (as from 31 January 2019) and as a result the cap and floor regime has started. Every five years, the regulators will assess the cumulative interconnector revenues (net of any market-related costs) over the period against the cumulative cap and floor levels to determine whether the cap or floor is triggered. Any revenue earned above the cap is returned to the national TSOs in the UK (National Grid plc) and in Belgium (ETB) on a 50/50 basis. The TSOs can then reduce the network charges for network users in their respective jurisdictions. If revenue falls below the floor, then the interconnector owners are made whole by the TSOs which top up the difference. The TSOs can, in turn, recover those costs through the national transmission tariffs in their respective jurisdictions.

Each five-year period will be considered separately. Cap and floor adjustments in one period will not affect the adjustments for future periods, and total revenue earned in one period will not be taken into account in future periods.

– The high-level tariff design is as follows:

| **Regime length** | **25 years** |
|---|---|
| Cap and floor levels | Levels are set at the start of the regime and remain fixed in real terms for 25 years from the start of operation. Based on applying mechanistic parameters to cost-efficiency: a cost of debt benchmark was applied to set the floor, and an equity return benchmark was applied to set the cap. |
| Assessment period (assessing whether interconnector revenues are above/below the cap/floor) | Every five years, with infra-period adjustments if needed and justified by the interconnection company (Nemo Link Ltd). Infra-period adjustments will let the interconnector company (and its shareholders) recover revenue during the assessment period if revenue is below the floor (or above the cap) but will still be subject to true-up at the end of the five-year assessment period. |
| Mechanism | If revenue is between the cap and floor at the end of the five-year period, no adjustment is made. Revenue above the cumulated cap is returned to the end consumers (via a reduction of the national transmission tariffs by the TSOs) and any shortfall of revenue below the cumulated floor will be topped up by the network users (via an increase of the national transmission tariffs by the TSOs). |

– The cap and floor revenue levels for Nemo Link were fixed by Ofgem and the CREG on 17 December 2019. Nemo Link is the first interconnector project to be regulated under the cap and floor regime and reached at the end of 2019 the final assessment stage of the regime, the Post Construction Review (PCR), where Ofgem and the CREG determined the values of the Post Construction Adjustment (PCA) terms that formed the final cap and floor levels for the project. The determined values for the final cap and floor levels are £77.0 million and £43.9 million respectively (in 2013/14 prices).

# Information about the parent company

Extracts from the statutory annual accounts of Elia Group SA/NV, drawn up in accordance with Belgian accounting standards, are provided hereafter in abbreviated form.

Pursuant to Belgian company legislation, the full financial statements, the annual report and the joint auditors' report are filed with the National Bank of Belgium.

These documents will also be published on the Elia website www.eliagroup.eu and can be obtained upon request from Elia Group SA/NV, Boulevard de l'Empereur 20, 1000 Brussels, Belgium.

## Statement of financial position after distribution of profits

| Assets (in € million) | 2024 | 2023 |
|---|---|---|
| **Fixed assets** | **4,346.6** | **3,825.8** |
| Financial fixed assets | 4,346.6 | 3,825.8 |
| Affiliated companies | 4,345.0 | 3,825.8 |
| Participating interests | 4,345.0 | 3,825.8 |
| Other shareholdings | 1.6 | — |
| Other financial assets | 0.0 | 0.0 |
| **Current assets** | **438.2** | **151.9** |
| Stock and contracts in progress | — | — |
| Amounts receivable within one year | 322.6 | 106.0 |
| Trade debtors | 0.7 | 9.4 |
| Other amounts receivable | 321.9 | 96.6 |
| Current investments | 103.9 | 32.5 |
| Own shares | 3.2 | 2.4 |
| Other investments | 100.7 | 30.1 |
| Cash at bank and in hand | 2.7 | 8.8 |
| Deferred charges and accrued income | 9.0 | 4.6 |
| **Total assets** | **4,784.8** | **3,977.7** |

| Equity and liabilities (in € million) | 2024 | 2023 |
|---|---|---|
| **Capital and reserves** | **2,895.1** | **2,903.8** |
| Capital | 1,833.8 | 1,833.8 |
| Issued capital | 1,833.8 | 1,833.8 |
| Share premium account | 739.1 | 739.1 |
| Reserves | 186.7 | 186.6 |
| Legal reserve | 183.4 | 183.4 |
| Repurchase own shares | 3.2 | 2.4 |
| Untaxed reserve | 0.1 | 0.1 |
| Available reserves | — | 0.7 |
| Profit carried forward | 135.6 | 144.4 |
| **Liabilities** | **1,889.8** | **1,073.9** |
| Amounts payable after one year | 1,695.6 | 798.4 |
| Financial debts | 1,695.6 | 798.4 |
| Unsubordinated debentures | 1,395.6 | 798.4 |
| Credit institutions | 300.0 | — |
| Amounts payable within one year | 163.6 | 257.5 |
| Current portion of amounts payable after one year | — | — |
| Financial debts | — | 100.0 |
| Trade debts | 5.0 | 9.3 |
| Suppliers | 5.0 | 9.3 |
| Advances received on contracts in progress | — | — |
| Amounts payable regarding taxes, remuneration and social security costs | 6.5 | 0.7 |
| Taxes | 5.8 | — |
| Remuneration and social security | 0.7 | 0.7 |
| Other amounts payable | 151.9 | 147.5 |
| Accrued charges and deferred income | 30.6 | 18.0 |
| **Total equity and liabilities** | **4,784.8** | **3,977.7** |

## Statement of profit or loss

| (in € million) | 2024 | 2023 |
|---|---|---|
| **Operating income** | **15.5** | **10.9** |
| Turnover | — | 2.9 |
| Increase/(decrease) in inventories of finished goods, works and contracts in progress | — | (3.2) |
| Other operating income | 15.5 | 11.3 |
| **Operating charges** | **(15.9)** | **(30.7)** |
| Services and other goods | (13.7) | (21.7) |
| Remuneration, social security costs and pensions | (2.0) | (2.5) |
| Other operating charges | (0.3) | (6.6) |
| **Operating profit** | **(0.5)** | **(19.8)** |
| Financial income | 208.5 | 276.5 |
| Income from financial fixed assets | 177.8 | 269.5 |
| Income from current assets | 22.3 | 6.1 |
| Other financial income | 8.4 | 0.9 |
| Non-recurring financial income | — | — |
| Financial charges | (65.5) | (41.7) |
| Debt charges | (61.1) | (39.1) |
| Other financial charges | (4.5) | (2.7) |
| Other extraordinary revenues | 14.5 | — |
| **Profit for the period before taxes** | **157.0** | **215.0** |
| Income taxes | (15.0) | — |
| **Profit for the period** | **141.9** | **215.0** |

# Financial terms or alternative performance measures

The Annual Report contains certain financial performance measures that are not defined by IFRS Accounting Standards and are used by management to assess the financial and operational performance of the Group. The main alternative performance measures used by the Group are explained and/or reconciled with our IFRS measures (Consolidated Financial Statements) in this document.

The following APM's appearing in the Annual Report are explained in this appendix:

- Adjusted items
- Adjusted EBIT
- Adjusted net profit
- CAPEX (Capital Expenditures)
- EBIT
- EBITDA
- Free cash flow
- Net finance costs
- Net financial debt
- Regulatory Asset Base (RAB)
- Return on Equity (adj) (%)

## Adjusted items

Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately, as they are important for users to understand the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frameworks applicable to the Group and its subsidiaries. Adjusted items relate to:

- Income and expenses resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary);
- Changes to the measurement of contingent considerations in the context of business combinations;
- Restructuring costs linked to the corporate reorganisation of the Group (i.e. reorganisation project to isolate and ring-fence the regulated segments of Elia in Belgium from the non-regulated segment and regulated segments outside Belgium).

## Adjusted EBIT

Adjusted EBIT is defined as EBIT excluding the adjusted items.

EBIT (Earnings Before Interest and Taxes) = adjusted result from operating activities, which is used to compare the operational performance of the Group over the years.

The adjusted EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortisations and impairments, changes in provisions and other operating expense, plus the share of equity accounted investees – net and plus or minus adjusted items.

## Adjusted net profit

Adjusted net profit is defined as net profit excluding the adjusted items.The adjusted net profit is used to compare the performance of the Group over the years.

## CAPEX (capital expenditure)

CAPEX (Capital Expenditures) = Acquisitions property, plant and equipment and intangible assets minus proceeds from the sale of such items. Capital expenditures, or CAPEX, are investments realised by the Group to acquire, upgrade, and maintain physical assets (such as property, buildings, an industrial plant, technology, or equipment) and intangible assets. CAPEX is an important metric for the Group as it affects its Regulated Asset Base (RAB) that serves as basis for its regulatory remuneration.

## EBIT

EBIT (Earnings Before Interest and Taxes) = result from operating activities, which is used for the operational performance of the Group. The EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortisations and impairments, changes in provision and other operating expense, plus the share of equity accounted investees.

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2024 Elia Group |
|---|---|---|---|---|---|
| Results from operating activities | 348.7 | 532.0 | (1.0) | (0.6) | 879.1 |
| Share of profit of equity accounted investees (net of tax) | 3.3 | — | 29.9 | — | 33.2 |
| **EBIT** | **352.0** | **532.0** | **28.8** | **(0.6)** | **912.2** |
| **Adjusted EBIT** | **352.0** | **532.0** | **28.8** | **(0.6)** | **912.2** |

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2023 Elia Group |
|---|---|---|---|---|---|
| Results from operating activities | 287.6 | 378.7 | (22.0) | (0.1) | 644.2 |
| Share of profit of equity accounted investees (net of tax) | 2.8 | — | 27.3 | — | 30.2 |
| **EBIT** | **290.5** | **378.7** | **5.4** | **(0.1)** | **674.4** |
| **Deduct:** | | | | | |
| Transaction costs (acquisition of a minority stake in energyRe Giga - US) | — | — | (11.9) | — | (11.9) |
| **Adjusted EBIT** | **290.5** | **378.7** | **17.3** | **(0.1)** | **686.3** |

## EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisations) = results from operating activities plus depreciations, amortisation and impairment plus changes in provisions plus share of profit of equity accounted investees. EBITDA is used as a measure for the operational performance of the Group, thereby extracting the effect of depreciations, amortisation and changes in provisions of the Group. EBITDA excludes the cost of capital investments like property, plant, and equipment.

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2024 Elia Group |
|---|---|---|---|---|---|
| Results from operating activities | 348.7 | 532.0 | (1.0) | (0.6) | 879.1 |
| **Add:** | | | | | |
| Depreciation, amortisation and impairment | 243.2 | 374.3 | 2.0 | — | 619.4 |
| Changes in provisions | 1.0 | (0.7) | — | — | 0.3 |
| Share of profit of equity accounted investees (net of tax) | 3.3 | — | 29.9 | — | 33.2 |
| **EBITDA** | **596.1** | **905.6** | **30.8** | **(0.6)** | **1,531.9** |

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2023 Elia Group |
|---|---|---|---|---|---|
| Results from operating activities | 287.6 | 378.7 | (22.0) | (0.1) | 644.2 |
| **Add:** | | | | | |
| Depreciation, amortisation and impairment | 224.4 | 332.2 | 0.9 | — | 557.5 |
| Changes in provisions | (4.6) | — | — | — | (4.6) |
| Share of profit of equity accounted investees (net of tax) | 2.8 | — | 27.3 | — | 30.2 |
| **EBITDA** | **510.2** | **710.9** | **6.3** | **(0.1)** | **1,227.3** |

## Free cash flow

Free cash flow = Cash flows from operating activities minus cash flows from investment activities. Free cash flow provides an indication of the cash flows generated by the Group.

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2024 Elia Group |
|---|---|---|---|---|---|
| Net cash from operating activities | 339.6 | 602.3 | 2.2 | — | 944.2 |
| **Deduct:** | | | | | |
| Net cash used in investing activities | 1,181.4 | 3,485.3 | 516.9 | (313.6) | 4,870.0 |
| **Free cash flow** | **(841.8)** | **(2,883.0)** | **(514.6)** | **313.6** | **(3,925.8)** |

| (in € million) – period ended 31 December | Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | Consolidation entries & intersegment transactions | 2023 Elia Group |
|---|---|---|---|---|---|
| Net cash from operating activities | 324.9 | (1,823.1) | (11.2) | — | (1,509.4) |
| **Deduct:** | | | | | |
| Net cash used in investing activities | 724.7 | 1,580.6 | (163.2) | 144.9 | 2,287.1 |
| **Free cash flow** | **(399.8)** | **(3,403.7)** | **152.0** | **(144.9)** | **(3,796.5)** |

## Net finance costs

Represents the net financial result (finance costs minus finance income) of the company.

## Net financial debt

Net Financial Debt = non-current and current interest-bearing loans and borrowings (including lease liability under IFRS 16) minus cash and cash equivalents. Net financial debt is an indicator of the amount of interest-bearing debt of the Group that would remain if readily available cash or cash instruments were used to repay existing debt.

| (in € million) | 2024 Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | 2024 Elia Group Total | 2023 Elia Transmission | 50Hertz Transmission | Non-regulated segment and Nemo Link | 2023 Elia Group Total |
|---|---|---|---|---|---|---|---|---|
| **Non-current liabilities:** | | | | | | | | |
| Loans and borrowings | 4,733.5 | 7,884.4 | 1,350.9 | 13,968.8 | 3,394.2 | 5,395.9 | 464.7 | 9,254.8 |
| **Add:** | | | | | | | | |
| **Current Liabilities:** | | | | | | | | |
| Loans and borrowings | 211.9 | 622.1 | 25.7 | 859.7 | 583.1 | 58.8 | 113.4 | 755.2 |
| **Deduct:** | | | | | | | | |
| **Current Assets:** | | | | | | | | |
| Cash and cash equivalents | 580.2 | 1,282.4 | 167.7 | 2,030.3 | 498.2 | 761.4 | 108.5 | 1,368.1 |
| **Net financial debt** | **4,365.3** | **7,224.0** | **1,208.9** | **12,798.2** | **3,479.1** | **4,693.3** | **469.6** | **8,641.9** |
| EEG and similar mechanisms - surplus | | 360.5 | | 360.5 | | 352.6 | | 352.6 |
| **Net financial debt, excl. EEG and similar mechanisms** | **4,365.3** | **7,584.5** | **1,208.9** | **13,158.7** | **3,479.1** | **5,045.9** | **469.6** | **8,994.5** |

## Regulated asset base (RAB)

The regulated asset base (RAB) is a regulatory concept and an important driver to determine the return on the invested capital in the TSO through regulatory schemes. The RAB is determined as follows: RABi (initial RAB determined by the regulator at a certain point in time) which evolves with new investments, depreciations, divestments and changes in working capital on a yearly basis using the local GAAP accounting principles applicable in the regulatory schemes. In Belgium, when setting the initial RAB, a certain amount of revaluation value (i.e. goodwill) was taken into account, which evolves from year to year based on divestments and/or depreciations.

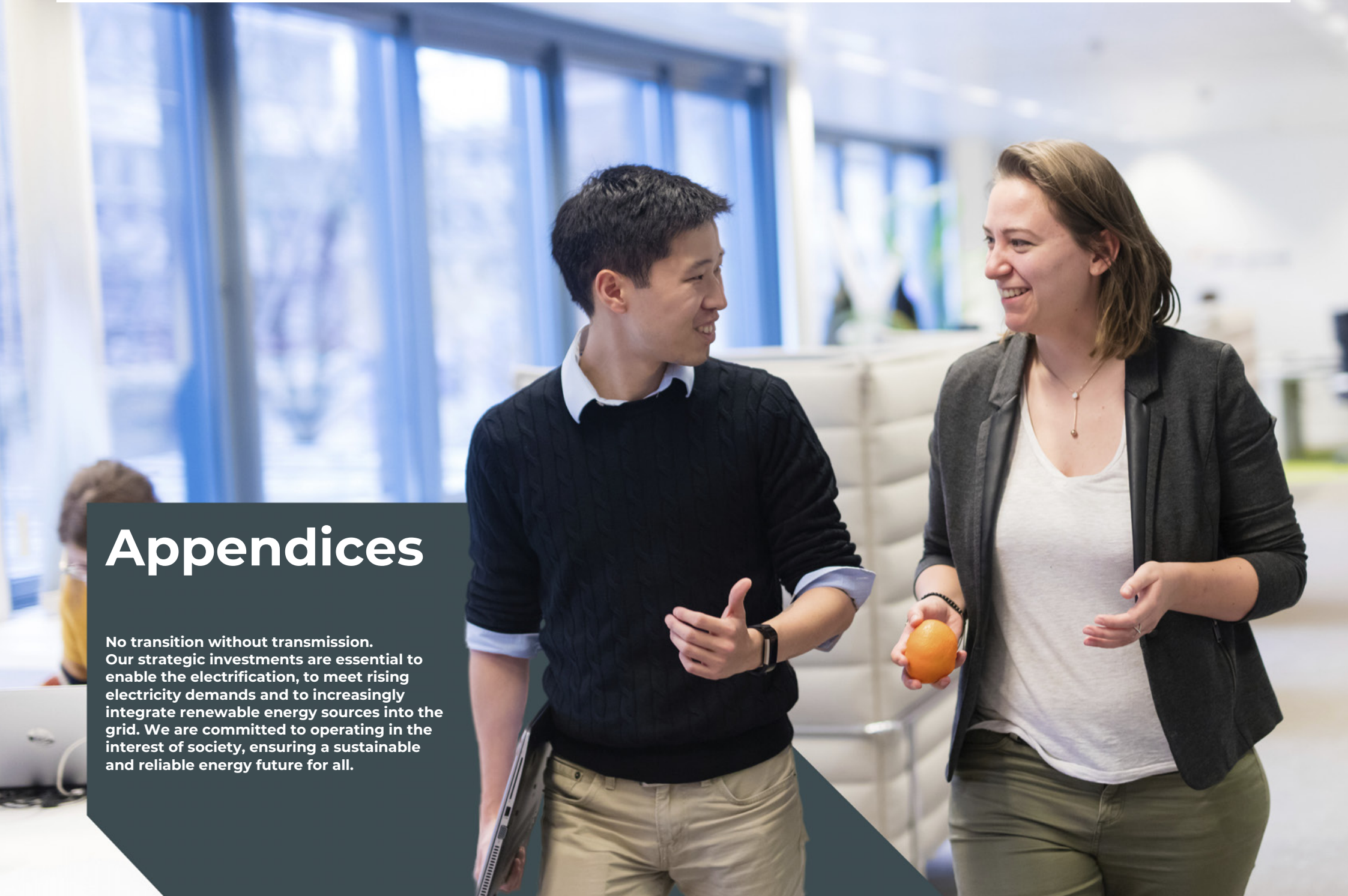
As from 2024, Elia Group RAB will be disclosed as closing RAB including 100% of Belgium and Germany. Prior to 2024, Elia Group reported the RAB for Belgium at 100% closing RAB and for Germany at 80% of the average RAB.

| (in € billion) | Reported 2023 | Comparable 2023 | 2024 | Comparable difference (%) |
|---|---|---|---|---|
| Elia Transmission | 5.9 | 5.9 | 6.9 | 16.1 % |
| 50Hertz Transmission | 6.3 | 8.5 | 11.6 | 36.1 % |
| Elia Group | 12.2 | 14.4 | 18.5 | 27.8 % |

## Return on equity (Adj.) (%)

Return on Equity (RoE adj.) = Net profit attributable to ordinary shareholders divided by equity attributable to ordinary shareholders. The return on equity is adjusted to exclude the accounting impact of hybrid securities in IFRS (i.e. exclude the hybrid security from equity and consider the interest costs as part of comprehensive income). The RoE adj. provides an indication of the ability of the Group to generate profits relative to its invested equity.

| (in € million) – period ended 31 December | 2024 | 2023 |
|---|---|---|
| Profit for the period | 512.5 | 399.5 |
| **Deduct:** | | |
| Profit attributable to holders of hybrid securities | 29.3 | 31.0 |
| Profit attributable to non-controlling interests | 62.0 | 44.1 |
| **Profit attributable to equity holders of ordinary shares (A)** | **421.3** | **324.4** |
| **Divided by:** | | |
| Equity attributable to ordinary shares | 5,040.3 | 4,572.6 |
| **Deduct:** | | |
| Hedging reserve in equity related to future grid losses (50Hertz) | 6.4 | (125.9) |
| **Adjusted equity attributable to ordinary shares (B)** | **5,033.8** | **4,698.5** |
| **Return on Equity (adj.) (%) = (A) / (B)** | **8.37%** | **6.91%** |



# Appendices

**No transition without transmission.**
**Our strategic investments are essential to enable the electrification, to meet rising electricity demands and to increasingly integrate renewable energy sources into the grid. We are committed to operating in the interest of society, ensuring a sustainable and reliable energy future for all.**

# Integrated External Assurance Report

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Elsinore Building
B-1930 ZAVENTEM

**EY Bedrijfsrevisoren BV**
Kouterveldstraat 7B bus 001
B-1831 DIEGEM

## Joint auditors' report to the general meeting of Elia Group NV/SA for the year ended 31 December 2024

In the context of the statutory audit of the Consolidated Financial Statements) of Elia Group NV/SA (the "Company") and its subsidiaries (together the "Group"), we report to you as joint statutory auditors. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as joint statutory auditors by the shareholders' meeting of 16 May 2023, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2025. The audit of the Consolidated Financial Statements of the Group was performed during respectively 23 consecutive years for EY Bedrijfsrevisoren BV and 5 consecutive years for BDO Bedrijfsrevisoren BV.

## Report on the audit of the Consolidated Financial Statements

### Unqualified opinion

We have audited the Consolidated Financial Statements of Elia Group NV/SA, that comprise of the consolidated statement of the financial position on 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures including, material accounting policy information, which show a consolidated balance sheet total of € 24,927.6 million and of which the consolidated income statement shows a profit for the year of € 512.5 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and with applicable legal and regulatory requirements in Belgium.

### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.



### Calculation of net result

*Description of the key audit matter*

As described in the notes 3.3.17. 'Regulatory deferral accounts', 6.21 'Accruals and deferred income', 9.1.4 'Tariff Setting' and 9.2.3 'Tarif Setting in Germany' of the Consolidated Financial Statements, the net result of the Belgian and the German segments is determined by applying calculation methods set by the Belgian federal regulator, the Commission for Electricity and Gas Regulation (the "CREG") and the German federal regulator, the Federal Network Agency (the "BNetzA") (together the "Tariff Mechanisms").

Those tariff mechanisms are based on calculation methods that are complex and require the use of parameters (such as Beta, risk premium and average Belgian ten-year linear bond rate), accounting data of the regulated activities (the Regulated Asset Base, the regulated equity, capital expenditure, subsidies received) and external operating data (such as hourly import capacity, consumer and producer surpluses).

Both Tariff Mechanisms make a distinction between income and expenses based on the level of control that the Group has over the expenses and income. The first type are the non-controllable elements for which deviations are fully passed on to future tariffs. The second type are the controllable elements that the Group can control, and for which under-and overspending is (partly) attributable to the shareholders.

Therefore, the determination of an income and expense as either controllable or non-controllable, can have a significant impact on the Group's net result. The calculation methods of the Group's net result in this respect are complex and require judgement from management, more particularly related to the use of correct accounting data, operating data, and parameters imposed by the regulator. The use of incorrect accounting and operating data, and deviations in used assumptions, can have a material impact on the Group's net result, and therefore the calculation of the net result is a key audit matter.

*Summary of the procedures performed*

Amongst others, we have performed the following procedures:

- Assessing the design and implementation of key controls relating to the calculation of the net result, including those related to (i) the completeness and accuracy of the underlying data used in the calculation and (ii) management review controls;
- Evaluating the adequate and consistent classification of income and expenses by nature (controllable and non-controllable) as described in the Tariff Mechanisms;
- Performing independent mathematical recalculations of the regulated results based on underlying internal documentation and external information, and taking into account the formulas as described in the Tariff Mechanisms;
- Reading minutes of board meetings and evaluate the consistency of the discussions in these meeting with the information and evidence obtained in our audit;
- Reading and evaluating the accounting implications of communications and decisions taken by the CREG and the BNetzA;
- Assessing the adequacy of notes 3.3.17, 6.21, 9.1.4 and 9.2.3 of the Consolidated Financial Statements.

### Capitalization of property, plant and equipment

*Description of the key audit matter*

Given the current evolution in the electricity environment towards green energy production, the Group has very significant investment projects ongoing to connect these new productions sites on the Group's network. The timely and on-budget progress of these investment projects is one of the key performance goals for management as set by the Board of Directors. The progress of these network projects is equally a key performance indicator for investors as a key driver of their return on investment is the maintenance and expansion of the network. It is also an important quantitative and qualitative measure for the regulators. This is further explained and evidenced in Note 6.1 'PPE' and in Note 4 'Segment reporting' of the Consolidated Financial Statements.

These assets are classified as Property, Plant and Equipment ("PP&E"), with a total capital expenditure of € 4,624.4 million in 2024 and a net book value of € 17,692.6 million as at 31 December 2024 or 71.0% of total balance sheet.

The accounting policies describe that all maintenance expenses are considered to be operating expenses ("OPEX") and all new project or replacement investments are considered capital expenditure "CAPEX". As network projects can include both maintenance and investments, the classification as either OPEX or CAPEX requires judgement from

management. Given this judgement, the importance of the amount of PP&E on the total balance sheet, and its relevance to the users of the financial statements as well as the prominence in the Group's communication in press releases and in investor presentations on the progress on new projects, this matter is considered a key audit matter.

*Summary of the procedures performed*

Amongst others, we have performed the following procedures:

- Assessing the design and evaluating the operating effectiveness of key controls, including management review controls, over (i) the appropriate authorization of capitalization, (ii) the compliance of capitalization criteria used with the accounting policies and (iii) the correct classification of expenditure as CAPEX or OPEX;
- Assessing relevant IT application controls with the support of our IT specialists;
- Performing substantive analytical procedures on CAPEX and OPEX by comparing current year figures with the budgeted figures as approved by the regulator at the level of asset classes and projects;
- Testing a selection of additions to PP&E, including those under construction, and assessing whether the expenditure met the criteria for capitalization under IFRS as adopted by the European Union and the Group's accounting policies and whether the CAPEX were allocated to the correct projects, including the assessment of management judgement in case of a project including both maintenance and investments;
- Assessing the adequacy of note 4 and 6.1 of the Consolidated Financial Statements.

### Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

## Report on other legal and regulatory requirements

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

### Responsibilities of the joint auditors

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

### Aspects relating to Board of Directors' report and other information included in the annual report

The Board of Directors' report on the Consolidated Financial Statements contains the consolidated sustainability information that is subject to our separate limited assurance report. This section does not cover the assurance on the consolidated sustainability information included in the annual report.

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.



**Audit report dated 24 March 2025 on the Consolidated Financial Statements of Elia Group NV/SA as of and for the year ended 31 December 2024 (continued)**

**Audit report dated 24 March 2025 on the Consolidated Financial Statements of Elia Group NV/SA as of and for the year ended 31 December 2024 (continued)**

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- 2.3 Key figures - Financial key performance indicators
- 2.5. Highlights

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

**Independence matters**

Our audit firms and our networks have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

**European single electronic format ("ESEF")**

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/eng/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/eng/data-portal) of Elia Group NV/SA per 31 December 2024 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

**Other communications**.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 24 March 2025

The joint statutory auditors

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Paul Eelen *
Partner
*Acting on behalf of a BV/SRL

BDO Bedrijfsrevisoren BV
Statutory auditor
Represented by

Michaël Delbeke

Digitally signed by Michaël Delbeke
DN: cn=Michaël Delbeke, ou=AU, email=michael.delbeke@bdo.be
Date: 2025.03.24 09:40:08 +01'00'

Michaël Delbeke *
Partner
*Acting on behalf of a BV/SRL

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# Joint Auditors' limited assurance report on Elia Group NV/SA's consolidated Sustainability statement

At the attention of the general meeting of the shareholders

As part of the limited assurance engagement on the consolidated sustainability statement of Elia Group NV/SA (the "Company" or the "Group"), we are providing you with our report on this engagement.

We were appointed by the General Meeting of 21 May 2024, in accordance with the proposal of the Board of Directors based on the recommendation of the audit committee and issued on the nomination by the Works Council of Elia Group NV/SA , to carry out a limited assurance engagement on the Company's sustainability information, included in the Sustainability Report of the Annual Integrated Report 2024 as of and for the year ended 31 December 2024 (the "sustainability statement").

Our mandate expires on the date of the general meeting deliberating on the annual financial statements closed as at 31 December 2025. EY Bedrijfsrevisoren BV and BDO Bedrijfsrevisoren BV have carried out the assurance engagement on the sustainability statement of Elia Group NV/SA for 1 consecutive year.

## Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Elia Group NV/SA.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability statement, in all material respects:

- is not prepared in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable European sustainability information standards (the European Sustainability Reporting Standards ("ESRS's"));
- is not compliant with the process carried out by the Company ("the Process") to identify the information included in the sustainability statement in accordance with ESRS's as set out in note 1.4. IRO-1 Description of the Processes to identify and assess material impacts, risks, and opportunities; and
- is not compliant with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as disclosed in note 2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation) within the environmental information section of the Annual Integrated Report.

## Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), applicable in Belgium and issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Statutory Auditor's responsibilities section of our report related to our limited assurance engagement under the section "Joint Auditor's responsibilities relating the limited assurance engagement on the sustainability information".

We have complied with all ethical requirements relevant to the assurance of sustainability engagement in Belgium, including those relating to independence.

The firms apply International Standard on Quality Management 1 ("ISQM 1"), which requires the firms to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the Company's Board of Directors and its appointees the explanations and information necessary for our limited assurance engagement.

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

## Other matters

The scope of our work is only restricted to the limited assurance engagement on the Company's sustainability statement with respect to the current reporting period. Our limited assurance engagement does not extend to information relating to the comparative figures.

## Responsibilities of the Board of Directors in relation to the preparation of sustainability information

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS's and for disclosing this Process in note 1.4. IRO-1 Description of the Processes to identify and assess material impacts, risks, and opportunities, of the sustainability statement. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability statement, which contains the sustainability information as determined in the Process:

- in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable ESRS's;
- in compliance with the requirement provided by Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as described in the disclosures in note 2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation) within the environmental information section of the Annual Integrated Report.

This responsibility includes:

- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors are responsible for overseeing the Company's sustainability reporting process.

## Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS's, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected. Actual results are likely to differ from projections because the future events will not generally occur as expected, and such differences could be material.

In order to define sustainability information, the Company's Board of Directors interprets non-legally defined and other terms. Non-legally defined and other terms may be interpreted differently, including with respect to consistency of their interpretation with the law, and are therefore subject to uncertainty.

## Joint Auditors' responsibilities relating the limited assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work performed in an engagement with a view to obtaining limited assurance is less extensive than in the case of an engagement with a view to obtaining reasonable assurance. The procedures performed in a limited assurance engagement for which we refer to the 'Summary of work carried out' section which differ in nature and timing are less extensive compared to a

reasonable assurance engagement. We therefore do not express a reasonable audit opinion in the frame of this engagement.

As the forward-looking information included in the Sustainability Information, and the assumptions on which it is based, relate to the future, they may be affected by events that may occur and/or by actions taken by the Company. Actual results are likely to differ from the assumptions made, as the events assumed will not necessarily occur as expected, and such differences could be material. Accordingly, our conclusion does not guarantee that the actual results reported will correspond to those contained in the forward-looking sustainability information.

Our responsibilities in respect of the Sustainability statement, in relation to the Process, include:

- Understanding the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in note 1.4. IRO-1 Description of the Processes to identify and assess material impacts, risks, and opportunities.

Our other responsibilities in respect of the Sustainability statement include:

- Understanding the Company's control environment and the processes and information systems relevant to the preparation of sustainable information, but without evaluating the design of specific control activities, obtaining substantive information on their implementation or testing the effectiveness of the internal control measures in place;
- Identifying areas where material misstatements of sustainability information are likely to occur, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

**Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process through:
  - Requesting information to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - Assessing the Company's internal documentation of its Process;
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note 1.4. IRO-1 Description of the Processes to identify and assess material impacts, risks, and opportunities.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its sustainability statement by:
  - Interviewing management and relevant staff responsible for consolidating and implementing internal control measures related to sustainability information;
  - When deemed appropriate, obtaining supporting documentation for the relevant reporting processes; and
- Evaluated whether the information identified by the Process is included in the sustainability statement;
- Evaluated the compliance of the structure and the preparation of sustainability information with ESRS standards;
- Performed inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;





- Performed substantive assurance procedures, based on a sample, on selected information in the sustainability statement;
- Evaluated assurance information on the methods for developing estimates and forward-looking information evaluated as described in the section "Joint Auditors' responsibilities relating the limited assurance engagement on the sustainability information";
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement;
- On a sample basis, reconciled the economic activities with supporting documentation that substantiates the substantial contribution, the do not significant harm contribution, and the minimum safeguard requirements;
- Reconciled inputs to revenue, capital expenditure, and operating expenses, with underlying financial information of the Company.

**Statements regarding independence**

Our audit firms and our networks have not performed any engagements that are incompatible with the limited assurance engagement, and our audit firms have remained independent of the company during our term of office

Brussels, 24 March 2025

The joint statutory auditors

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Paul Eelen *
Partner
*Acting on behalf of a BV/SRL

BDO Bedrijfsrevisoren BV
Statutory auditor
Represented by

Michaël Delbeke

Michaël Delbeke *
Partner
*Acting on behalf of a BV/SRL

# Acronyms

Below is a list of the acronyms used throughout the Sustainability Report.

| Acronym | Full form expression |
|---|---|
| AA | Appropriate Assessment |
| AGM | Annual General Meeting |
| AIT | Average Interruption Time |
| AR | Application Requirement |
| BBEMG | Belgian BioElectroMagnetics Group |
| BoD | Board of Directors |
| CAPEX | Capital Expenditure |
| CEO | Chief Executive Officer |
| CR Pass | Community Relations Passport |
| CREG | Commission for Electricity and Gas Regulation |
| CSDDD | Corporate Sustainability Due Diligence Directive |
| CSRD | Corporate Sustainability Reporting Directive |
| DEI | Diversity, Equality and Inclusion |
| DNSH | Do No Significant Harm |
| DR | Disclosure Requirement |
| DSO | Distribution System Operator |
| EGMB | Elia Group Management Board |
| EIA | Environmental Impact Assessments |
| EMFs | Electric and Magnetic Fields |
| ENTSO-E | European Network of Transmission System Operators for Electricity |
| ENTSO-G | European Network of Transmission System Operators for Gas |
| EPRI | Electric Power Research Institute |
| ESG | Environmental, Social and Governance |
| ESMA | European Securities and Markets Authorities |
| ESRS | European Sustainability Reporting Standards |
| EU | European Union |
| EV | Electric Vehicle |
| ExCo | Local Executive Management Committees |
| GERICS | Climate Service Center Germany |
| GES | Gaz à Effet de Serre |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| GSO | Group Sustainability Office |
| H&S | Health and Safety |
| HR | Human Resources |
| HSE | Health, Safety & Environment |
| HV | High-Voltage |
| HVDC | High-Voltage Direct Current |
| ICP | Internal Carbon Price |
| IFC | International Finance Corporation |
| IFRS | International Financial Reporting Standards |
| ILO | International Labour Organization |
| IPCC | Intergovernmental Panel on Climate Change |
| ISO | International Organization for Standardization |
| KfW | Bank Kreditanstalt für Wiederaufbau |
| KPI | Key Performance Indicator |
| LIFE | L'Instrument Financier pour l'Environnement |
| MCCS | Modular Control Center System |
| NACE | Nomenclature of Economic Activities |
| NGO | Non-governmental organisation |
| NID | Nature Inclusive Design |
| OECD | Organisation for Economic Co-operation and Development |
| OPEX | Operational Expenses |
| PCB | Polychlorinated Biphenyls |
| PFAS | Per-and Polyfluoroalkyl Substances |
| PPE | Property, Plant and Equipment |

| Acronym | Full form expression |
|---|---|
| RCP | Representative Concentration Pathway |
| RES | Renewable Energy System |
| SBTI | Science Based Targets Initiative |
| SCoC | Supplier Code of Conduct |
| SEPPs | Standardised Emergency Preparedness Plans |
| TCFD | Task Force on Climate-related Financial Disclosures |
| TCO | Total Cost of Ownership |
| TRIR | Total Recordable Injury Rate |
| TSC | Technical Screening Criteria |
| TSO | Transmission System Operator |
| TYNDP | Ten-Year Network Development Plan |
| UNGC | United Nations Global Compact |

# Glossary

**Below are two lists, as follows: the first includes the most frequent technical terms, each one accompanied by an explanation of their meaning (please note that these explanations are not the legal definitions of each term). The second list includes Integrated Reporting terms, which aim to support our stakeholders as we progress on our <IR> journey.**

## General terms

**Absenteeism rate:**
This is calculated as the number of days of absence (due to illness, work accidents, or hospitalisation) divided by the number of available workdays.

**Adequacy:**
This is a measure of whether an electricity system carries enough capacity to meet the demand for electricity under normal conditions. A system is considered 'adequate' if it has sufficient capacity; this capacity can come from generation sources (such as a wind farm); electricity imports; and (increasingly) flexible assets.

**Adjusted net profit:**
Adjusted net profit is defined as the net profit excluding adjusted items. Adjusted net profit is used to compare the Group's performance between years.

**Alternating current (AC):**
AC is a type of electrical current which regularly reverses its direction: the direction of the flow of its electrons switches back and forth on a regular basis. A typical household plug is usually an AC plug.

**Balancing services:**
One of the services that system operators have to ensure in order to maintain the balance between supply and demand in real time across the electricity system.

**Biodiversity:**
forested areas managed through ecological aisles Forested areas (in hectares): where projects have been implemented to restore biodiversity under overhead lines divided by total forested areas (hectares) under overhead lines across our control zones.

**Biodiversity:**
high-voltage lines identified as critical for birds equipped with anti-collision devices (bird markers): Number of km of overhead lines equipped with bird markers divided by the number of km of overhead lines identified as posing the greatest risk to birds across our control zones.

**CAPEX:**
Abbreviation of 'capital expenditure'. This is the amount a company spends on building or upgrading its assets; for Elia Group, this includes our lines, pylons, and substations.

**Carbon dioxide equivalent (CO2e):**
A measure of how much a greenhouse gas contributes to global warming when compared with carbon dioxide.

**Carbon footprint:**
This is a measure of the amount of greenhouse gases produced as a result of an individual's or organisation's activities.

**Capacity Remuneration Mechanism (CRM):**
This is one of several measures that can be adopted to ensure a country's security of electricity supply. Such mechanisms provide payments to electricity generators which guarantee that they will be available for electricity generation if this is needed at some future point in time. These payments are in addition to the earnings that power plants make by selling electricity on the market.

**Connected offshore generation capacity:**
Total installed capacity of all offshore wind farms located in the Elia and 50Hertz control areas which are connected to the onshore grid.

**Congestion management volumes (redispatch):**
Volumes of energy which are activated by Elia, 50Hertz and neighbouring TSOs in order to undertake congestion measures both within our own control zones and across borders.

**Cost of congestion management (redispatch):**
Costs related to the activation of congestion measures within our control zones and our share of cross-border congestion measures.

**Double materiality:**
'Materiality' is a principle that guides organisations as they define what is significant for their businesses and, therefore, should be disclosed in their reporting. A topic meets the criteria of double materiality if it is significant from a financial perspective, impact perspective, or both.

**Direct current (DC):**
DC is a type of electrical current which flows in one direction only. Household appliances that run on batteries employ DC.

**Distribution system operator (DSO):**
An organisation which is responsible for the transportation of energy (gas or electricity) across fixed infrastructure, generally on a regional level within a country.

**E-mobility:**
Shortened term for electromobility, which is the umbrella term for methods of transportation which are powered by electricity.

**Earnings per share, adjusted (EPS):**
Result attributable to owners of ordinary shares divided by the weighted average number of shares over the period.

**EBIT:**
Abbreviation of 'earnings before interest and taxes', which result from operating activities, which are used for the Group's operational performance. EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortisations and impairments, changes in provision and other operating expenses, plus the share of equity-accounted investees.

**EBITDA:**
Abbreviation of 'earnings before interest, taxes, depreciation and amortisations', which result from operating activities plus depreciations, amortisation and impairment plus changes in provisions plus share of profit of equity-accounted investees. EBITDA is used as a measure of the Group's operational performance, thereby extracting the effect of depreciations, amortisation and changes in provisions of the Group.

**Electrification:**
This is the process of powering a system or machine via the use of electricity (instead of another energy source, which the electricity replaces).

**End consumer:**
An individual who buys and uses a product or service. In the electricity sector, the term is generally used to refer to household consumers.

**Energy mix:**
This is the breakdown of primary energy sources (such as fossil fuels or renewable energy sources) used to produce secondary energy (such as electricity) for direct use by consumers.

**Environmental EU Taxonomy aligned CAPEX:**
Percentage of Elia Group's CAPEX which is considered aligned according to the EU Taxonomy terminology and the technical screening criteria for "Transmission and distribution of electricity".

**Environmental, social and corporate governance (ESG) matters:**
These are the three broad categories used to assess the impact of a company's practices on the external environment (beyond simply looking at a company's profitability). Companies are increasingly being expected to include ESG metrics in their external reports.

**Flexibility:**
This is a measure of how much an energy system is able to cope with short-term fluctuations in production and consumption. These fluctuations are associated with the integration of increasing amounts of intermittent renewable energy sources into energy systems. It is expected that flexibility assets will play an increasing role in the stabilisation of the grid as RES amounts rise.

**Flexible assets:**
These are household-level assets - such as electric vehicles and heat pumps - that are due to play an important role in maintaining the balance between the supply of electricity and the demand for electricity. For example, the battery of an electric vehicle could be charged and then be used to store that energy temporarily, re-injecting it back into the grid when needed.

**Global Reporting Initiative (GRI) standards:**
These voluntary standards provide a framework for governments and organisations to use when demonstrating accountability for the impact they have on the environment, economy and people.

**Global warming potential (GWP):**
This is a measure of how much a particular gas contributes to global warming relative to CO2. The larger the GWP of a given gas, the more this gas warms the Earth compared to CO2 over the same time period.

**Green bond:**
This is a type of debt instrument which is used to channel investments into projects that have positive impacts on the environment or on climate-related targets.

**Greenhouse gas (GHG):**
Gases that contribute to the warming of the Earth's temperature. GHGs which are produced as a result of human activities include carbon dioxide, methane and sulphur hexafluoride (SF6).

**Grid reliability (based on interruption time):**
This refers to the availability of the onshore grid's connection points. It is calculated based on the average interruption time at these points due to internal and external factors.

**Grid reliability (based on number of incidents):**
This is calculated based on the number of incidents that occur across our grid which do not involve automatic reclosing compared to the total length of the grid (380 kV lines and 220 kV lines, without offshore, without auxiliary supply faults).

**GW:**
Abbreviation of 'gigawatt', which is a unit of energy that measures the amount of energy transferred each second. 1 GW of electricity is roughly enough to power about 750,000 homes.

**GWh:**
Abbreviation of 'gigawatt hour', which is a unit of energy that is equivalent to a steady power of one gigawatt running for one hour.

**Hit rate for consultancy services:**
Calculated as the number of offers contracted divided by the number of offers submitted.

**HVDC:**
Abbreviation of 'high-voltage direct current', which is a type of current that allows power transmission across long distances and between AC transmission systems whose frequencies are not matched.

**Interconnector:**
A high-voltage cable that connects the electricity grids of two countries together. Interconnectors enable power exchanges to occur across borders, contributing to each country's security of supply.

**Intermittency:**
Volatility. Some renewable energy sources are associated with high levels of intermittency, given that they are affected by environmental, daily and seasonal factors.

**Net zero:**
A term indicating balance being achieved between the amount of greenhouse gases emitted into the atmosphere and GHG emissions being removed from the atmosphere.

**OPEX:**
Abbreviation of 'operating expense'. These are a company's costs associated with the day-to-day running of its operations, such as grid maintenance, staff salaries, business travel and rent for office space.

**Power-to-X (PtX):**
This term comprises the group of technologies that use electricity to generate heat (PtH), gas (PtG) or synthetic fuels.

**Prosumer:**
An individual who both consumes and produces value. In the energy sector, such individuals both consume electricity and produce it through the use of their own individual power generators (such as a solar panel, for example). Prosumers may also sell any excess electricity that they produce.

**Renewable energy ratio:**
Total electricity production from RES with respect to total electricity consumption across our grid areas.

**Renewable energy sources (RES):**
Energy which is generated from natural processes or sources that are continuously replenished, such as wind energy, solar energy or hydropower. Some of these sources - such as wind and solar energy - are intermittent.

**Regulatory Asset Base (RAB):**
The RAB of Elia Group is an important driver for determining the return on the invested capital in the TSOs through regulatory schemes. It reflects 100% of ETB's RAB and 50Hertz's RAB.

**Return on Equity adjusted (RoE adj.):**
The Return on Equity is the net profit attributable to the owners of ordinary shares divided by the equity attributable to ordinary shares adjusted for the value of the future contracts (hedging reserve).

**Revenue from external clients:**
Consolidated revenue from third party activities in non-regulated business.

**Scope 1 emissions:**
Direct greenhouse gas (GHG) emissions that occur from our controlled or owned sources. Calculations are GHG Protocol standard based.

**Scope 2 emissions:**
location-based: Indirect greenhouse gas (GHG) emissions associated with the purchase of energy for own use. Calculations are GHG Protocol standard based.

**Sector coupling:**
This refers to the integration of the energy supply sector with end use sectors such as heating, transport and industry; ultimately, sector coupling seeks to decarbonise these sectors of society through the use of green electricity. It includes, for example, the electrification of devices in the areas of heating or transport, so that these electrified devices can operate as flexibility assets; and the production of green hydrogen for industrial use.

**SF6:**
Chemical formula of 'sulphur hexafluoride'. SF6 is used as an insulation and switching gas in gas-insulated high voltage switchgear. It has excellent electrical properties, is non-toxic, and is chemically stable. However, the global warming potential of SF6 is 23,500 times higher than CO2.

**Sustainable Development Goals (SDGs):**
A collection of 17 global goals that were adopted by all United Nations (UN) member states in 2015.

**'Sustainalytics' risk index score:**
A privately-owned risk rating, which captures an issuer's exposure to material ESG risks and the maturity of the management of those risks.

**Total investments:**
Gross CAPEX of Elia and 50Hertz minus client contributions. CAPEX is an important metric for the Group, since it affects the Regulatory Asset Base that serves as basis for its regulatory remuneration.

**Total Recordable Injury Rate (TRIR) of own staff:**
Number of work accidents with and without lost time X 1,000,000 divided by total number of hours worked over the year.

**Transmission system operator (TSO):**
An organisation which is responsible for the transportation of energy (gas or electricity) across fixed infrastructure, generally on a national level within a country. TSOs link generation sources with infrastructure belonging to Distribution System Operators.

**Turnover rate:**
This refers to the percentage of staff who leave the organisation due to planned and unplanned reasons.

**Value chain:**
Term used to describe the whole range of a company's activities that contribute to its delivery of a service or creation of a product.

**Women in leadership positions:**
This is equal to the share of director and senior manager roles that are occupied by women.

## Integrated reporting terms

Business model: The system of transforming inputs through business activities into outputs and outcomes to fulfil an organisation's strategic purpose and create value over the short, medium and long term.

**Capitals:**
Resources and relationships that an organisation depends on to create value. The Integrated Reporting Framework includes six categories of capitals: financial; manufactured (which we have termed 'assets' throughout this report); intellectual (including organisational know-how and its brand and reputation); human (which we have termed 'employees and subcontractors'); social and relationship; and natural (termed 'environmental').

**Inputs:**
The six capitals which are transformed through business activities into outputs and outcomes.

**Integrated reporting:**
An approach to corporate reporting that provides a complete picture of how each of a company's activities creates, preserves or erodes value for its stakeholders in the short, medium and long term.

**Materiality:**
This refers to the influence an issue has on an organisation's ability to create value. Material topics are identified and ranked based on the importance for our stakeholders. For example, the integration of a high amount of renewable energy sources into the energy system is a material issue for Elia Group.

**Outcomes:**
Internal and external consequences of our business activities on the six capitals, which can be positive or negative.

**Outputs:**
Products and services coming from our business activities, as well as any by-products and waste.

# Board minutes extract (12/12/2024)

**Elia Group NV/SA (12/24)**

(The "Company")

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**
**12/12/2024**
**IN ACCORDANCE WITH ART. 7:96 § 1 BCCA**

*(Free translation, for information purposes only)*

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*

**2.3 Meeting of the Nomination and Remuneration Committee of 12.12.2024 (dealt with at the end of the meeting)**

The specific procedure of Article 7:96 of the Belgian Code of Companies and Associations was applied, due to the conflict of interest, within the meaning of Article 7:96 of the Belgian Code of Companies and Associations, on the part of the Chairman, Bernard Gustin, in view of the fact that he was nominated as a candidate CEO of Elia Group.

Bernard Gustin left the meeting during the deliberation and vote on items 2.3 and 7.5 and did not participate in the deliberation and vote on the appointment of the new Chief Executive Officer of Elia Group. The longest-serving Vice-Chairman of the meeting, Geert Versnick, chaired the meeting of the Board of Directors in the absence of the Chairman. The deliberation and vote on the appointment of the new Chief Executive Officer of Elia Group (items 2.3 and 7.5) will be reflected in full in the Annual Report for the year 2024 in accordance with Article 7:96 of the Belgian Code of Companies and Associations. For practical organisational reasons, these items were dealt with at the end of the meeting when all other agenda items had been discussed.

**2.3.1. Recommendation appointment CEO EG and application procedure 7:96 BCCA: for approval**

This topic was dealt with at the end of the meeting.

**2.3.2. Recommendation employment contract CEO EG: for approval**

This topic was dealt with at the end of the meeting.

**2.3.3. External and internal communication + Q&A: for approval**

This topic was dealt with at the end of the meeting.



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**7.5 Appointment CEO EG (dealt with at the end of the meeting)**

Approval of this item was dealt with at the end of the meeting (see below).

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During the deliberation and vote on items 2.3 and 7.5, Bernard Gustin left the meeting and did not participate in the deliberation and vote on the appointment of the new Chief Executive Officer of Elia Group in accordance with the procedure provided for in Article 7:96 of the Belgian Code of Companies and Associations. The meeting was chaired by the longest-serving Vice-Chairman, Geert Versnick, in the absence of the Chairman, Bernard Gustin.

**Item 2.3. Meeting Nomination and Remuneration Committee of 12.12.2024**

The President gave the floor to Dominique Offergeld, Chairman of the Nomination and Remuneration Committee, to report on the proceedings of the Nomination and Remuneration Committee of 12.12.2024.

**2.3.1. Recommendation for appointment of CEO EG and application procedure 7:96 Belgian Code of Companies and Associations: for approval**

The Chairman of the Nomination and Remuneration Committee read out the recommendation of the Nomination and Remuneration Committee as follows:

a) After deliberation, the Nomination and Remuneration Committee decided, by a majority of 3 votes to 2, to recommend the appointment of Bernard Gustin as CEO of Elia Group to the Board of Directors and to approve the employment contract and associated financial terms.

This recommendation is based on the following considerations:

(i) With the appointment of Bernard Gustin, Elia Group NV/SA opts for continuity. Bernard Gustin has been an independent director and Chairman of the Board of Directors of Elia Group NV/SA, Elia Transmission Belgium NV/SA and Elia Asset NV/SA since May 2017. Over the past 7.5 years, he has been involved in all major decisions that have made the Elia group one of Europe's most innovative and reliable system operators. With its focus on international cooperation, sustainability and digitalisation, the Elia group is today a relevant player in the Belgian and German energy transition.

(ii) Bernard Gustin (56) has a very good *curriculum vitae*, which can be summarised as follows: he was educated as a commercial engineer (ICHEC, Brussels) and also holds a degree in international comparative management from ICHEC (Loyola College Maryland) and an MBA from Solvay Business School (VUB). Since then, he has built an impressive career in international business and has already held several key positions in different sectors, first at Procter & Gamble and later at Arthur D. Little. Following Sabena's bankruptcy in 2001, he wrote the business plan for Brussels Airlines and became CEO in 2008, after which he successfully led the airline through a period of transformation. He is currently executive Chairman of Lineas NV/SA and Lineas Group NV/SA. Lineas is the largest private rail operator in Europe. Bernard Gustin is also operational advisor of DWS Infrastructure Fund, Chairman of the Board of Directors of InfraMobility (a leading mobility group in the Benelux) and Vice-Chairman of the Board of Directors of Charleroi Airport. Bernard Gustin is also a director of the Forrest International Group.

(iii) The evaluation and interviews with Korn Ferry revealed the following strengths, among others: Bernard Gustin is a talented candidate who meets the 7 objective criteria for a CEO position within Elia Group, namely (i) experience with the CEO role, (ii) experience in leading a team, (iii) international experience, (iv) multilingualism, (v) competence in an energy or energy-intensive industrial environment, (vi) competence in Capex-intensive environments, (vii) competence in managing complex stakeholders.

(iv) Bernard Gustin's commitment to promoting stakeholder management.

On the latter subject, an independent director present at the meeting organised by the CREG a few days earlier on the MOG II file confirmed that he shares the CREG's analysis on 'stakeholder management'. This director believes that the new CEO of Elia Group, together with his management team, will have a major challenge in this area within Elia Group. In this regard, he explained that the CREG highlighted the difference in the relationship between the regulator and the Fluxys group.

### 2.3.2. Employment contract recommendation CEO EG: for approval

After deliberation, the Nomination and Remuneration Committee unanimously decided to recommend to the Board of Directors to approve the draft employment contract for the new Chief Executive Officer of Elia Group, including the financial terms and conditions therein.

In particular, it is mentioned that the employment contract of the new Chief Executive Officer of Elia Group is identical to that of his predecessor (employment contract with a natural person), with a lower salary package (90% of grade Hay 28).

### 2.3.3. External and internal communication + Q&A: for approval



After deliberation, the Nomination and Remuneration Committee unanimously decided to recommend to the Board of Directors to approve the internal and external communication plan.

Once Bernard Gustin takes up the position of Chief Executive Officer of Elia Group (as from 15 January 2025), Bernard Gustin will be temporarily replaced at the head of the Board of Directors by the Vice-Chairman, Geert Versnick. As soon as Bernard Gustin signs his employment contract as Chief Executive Officer of Elia Group, Bernard Gustin will resign as director. As Chief Executive Officer of Elia Group, Bernard Gustin will only be able to hold two more external mandates.

In 2024, the Nomination and Remuneration Committee, with the help of a headhunting firm, will search for a chairman of Elia Group who is an independent director and can serve as chairman.

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### 7.5. Appointment CEO EG

Having taken note of the recommendation of the Nomination and Remuneration Committee of 12 December 2024, the Board of Directors, by a majority of 8 votes to 3, decided to appoint Bernard Gustin as Chief Executive Officer and Chairman of the Executive Management Board of Elia Group with effect from 15 January 2025 and to approve the contract of employment and related financial terms.

After considering the recommendation of the Nomination and Remuneration Committee dated 12 December 2024, the Board of Directors unanimously decided to approve the draft internal and external communication as proposed by the Nomination and Remuneration Committee.

Bernard Gustin will resign as a director from the date on which he signs his employment contract as chief executive officer of Elia Group.

When Bernard Gustin takes office as Chief Executive Officer and Chairman of the Executive Management Board of Elia Group on 15 January 2025, the Executive Management Board of Elia Group will be composed as follows:

- Bernard Gustin, Chief Executive Officer
- Catherine Vandenborre (Chief Financial Officer)
- Marco Nix (Chief Financial Officer *ad interim*)
- Stefan Kapferer (Chief Executive Officer 50Hertz)
- Peter Michiels (Chief Corporate Affairs)
- Michael Freiherr Roeder von Diersburg (Chief Digital Officer)
- Frédéric Dunon (Chief Executive Officer Elia Transmission Belgium NV/SA et Elia Asset NV/SA).

# 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

The registered office of WindGrid is located at Boulevard de l'Empereur 20 1000 Brussels, Belgium

The registered office of re.alto is located at Boulevard de l'Empereur 20 1000 Brussels, Belgium

## Reporting period

This annual report covers the period from 1 January 2024 to 31 December 2024.

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Bernard Gustin

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.