



Annual Financial Report 2020



Fluxys Belgium





shaping together a bright energy future

We are committed to continue building a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress. Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure.

We transport natural gas while paving the way for the transmission of hydrogen, biomethane or any other carbon-neutral energy carrier as well as carbon dioxide and to accommodate the capture, usage and storage of the latter.



How we create value with our integrated approach to sustainability

At the heart of our integrated sustainability approach sits our purpose, shaping together a bright energy future. It reflects why and how we matter to society.



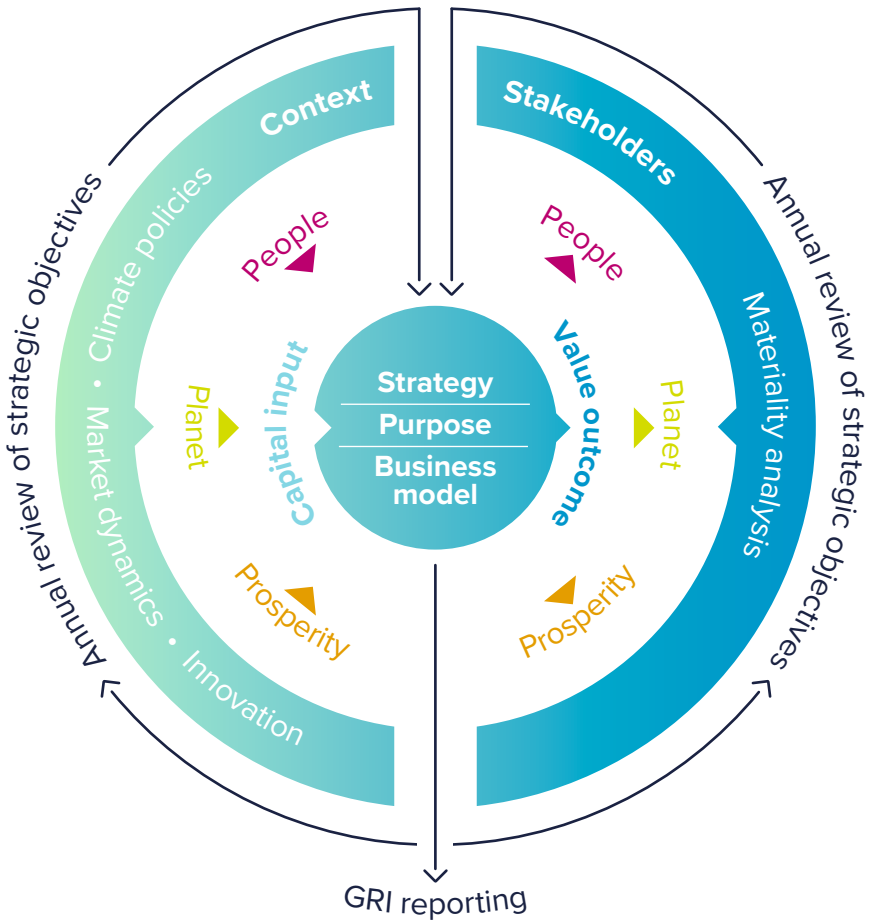
Our **sustainability engagement** is inherent to our purpose and forms an integral part of our strategy. Our engagements are articulated around **3 main capitals: people, planet, prosperity** and supported by related policies. They make up the capitals we work with on a daily basis to create value.



We combine our **strategy** –En route for a green tomorrow with investments in Belgium, further elaborated in the 2 pillars ‘Be fit & grow in Belgium’ and ‘Be the transporter of the future energy carriers’ – with our **business model** to successfully achieve growth and generate value outcomes reflected in our 3 capitals: people, planet and prosperity.



The world around us is constantly changing. To understand the challenges in our activities (**context**) and their impact, we closely monitor Climate policies, Market dynamics and Innovation.



In our integrated approach changes in our operating context and our business progress feed the annual review of our **strategic objectives**.



To measure our sustainable efforts and developments we apply one of the most prominent reporting frameworks, the **Global Reporting Initiative (Core)**.



We can only deliver on our purpose together with our **stakeholders**. Dialogue with our stakeholders helps shape how we define and execute our strategy, including risk management and new business opportunities. Every year we conduct a **materiality analysis** with our stakeholders to identify which topics are of material importance to Fluxys Belgium’s activities.

€ 3.05 bn Extended regulated asset base	€ 1.37 Proposed gross dividend per share (subject to the decision of the ordinary annual general meeting)
€ 42.3 m Investments in infrastructure	€ 427.1 m Contribution to prosperity
161 - 748 Women and men	69 Employees taking on a new role within the company
3.42 <input checked="" type="checkbox"/> Average number of training days per full-time equivalent (number of training days in 2020 was affected by COVID-19 restrictions)	0 Interruptions or reductions in capacity
281,109 MWh Energy consumed Transmission and storage	- 9% Greenhouse gas intensity Transmission and storage
426,640 MWh Energy consumed LNG terminalling	+ 0.6% Greenhouse gas intensity LNG terminalling



Contents



Sustainability report

Message from the Chairman and Managing Director	3
Fluxys Belgium: our profile	9
Who we are and what we do	10
Our business model	17
Our purpose and strategy	18
Our context	20
Our risk management process	22
Research and development	24
Our governance	26
What is most important to our stakeholders	31
Our stakeholders	31
Materiality analysis	34
Memberships	36
Planet	39
Transporting the molecules for a carbon-neutral future	41
Systematically reducing our own climate impact	53

Corporate Governance Declaration	113
Legal and regulatory framework	157
Financial situation	167
Statutory auditor's report and declaration by responsible persons	293
Glossary	304
Shareholder's guide	310

Prosperity	61
Safe and reliable infrastructure	63
Financial resilience	71
Efforts to combat corruption	82
Human rights	83
Good neighbourly relations	85
Digitalisation	88
Supply chain	89
People	91
Health, safety and well-being at work	93
Diversity	98
Our people and organisation	100
Social dialogue	103
References	105
GRI table of contents	105
Independent limited assurance report on selected sustainability indicators	108
Methodology for calculating greenhouse gas emissions	110
Fluxys Belgium Health, Safety and Environment Policy	111

This sustainability report was validated by an external auditor. Validation was carried out according to the 'International Standard on Assurance Engagements (ISAE) 3000 (Revised)', a model developed for the certification of non-financial data. The certified indicators are indicated throughout the report with a .



Daniël Termont
Chairman of the Board of Directors

Pascal De Buck
Managing Director and CEO

Message from the Chairman and Managing Director

This report demonstrates how our strategy creates value for society (Prosperity), the environment (Planet) and our employees (People). Our purpose - shaping together a bright energy future - is the driving force behind our strategy.

The past year was an unusual one, one in which the pandemic changed the face of society and forced us to rethink the way we work and live. Despite these unprecedented circumstances, Fluxys Belgium ended 2020 on a high note.



Society was able to rely on our essential services as a gas infrastructure company at all times throughout the year: we kept energy flowing. At the same time, we reached a new milestone in the development of the LNG terminal in Zeebrugge and made major progress in our efforts to turn our infrastructure into a key tool of the energy transition.

2020 was a strong year for Fluxys Belgium, and this is all down to our employees. Their drive, ingenuity and commitment were crucial in allowing us to continue providing society and our customers with the best possible service while also enabling us to look ahead to the future of our company despite these hard times. We are truly proud of the resilience of our employees and the way they gave their all in this difficult year.



In line with the European Commission's strategy and taking into account the necessary legal and regulatory evolutions, we can gradually transform and develop our infrastructure into complementary networks in which we also transport hydrogen and CO₂, for example.

Prosperity: contributing to society by transporting energy

Together with our customers and the distribution system operators, we provide almost a third of the energy consumed by households and businesses in Belgium. By moving quickly and thanks to the resilience and total commitment of our employees, we ensured that our essential services remained operational in complete safety during the pandemic.

In 2020, Fluxys Belgium made considerable efforts to help alleviate pandemic-related needs in a broad social context, too. During lockdown, many employees throughout the company were personally involved in Fluxys Belgium and other initiatives to provide social and health assistance.

With the support of its shareholders, Fluxys Belgium and parent group Fluxys also freed up approximately €1 million for various organisations and institutions engaged with vulnerable groups, frontline workers and scientific research into COVID-19 in Belgium.

At operational level, record traffic flows at the LNG terminal in Zeebrugge posed a particular challenge. 2020 marked the first full year of transshipment services at the terminal, and March was the busiest ever month for employees, with 30 vessels docking in full COVID pandemic.



The sales teams successfully sold a substantial amount of additional regasification capacity for the LNG terminal in Zeebrugge. This marks a new milestone in the development of the terminal.

Transshipment services made a substantial contribution to the positive development of the company's profits. We are offering our shareholders an increased gross dividend, as in previous years.

Our infrastructure work also remained on schedule, despite the COVID-related measures implemented on our work sites. Together with the distribution system operators, we were able to convert 120,000 connections to H-gas as planned. Thanks to our active cooperation with the distribution system operators, we were also able to shorten the rest of the schedule, with the conversion now expected to be completed in 2024 rather than in 2029.

The sales teams made a concerted effort to sell additional capacity to our border-to-border transmission and storage customers in a challenging market context. They also successfully sold a substantial amount of additional regasification capacity for the LNG terminal in Zeebrugge, marking a new milestone in the development of the terminal.

Planet: our commitment to the climate targets

Fluxys Belgium fully supports the climate targets set out in the Paris Agreement and the European Green Deal. The Green Deal and the European recovery plan that took shape in 2020 in the wake of the pandemic created a momentum for us to proactively accelerate our energy transition strategy.

As such, in 2020 we devised a plan to use our infrastructure sustainably as a tool of the energy transition. In line with the European Commission's strategy and taking into account the necessary legal and regulatory evolutions, we can gradually transform and develop our infrastructure into complementary networks in which we also transport hydrogen and CO₂, for example. The plan will be further developed in collaboration with our



Working safely in a meaningful job took on an extra dimension during the pandemic in 2020. Fluxys Belgium therefore rolled out numerous initiatives to ensure the safety and well-being of our employees and keep them connected.

customers, the distribution system operators, the government and other stakeholders. The intention is to build step by step, taking into account evolutions in the market. At the same time, we are laying the foundations for Belgium's lasting role as an energy hub in North-West Europe for the molecules of the future.

In 2020, we also continued to support the development of the biomethane market in Belgium by actively contributing to the certification systems for carbon-neutral gases. Furthermore, we devised procedures for connecting biomethane producers to our network. In another major development, the Zeebrugge LNG Terminal obtained official certification as an EU-approved process plant for bio LNG.

At the same time, Fluxys Belgium continued to roll out its action plan to halve its own greenhouse gas emissions on 2017 levels by 2025 and we are on track to meet this target. In an addition to the action plan, three additional open-rack vaporisers will be built at the Zeebrugge LNG terminal. Using the heat from seawater to regasify LNG will significantly reduce the terminal's energy consumption and thus its emissions.



We are on track to halve our own greenhouse gas emissions on 2017 levels by 2025.

People: working safely in a meaningful job

Working safely in a meaningful job took on an extra dimension during the pandemic in 2020. Fluxys Belgium therefore rolled out numerous initiatives to ensure the safety and well-being of our employees and keep them connected.

At the same time, the company placed considerable emphasis on establishing transversal teams with a view to enhancing employee diversity and employability. We encourage diversity in the way we think and work in order to develop a creative approach to the energy transition and turn Fluxys Belgium into a gas infrastructure company that transports the molecules for a carbon-neutral future.

To ensure sustained growth, we have also further developed our Employee Value Proposition (i.e. what Fluxys Belgium has to offer as an employer). By switching to digital channels to attract new talent, we were able to maintain our levels of recruitment and kept internal job mobility running smoothly.

Spurred on by the pandemic, Fluxys Belgium quickly shifted to deeper digitalisation and adapted ways of working throughout the company, also laying the foundations for projects that will provide the leverage needed to transform our future challenges into new opportunities for our employees and our organisation.

In the challenging year that was 2020, Fluxys Belgium continued to aim high and achieved strong results. We are keeping our eyes firmly fixed on sustainability and will continue to do everything in our power to provide our essential services to society safely and reliably. We are committed to a carbon-neutral future now more than ever.



By moving quickly and thanks to the resilience and total commitment of our employees, we ensured that our essential services remained operational in complete safety during the pandemic.

Pascal De Buck
Managing Director
and CEO

Daniël Termont
Chairman of the
Board of Directors



Fluxys Belgium: our profile



Fluxys Belgium is pressing ahead with the energy transition to a carbon-neutral Belgium. We provide a reliable supply of natural gas which, as a low-emission fossil energy source, offers security of supply in the transition to a carbon-neutral society.

At the same time, our infrastructure is building a bridge to a hybrid energy future in which carbon-neutral electrons and molecules complement one another in the energy system. In light of this, we are making every effort, in line with the market and together with our stakeholders, to transform our infrastructure into a system to transport the molecules for a carbon-neutral future.

Ingenuity, entrepreneurship and teamwork are the keys to successfully achieving carbon neutrality. These qualities underpin our success today and give us confidence in the future.

Who we are and what we do

Independent gas infrastructure company

Fluxys Belgium is an independent gas infrastructure company with no interests in the generation or sale of energy. In this regard, the Belgian federal energy regulator has certified Fluxys Belgium as a transmission system operator operating in accordance with the full ownership unbundling model as per the European third package of legislative measures for the gas market. We have 90 years' experience in the development, financing, construction, operation and maintenance of gas infrastructure.

Active in the midstream segment

Fluxys Belgium is active in the so-called midstream segment of the natural gas chain: the transmission of natural gas via high-pressure pipeline, the storage of natural gas and the terminalling of liquefied natural gas (LNG). We provide the link between:

- natural gas producers around the world active in the exploration and extraction of natural gas and the production of LNG, biomethane producers, wholesalers and traders of natural gas; and
- suppliers who sell natural gas to end users and distribution system operators who supply natural gas at low pressure to households and SMEs.

Our infrastructure and services

In Belgium, we own and operate 4,000 km of natural gas transmission pipelines, the associated infrastructure as well as the underground natural gas storage facility in Loenhout. Fluxys LNG (a subsidiary in which Fluxys Belgium holds a 99.99 stake) owns and operates the LNG terminal in Zeebrugge.

Transmission services

Fluxys Belgium sells capacity in its pipeline infrastructure to its customers to transport natural gas to distribution system operators, power plants and major industrial end users in Belgium or to send natural gas to border points for transmission to other end-user markets in Europe. Fluxys Belgium also offers gas trading services, allowing customers to buy and sell gas on Belgium's ZTP gas trading platform.

Storage

Fluxys Belgium offers storage services enabling customers to use buffer capacity flexibly according to their needs to ensure the continuity of supplies to end users or for their activities on gas trading platforms.

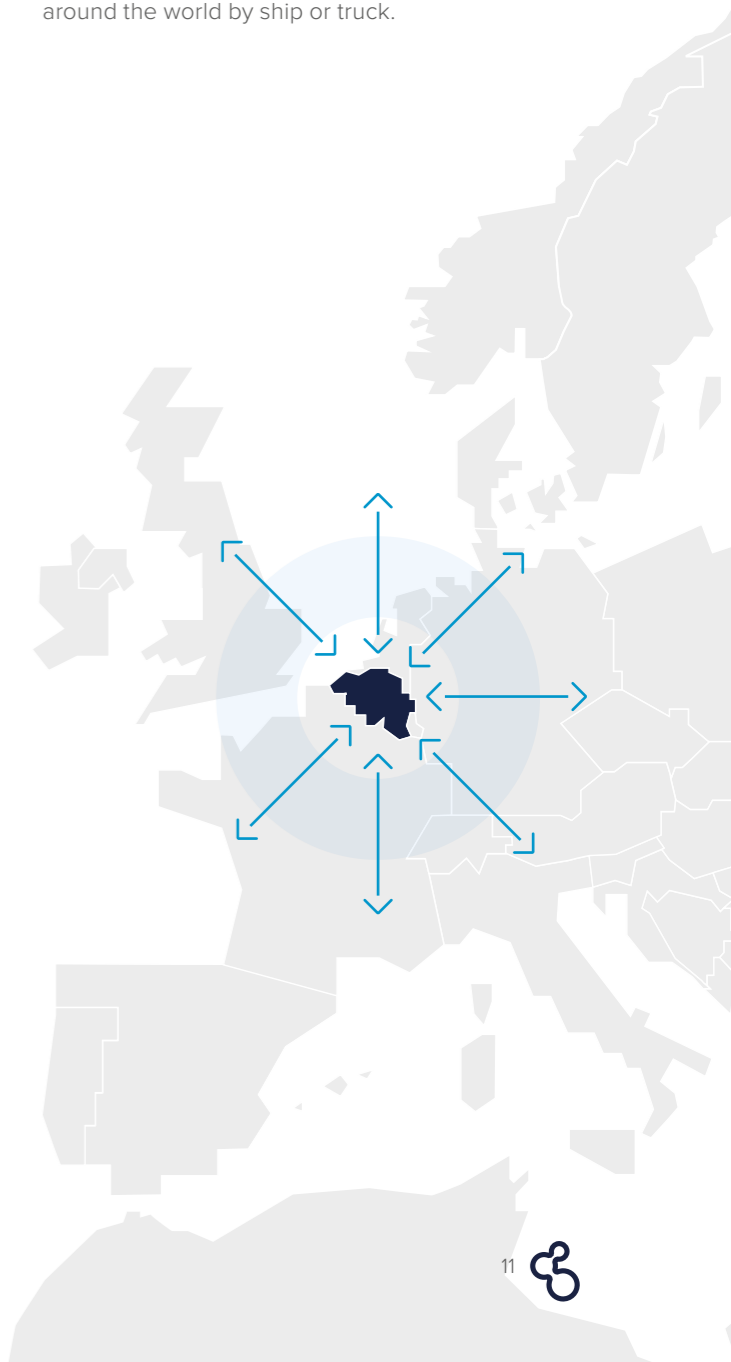
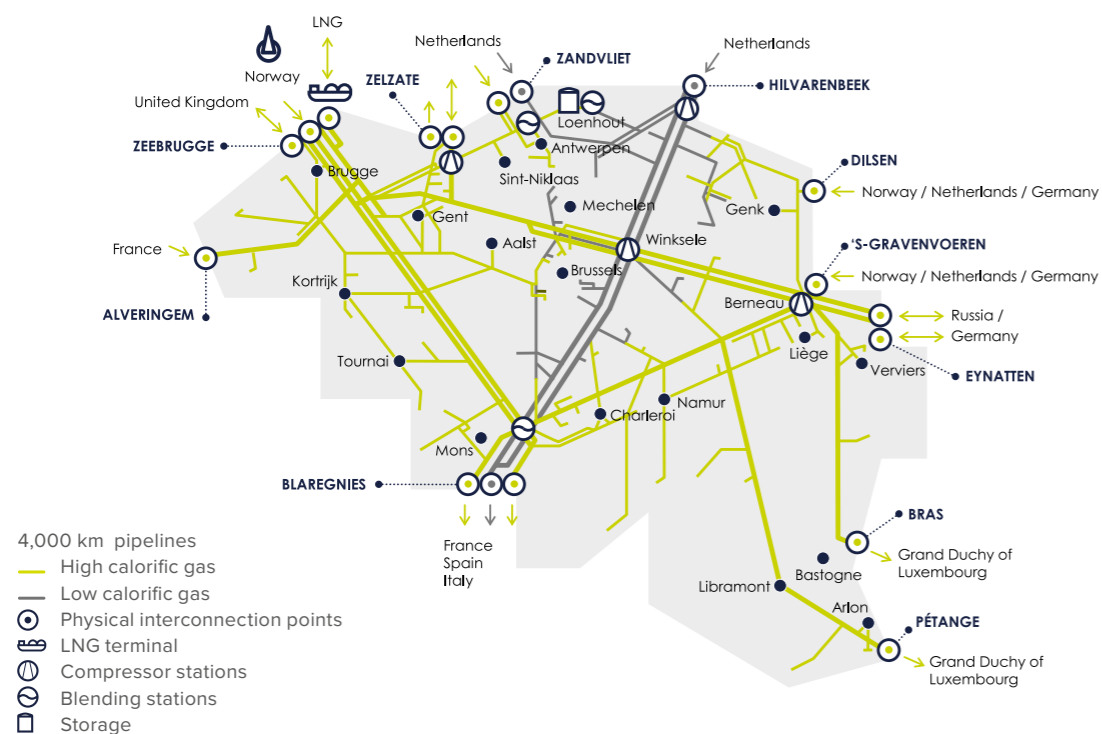
LNG terminalling

At the Zeebrugge terminal, Fluxys Belgium sells capacity for loading and unloading LNG vessels, storing LNG or regasifying it for further transmission on the network. Customers can also transfer LNG between two vessels. Another service is the loading of LNG trailers or containers to supply local networks or industrial sites in Europe where pipeline supplies are unavailable, to supply filling stations for LNG-fuelled trucks, or to supply LNG-powered vessels.

Our network: an energy hub

The Belgian network has excellent connections to all natural gas sources available to the European market, enabling customers to move the LNG they import by ship or the natural gas they supply by pipeline in any direction: France, the United Kingdom, the Netherlands, Germany and Luxembourg. LNG can also be transported from Zeebrugge to other destinations in Europe or around the world by ship or truck.

Key asset: transmission infrastructure





Ready to transport the molecules for a carbon-neutral future

Thanks to our infrastructure, we are building a bridge to the future. The energy mix of tomorrow will comprise wind and solar power as well as carbon-neutral molecules. CO₂ capture, reuse and storage will also be needed in the transition to a carbon-neutral society.

Fluxys Belgium is working hard to help make this future a reality. We devised a plan to use our natural gas infrastructure sustainably as a tool of the energy transition. In line with the strategy of the European Commission and taking into account the necessary evolutions in the legal and regulatory framework, we can gradually transform

and develop our infrastructure into complementary networks in which we also transport hydrogen and CO₂, for example.

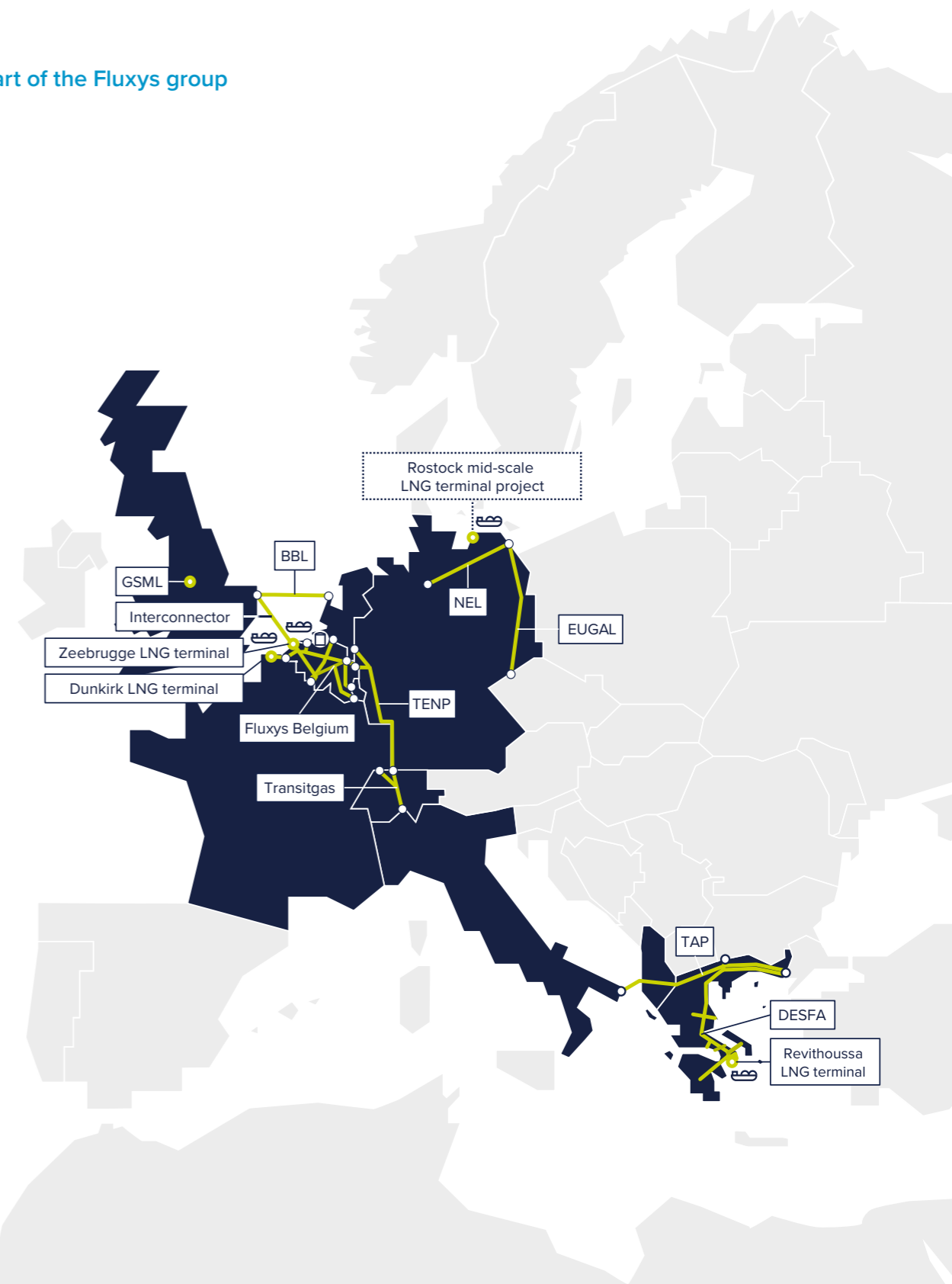
The plan will be further developed in collaboration with our customers, the distribution system operators, the government and other stakeholders. The intention is to build step by step, taking into account evolutions in the market. This will allow us to unlock new solutions for Belgian consumers in their efforts to achieve sustainable recovery and growth. At the same time, we are laying the foundations for Belgium's lasting role as an energy hub in North-West Europe for the molecules of the future.

The power of the molecule

To decarbonise the energy system, we need all hands on deck. The European Commission's projections for 2050 show that a net-zero emissions energy system is likely to be based on a roughly 50/50 split between carbon-neutral electricity and carbon-neutral gases such as hydrogen (H₂), biomethane, synthetic methane and biofuels, which is why gas and electricity networks must be able to work in tandem.

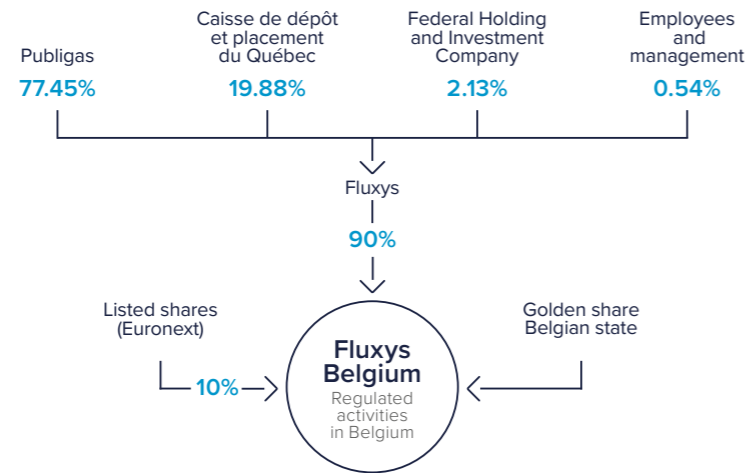
This means electrification with green power where possible and clean gases where this is more appropriate.

Part of the Fluxys group





Our shareholders as at 31 March 2021



Fluxys Belgium is a public limited company and is part of the Fluxys group. The capital of Fluxys Belgium is held by:

- The public limited liability company under Belgian law Fluxys has a capital interest of 90%. This stake is divided between class B shares (83.29%) and class D shares (6.71%).
- The public holds 10% of the shares of Fluxys Belgium, class D.
- The Belgian State holds one share (the 'golden share').

The total number of shares is 70,263,501. All shares are entitled to dividends.

The shares are issued in the following classes: class B, D and the 'golden share'.

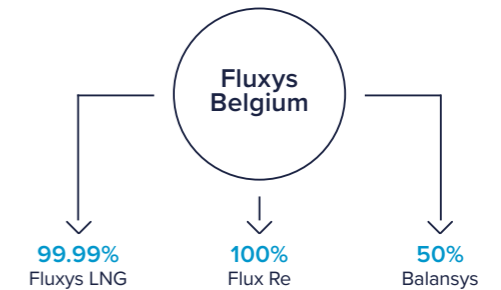
- The shares of class B are and will remain registered shares.
- The shares of class D are registered or dematerialised at the discretion of the shareholder who shall bear any conversion charges.

- The class B shares are automatically converted into class D shares when they are transferred to a third party.
- 16.71% of the shares are listed on Euronext, 6.71% of them are held by Fluxys and the remaining 10% are held by the public.
- The golden share held by the Belgian State gives the federal government special rights should Fluxys Belgium consider selling strategic infrastructure whose sale would, in the competent minister's opinion, compromise the country's energy interests. The Belgian State is represented by the federal Minister of Energy. For more details on the rights attached to the special share of the Belgian State, please refer to the Corporate Governance Declaration, 'Voting rights and special powers'.

The shareholder structure of **parent company Fluxys** is as follows:

- **Publigaz** manages the interests of Belgian municipalities in Fluxys.

Our subsidiaries



Fluxys LNG (consolidated subsidiary – Fluxys Belgium holds a 99.99% stake). Fluxys LNG is the owner and operator of the Zeebrugge LNG terminal and sells terminalling capacity and associated services.

Flux Re (consolidated subsidiary – wholly owned by Fluxys Belgium). Flux Re is a reinsurance company under Luxembourg law.

Balansys (stake consolidated using the equity method – Fluxys Belgium holds a 50% stake). As part of the 2015 integration of the Belgian and Luxembourg gas market, Fluxys Belgium and Creos Luxembourg (the Luxembourg transmission system operator) set up the company Balansys, a joint venture in which Fluxys Belgium and Creos Luxembourg each have a 50% stake. In 2020, Balansys became the operator responsible for balancing activities for the integrated Belgian-Luxembourg gas market.



Our business model

Regulated sale of capacity

Fluxys Belgium derives approximately 97% of its operating income from the sale of capacity and related services in its infrastructure for the transmission and storage of natural gas and LNG terminalling, which are regulated activities monitored by CREG, the Belgian federal energy regulator. This means that, among other things, tariffs, standard contracts and the range of services are established by means of a formal approval process with CREG.

Belgium's regulatory framework provides for a system of turnover regulation. This means that allowed operating revenue is capped at a level at which the company can cover its costs – the operating costs that are controlled by CREG, depreciations, financial costs and return on invested capital. Profit is determined based on various regulatory parameters, including equity invested and a risk-free interest rate.

Infrastructure in a competitive market

Capacity sold for border-to-border transmission accounts for approximately half of revenue from transmission activities. Fluxys Belgium competes with transmission system operators in other North-West European countries that offer border-to-border capacity. The remaining revenue from transmission activities comes from the sale of capacity for the supply of natural gas on the Belgian market. The company has a natural monopoly here.

Natural gas storage and LNG terminalling are competitive markets as well, meaning that the Loenhout storage site is in competition with other storage sites and gas trading platforms in North-West Europe. The Zeebrugge LNG terminal, in turn, competes with other terminals.



Our purpose and strategy

Shaping together a bright energy future

We are committed to continue building a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress. Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure. We transport natural

gas while paving the way for the transmission of hydrogen, biomethane or any other carbon-neutral energy carrier as well as carbon dioxide and to accommodate the capture, usage and storage of the latter.



together

The energy eco-system is complex and the demand for more energy in service of human progress combined with a global need to make energy more sustainable is a challenge that asks for collaboration. Redesigning the energy system will not be easy, yet it can be done if we work together. 'Together' refers to all our stakeholders: our employees, our shareholders, our industrial partners, our customers, citizens and all actors in the energy system. At Fluxys, we actively believe in this collaboration



bright

There is a good deal of discussion around the role of natural gas and its place in the future energy landscape. 'Bright': with optimism, we dare to say that our infrastructure with its energy storage capacity and other forms of gas such as hydrogen and biomethane (green gas), will play a substantial role in the transition to a carbon-neutral energy future for all.



future

The word 'future' encompasses a responsibility. With our unique capabilities as a European gas infrastructure company, we owe it to ourselves to contribute to a greener energy future for the generations to come.



En route for a green tomorrow with investments in Belgium



be fit and and grow

We optimise our gas operations while making well-considered growth choices



be the transporter of the future energy carriers

We support biomethane initiatives, invest in hydrogen and CO₂ transport projects and explore new technologies



Our context

Market dynamics

In 2020, it was once again made clear that, rather than being an island, Europe's natural gas market is embedded in a global dynamic. Flows of pipeline gas and LNG supplies are largely determined by the level of LNG production worldwide and demand for LNG outside Europe.

The first months of 2020 saw a large influx of LNG into Europe as the European market acts as a buffer when there is a global oversupply of LNG. Combined with low demand in Europe during the first lockdown, this led to rock-bottom prices for natural gas on the wholesale market. Prices recovered during the summer as the global market achieved a better balance with lower levels of LNG production. The autumn and winter months were characterised by lower LNG supplies to Europe and higher natural gas demand during the various cold spells both within and outside Europe, which pushed up wholesale prices during that period.

Given the Belgian network's vital role as a gas crossroads and transit infrastructure, it is of key importance for Fluxys Belgium to be able to properly respond in capacity sales to the opportunities that arise for customers through the dynamics between pipeline gas and LNG supplies combined with price movements at gas trading places.

Climate policy and energy transition

In 2020, the European Green Deal became a comprehensive framework comprising strategies and roadmaps clearly focused on cutting greenhouse gases by 55% by 2030. As such, the EU's Hydrogen Strategy and Strategy for Energy System Integration, among others, recognise the role that carbon-neutral gases like hydrogen, biomethane and synthetic methane can play alongside renewable electricity in the energy system of the future. The capture and reuse or storage of CO₂ is also acknowledged as one of the various complementary solutions needed to achieve climate neutrality.

In the wake of the pandemic that shook the world, the European recovery plan also took shape and was grafted onto the Green Deal. With regard to energy specifically, the plan aims to support projects that contribute directly to achieving the climate targets and are therefore future-proof in the long term.

Belgium's federal government agreement clearly endorses the European climate targets and recognises the need for a future-oriented regulatory and market framework regarding the development of the necessary supporting infrastructure.

Innovation

In order to shape the energy transition, innovative technologies will have to be developed or scaled up as quickly as possible along various lines, both in terms of the production of the energy carriers themselves and in terms of how carbon-neutral energy will be transported and stored.

For example, industry is fully committed to developing and expanding innovative technologies to produce carbon-neutral hydrogen. This hydrogen can then be used directly or as a basic component for other innovative derivative products such as synthetic methane or synthetic methanol. These synthetic energy carriers can then be produced using the CO₂ captured from industry to establish innovative, circular production processes with a carbon-neutral or even negative footprint.

The molecules for a carbon-neutral future will of course have to be transported and stored, so Fluxys Belgium is working hard to make this possible thanks to an innovative plan for repurposing existing infrastructure and constructing new infrastructure as tools for the energy transition.





Our risk management process

Integrated risk management

Fluxys Belgium works with a risk management system based on ISO 31000 with a view to generating maximum sustainable value for the organisation's activities. To this end, we map out the possible consequences of uncertainty - both positive and negative - that will have an impact on the organisation. Risk management is integrated into the company's strategy, business decisions and activities.

Process actors

All our departments identify, analyse and evaluate their risks and report on how risks are managed. They work with management to map out the main risks, controls and mitigating measures.

The Audit and Risk Committee examines all key risks, controls and mitigating measures every year.

The Risk Department systematically coordinates and supports the company-wide risk process. This approach is approved by the Audit and Risk Committee.

The risk assessment process takes into account impact on finances, safety, security of supply, sustainability, climate and reputation. Risk assessments are done in the short, medium and long term. The main risks are monitored on a quarterly basis.

Internal control process

The *3 lines of defence model* is the internal control model used to manage our risks and carry out controls.

The first line of defence: the departments themselves, which are responsible for their risks and ensure effective controls and measures.

The second line of defence: the Risk and Compliance teams as well as, in certain cases, the Finance, Health, Safety and Environment, and ICT Security departments. They provide guidance to those in the first line in risk management regarding compliance with regulations, guidelines and internal rules, budget monitoring and the security of staff, facilities, ICT systems and information.

The independent third line of defence: Internal Audit, which is responsible for monitoring business processes. Internal Audit performs risk-based audits to monitor the effectiveness and efficiency of the internal control system and processes. The department also performs compliance audits to ensure that guidelines and processes are consistently applied.





Research and development

Applied research

Fluxys Belgium handles applied-research projects on its own or in collaboration with the higher-education sector or with other companies in the Fluxys group. We also work with the Belgian gas association gas.be and other European companies under the umbrella of various national and international organisations, such as:

- Pipeline Operators Forum (POF);
- European Gas Research Group (GERG);
- European Committee for Standardization (CEN);
- European Pipeline Research Group (EPRG);
- International Organization for Standardization (ISO);
- EASEE-gas (European Association for the Streamlining of Energy Exchange – gas);
- MARCOGAZ, the Technical Association of the European Natural Gas Industry.

The energy transition

Fluxys Belgium and its parent company Fluxys aim to play a leading role in the transmission of the gases needed in a carbon-neutral future and roll out a range of research initiatives to this end. More about these initiatives is provided in the ‘Planet’ section as from p. 39.

Gas for Climate

Fluxys Belgium is a member of the Gas for Climate initiative launched to research and document the role of renewable and emission-neutral gas in the energy system of the future and quantify its contribution to achieving our climate targets.

The initiative consists of 11 European gas transmission companies (DESFA, Enagás, Energinet, Fluxys Belgium, Gasunie, GRTgaz, ONTRAS, OGE, Snam, Swedegas and Teréga) and two renewable gas industry associations (European Biogas Association and Consorzio Italiano Biogas).

In 2020, Gas for Climate carried out the *Gas Decarbonisation Pathways 2020-2050* study, which describes ways to decarbonise gas between 2020 and 2050 and identifies the investments needed to scale up hydrogen and biomethane. Later in the year, Gas for Climate also published a report on key market trends involving renewable and low-carbon gases and a list of examples of leading projects.

Power-to-gas

Fluxys Belgium has teamed up with Vlerick Business School on a power-to-gas research project examining the economic interactions between power-to-gas and the electricity market.

Interaction between energy networks

In 2020, Fluxys and the University of Liège launched *INTEGRATION (INteraction Electricité, Gaz et autres Réseaux énergétiques : modélisAtion, opTi-misation, Investissements et régulatIOn)*, a four-year project investigating interactions between different energy networks (electricity, gas and others) and the associated modelling, optimisation, investment and regulation. A methodology to determine how best to invest across different energy carriers is being developed as part of this project.

Optimising network operation

Integration of innovative gas technology

Fluxys Belgium is looking into the possibility of integrating efficient gas technologies, such as combined heat and power (CHP) and fuel cells, into its buildings and facilities. In 2020, a study was carried out to determine the extent to which a CHP unit could be installed at the Winksele compressor station.

Research into network integrity

Fluxys Belgium runs various projects to improve knowledge of pipeline integrity and the methods used to safeguard it. Together with universities and industrial partners, various studies are being conducted into mechanisms that affect the integrity of pipelines and into alternative inspection technologies.

Use of drones

Fluxys Belgium intends to gradually increase the use of drones in its range of means of operating the transmission system. Among other things, drones can be used to check the condition of surface pipelines that are difficult to access. Studies are also under way into the use of drones to detect natural gas leaks in the future.





Our governance

Fluxys Belgium’s commitment to sustainability is an integral part of its business strategy. This strategy guides our model for creating value for various stakeholders in our three key domains, People, Planet and Prosperity, with Planet incorporating our commitments to achieving the climate targets. The Board of Directors, as the company’s highest body, is responsible for the strategy and its review.

A number of advisory bodies have been established within the Board of Directors to assist the Board in its tasks: the Strategic Advice Committee, the Audit and Risk Committee, the Corporate Governance Committee, and the Appointment and Remuneration Committee.

The Board of Directors has delegated the daily management of Fluxys Belgium and has granted special powers to one of its members, who is called the Managing Director and is also the company’s Chief Executive Officer (CEO). The Managing Director is authorised to entrust certain aspects of the daily management or his specific powers to a Management Team BE.

Fluxys Belgium gives tangible form to its strategy and commitment to sustainability throughout the company by means of corporate objectives in the domains of Planet, Prosperity and People, which are translated every year into personal objectives in the performance management cycle.

The performance-related remuneration of the Managing Director and CEO and of the Management Team BE is based on the extent to which these objectives are achieved. This is evaluated by the Board of Directors based on advice from the Appointment and Remuneration Committee. The achievement of objectives also determines the performance-related remuneration paid to Fluxys Belgium staff. Collective bargaining agreement CAO 90, which applies to employees, also includes incentives aimed at reducing Fluxys Belgium’s greenhouse gas emissions.

➔ More information about corporate governance at Fluxys Belgium can be found the 'Corporate Governance Declaration' section.

Our corporate bodies as at 31 March 2021

Board of Directors

- **Daniël Termont**, Chairman of the Board of Directors and Vice-Chairman of the Strategic Advice Committee
- **Claude Grégoire**, Vice-Chairman of the Board of Directors and Chairman of the Strategic Advice Committee
- **Pascal De Buck**, Managing Director and CEO
- **Jos Ansoms**
- **Laurence Bovy***
- **Sabine Colson***, Chairman of the Corporate Governance Committee
- **Patrick Côté**
- **Valentine Delwart***
- **Sandra Gobert***
- **Andries Gryffroy**
- **Luc Hujoel**, Chairman of the Appointment and Remuneration Committee
- **Ludo Kelchtermans**, Chairman of the Audit and Risk Committee
- **Roberte Kesteman***
- **Anne Leclercq***
- **Renaud Moens**
- **Walter Nonneman***
- **Josly Piette**
- **Koen Van den Heuvel**
- **Geert Versnick**
- **Sandra Wauters***
- **Luc Zabeau**
- **Tom Vanden Borre**, federal government representative acting in an advisory capacity
- **Maxime Saliez**, federal government representative acting in an advisory capacity

Nicolas Daubies, Company Secretary and General Counsel, acts as secretary to the Board of Directors.

Strategic Advice Committee

- **Claude Grégoire**, Chairman
- **Daniël Termont**, Vice-Chairman
- **Jos Ansoms**
- **Patrick Côté**
- **Valentine Delwart**
- **Luc Hujoel**
- **Walter Nonneman**
- **Koen Van den Heuvel**
- **Sandra Wauters**
- **Andries Gryffroy**, observer acting in an advisory capacity
- **Tom Vanden Borre**, federal government representative acting in an advisory capacity
- **Maxime Saliez**, federal government representative acting in an advisory capacity

Nicolas Daubies, Company Secretary and General Counsel, acts as secretary to the Strategic Advice Committee.

* Independent director under the provisions of the Gas Act and the Belgian Code on Corporate Governance.



Audit and Risk Committee

- Ludo Kelchtermans, Chairman
- Laurence Bovy
- Sabine Colson
- Patrick Côté
- Anne Leclercq
- Renaud Moens
- Sandra Wauters

Nicolas Daubies, Company Secretary and General Counsel, acts as secretary to the Audit and Risk Committee.

Appointment and Remuneration Committee

- Luc Hujoel, Chairman
- Laurence Bovy
- Valentine Delwart
- Roberte Kesteman
- Walter Nonneman
- Koen Van den Heuvel
- Geert Versnick

Anne Vander Schueren, HR Director, acts as secretary to the Appointment and Remuneration Committee.

Corporate Governance Committee

- Sabine Colson, Chairman
- Valentine Delwart
- Sandra Gobert
- Roberte Kesteman
- Anne Leclercq
- Josly Piette
- Luc Zabeau

Nicolas Daubies, Company Secretary and General Counsel, acts as secretary to the Corporate Governance Committee.

Managing Director and CEO and Management Team BE

Managing Director and CEO

Pascal De Buck

Management Team BE

- Arno Bûx, member of the Management Team BE and Chief Commercial Officer
- Christian Leclercq, member of the Management Team BE and Chief Financial Officer
- Peter Verhaeghe, member of the Management Team BE and Chief Technical Officer

Nicolas Daubies, Company Secretary and General Counsel, acts as secretary.



Pascal De Buck



Peter Verhaeghe



Arno Bûx



Christian Leclercq



What is most important to our stakeholders



The reporting in this sustainability report integrates non-financial information in line with Global Reporting Initiative (GRI) Standards - Core¹ and thus provides an explanation of the topics that are material to Fluxys Belgium's activities, taking into account the context and value chain in which the company operates and the interests of the company's stakeholders.

Our stakeholders

As in 2019, Fluxys Belgium once again did a mapping of its stakeholders in 2020 with a view to identifying the extent of any mutual interaction between the scope of Fluxys Belgium's activities and those of potential stakeholders.

Given Fluxys Belgium's role in the energy transition, non-governmental organisations have been included as stakeholders.

Some stakeholders have also seen their role change. For example, a number of stakeholders with whom Fluxys Belgium has had long-standing commercial relations in the context of natural gas supply are now partners in projects to transport carbon-neutral energy carriers and CO₂ in Belgium.

1. The Global Reporting Initiative (GRI) provides a generally accepted system for sustainability reporting. This includes principles and indicators that organisations can use to uniformly and transparently report on their economic, environmental and social performance.



Stakeholder	Interaction	Expectations
Employees	<ul style="list-style-type: none">Constant provision of information via the intranet and a wide range of training courses and opportunities for developmentContinuous contact through daily managementRegular consultation on platforms such as the works council or Committee for Prevention and Protection at Work(In)formal chats about psychosocial risks	<ul style="list-style-type: none">Good employerSafe, healthy working environmentFluxys Belgium's active role in the energy transition
Local residents	<ul style="list-style-type: none">Residents owning or using land where our infrastructure is located or in the vicinity thereofAgricultural, forestry and hunting organisationsPermit authorities, local authorities and emergency services of the towns, cities and municipalities where our infrastructure is located or where we carry out work	<ul style="list-style-type: none">Contact in the framework of daily operations and the construction of infrastructureInformation campaignsAwareness-raising campaignsDrills with emergency services <ul style="list-style-type: none">InformationSafetyLimitation of disruption
Shareholders	<ul style="list-style-type: none">Regular consultation in the company's various bodies with shareholders' representatives on matters including strategy, financial performance, risk management, and the safety and reliability of natural gas transmission	<ul style="list-style-type: none">Fluxys Belgium plays an active, positive role in the energy transition thanks to its sound financial situation and reliable infrastructure
Customers	<ul style="list-style-type: none">The users of the transmission system, the Loenhout storage facility and the Zeebrugge LNG terminal: gas producers, wholesalers, traders and suppliers who buy capacity in the company's infrastructure to get their gas to its intended destinationDistribution system operators connected to Fluxys Belgium's grid to deliver gas to homes and SMEsConsumers directly connected to the transmission system, such as industrial companies and natural-gas-fired power plants. They mostly do not purchase capacity from Fluxys Belgium but there is an operational link due to their physical connection to the transmission system.	<ul style="list-style-type: none">Optimum availability of infrastructure capacityCompetitive tariffsCustomers, who take account of total emissions generated by their supply chain, have high expectations with regard to their suppliers' climate impact.

Stakeholder	Interaction	Expectations
Suppliers	<ul style="list-style-type: none">Regular contact with the business units and the central procurement office with regard to the execution of contractsA number of suppliers are initially in close contact with the business unit in question and the central procurement office with regard to the qualification procedure to be completed by suppliers in order to be able to supply products and services to Fluxys BelgiumSome suppliers receive a questionnaire about their environmental, health and safety practices	<ul style="list-style-type: none">In light of supplier reputation management: Fluxys Belgium's climate and environmental commitments
Authorities and regulators	<ul style="list-style-type: none">The Belgian and European authorities and energy regulatorsFinancial regulators such as the Financial Services and Markets Authority (FSMA)	<ul style="list-style-type: none">Consultation and information exchange with the federal energy regulator, the Federal Public Service (FPS) Economy and the European energy regulatorPeriodic regulated information to the FSMA via publications, reports and notifications <ul style="list-style-type: none">Well-functioning energy marketSafe and reliable transmission infrastructureInitiatives regarding the energy transition
Financial institutions	<ul style="list-style-type: none">Periodic regulated information via publications, reports and notifications	<ul style="list-style-type: none">Transparent information about Fluxys Belgium's corporate social responsibility
Non-governmental organisations	<ul style="list-style-type: none">Non-governmental organisations active specifically in the fields of energy transition, climate change and environmental issues such as biodiversity, water and waste management	<ul style="list-style-type: none">Consultation and exchange of views <ul style="list-style-type: none">Transparent information and clear commitments

Materiality analysis

As in 2019, Fluxys Belgium consulted in 2020 its stakeholders to gather their views on the significance of Fluxys Belgium’s role and impact in the 17 relevant sustainability areas.

The company’s Management Team was also consulted. The materiality matrix shows the consolidated result of both consultations.

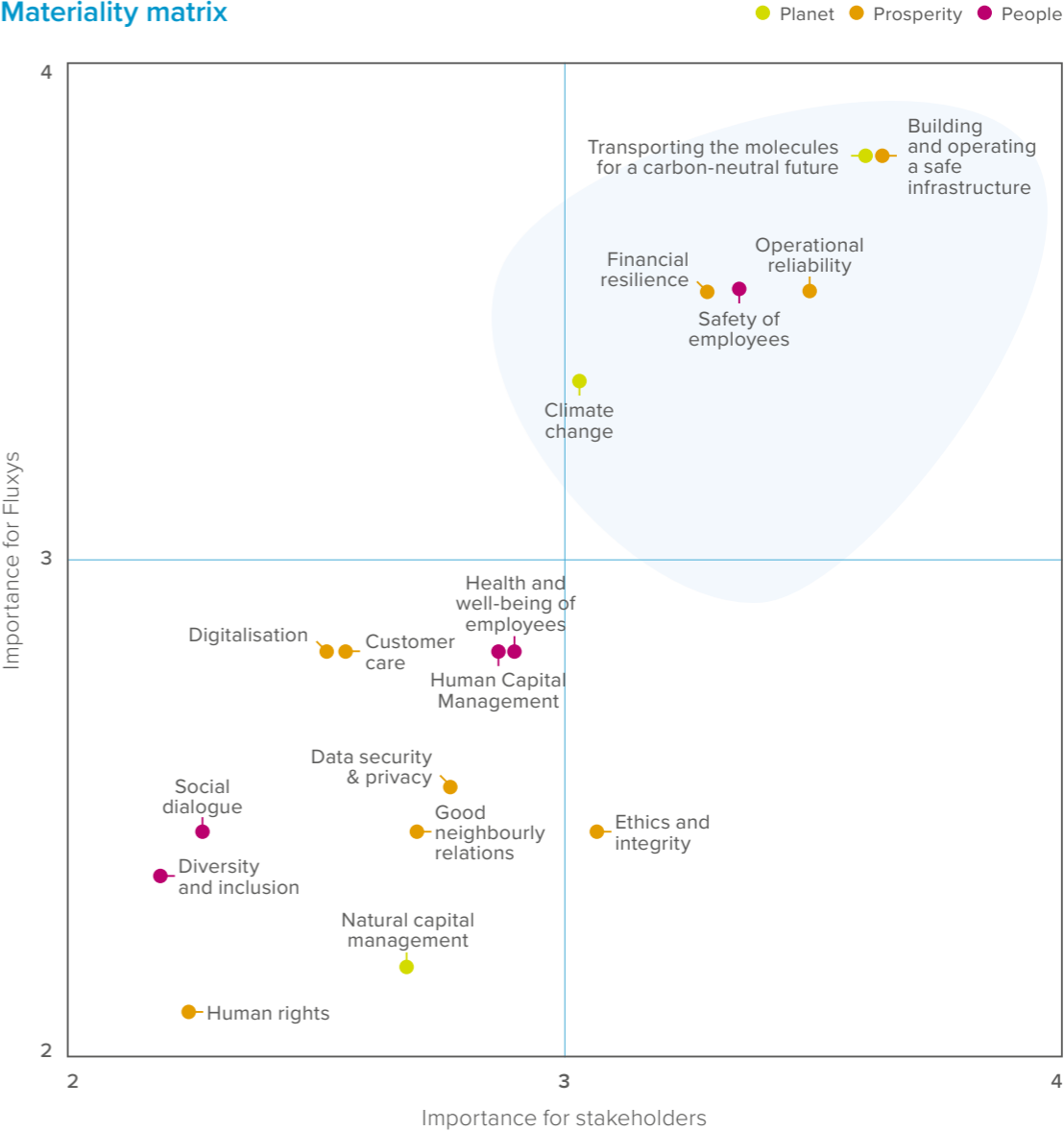
Overview of areas considered essential by both the Fluxys Belgium Management Team and the company’s stakeholders

Building and operating safe infrastructure safety of infrastructure over its entire life cycle, from design to decommissioning	Safety of employees employee safety, including occupational accidents
Transporting the molecules for a carbon-neutral energy system transporting hydrogen, synthetic methane, biomethane, other carbon-neutral energy carriers and CO ₂	Financial resilience the economic performance and development of business activities that create value for all stakeholders
Operational reliability operational excellence, security of supply, including security of information and communication systems	Climate change the impact of our own activities on the climate (greenhouse gas emissions and energy efficiency)

Reporting methodology

This sustainability report provides extensive information on the six key areas mentioned above and on human rights, diversity and and	anti-corruption activities in line with GRI Standards (Core), while touching more succinctly on the other areas in the materiality matrix.
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Materiality matrix





Memberships

	Energy	Climate - Environment	Research - Technology
Antwerp@C (via parent company Fluxys)	x	x	x
European Network of Transmission System Operators for Gas (ENTSOG)	x	x	
Gas Infrastructure Europe (GIE)	x	x	
Belgian Welding Institute			x
Biogas-E	x	x	
Buisleiding Industrie Gilde (BIG)			x
Carbon Connect Delta (via parent company Fluxys)	x	x	x
CEDIGAZ	x		
Centre Français de l'Anticorrosion (CEFRACOR)			x
European Committee for Standardization (CEN)			x
Centre on Regulation in Europe (CERRE)	x		
COGEN Vlaanderen	x	x	
EASEE-gas	x		
European Pipeline Research Group			x
Federatie van transporteurs per pipeline (Fetrapl)	x		
gas.be	x	x	x
Gas for Climate	x	x	
European Gas Research Group (GERG)			x
H2GridLab (via parent company Fluxys)	x	x	x
Hydrogen Europe	x	x	
International Group of Liquefied Natural Gas Importers (GIIGNL)	x	x	
International Gas Union (IGU)	x	x	
International Organization for Standardization (ISO)			x
MARCOGAZ	x	x	x
NGVA Europe	x	x	
North-C Methanol (via parent company Fluxys)	x	x	x
Pipeline Operators Forum			x
Power-to-Methanol Antwerp (via parent company Fluxys)	x	x	x
Science Based Targets initiative		x	x
Smart Delta Resources	x	x	
Society of International Gas Tanker and Terminal Operators (SIGGTO)	x		
Synergrid	x	x	
The Shift		x	
Valorisation de la Biomasse (ValBiom)	x	x	
H2 Import Coalition (via parent company Fluxys)	x	x	x
WaterstofNet	x	x	





Planet



Fluxys Belgium fully supports the climate targets set out in the Paris Agreement and the European Green Deal. This is why we are working hard to help shape the transition to a wholly carbon-neutral energy system. Our commitment to the climate targets is an integral part of our Health, Safety and Environment Policy:

- We are committed to accommodating the energy carriers of the future
- We invest in reducing our greenhouse gas emissions
- We improve our ecological footprint

-9%

Carbon intensity
Transmission and storage
(compared to 2019)
See page 57.

+0.6%

Carbon intensity
LNG terminalling
(compared to 2019)
See page 57.

Transporting the molecules for a carbon-neutral future:
progress of preparations





In 2020, we specifically focused on:



Our plan to join forces with industry, distribution system operators and other stakeholders to develop our infrastructure in line with the market into a system in which we transport carbon-neutral energy carriers and CO₂



Initiatives to develop the biomethane market



Initiatives to promote the use of natural gas as an alternative fuel for transport and shipping



Our Go for Net 0 project to halve our greenhouse gas emissions on 2017 levels by 2025

Transporting the molecules for a carbon-neutral future

Policy approach

We are preparing to convert our network in line with the market into a complementary system able to transport hydrogen and CO₂ in addition to natural gas and biomethane. At the same time, we are supporting the development of the biomethane market and promoting the market for natural gas in transport and shipping in order to help achieve immediate climate results.

Related risks

Risk

Drop in demand for natural gas due to the energy transition: the risk that part of Fluxys Belgium's infrastructure can no longer be used and investment is needed to make it future-proof (transport of molecules for a carbon-neutral future)

Measures

- Investment plan with projects to gradually reconfigure infrastructure as part of a carbon-neutral energy system (see also 'Opportunity' in this table)
- Support for the development of the biomethane market and the injection of biomethane into the existing network
- Support for the use of natural gas, biomethane, LNG and bio LNG as alternative fuels in transport and shipping

Opportunity

Develop new activities to advance the energy transition: compared to building new infrastructure, converting existing natural gas infrastructure is a cost-efficient solution to transport molecules for a carbon-neutral future

Actions

Investment planning with projects to gradually reconfigure the existing network as part of a carbon-neutral energy system





Building hydrogen and CO₂ infrastructure for Belgium²

Fluxys Belgium is ready to build the gas network of the future. In 2020, we devised a plan to transform our natural gas infrastructure with a view to helping achieve climate neutrality by 2050.

With our experience in natural gas, we are joining forces with industry, distribution system operators and our other stakeholders to turn our infrastructure into three complementary networks through which various molecules key to the success of the energy transition can flow:

- A system for transporting methane (in which carbon-neutral biomethane and synthetic methane will gradually replace natural gas)
- A system for transporting hydrogen (H₂)
- A system for transporting CO₂
- Possibly also infrastructure for other molecules needed for the energy transition

In other words: we intend to make the gas network increasingly available, in line with the market, for the transmission of carbon-neutral energy carriers and the transmission of CO₂ for the circular reuse or storage thereof. This will allow us to unlock new solutions for Belgian consumers in their efforts to achieve sustainable recovery and growth.

As repurposing existing infrastructure costs less and takes less time than building from scratch, we will reuse the natural gas network as much as possible when developing hydrogen and CO₂ infrastructure. In a densely populated country like Belgium, such an approach also means saving a lot of space.

Dual solution to drastically reduce CO₂ emissions

Almost 40% of Belgium's CO₂ emissions are generated by energy consumption or process emissions in industry. As large industrial companies are directly connected to the Fluxys network, reconfiguring our infrastructure offers a cost-efficient solution to cutting industrial CO₂ emissions, consequently making a major contribution to climate targets.

Industrial processes for which electricity is not an option

A range of industrial processes require high temperatures where (carbon-neutral) electricity is not an option. Connecting these industries to hydrogen supply gives them a chance to switch to a carbon-neutral alternative. The same goes for industries that use carbon-intensive feedstock.

Industrial processes that produce CO₂

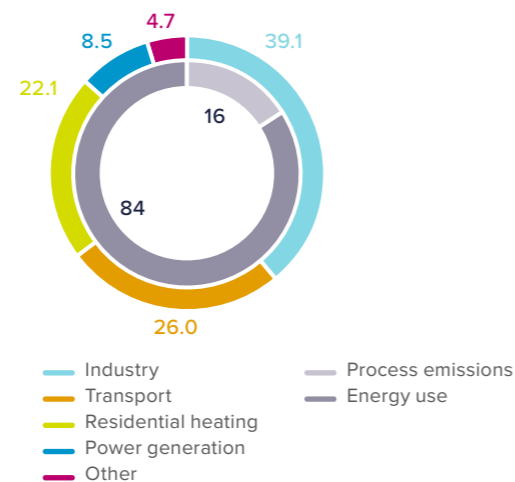
The capture and use or storage of CO₂ is considered a key technology for reducing CO₂ emissions and creating clusters for the circular reuse of CO₂ in the production of, for example, carbon-neutral biofuels. This technology is particularly important for sectors that are difficult to decarbonise and involve industrial processes that produce CO₂. The availability of infrastructure to transport captured CO₂ to destinations for reuse or storage is a cornerstone of this solution.

HyFit: cooperation with Ugent

In the framework of the reconfiguration of part of the existing natural gas network for the transport of hydrogen, Fluxys Belgium has also launched a research programme with Ugent (Ghent university). The programme develops a methodology for screening the existing network to determine the modalities for injecting hydrogen into the infrastructure.

Belgium: breakdown of CO₂ emissions in 2018

(in million tonnes, source: klimaat.be)





Step-wise approach keeping pace with the market

During a webinar held in early 2021, Fluxys Belgium presented its plan to the market: a step-by-step approach, taking into account evolutions in the market, to ensure that the required capacities are made available as and when needed and with sufficient economies of scale.

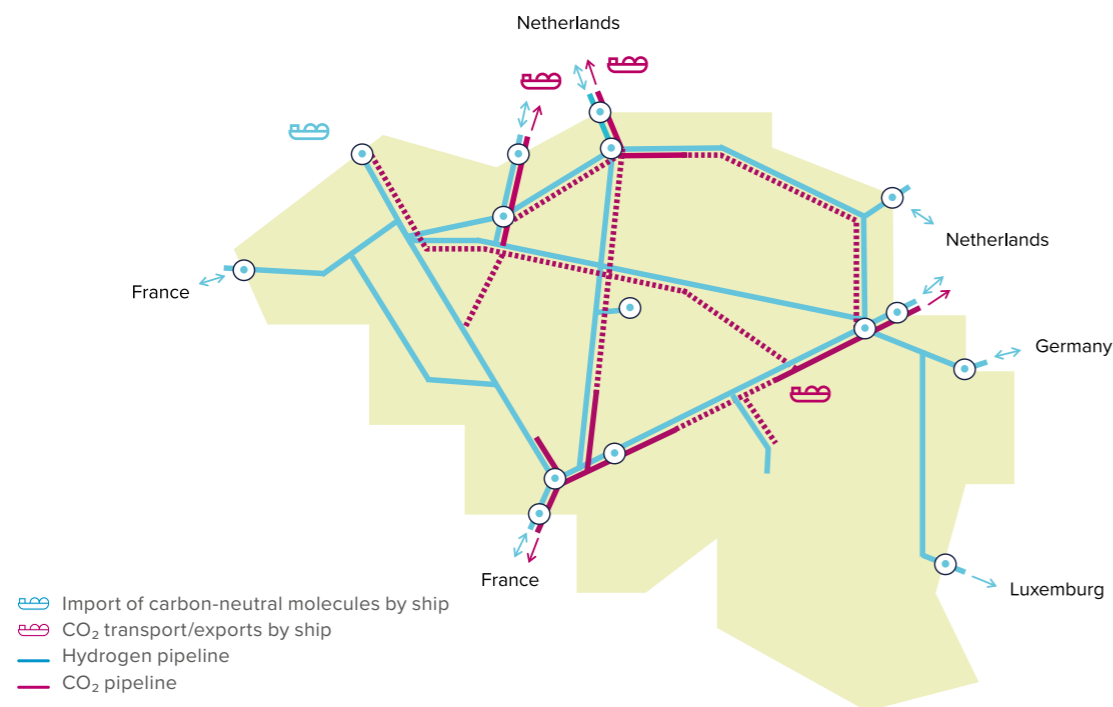
We will subsequently collect data from potential users of the hydrogen and CO₂ infrastructure to develop a clear overview of how market needs evolve geographically and over time. We will use this as a basis for presenting to the market a design proposal for specific infrastructure needed initially and that may evolve at a later stage in line with changes in demand.

As per the approach set out in the European Commission's Hydrogen Strategy, we intend to work based on clusters and to establish connections with neighbouring countries from 2030 onwards in order to create a fully interconnected European infrastructure.

Lion's share of the investment plan

Fluxys Belgium's 2021-2030 investment plan encompasses investments totalling over €2 billion, with investments for the development of hydrogen and CO₂ infrastructure estimated to account for around 70% of that total.

Hydrogen and CO₂ infrastructure for Belgium: vision 2050



- H₂ pipelines by conversion of existing natural gas pipelines
- Newly constructed H₂ pipelines
- ... Possible additional routes
- Industrial cluster

European Hydrogen Backbone initiative 2020, supported by Guidehouse

Embedded in Europe's hydrogen backbone

Other gas transmission system operators in neighbouring countries are also in the process of developing hydrogen infrastructure. In light of this, we see Belgium's hydrogen infrastructure becoming part of a European system and laying the foundations for consolidating and shoring up our role as the energy hub at the heart of North-West Europe for many years to come.

With this in mind, in 2020 Fluxys Belgium and 10 other gas transmission system operators drafted a plan for a Europe-wide hydrogen transmission network. This plan aligns with the Hydrogen Strategy launched by the European Commission last year as part of the Green Deal.



Other projects to develop the hydrogen market and chains for the capture and reuse/storage of CO₂

Within our parent company Fluxys, efforts are under way with a range of partners and on various projects to carve out a place for hydrogen as a carbon-neutral energy carrier and for CO₂ capture and reuse/storage chains within the energy system and the wider economy.

Hydrogen imports

Any viable hydrogen sector requires enough renewable electricity to be generated to produce green hydrogen. However, at present Belgium only has limited potential to generate renewable electricity as a source of green hydrogen. As such, further technological developments will be needed in other ways to produce carbon-neutral hydrogen, and the import of carbon-neutral hydrogen is an important option to keep in mind if the hydrogen sector continues to grow.

In 2020, the Hydrogen Import Coalition (a collaboration between DEME, ENGIE, EXMAR, Fluxys, Port of Antwerp, Port of Zeebrugge and WaterstofNet) completed a large-scale industrial study mapping out the financial, technical and

regulatory aspects of the entire hydrogen import chain, from production abroad to delivery via ships and pipelines to Belgium and internal distribution. The study concluded that the solution is both technically and economically feasible. This forms the basis of subsequent action, including pilot projects to supply green gases from countries where wind and sun are available in abundance.



The Hydrogen Import Coalition is supported by Flux50 and receives financial support from Flanders Innovation & Entrepreneurship.

H2GridLab

H2GridLab is an initiative to establish a participatory lab on the Anderlecht site of distribution system operator Sibelga to carry out tests, roll out pilot projects and amass knowledge of green hydrogen, local storage thereof and injection into networks. Sibelga, technology experts John Cockerill and Fluxys are partners in this project. H2GridLab is supported by Belgium's federal Energy Transition Fund.

FutureGrid hydrogen test facility

Fluxys Belgium is working with National Grid, its UK counterpart, and Northern Gas Networks, the distribution system operator for the North of England, to develop a hydrogen test facility. Such a facility would test the transmission of hydrogen in real conditions in various domains, with existing natural gas infrastructure forming a mini-network separate from the existing network.

This test facility is an important addition to our own research into the reliability, safety and integrity of existing gas infrastructure when it comes to the transmission of hydrogen.

We plan to start tests in 2022. Expert group DNV GL and the universities of Durham and Edinburgh are also involved in the test facility.

Hydrogen panels

Researchers from KU Leuven (Leuven university) have developed game-changing hydrogen panels that are a highly efficient means of producing green hydrogen from sunlight and water vapour in the air. Fluxys installed several of these panels on the green roof of its Anderlecht lab in early 2021 with a view to joining forces with the university and conducting extensive tests for a year.

The measurements and analyses conducted at the Fluxys lab will highlight variations in the production profile and hydrogen composition depending on the direction of the panels, the weather conditions, the time of day and the season. Researchers from KU Leuven can then use these data to further hone the technology.

Antwerp@C

The Antwerp@C project is an initiative intended to halve CO₂ emissions in the port of Antwerp by 2030 by capturing and reusing/storing CO₂. Partners in the initiative are Air Liquide, BASF, Borealis, ExxonMobil, INEOS, Fluxys, Port of Antwerp and Total. In 2020, Antwerp@C was awarded a European subsidy from the Connecting Europe Facility. This will be used to conduct studies for an export terminal for liquid CO₂, a CO₂ pipeline in the port of Antwerp and a CO₂ pipeline to the Netherlands.



**Co-financed by the Connecting Europe
Facility of the European Union**

Carbon Connect Delta

Capturing and reusing or storing CO₂ may make it possible to cut CO₂ emissions at North Sea Port (comprising the ports of Ghent in Belgium and Terneuzen and Vlissingen in the Netherlands) by 30%. With this in mind, Fluxys and the other members of a Belgian-Dutch consortium have launched the Carbon Connect Delta project, which will initially set out to examine the feasibility of CCUS. The results of the feasibility study are expected in mid-2021.



Helping to develop the biomethane market

Nascent market

Compared with neighbouring countries, biomethane production in Belgium is still at an early stage. Two biomethane facilities are currently operational (one in the Kempen region and one in Fleurus, which was commissioned in 2020).

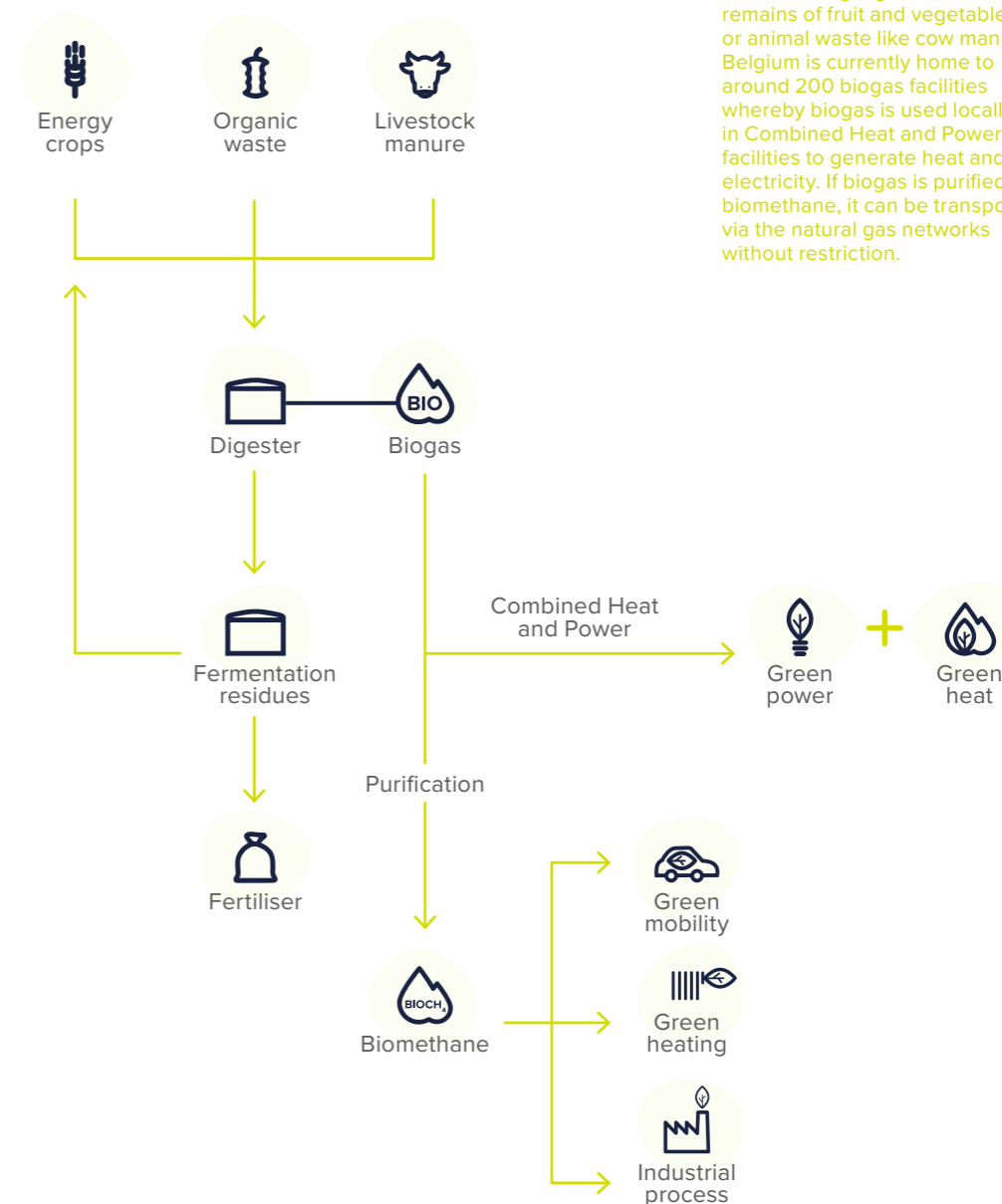
Significant potential

At the request of Belgian gas federation gas.be, ValBiom carried out a study into the potential contribution of locally produced biogas in Belgium, concluding that biogas could make a contribution equal to 6% to 8% of current natural gas consumption.

Biomethane can also be imported on a large scale, as the Fluxys Belgium gas network is optimally interconnected with all neighbouring countries. Cross-border exchanges of biomethane should be encouraged by developing an international system of guarantees of origin.

Producers: connect to our network

To support the development of the biomethane market in Belgium, in 2020 we developed, in consultation with the various stakeholders, an adapted standard contract for connecting biomethane producers to our network.



Biogas

Biogas is carbon-neutral and is extracted from organic matter such as sludge, garden waste, the remains of fruit and vegetables, or animal waste like cow manure. Belgium is currently home to around 200 biogas facilities whereby biogas is used locally in Combined Heat and Power facilities to generate heat and electricity. If biogas is purified into biomethane, it can be transported via the natural gas networks without restriction.



Working on certification systems

We are supporting the development of the biomethane chain in Belgium by actively contributing to the appropriate certification systems. These are key to enabling consumers to purchase green gas such as biomethane. Developing the demand market will in turn stimulate production-based initiatives.

Fluxys Belgium teamed up with the gas federation gas.be and Belgium's distribution system operators to set up a system of green gas certificates, called greengasregister.be, that would allow consumers to buy green gas just as they buy green electricity. In Wallonia, a separate system applies to the use of biomethane in CHP facilities.

Fluxys Belgium appointed production registrar in Flanders

In Flanders, at the government's initiative, a separate system of guarantees of origin has been in place for green gas since early 2020. Fluxys Belgium has been appointed production registrar in that respect. Green-gas producers in Flanders must demonstrate to Fluxys Belgium the green nature of their production, and we also register the quantities produced for the Flemish energy regulator, VREG. VREG uses this information to award guarantees of origin, which are then used as a basis for green-gas trading.

Supporting the market for natural gas in transport and shipping

In a number of segments, switching to natural gas is an opportunity to reduce greenhouse gas emissions and curb air pollution immediately. That is why Fluxys Belgium and parent company Fluxys are investing in infrastructure and services to open up LNG for shipping and heavy goods vehicles, amongst others. The advantage of small-scale LNG infrastructure and the fleet of LNG-powered ships and trucks is that no additional investments are needed to switch to carbon-neutral bio LNG as it becomes available.

Loading trailers at the Zeebrugge LNG terminal

At the Zeebrugge LNG terminal, trailers are loaded with LNG to supply LNG-powered ships and filling stations for trucks running on LNG. In 2020, we improved our online system, giving our customers greater flexibility when booking loading slots, and we are also looking into the possibility of building additional loading bays to be able to respond quickly to rising demand.

No ships but still LNG

In 2020, we launched a service to enable those not mooring LNG ships at the Zeebrugge LNG terminal to nevertheless sell LNG to small-scale LNG customers. This will make LNG available to a wider group of market players and new initiatives will be launched in 2021.

Intermodal LNG

At the LNG terminal in Zeebrugge, we joined forces with various partners to combine the services available at the port into an intermodal logistics chain. For example, 2020 saw the first customer to load an LNG container at the terminal for rail transport from the port to a foreign country. The intermodal approach means that small-scale LNG gives customers even greater flexibility in terms of where they can send their gas from the terminal while reducing emissions in the supply chain.



Zeebrugge LNG Terminal: bio LNG

The Zeebrugge LNG terminal has become even more versatile. In 2020, the terminal was awarded official certification as an EU-approved process plant for bio LNG.





LNG for the port of Antwerp

Parent company Fluxys is working with partners to open up access to LNG as a fuel in the port of Antwerp. For example, ship bunkering with LNG trucks is facilitated at quay 526/528, and a permanent LNG bunkering point where ships can refuel was opened in 2020. Furthermore, the group teamed up with Titan LNG to build the LNG bunkering barge Flexfueler 002. Since late March 2021, it has been making LNG more widely available as an alternative marine fuel from its home location at quay 526/528. The advantage of the bunkering barge is that ships can be bunkered with LNG wherever they load or unload.

CNG continues to grow

Compressed natural gas (CNG) is an excellent alternative for cars, buses and commercial vehicles. In 2020, the CNG fleet in Belgium rose by more than 20% to over 23,000 vehicles. Around 15 CNG filling stations were opened, bringing the total number in Belgium to 150. Another 15 or so are at the planning stage and should be ready in 2021. 2020 also saw another four LNG filling stations, bringing their total to 18, and another four stations are planned to open in 2021.

Indicator - Transporting the molecules for a carbon-neutral future: progress of preparations



Systematically reducing our own climate impact

Policy approach

Fluxys Belgium is aiming for net zero greenhouse gas emissions and the first objective of our Go for Net 0 project is to halve these emissions on 2017 levels by 2025. The project's emission reduction targets were submitted to the Science Based Target initiative in 2020 for validation to open up this approach to greater external verification².

Related risks

Risk

Greenhouse gas emissions from Fluxys Belgium's activities do not decrease in line with climate targets

Measures

- Go for Net 0 project to halve Fluxys Belgium's greenhouse gas emissions by 2025
- Project to further cut CO₂ emissions by building additional open rack vaporisers at the Zeebrugge LNG Terminal

Opportunity

Improve the energy efficiency of our activities

Actions

Renewable energy technology improves both energy efficiency and greenhouse gas emissions

Ambitious objective

Our goal to halve our greenhouse gas emissions on 2017 levels by 2025 is particularly ambitious. It means that we are committed to reducing our greenhouse gas emissions in nominal terms from 223,000 tonnes to 111,000 tonnes. Moreover, we are doing this at a time when regasification activities at the Zeebrugge LNG terminal are increasing in line with the dynamics of the global LNG market.



2. The Science Based Targets initiative (SBTi) promotes ambitious climate initiatives among private companies by enabling them to set science-based emission reduction targets. The SBTi is a joint venture between the Carbon Disclosure Project, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).



Approach

Methane emissions

Total methane losses on the Fluxys Belgium network amount to around 0.02% of the total volume transported. This is less than the average methane losses on the European transmission system, which were estimated at 0.05% in a study conducted in 2018 by Marcogaz, the Technical Association of the European Natural Gas Industry.

The Go for Net 0 project encompasses four ways to address the sources of methane emissions.



Cut pneumatic emissions

Modify equipment generating emissions or replace it with equipment controlled by electricity or compressed air.

Reduce fugitive methane emissions

Regular Leak Detection And Repair (LDAR) campaigns enable us to detect fugitive emission sources and repair or optimise them.

Limit emissions during work on the network

During works, natural gas often has to be removed from a pipeline section by releasing it into the air in a controlled manner. We avoid doing so wherever possible, for example by capturing it and re-injecting it elsewhere in the network.

Other ways

Various studies are currently exploring other ways to reduce methane emissions.

CO₂ emissions

Minimising compression

When balancing the network or controlling gas flows, Fluxys Belgium strives to use its compressor facilities as little as possible.

Open rack vaporiser

The Zeebrugge LNG terminal has been using an open rack vaporiser (ORV) to regasify LNG using heat from seawater since 2013. This avoids the use of conventional heating systems and consequently reduces energy consumption and CO₂ and NO_x emissions.

Green gas

Fluxys Belgium buys green gas certificates from biomethane producer IOK Beerse to heat its head office and Anderlecht buildings. In 2020, the certificates covered 77% of the total energy consumption for heating at both locations.

Results

The results in this report include both direct and indirect emission sources:

- Direct emissions of carbon dioxide (CO₂) and methane (CH₄) from the operation of gas infrastructure, including employee use of motorised vehicles
- The company's electricity consumption is a source of indirect emissions

Greenhouse gases: LNG terminalling

The greenhouse gas intensity of the LNG terminal in 2020 remained stable compared to 2019 (+ 0.6%).

Over 45,000 tonnes of CO₂ emissions were avoided by making as much use as possible of the open rack vaporiser (ORV), which utilises heat from seawater to regasify LNG. However, the capacity of the ORV cannot meet all heating needs if there is a high level of demand for regasification. In periods of high demand for regasification, conventional regasification facilities have to be used, increasing CO₂ emissions. This was especially true in the first half of the year.

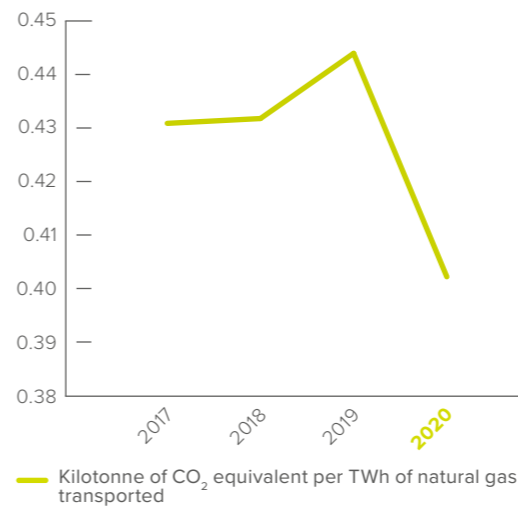
Although the greenhouse gas intensity of the LNG terminal in 2020 remained at roughly the same level as in 2019, the facility's nominal CO₂ emissions were much higher than those of reference year 2017. Regasification activity was relatively low that year and the open rack vaporiser was able to cover all heating needs.

To reduce the greenhouse gas intensity of the LNG terminal in the future, the final investment decision to build a further three open rack vaporisers was made in early 2021 (see page 56).

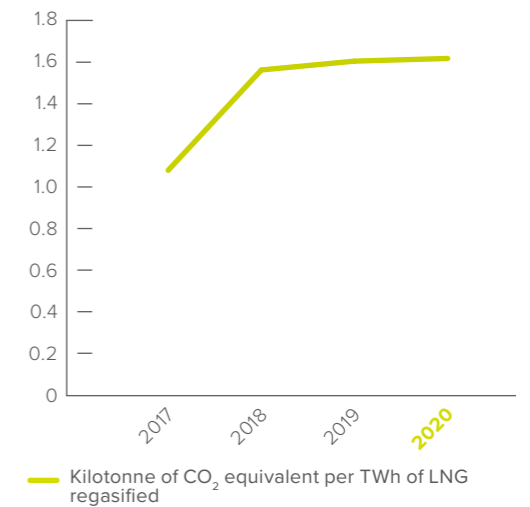
Greenhouse gases: transmission and storage

The Go for Net 0 project initiatives and investments significantly reduced methane emissions in 2020 compared to the previous year. The greenhouse gas intensity of transmission and storage activities fell by 9%. Compared to the reference year 2017, nominal greenhouse gas emissions were 49 kilotonnes lower.

Change in greenhouse gas intensity



Change in greenhouse gas intensity






Energy efficiency

The two main solutions for reducing greenhouse gas emissions (namely limiting use of compressor stations and maximising the use of the open rack vaporiser at the LNG terminal) primarily improve energy efficiency. After all, it is the reduction in energy consumption that ensures the reduction of greenhouse gas emissions.

In addition, we take various other measures for our operations. For example, we make operational agreements with surrounding operators for energy-efficient use of the networks. For the best possible energy efficiency, we also make maximum use of the operational flexibility in the pipelines and ensure optimal settings in the pressure-reducing stations. In recent years, various installations at the LNG terminal have been renovated and adapted to boost the energy efficiency of the infrastructure.



External verification

The quality and accuracy of the figures used for CO₂ equivalent emissions in this report have been validated by an external auditor. Validation was carried out according to the 'International Standard on Assurance Engagements (ISAE) 3000 (Revised)', a model developed for the certification of non-financial data. The certified indicators are indicated throughout the report with a .




Fluxys Belgium has CO₂ emission rights for each of its five sites that are subject to the EU Emissions Trading Directive. Internal audits are organised for these sites every year and the annual emissions report for each site undergoes an external audit.



Additional open rack vaporisers at the Zeebrugge LNG terminal

In 2020, Fluxys Belgium looked into the possibility of constructing three additional open rack vaporisers at the LNG terminal in Zeebrugge. The investment decision was taken in early 2021 and commissioning is currently scheduled for 2024 and 2026. Based on the expected use of the terminal, the additional facilities will reduce energy consumption by 70-80% and thus substantially cut emissions.

Indicators

Systematically reducing our own climate impact	2020	2019	2018	2017
Greenhouse gas emissions: transmission and storage				
Greenhouse gas emissions in kilotonne of CO ₂ equivalent	160 	195.82	197.06	209.29
Methane (CH ₄)	103	127	126	142
CO ₂	52.76	64.39	66.3	59.83
Electricity	4.40	4.44	4.52	7.47
Volume of gas transported (TWh)	398.52	441.00	456.37	485.70
Greenhouse gas intensity (kilotonne of CO ₂ equivalent/TWh of natural gas transported)	0.40	0.44	0.43	0.43
Greenhouse gas emissions: LNG terminalling				
Greenhouse gas emissions in kilotonne of CO ₂ equivalent	83.35 	119.22	42.74	13.86
Methane (CH ₄)	0.03	0.05	0.02	0.01
CO ₂	71.63	107.43	35.07	5.17
Electricity	11.69	11.74	7.65	8.68
Volume of regasified LNG (TWh)	50.87	73.27	26.89	11.95
Greenhouse gas intensity (kilotonne of CO ₂ equivalent/TWh of regasified LNG)	1.64	1.63	1.59	1.16
Total greenhouse gas emissions	243.14 	315.04	239.8	223.15
Energy efficiency: transmission and storage				
Energy consumed (MWh)	281.109	311.549	329.431	305.121
Diesel and petrol	8.921	9.991	11.013	11.386
Electricity*	25.968	26.146	26.262	33.086
Natural gas	248.149	275.412	292.156	260.649
Volume of gas transported (TWh)	398.52	441.00	456.37	485.70
Energy intensity (MWh of energy consumed/MWh of natural gas transported)	0.00070	0.00071	0.00072	0.00063
Energy efficiency: LNG terminalling				
Energy consumed (MWh)	426.640	622.491	242.007	85.867
Diesel and petrol	374	383	398	558
Electricity*	69.052	69.040	44.471	38.458
Natural gas	357.214	553.068	197.138	46.851
Volume of regasified LNG (TWh)	50.87	73.27	26.89	11.95
Energy intensity (MWh of energy consumed/MWh of regasified LNG)	0.00837	0.00853	0.00896	0.00716

* 2.5 MWh of primary energy is needed for every 1 MWh of electricity.
More about the methodology for calculating greenhouse gas emissions: see p. 110



Other environmental measures

Environmental impact assessments

Fluxys Belgium strives to minimise the impact on the environment and local residents during the design, construction and operation of its infrastructure.

Permit applications for the construction and operation of new facilities or for the renewal of the permit for existing facilities include assessments of their impact on the environment. Such environmental studies gauge a project's potential impact in various areas, including air, water and soil pollution, ambient noise, the production of waste, spatial integration, mobility, and the impact on biodiversity.

- Preventive or mitigating measures are taken where necessary, such as:
- tailoring the working method to the surroundings (e.g. use of jacking or directional drilling) or minimising the work area;
 - optimally integrating the surface infrastructure into the landscape;
 - taking ecosystems into account when there is an intersection with a watercourse, more specifically by devising the soil profile to provide resting, feeding and spawning grounds for indigenous fish species.
- In 2020, Fluxys Belgium conducted 16 environmental studies for its permit applications.

Reducing noise pollution

Fluxys Belgium uses a number of techniques to limit the noise generated by its pressure-reducing stations, compressor stations and other facilities.

When building new infrastructure, a lot of attention is paid to potential noise pollution from the design phase onwards.

Fluxys Belgium also takes targeted control measures to monitor its existing infrastructure for potential noise pollution and then makes the appropriate adjustments where noise levels produced by its infrastructure are out of kilter with the surroundings.

Conservation of ecosystems

Fluxys Belgium takes great pains to conserve ecosystems wherever it builds infrastructure. Environmental impact assessments gauge infrastructure's impact on ecosystems (see above). When laying a new pipeline, Fluxys Belgium always takes care to ensure that the environment is disturbed as little as possible, that the site can be fully restored to its original state once the work is complete, or that investments can be made in compensatory measures beneficial to nature.

Wastewater treatment

All larger stations house a separate drain system and wastewater treatment plant (or reed bed filtration system).

Monitoring

Three external environmental complaints were made to the environmental coordinator in 2020. These complaints related to noise nuisance and/or the smell of gas.

Fluxys did not receive any fines or sanctions for failing to comply with environmental legislation or regulations.





Prosperity



Together with our customers and the distribution system operators, we are a lifeline for society. We ensure the safe and continuous flow of almost a third of the energy needed by households and businesses in Belgium. As a crossroads on the North-West European natural gas market, we are also a crucial link for end consumers in neighbouring countries.

We aim to be a good neighbour to everyone in the vicinity of our infrastructure, and our activities contribute hugely to the prosperity of society, the economy, our employees and our shareholders.

0	0	0
Interruptions or reductions in capacity (2019: 0)	Damage to infrastructure caused by third parties, resulting in a gas leak (2019: 0)	Complaints of fraud, unethical behaviour or violations of human rights (2019: 0)
€427.1 m	€1.37	0
Contribution to prosperity (2019: €423.2 m)	Proposed gross dividend per share* (2019: €1.30)	Number of legal proceedings concerning anti-competitive behaviour or failure to comply with competition law (2019: 0)

* Subject to the resolution of the ordinary general meeting convened to decide on the appropriation of the profit for the year.



In 2020, we specifically focused on:



Keeping our essential services and works operational in complete safety during the pandemic



Maintaining our commitment in a broader social context to help alleviate coronavirus-related needs



Commercial efforts to sell additional capacity and develop new services to make a future-proof contribution to prosperity



Entrenching our business integrity in a streamlined Code of Ethics



Rolling out our initiatives to transport the molecules for a carbon-neutral future and thus helping entrench economic activity and employment at local level in the long term (for more information, see the 'Planet' section on page 39)

Safe and reliable infrastructure

Policy approach

As a socially responsible operator, Fluxys Belgium is responsible for building safe infrastructure and ensuring its safe operation. Together with the distribution system operators and the users of our infrastructure, we ensure optimum continuity of gas flows to end users in Belgium and the wider Western European market for which we serve as a hub.

Our approach to safeguarding the integrity and reliability of our facilities is an integral part of our Health, Safety and Environment Policy, which we see as a responsibility and commitment for both the company and its employees.

- We ensure safe, reliable and sustainable operations towards our stakeholders
- We actively manage risk through a Quality & Safety Management System
- We report incidents and learn from experience

Related risks

Risk

Industrial incidents can damage Fluxys Belgium's infrastructure, endanger people's safety, cause unavailability impacting service continuity, and result in financial loss

Measures

- Safety management system
- Preventive measures in the design, construction and operation of infrastructure, also encompassing cyber security and terrorism
- Detection measures included in monitoring and inspection programmes for infrastructure and construction sites
- Reactive measures in connection with emergency planning

Pandemic: moving fast

The pandemic in 2020 was a difficult crisis period for everyone in society, a time during which the supply of energy to hospitals, public services, households and many industries was more crucial than ever. Despite the widespread impact of the pandemic, all of Fluxys Belgium's essential services remained operational and the company focused fully on playing its vital role in society and for its customers, namely ensuring safety and the continuity of gas supply.

During the COVID-19 outbreak, we quickly took the necessary steps to ensure the continuity of our activities while carefully complying with government recommendations to limit the spread of the virus.

During lockdown and semi-lockdown periods, all employees not needed on site in order to secure business continuity switched to telework, while the remaining employees adopted different shift patterns and separate work bubbles, with additional measures implemented for teams with critical functions.



L/H conversion on schedule

Working to ensure the continuity of natural gas supply

The reduction in production at the Groningen gas field (which produces low-calorific natural gas, otherwise known as L-gas) has prompted the Netherlands to gradually phase out the export of L-gas from this field to Germany (between 2020 and 2030) and to Belgium and France (between 2024 and 2030). Furthermore, production at this field has repeatedly been further capped since 2014 for safety reasons.

Belgium currently imports around 42 TWh of L-gas per year for domestic consumption. The Belgian network also serves as a corridor for conveying L-gas to France. Gas from Groningen accounts for almost a quarter of the supply in Belgium as a whole and approximately half of natural gas consumed by households and SMEs.

As L-gas exports from the Netherlands decline, the networks in Belgium, France and Germany must be adapted to enable a gradual switch from L-gas to high-calorific natural gas (H-gas) from other sources and so ensure the continuity of natural gas supply.

Infrastructure work also on time

Following on from multiple small-scale conversion projects implemented over the 2016-2017 period, larger-scale conversions took place in 2018 and 2019. In 2020, Fluxys Belgium's teams, working with distribution system operators Sibelga, Fluvius and Ores, carried out another large-scale conversion whereby 120,000 connections were switched over. Despite the limitations imposed by COVID-related measures, the conversion was completed on time.

Conversion programme accelerated

At the request of the Belgian government, Synergrid (the federation of electricity and natural gas transmission and distribution system operators in Belgium) has drawn up an initial indicative conversion schedule to complete the conversion by 2029. Thanks to the active cooperation between Fluxys Belgium and distribution system operators Sibelga, Fluvius and Ores, the conversion programme can be accelerated. Under the current schedule, the entire Belgian L-gas market will be converted by the end of 2024. From then on, L-gas from the Netherlands will only flow southwards through our grid towards France, where conversion actions will probably continue until 2029.

Other infrastructure projects also on schedule during the COVID pandemic

Maarkedal-Ronse pipeline

In summer 2020, we commissioned the new 7-km natural gas pipeline between Maarkedal and Ronse as well as a new pressure-reducing station in Ronse. These were built as part of our restructuring and upgrading programme allowing to maintain efficient supply of natural gas for the Flobecq and Ronse areas.

Leuze-Belœil pipeline

Also as part of our restructuring and upgrading programme, we commissioned a new natural gas pipeline between Leuze-en-Hainaut and Belœil (12 km) in the autumn of 2020.





Comprehensive safety management system

Fluxys Belgium watches over public safety, the environment and the well-being of its employees during the design, construction, commissioning, operation, maintenance and dismantling of its facilities. We work with a comprehensive safety management system (Quality & Safety Management System) in our transmission activities to provide for a safe and reliable transmission network, preserve its integrity and limit the consequences of any incidents. The system is constantly being adjusted in light of the latest developments and improvements. The management system for storage and LNG activities is covered by Seveso legislation. The Federal Public Service Employment, Labour and Social Dialogue conducts specific inspections at both Seveso sites in conjunction with the Flemish government's Environment Department.

The safety management system is the subject of extensive communication within the company and regularly undergoes internal and external audits. In 2020, this system once again passed an interim external audit.

Careful construction and dismantling

For any construction project, Fluxys Belgium only works with qualified and certified contractors. Moreover, the company's entities involved in construction projects are SCC-certified. SCC certification entails a checklist covering health, safety and the environment.

Before any facility is commissioned, a series of tests is carried out under the supervision of an authorised inspection agency, including a leak test and a mechanical strength test. The condition of the pipes will then be regularly checked as part of an inspection programme. The pipes are also fitted with a cathodic protection system to prevent corrosion.

Any infrastructure that will cease to have a transmission function in the future is taken out of service in a safe way either through the complete or partial dismantling of the infrastructure or by transferring it to a distribution system operator. In some cases, infrastructure is kept partly or fully underground, with the necessary technical precautions to prevent any impact on the environment or on people.

Careful control of gas flows 24/7

Fluxys Belgium's central dispatching controls and monitors natural gas flows across the network 24 hours a day. Dispatchers continuously monitor parameters that may have a direct impact on gas flows and the smooth operation of infrastructure. Dispatching also plays a coordinating role in the event of a report of a gas smell, an incident or an accident.

Emergency planning

With a view to limiting the impact of any incidents, Fluxys Belgium works with a crisis organisation and emergency plans and procedures with regard to its operational and ICT activities.

The members of the crisis organisation undergo specific training and we regularly organise internal emergency plan drills to ensure the organisation's responsiveness. Drills are also organised in cooperation with the public emergency services to exchange expertise and test emergency plans. Due to COVID-19, no emergency plan drills were organised in 2020.

As part of its emergency planning, Fluxys Belgium makes the data on its pipelines available to, among others, the Home Affairs FPS Crisis Centre, emergency services, and Communication and Information Centres (CICs) or emergency centres that centralise all requests for police intervention.





Special focus on ICT systems and cyber security

The availability of ICT systems and industrial control systems is vital to the safe and reliable operation of our infrastructure. These systems can malfunction for various reasons, and so Fluxys Belgium has taken technical and organisational measures to gear the availability of its IT systems to its needs.

For several systems such as those used to manage natural gas flows on the network, back-up facilities are in place and can be activated as soon as a malfunction occurs, thus ensuring continued operation.

ICT security also encompasses technical measures to deal with cyber attacks. We therefore roll out campaigns to raise awareness of this issue, and in 2020 we once again organised a series of exercises to teach staff how to deal with phishing emails efficiently and effectively.

Detailed maintenance and inspection

Pipelines are patrolled in different ways (by car, by helicopter and on foot) and at different frequencies. We also monitor whether unannounced works are being carried out in the vicinity of our pipelines. In order to detect such work preventively, our main pipelines are also fitted with an acoustic detection system.

Maintenance programmes specific to each type of facility ensure that the infrastructure remains safe and reliable throughout its entire life cycle. All maintenance activities are carried out by competent internal or external staff. Where possible, pipelines are periodically inspected internally, and a special helicopter checks the gas network for leaks every year.

Keeping an eye on works in the vicinity of our infrastructure

Closely following up on notifications of works

Serious pipeline incidents are often the result of damage caused by third parties. To avoid such damage, anyone planning or wanting to carry out work in the vicinity of natural gas transmission infrastructure is legally required to notify Fluxys Belgium in advance.

Fluxys Belgium then confirms whether or not any natural gas transmission infrastructure is located in the vicinity of the planned work. If this is the case, the applicant is sent all the relevant information and details of further procedures to be followed to carry out the work safely.

Our staff attend preparatory meetings on a daily basis with regard to sites where third parties plan to work in the vicinity of our infrastructure. During these meetings, they explain the measures that need to be taken and set the safety arrangements down on paper before any work can actually begin.

Damage can also occur when Fluxys Belgium commissions or repairs infrastructure. All incidents or near-incidents are investigated thoroughly and action is taken immediately to prevent such incidents from recurring.





Notifying works easily

Compliance with the statutory notification requirement has been made much easier with the arrival of online portals to report works, with Fluxys Belgium serving as one of the driving forces behind the KLIM platform, the Federal Cable and Pipeline Information notification system (KLIM-CICC).

Providing information and raising awareness

Fluxys Belgium runs a range of initiatives to provide information and raise awareness about how to work safely in the vicinity of its infrastructure. The initiatives focus on everyone involved in such works, such as architects, building managers, designers, contractors, owners and operators, municipalities, notaries and emergency services, etc.

- Regular **reminders** to all owners and operators of land where Fluxys infrastructure is located
- An information session for municipalities as well as police forces and emergency services, at least once every legislative period
- Highlighting working safely in the vicinity of underground infrastructure in various **working groups and federations** in which Fluxys Belgium is active, such as the Federation of Belgian Pipeline Companies (Fetrapi), the Flemish Council of Network Operators, the Brussels Council of Network Operators and the Utility Operators' Select Working Group
- Together with the regional employment services VDAB and FOREM: **training for excavator operators** that is accredited by the Fund for Vocational Training in the Construction Sector. Fluxys Belgium has also worked with Air Liquide to develop a training course on the cladding of steel pipelines.

Indicators

Safe and operationally reliable infrastructure: results

	2020	2019	2018	2017
Reduction or interruption of firm transmission capacity	0	0	0	0
Reduction or interruption of interruptible transmission capacity	0	0	0	0
Damage to infrastructure caused by third parties, resulting in a gas leak or interruption of capacity	0	0	0	0

Financial resilience

Policy approach

Within the limits of the regulatory framework applicable to our activities, we respond to the expectations and needs of our customers in the best possible way so as to maximise income from the sale of our services. The highest possible sales of capacity at the same time support the competitiveness of our tariffs, which we also underpin by keeping operating costs under control and by aiming in our financial structure for a ratio that is as close as possible to the regulatory optimum. Our financing policy enables us to finance investments on attractive terms.

Related risks

Risk

The risk that market events or developments will impact Fluxys Belgium's revenues and/or assets

Measures

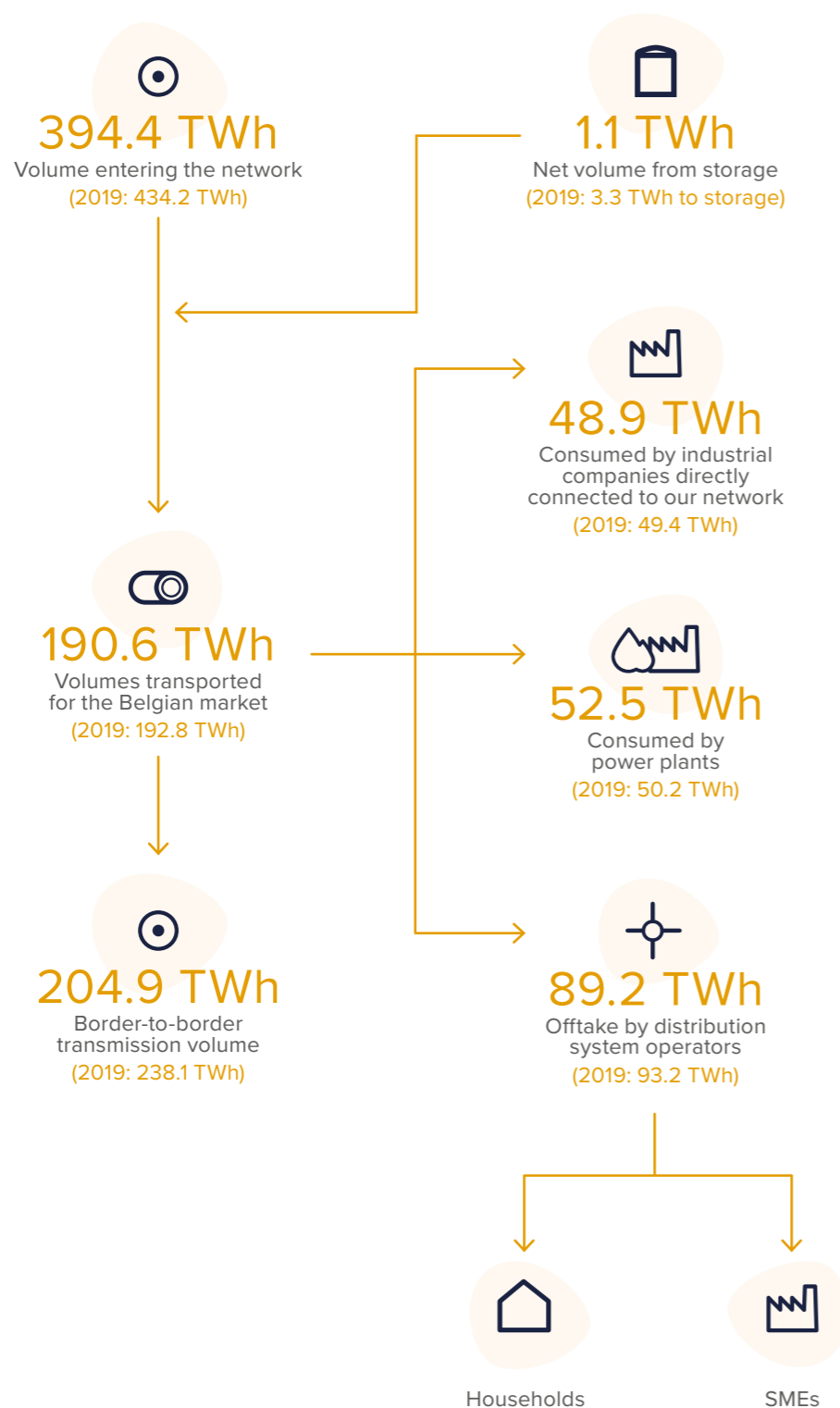
- Monitoring the market by continuously adapting existing services and/or developing new services needed by the market at competitive prices
- Financial monitoring of counterparties by monitoring claims and analysing their credit, liquidity, solvency and reputation
- Insurance
- Warranties from suppliers and customers

Sales and investment

Reduction in transmission tariffs for 2020-2023

In 2019, Belgian federal energy regulator CREG approved Fluxys Belgium's transmission tariff proposals for the regulatory period 2020-2023. In line with the new tariff methodology established in consultation with CREG and the market players, the new 2020-2023 transmission tariffs for an average Belgian consumer are around 5% lower than the indexed tariffs for 2019. The tariff decrease does not affect Fluxys Belgium's net profit and is a result of the company's sustained efficiency drive, lower interest rates and the restitution of past regulatory balances.





Special efforts to sell transmission capacity

The harmonised European rules for the use of gas networks mean that customers active in border-to-border transmission are concluding fewer long-term contracts. When long-term contracts expire, for example, the available capacity must be sold at auction.

The gradual expiry of long-term contracts means that, for transmission system operators, the framework that offers the prospect of stable income over a long period of time, regardless of the level of use of the infrastructure, is disappearing. However, the regulatory framework does provide for a system in which the effect of fluctuating capacity bookings is smoothed out.

As such, the challenge for our sales teams lies in providing customers with the tools allowing them to seize opportunities in a context of short-term contracts that will result in additional capacity sales for us.

Opportunities for customers depend to a large extent on their sourcing strategy and on end use, which is largely subject to temperature variations and in 2020 was also impacted by the pandemic. For example, the North-West European market saw natural gas demand drop by approx. 4% in 2020 compared to the previous year, which had an impact on demand for border-to-border transmission capacity. Nevertheless, periods of particularly low gas prices unexpectedly offered the opportunity to sell volumes of short-term capacity.

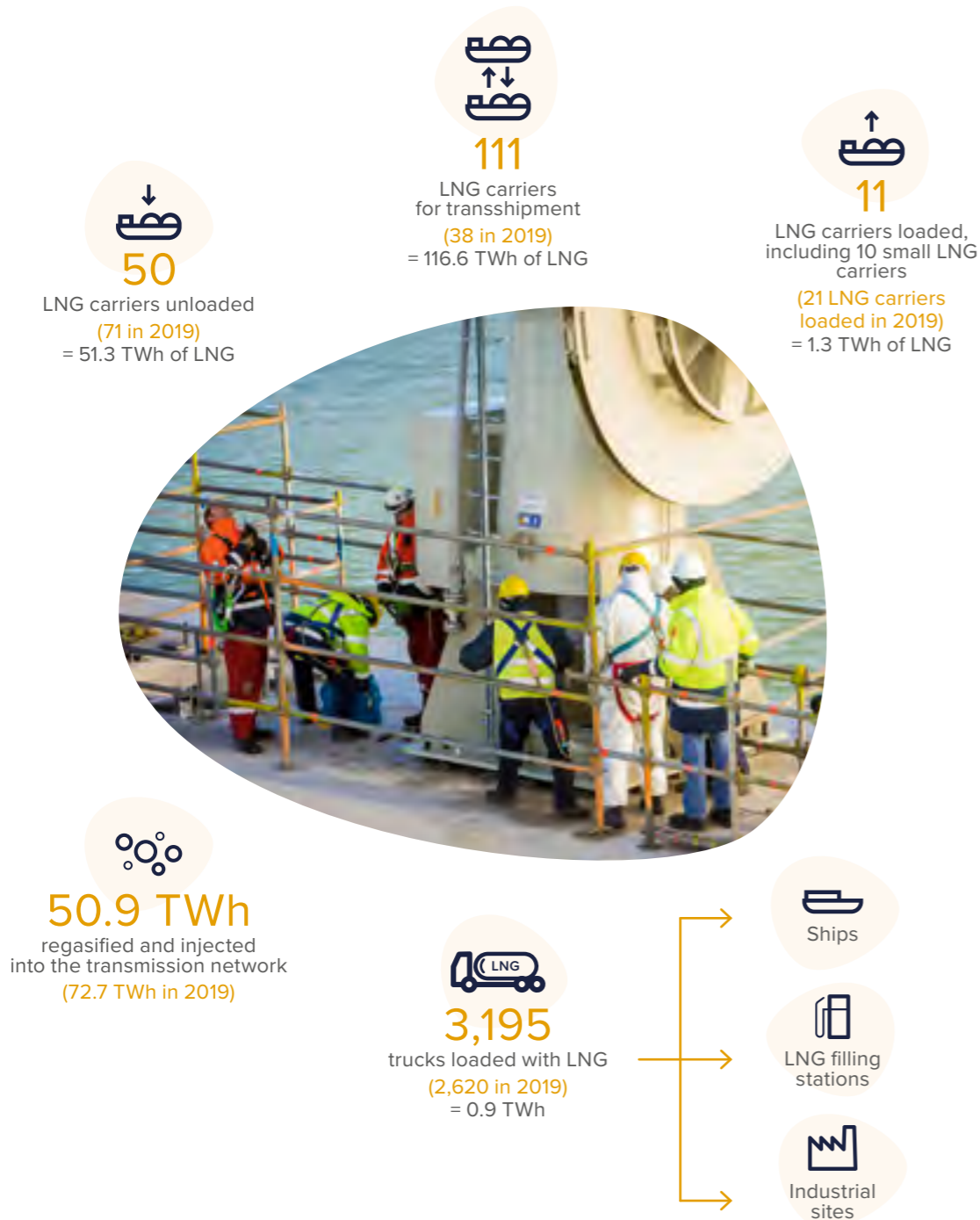
Capacity sales for the Belgian market remained stable in comparison with the previous year: volumes transported for consumption in Belgium fell only slightly compared to 2019 (-1%).

- Transmission to distribution system operators was down by 4%, reflecting milder weather.
- Offtake by directly connected industrial companies fell slightly (almost 1%).
- Transmission volumes for gas-fired power plants rose by approximately 5%.

Our teams in Belgium also made a concerted effort on projects for new natural-gas-fired power stations intended to offset the nuclear phase-out. Fluxys Belgium devised a sales proposal for connecting power stations to the network for various project promoters. Which connection projects will be implemented depends on which power stations are built after the allocation procedure, which the federal government has scheduled for late 2021.

Capacity for supply to the German market

Germany needs additional volumes of natural gas besides renewable sources to cope with the withdrawal of nuclear power and the phasing out of coal and lignite electricity generation. The country also needs new inflow to replace the declining volumes of natural gas from the Netherlands. The Belgian grid offers Germany the opportunity to smoothly diversify its supply portfolio with LNG via the interconnection point in Eynatten. In addition, the Zeelink pipeline in Germany, which links into our infrastructure, went into operation in March 2021.



Making things simple: virtual interconnection points to all neighbouring markets

In 2020, Fluxys Belgium also made preparations on behalf of its customers to integrate the Zebra interconnection point into the existing virtual interconnection point with the Netherlands from 2021 onwards. A virtual interconnection point gives grid users the opportunity to purchase at one single point any available capacity to transport natural gas between two markets. With the integration of the Zebra interconnection point, customers will now be able to buy transmission capacity from and to all neighbouring markets at a virtual interconnection point.

Zeebrugge LNG Terminal achieves all-time record

The start of the long-term transshipment contract in December 2019 pushed traffic at the Zeebrugge LNG terminal to new heights in 2020. A total of 172 vessels docked at the terminal, smashing the previous record of 130 in 2019. March 2020 was the busiest ever month for ship traffic at the terminal, with a total of 30 vessels docking, more than double the previous record in May 2019.

The number of transshipment operations almost tripled while the number of unloading operations decreased, both for large and small LNG carriers. LNG truck traffic increased by over 20% to nearly 3,200 loading operations.

Successful open season for additional regasification capacity

Responding to market signals, the Zeebrugge LNG terminal held an open season for additional regasification capacity. This was a success: the offered capacity of 6 million tonnes per year (or approx. 10.5 GWh/h) was fully subscribed during the open season's binding phase.

In light of this success, the final investment decision was taken to build the necessary additional infrastructure at the terminal. Three additional open rack vaporisers will be built that use the heat from seawater to regasify LNG (see p. 56).

Additional regasification capacity will be offered in two phases:

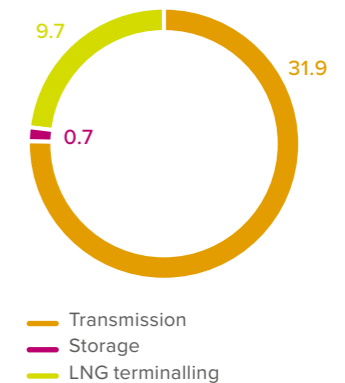
- Phase 1: a total of 4.7 million tonnes per year (or approx. 8.2 GWh/h) of additional regasification capacity from early 2024 onwards;
- Phase 2: the full 6 million tonnes per year (or approx. 10.5 GWh/h) of additional regasification capacity from early 2026 onwards.

Various initiatives in the small-scale LNG market

In 2020, Fluxys Belgium launched various initiatives and new services for customers who are active, or wish to become active, in the small-scale LNG market. This market is burgeoning as LNG provides a solution for making the transition to cleaner fuels in a number of niches. LNG offers an alternative to fossil fuels with high emission levels in shipping, heavy road transport and for remote industry. Moreover, consumers' LNG fleets and facilities are future-proof because they are automatically suitable for carbon-neutral bio LNG. More information about our initiatives on small-scale LNG as a part of the energy transition can be found in the 'Planet' section on page 51.

Investments totalling €42.3 million

Investments in property, plant and equipment





Storage: strong sales in a volatile market

In all, 60% of capacity at the Loenhout storage site is booked under long-term contracts until 2022. The challenge for Fluxys Belgium is to sell the remaining capacity in a context of high volatility in price differentials between summer and winter gas on the gas trading places. In periods of high price differentials, physical storage capacity is an opportunity for customers and Fluxys Belgium is making the most of it. In January, April and October, our sales teams were thus able to sell all remaining capacity for the 2020-2021 storage season and a significant part of the remaining capacity for the 2021-2022 storage season.

Storage activities in Europe have been under pressure for a number of years now due to a high level of volatility in price differentials between summer and winter on the gas trading places. Against this backdrop, new market models involving a support mechanism have been developed in neighbouring countries, competing directly with sales of storage capacity at Loenhout. In this context, Fluxys Belgium is teaming up with CREG and the Federal Public Service Economy to work on a market model enabling to continue using the Loenhout infrastructure in the long term as a key asset for the Belgian energy system after the long-term contracts for the facility expire.

Financial monitoring and guarantees

Fluxys Belgium systematically assesses its counterparties' financial capacity and closely monitors receivables. Our policy regarding counterparty risks requires our major customers and suppliers to undergo a financial analysis (liquidity, solvency, profitability, reputation and risks) in advance and subsequently on a regular basis.

Fluxys Belgium uses internal and external information sources to this end, such as official analyses performed by specialist rating agencies. The latter assess entities in relation to risk and award them a credit rating. Fluxys Belgium also uses databases containing general, financial and market information to complement its own evaluation of potential customers and suppliers.

Fluxys Belgium asks most of its customers and certain categories of suppliers to provide a financial guarantee, thereby reducing the group's exposure to credit risk both in terms of default and concentration of customers. The potential negative impact of parties that remain in default is processed in accordance with the regulatory framework.

Cash surpluses belonging to Fluxys Belgium are deposited with parent company Fluxys within the framework of cash pooling agreements. Fluxys invests these surpluses in various ways, namely:

- in prominent financial institutions;
- in the form of financial instruments issued by companies with a high credit rating;
- in financial instruments issued by companies in which a creditworthy authority is the majority shareholder or which are underwritten by a creditworthy EU Member State;
- in loans to Fluxys subsidiaries at market conditions. By monitoring its subsidiaries, Fluxys reduces and manages counterparty risks for the subsidiaries as well.

Insurance

Fluxys Belgium assesses the likelihood of the main risks connected with its activities and estimates the potential financial impact thereof. Depending on the possibilities and the market conditions, the group mainly covers these risks via the insurance market. In some cases, risks are partially reinsured by Flux Re, a wholly-owned subsidiary of Fluxys Belgium, or are partially self-retained, for example by applying appropriate deductibles.

The fact that Flux Re is fully consolidated in the group's accounts means that the cost of accidents covered by the group's reinsurance policy are booked to the consolidated result. Flux Re also reinsures certain risks facing other companies in the Fluxys group. Where appropriate, compensation paid in the event of an accident involving these parties will impact the Fluxys Belgium group's IFRS consolidated result.

The comprehensive cover is in line with European best practices in the field and includes the different areas in which risks may materialise:

- protection of facilities against various types of material damage; in specific cases, facilities also have additional cover for loss of earnings as a result of unavailability due to damage;
- protection against third-party liability by means of comprehensive, multi-level cover;
- staff programme: mandatory insurance cover (statutory insurance against occupational accidents) and staff healthcare programme;
- protection of the vehicle fleet by means of appropriate insurance.





Financial situation: consolidated key financial data

Income statement (in thousands of €)	31.12.2020	31.12.2019
Operating revenue	560,590	530,995
EBITDA*	313,623	297,337
EBIT*	133,482	134,841
Net profit	73,237	69,498
Balance sheet (in thousands of €)	31.12.2020	31.12.2019
Investments in property, plant and equipment over the period	42,255	91,282
Total property, plant and equipment	2,011,209	2,129,400
Equity	639,038	662,677
Net financial debt*	873,111	903,339
Total consolidated balance sheet	2,730,039	2,867,575

*See glossary on page 80.

Increase in turnover and net profit

The Fluxys Belgium group generated turnover of €560.6 million in 2020. This represents an increase of €29.6 million compared with 2019, when turnover stood at €531.0 million. Net profit rose from €69.5 million in 2019 to €73.2 million in 2020, an increase of €3.7 million. The increase in regulated turnover and net profit is mainly due to the commissioning of the fifth storage tank for transshipment services in Zeebrugge in late 2019 and is in accordance with the tariff methodology and the associated terms on authorised manageable costs and incentives for the period 2020-2023.

Efficiency efforts in line with regulated tariff model

In June 2018, CREG, the federal regulator, set out new tariff methodologies for the transmission and storage of natural gas and LNG terminalling for the period 2020-2023. These new methodologies are based on existing principles that have been honed and supplemented.

The principle ensuring that tariffs cover all reasonable costs, including interest and fair remuneration, continues to apply. Alongside incentives to control costs, a set of new incentives has been introduced to monitor and manage some aspects of company performance. The company share of realised savings has been adjusted. As a consequence, potential gains of efficiency efforts are limited.

By managing its operating costs and continuing its efficiency drive, the Fluxys Belgium group achieved these regulatory objectives and benefitted from incentives.

Contribution to prosperity increases

Fluxys Belgium creates prosperity by contributing to the economic growth of the society and environment in which it operates. This contribution is measured as added value that the company generates and distributes among its stakeholders.

The added value generated by continuing company activities in 2020 amounted to €427.1 million, up €3.9 million on 2019.

Outlook for 2021

Under the 2020-2023 tariff methodology, the net profit from Belgian regulated activities is determined based on various regulatory parameters, including equity invested, financial structure and incentives.

Based on the information available at the time of this report and based on the essential nature of the company's activities and their regulatory framework, we do not anticipate for 2021 any significant impact due to the COVID-19 pandemic and the resulting market developments on the consolidated result of the Fluxys Belgium Group (see Note 1f in the consolidated financial statements).

Subsidiary activities and statutory profits

Fluxys LNG

Fluxys LNG (a consolidated subsidiary in which Fluxys Belgium holds a 99.9% stake and Flux Re a 0.01% stake) is the owner and operator of the Zeebrugge LNG terminal and sells terminalling capacity and associated services. Fluxys LNG's equity totalled €156.9 million as at 31 December 2020, compared to €165.8 million the previous year. Net profit for the 2020 financial year totalled €29.1 million (€28.4 million in 2019).

Flux Re

Flux Re (consolidated subsidiary – wholly owned by Fluxys Belgium). Flux Re is a reinsurance company under Luxembourg law and was established in October 2007. Flux Re's equity, before appropriation, rose from €15.2 million as at 31 December 2019 to €15.4 million as at 31 December 2020. Net profit for the 2020 financial year totalled €5.2 million (€6.4 million in 2019).

Balansys

Balansys (entity accounted for using the equity method – Fluxys Belgium holds a 50% stake). As part of the integration of the Belgian and Luxembourg gas markets, on 7 May 2015 Fluxys Belgium and the Luxembourg transmission system operator Creos Luxembourg set up the company Balansys, a joint venture in which Fluxys Belgium and Creos Luxembourg each have a 50% stake. On 1 June 2020, the company took over the commercial balancing activities of the integrated Belgian-Luxembourg gas market.

Fluxys Belgium SA/NV – 2020 profit (according to Belgian standards): proposed allocation of profit

Fluxys Belgium SA/NV's net profits totalled €70.8 million, compared with €42.5 million in 2019. This increase compared to the previous financial year is due in part to the commissioning of the fifth storage tank at the LNG terminal operated by subsidiary Fluxys LNG.

At the Annual General Meeting on 11 May 2021, Fluxys Belgium will propose a gross dividend of €1.37 per share.

Taking into account a profit of €53.6 million carried over from the previous financial year and a withdrawal of €38.7 million from the reserves, the Board of Directors will propose to the Annual General Meeting that the profits be allocated as follows:

- €96.3 million as a dividend payout;
- €66.8 million as profit to be carried forward.

If that profit allocation proposal is adopted, the total gross dividend for the 2020 financial year will be €1.37 per share. This amount will be payable from 19 May 2021 onwards.



Indicators

Contribution to prosperity (in millions of €)	2020	2019	2018	2017
Added value from continuing operations	427.1	423.2	404.8	411.1
Personnel	110.5	107.5	107.9	107.1
Shareholders (dividend)	91.3	88.5	86.4	84.3
Society (taxes)	37.2	48.2	44.7	48.2
Suppliers	149.3	143.4	124.9	125.7
Financial institutions (interest)	38.8	35.5	40.9	45.8
Financial strength of Fluxys Belgium: financial ratios	2020	2019	2018	2018
Solvency Ratio of (i) net financial debt and (ii) the sum of equity and net financial debt	58%	58%	56%	57%
Interest coverage Ratio of (i) the sum of FFO and interest expenses and (ii) interest expenses	5.58	6.58	7.09	6.37
Net financial debt/extended RAB Ratio of (i) net financial debt and (ii) extended RAB	29%	29%	28%	30%
FFO/net financial debt Ratio of (i) FFO and (ii) net financial debt	20%	22%	28%	27%
RCF/net financial debt Ratio of (i) RCF and (ii) net financial debt	20%	12%	18%	18%

Glossary

EBIT: Earnings Before Interest and Taxes or operating profit/loss plus the result of investments accounted for using the equity method and the dividends received from unconsolidated entities. EBIT is used as a reference to monitor the operational performance of the group over time.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation or operating profit/loss, before depreciation, amortisation, impairment and provisions plus the result of investments accounted for using the equity method and the dividends received from unconsolidated entities. EBITDA is used to monitor the operational performance of the group over time, without considering non-cash expenses.

Net financial debt: Interest-bearing liabilities (including lease debts), less regulatory liabilities, cash linked to early refinancing transactions and 75% of the balance of cash, cash equivalents

and short- and long-term cash investments (the remaining 25% is considered as a buffer for operational purposes (working capital) and is therefore deemed unavailable for investments). This indicator gives an idea about the amount of interest-bearing debt that would remain if all available cash would be used to reimburse loans.

Solvency: The ratio between net financial debt and the sum of equity and net financial debt; this indicates the solidity of the Fluxys Belgium group's financial structure.

Interest coverage: The ratio between FFO, before interest expenses, and interest expenses represents the group's capacity to cover its interest expenses via its operating activities.

Net financial debt/Extended RAB: This ratio expresses the share of the extended RAB that is financed by external debt.

Net financial debt (in millions of €)	2020	2019	2018	2017
Net financial debt	873.1	903.3	881.9	950.5
Breakdown:				
Debt capital market	698.7	698.2	697.8	1,057.1
Bank loans	304.3	327.8	309.8	330.2
Related parties	263.3	263.3	263.3	263.3
75% of cash, cash equivalents and short- and long-term cash investments	-393.1	-386.0	-388.9	-700.1
Weighted average maturity as at 31 December	10.2	11.3	12.4	13.4
RAB and WACC	2020	2019	2018	2017
RAB* (in millions of €)				
Transmission	2,086.9	2,125.3	2,194.2	2,257.9
Storage	235.6	239.7	246.1	253.3
LNG terminalling	302.7	314.4	324.6	328.0
Property, plant and equipment outside RAB (in millions of €)	420.3	413.4	376.6	335.6
Extended RAB*	3,045.4	3,092.8	3,141.5	3,174.8
WACC* before tax (in %)				
Transmission	4.88	3.87	4.04	4.31
Storage	5.04	3.57	3.71	3.99
LNG terminalling	5.14	2.85	3.40	3.65

FFO: Funds from Operations or profit/loss from continuing operations, excluding changes in regulatory assets and liabilities, before depreciation, amortisation, impairment and provisions, to which dividends received from associates and joint ventures and unconsolidated entities are added, and from which net financial expenses and current tax are deducted. This ratio indicates the cash generated by operational activities and thus the capacity of the group to reimburse its debts and to invest but also to pay dividends.

RCF: Retained Cash-Flow or FFO, less dividends paid. This ratio indicates the cash generated by operational activities, but after payment of the dividends. It thus shows the remaining net capacity of the group to reimburse its debts and to invest.

FFO/Net financial debt: This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities.

RCF/Net financial debt: This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities after payment of dividends.

RAB: Average Regulated Asset Base or average value of the regulated asset base for the year. The RAB is a regulatory concept which contains the assets on which a regulatory return is granted, as regulated by the CREG.

Extended RAB: Total RAB and other investments in plant, property and equipment outside RAB.

WACC: Weighted Average Cost of Capital, reflecting the authorised return on RAB under the regulation.



Efforts to combat corruption

Policy approach

Fluxys Belgium’s anti-corruption policy is set out in the company’s Code of Ethics. A new Code of Ethics came into force in 2021. This Code expands the whistleblower channel, among other things.

Related risks

Risk

Corruption having a negative impact on the company’s business reputation and/or financial results

Measures

- Fluxys staff are subject to the Code of Ethics, company regulations, collective bargaining agreements and specific procedures
- Suppliers are subject to the purchasing terms and conditions with specific provisions on corruption
- Control process to ensure that customers, suppliers, agents, consultants, etc. adhere to anti-bribery rules
- Specific internal checks followed up at least every two years by internal audit

New Code of Ethics

The anti-corruption guidelines for employees were part of the then prevailing Code of Ethics in 2020, which addressed the issue as a way to avoid conflicts of interest. A new Code of Ethics was elaborated over the course of the year. The Code came into force in spring 2021 and includes rules on anti-bribery and anti-corruption, preventing money laundering, dealing with gifts and invitations, and anti-competitive behaviour.

More options for whistleblowers

Our employees can contact their manager or the Ethics & Compliance Manager for advice on problematic situations or to report a (potential) breach of the ethics rules.

The new Code of Ethics expanded reporting options, including a new electronic whistleblower channel. This channel is available 24/7 to employees, suppliers, customers, partners, etc. to report (possible) violations in strict confidence.

Focus on anti-corruption in the supply chain

Fluxys Belgium’s general purchasing terms and conditions for suppliers impose various anti-corruption obligations for contractors including:

- being prohibited from engaging in or accepting practices such as private or public corruption;
- being required to demonstrate integrity to their employees.

Indicators

Anti-corruption	2020	2019	2018	2017
Complaints of fraud or reports of unethical behaviour	0	0	0	0
Number of legal proceedings concerning anti-competitive behaviour or failure to comply with competition law	0	0	0	0

Human rights

Policy approach

Fluxys Belgium operates in Belgium and therefore the policy approach to human rights violations is embedded in the company’s policy on business ethics, safety, health and well-being at work, and diversity. Our approach also focuses on the supply chain.

Related risks

Risk

Violation of human rights having a negative impact on the company’s business reputation and/or financial results

Measures

- Staff: provisions in the Code of Ethics, company regulations, collective bargaining agreements and specific procedures
- Suppliers: human rights provisions included in the purchasing terms and conditions

Approach incorporated in other domains

Given the Belgian scope of our activities, our initiatives on respecting human rights are mainly contained in our policy approach in two other domains.

In the ‘Health, safety and well-being at work’ domain, the following human rights are addressed:

- The right to decent work and well-being
- The right to rest and free time
- Protection of the work-life balance
- The right to protection from risks at work, including stress, violence, bullying and harassment
- Freedom of assembly and affiliation to a trade union

The right to equal opportunities and the prohibition of discrimination fall within the ‘Diversity’ domain (see page 98)





Good neighbourly relations

Focus on human rights in the supply chain

Fluxys Belgium’s general purchasing terms and conditions for suppliers impose various human rights obligations on contractors, including:

- the obligation to insure personnel against occupational accidents
- the obligation to comply with the legal obligations regarding safety and well-being at work, the granting of a minimum wage to employees, the payment of wages, the obligations regarding the environment and its protection
- the ban on employing foreign workers who reside illegally in Belgium

Data protection and privacy

The responsible, secure handling of data is vitally important to the company and its employees and everyone has a role to play in this regard. As such, Fluxys Belgium has developed guidelines on data protection, including the requirements of the EU’s General Data Protection Regulation (GDPR) and general privacy regulations.

Fluxys Belgium has also issued guidelines for staff on the use of social media with a view to achieving a balance between every employee’s freedom of speech and right to privacy on the one hand and the company’s mission on the other.

Policy approach

At Fluxys Belgium, we provide almost a third of the energy consumed by households and businesses in Belgium. We do this with infrastructure in almost 400 towns, cities and municipalities, so it is only natural that we want to establish good neighbourly relations.

Through open dialogue, we want to establish good relations with all those affected by the construction and operation of our facilities. The company also ensures that the construction and operation of its infrastructure cause as little disruption as possible.



Indicators

	2020	2019	2018	2017
Complaints on violations of human rights	0	0	0	0
Training courses on subjects related to human rights				
Number of training hours completed	554	*	*	*
Share in the total number of training hours completed	2.4%	*	*	*

* Not registered

Active support to help alleviate coronavirus-related needs

In 2020, Fluxys Belgium made considerable efforts to help alleviate coronavirus-related needs in a broad social context. During the first lockdown period, many employees throughout the company were personally involved in Fluxys Belgium and other initiatives to provide social and health assistance.

They produced medical protective equipment and delivered it to healthcare workers and institutions. Others played a logistical role, getting Fluxys company PCs ready to donate to schools and charities, or were involved in local initiatives.

With the support of the shareholders, Fluxys Belgium and parent group Fluxys also freed up approximately €1 million for various organisations and institutions engaged with vulnerable groups, front-line professionals and scientific research into COVID-19 in Belgium.





Open dialogue with residents

Personal point of contact

Owners and operators of land have a designated point of contact at Fluxys Belgium, right from a project's preliminary phase through to the restoration of a site following construction or operation works. This allows them to consult with someone familiar with their concerns and the features of their land from the outset. These points of contact are part of a specific team that has the special task of understanding the interests of landowners and operators and defending them in relations with Fluxys Belgium.

New infrastructure: securing consensus with our neighbours

Transparent communication from the project phase onwards.

In the case of new infrastructure projects, from the planning phase onwards Fluxys Belgium aims to transparently provide information to and communicate with the relevant authorities, municipal bodies, local residents and other parties involved. In 2020, we visited many municipal and other authorities in connection with our plans to construct new facilities.

Information sessions.

As regards permit applications for major infrastructure projects, Fluxys Belgium suggests to municipalities that an information session be held for local residents before the permit procedures get under way. This gives residents the chance to discuss the project and its impact with us and enables us to take on board any feedback at the start of the project.

In the public consultation stage too, we contact municipalities to suggest organising an information session so that local residents can again ask any questions they might have about the project.

Agreements concerning agriculture, horticulture, forest management and hunting

Fluxys Belgium builds the vast majority of its facilities (pipelines and surface stations) in areas used for agriculture, horticulture or forest management. Good neighbourly relations are crucial between Fluxys Belgium and the owners and operators of land where we have facilities, or land located in the vicinity of our facilities.

With this in mind, we have signed agreements with the country's three largest agricultural organisations and with Hubertus (the Flemish hunting association), Landelijk Vlaanderen, and Nature, Terres et Forêts. These agreements set out the compensation due to those in the agriculture, horticulture or forest-management industries who experience disruption or are temporarily unable to use their land during the construction of a facility. If problems occur after work is complete, we deal with any such reported issues on a case-by-case basis.

Working with sheltered workshops

For a few years now, a number of Fluxys Belgium regional operation centres have been working with sheltered workshops. These are given straightforward, repetitive tasks such as mowing around markings along roads and watercourses.

Team-building events: commitment to charity

Fluxys Belgium encourages its employees to organise social, sports or nature-related team-building events with the twin objectives of boosting team spirit and contributing to the community in a broad sense. Due to COVID-19, no team-building events were organised in 2020.





Digitalisation

Internet of Things (IoT)

We develop the potential of IoT technology to optimise the operational management and maintenance of our network. Among other things, IoT paves the way for predictive maintenance of facilities rather than an approach based on fixed maintenance periods.

Artificial Intelligence (AI)

We are researching and testing aerial observation methods combined with AI systems with a view to being able to detect and monitor third-party works and sites in the immediate vicinity of pipelines.

Digital twin

We are using AI to create a digital twin of our transmission system. This twin can be used, for example, to simulate the gas flow of new gases through our network.

Available capacity

New tools are being developed for customers on the Fluxys Belgium website to ensure the best possible visualisation of available capacity at the LNG terminal and to plan loading slots for LNG trucks.

gCompass

Within our parent group Fluxys, we have developed the gCompass platform to further digitalise and simplify a range of processes for our gas activities. The smart digital platform provides Fluxys Belgium with an in-house, near-real-time overview of physical gas flows of Fluxys companies in Europe combined with market information, among other things.



Supply chain

Policy approach

In its procurement policy, Fluxys Belgium seeks to strike the best balance between safety, reliability and cost. As a rule, we open up contracts and ensure that contractors are treated equally. Transparency is the cornerstone of our communication with current and potential suppliers. To this end, our website has a dedicated section with information on our procurement policy and standard contractual documents.

Supplier developments

Belgian companies account for around 80% of Fluxys Belgium's suppliers. In 2020, Fluxys Belgium signed contracts with 129 new suppliers. In most cases, they replaced existing suppliers as a result of contracts being opened up. Other new suppliers were taken on because, for example, we started purchasing new types of goods and services, and one supplier's business was taken over by another.

Screening of social and environmental practices

Since 2020, Fluxys Belgium has been collecting information on its suppliers' environmental, health and safety practices, predominantly with regard to those suppliers having the greatest impact in terms of greenhouse gas emissions. Among these suppliers, we select those from whom a substantial order has been placed and send them a questionnaire about the management of their greenhouse gas emissions and their certification regarding environmental impact, health and safety.

In 2021, Fluxys Belgium will use the questionnaire results to develop an approach to ensure that environmental impact, health and safety are taken into account more explicitly when selecting contractors and/or awarding contracts.



People

Our employees remain our most important asset. Our results and success are down to their commitment and talents. In 2020, we continued to invest in supporting safety, health, well-being, development and constructive social dialogue.

Throughout the pandemic in 2020, we rolled out numerous initiatives to ensure the safety and well-being of our employees and keep them connected.

6.4 / 0.15 ☒

Safety
Frequency/Severity
(2019: 11)/(2019: 0.12)

909

Employees
(2019: 897)

18 / 82

Diversity
Female/Male
(2019: 18)/(2019: 82)

59 / 58

Talent
Incoming/Outgoing
(2019: 63)/(2019: 57)

3.42 ☒

Development
Average number of
training days per full-time
equivalent
(2019: 6)*

69

Development
Number of employees
taking on a new role
within the company
(2019: 70)

* The number of training days in 2020 was affected by Covid-19 restrictions



In 2020, we specifically focused on:



Staying safe at work together to guarantee our essential services, both at home and in the field



Promoting well-being and health through targeted initiatives stemming from various Feel Good@Fluxys campaigns



Investing in our staff, transversal cooperation between teams and our Employee Value Proposition (i.e. what we offer as an employer) to attract, secure and retain the right talents



Enabling our organisation to move with our growth strategy and prepare for the 'future of work'

Health, safety and well-being at work

Policy approach

Healthy and motivated employees are the driving force behind the company. This approach is a central pillar of our Safety, Health and Environment Policy, which we see as a responsibility and commitment for both the company and its employees.

- Fluxys is committed to investing in occupational health and safety at work and in the prevention of incidents
- Employees and contractors have the individual responsibility to live up to that commitment in their actions.
- We continuously improve to further enhance our safety culture.

Related risks

Risk

Circumstances and events that may harm employees. These may include illness or other health problems, mental health issues or physical injury.

Control and measures

- Active Health, Safety and Environment Policy
- Consultative bodies
- Absenteeism policy
- Feeling Good@Fluxys
- Global Prevention Plan
- External support available

Consultative bodies

Fluxys Belgium is home to various bodies tasked with discussing and promoting employee and contractor safety, well-being and health.

Internal prevention and protection service at the workplace (SIPPT/IDPBW)

This service ensures the proper implementation of well-being legislation, the prevention policy and the legal obligations for personal safety. It also issues various publications providing employees with all kinds of information on safety and well-being at work.

Committee for Prevention and Protection at Work (CPPW)

Meeting every month, the CPPW is a consultative body between employees, the employer and management where they can discuss issues and problems concerning employee well-being. The committee makes proposals concerning, among other aspects, the policy for preventing accidents, incidents and occupational illnesses, the Global Prevention Plan and the annual action plan.

Furthermore, the CPPW conducts regular inspections of Fluxys Belgium's manned facilities and takes part in analyses of serious accidents and incidents. Within the CPPW, ad-hoc working groups work on specific topics, such as workwear.

Local Joint Consultation Committee

The Local Joint Consultation Committee is a local consultative body between the trade-union and employer delegations. It is intended to keep an eye on events at local level and propose solutions that do not fall within the exclusive remit of other consultative bodies.

CAO 90

Furthermore, collective bargaining agreement 90 (CAO 90) provides financial incentives for employees to achieve specific collective ghealth and well-being objectives and to cut Fluxys Belgium's greenhouse gas emissions.



Global Prevention Plan and psychosocial risks

The 2017-2021 Global Prevention Plan (GPP) focuses on occupational and process safety as well as the prevention of psychosocial risks and on well-being, health and moving around at work. Every accident is analysed, and measures are taken to prevent accidents recurring.

In 2020, 14 occupational accidents were recorded, including 9 that rendered the person unable to work, resulting in a total of 211 working days lost. The accident frequency rate was 6.4 and the severity rate was 0.15. Never before have so few occupational accidents been recorded, despite the amount of work carried out in the field.

Fluxys also pays attention to risks associated with moving around during working hours.

According to figures from contractors, there were eight occupational accidents involving Fluxys Belgium contractors, six of them resulting in the victim being unable to work.

Absenteeism

Fluxys wants to provide a safe and healthy working environment with happy employees

Measuring and following up on absenteeism gives us an objective view of employees' general health. The level of absenteeism is similar to that of 2019 and is still below the market average in Belgium. 50% of employees did not take sick leave in 2020.

We actively strive to support employees during their illness, in the run-up to their return and after they return to work. Individual guidance and support is available. This support is based on regular contact and cooperation between the employees involved, their manager, HR and the internal and external departments for prevention and protection at work.

We take preventive action focused on employee health of through our various Feeling Good@ Fluxys projects.

Health, safety and well-being training

In 2020, Fluxys Belgium developed a new e-learning platform to teach contractor staff about the company's general safety rules. From 2021 onwards, every employee of a contractor scheduled to work at a Fluxys construction site or facility must complete the training module remotely and demonstrate that they are familiar with the general safety rules. If they do so, they can carry out work, and will receive an e-certificate valid until the end of the calendar year in question.

Among employees, (gas-related) technical, safety and job-specific training accounted for a significant share (43%) of the total number of training hours completed.

COVID-related measures had a limited impact on the training rate, as traditional courses were converted to digital or hybrid courses. However, the total number of training hours completed (almost 21,500 hours) was far below that of the previous year (38,000 hours).





And what did our employees think?

In the summer, we conducted a survey to gauge employees' experience of COVID-19. 60% of employees took part in the survey, which looked at:

- the feeling of involvement in Fluxys, with colleagues and managers;
- the attention paid to keeping our activities going as an essential service;
- the adjustments made to the working environment;
- the work-life balance;
- the measures taken, the frequency of communications and the safe return to work after lockdown;
- preparedness and readiness for any further lockdowns.

On a scale of one to ten (ten being the highest), Fluxys scored between seven and nine in all areas. The results and recommendations will be taken into account in subsequent campaigns.

In the autumn, we conducted a more limited survey among new hires in order to learn about their integration at Fluxys during the COVID pandemic. The respondents rated connectivity with Fluxys and support from their immediate superiors as very satisfactory.

Special measures and initiatives regarding COVID-19

In 2019, a wide-ranging health and well-being campaign covered various aspects. In 2020, the campaign was modified to support different ways of working during the pandemic: high numbers of staff worked from home, if their jobs allowed them to do so, while operational staff adopted a new working structure to ensure the continuity of service. Thanks to the willingness of numerous employees, the campaign also took on a social dimension.

Connect@Fluxys

Keeping Fluxys, colleagues, teams and managers connected was a top priority. In addition to the support provided by the Digital Coaches on how to stay in touch safely and virtually via digital tools and applications, various campaigns and initiatives encouraged individuals and teams to share their experiences.

- Stronger Together: a campaign rolled out during the first lockdown to get individuals and operational teams to talk about their experiences in their specific work organisation.
- Let's shape our playlist: a campaign launched during the semi-lockdown, calling on employees to submit and share a song that reminds them of our purpose (shaping together a bright energy future).

Safe together@Fluxys

Guidelines on working safely were extensively explained in visual and interactive communications.

Feeling Good@Fluxys

Autumn saw a series of sessions intended to provide employees with inspiration regarding resilience as a means of staying positive. Employees and managers were given tips and tricks to maintain and increase their own and their team's resilience.

Employees who were experiencing difficulties or simply needed a chat could contact an advisory centre for well-being services. The SIPPT/IDPBW also supported staff in this changed situation and launched several communications around working at home and self-care during lockdown.

Fit@Fluxys

Under the professional guidance of a sports coach, online exercise classes were held from April up to and including November 2020. These sessions will remain available through the internal channels.

Healthy@Fluxys

To optimise working from home, Ergo coaches were on hand to give employees tips on the best way to sit at their desk and how often they should alternate between working while sitting down and standing up.

Social@Fluxys: social work

During the pandemic, Fluxys Belgium also focused on social work. A total of 86 staff made a personal commitment to provide social and health assistance, amounting to nearly 300 days of social work. Some worked seven days a week producing medical protective equipment and delivering it to around 100 healthcare workers and institutions. Others played a logistical role, getting Fluxys company PCs ready to donate to schools and charities, or were involved in local initiatives, volunteering as chat buddies, doing shopping or helping out with administrative tasks.



Indicators

	2020	2019	2018	2017
Incapacity for work among staff				
Occupational accident involving more than one day's incapacity for work	9 <input checked="" type="checkbox"/>	15	12	13
Frequency (number of occupational accidents divided by the number of hours worked)	6.4 <input checked="" type="checkbox"/>	11	8.9	9.5
Severity (number of days of absence divided by the number of hours worked)	0.15 <input checked="" type="checkbox"/>	0.12	0.26	0.23
Incapacity for work among contractors				
Occupational accident involving third parties and resulting in more than one day's incapacity for work	6 <input checked="" type="checkbox"/>	10	8	4



Diversity

Policy approach

Fluxys Belgium encourages diversity without applying positive discrimination quotas. Our human resources policy is based on individual competencies. Openness to other realities, other people's ideas and individual differences is a basic requirement expected of every employee and screened as standard during the selection process.

Related risks

Risk

A lack of diversity in the workforce can lead to a business organisation that lacks the necessary skills, talents and experience

Measures

Equal opportunities policies that encourage diversity by promoting equity, merit, personal development, work-life balance and shared responsibility.



Encouraging diversity in recruitment

Fluxys Belgium wants to use its Employer Branding communication to target diverse, complementary profiles so that candidates from different backgrounds, views or preferences feel welcome.

As regards diversity in the Board of Directors of Fluxys Belgium, the Gas Act (Article 8/3) stipulates that at least one third of Board of Directors members must be of a different sex from the other members.

Diversity in experience, too

Fluxys Belgium also devotes considerable attention to diversity in terms of experience. This approach translates, for example, into the continuous recruitment of young people with no or very limited work experience (job starters).

In 2020, out of a total intake of 59 new employees, we recruited 15 colleagues with limited work experience or who had fewer opportunities on the labour market.

The same criteria for everyone

The criteria applied for employee remuneration, evaluation, career development, training and work-life balance are identical for both men and women. The difference in the average basic salary between men and women is due to the fact that the composition of both categories differs with regard to seniority, type of role, and the division between old and new salary conditions.

Indicators

	2020	2019	2018	2017
Total	909	897	894	907
Incoming employees				
< 30 yr	49%	40%	60%	57%
30-50 yr	44%	51%	36%	34%
> 50 yr	7%	9%	4%	9%
Men	69%	68%	71%	43%
Women	31%	32%	29%	57%
Outgoing employees				
< 30 yr	28%	28%	33%	30%
30-50 yr	62%	56%	56%	47%
> 50 yr	10%	16%	11%	23%
Men	83%	69%	69%	50%
Women	17%	31%	31%	50%
Executives				
< 30 yr	9%	5%	5%	5%
30-50 yr	57%	63%	62%	66%
> 50 yr	34%	31%	33%	29%
Men	86%	86%	87%	88%
Women	14%	14%	13%	12%
Salaried staff members				
< 30 yr	6%	6%	6%	6%
30-50 yr	47%	51%	55%	58%
> 50 yr	47%	43%	39%	36%
Men	80%	80%	80%	80%
Women	20%	20%	20%	20%
Management				
< 30 yr	0%	0%	0%	0%
30-50 yr	39%	50%	45%	54%
> 50 yr	61%	50%	55%	46%
Men	89%	89%	85%	86%
Women	11%	11%	15%	14%
Board of Directors				
< 30 yr	0%	0%	0%	0%
30-50 yr	18%	18%	20%	32%
> 50 yr	82%	82%	80%	68%
Men	68%	68%	65%	63%
Women	32%	32%	35%	37%
Average basic salary ratio				
Men	100%	100%	100%	100%
Women	93%	91%	89%	89%



Our people and organisation

Policy approach

We further honed our People & Organisation strategy in 2020 with a view to supporting the business strategy. The strategy is built on three clusters, each of which is intended to prepare our company for the future through annual initiatives and programmes.

- Transforming
- Developing future-proof employees
- Offering meaningful work as an attractive employer

Transforming

Guided by our purpose, we managed to respond quickly as an organisation to the pandemic in 2020. For example, our internal campaign Stronger Together continuously kept our employees up to date and connected.

Spurred on by the pandemic, Fluxys Belgium quickly shifted to greater digitalisation and adapted ways of working. Encouraged by this dynamic, we laid the foundations for major structural and organisational projects that will provide the leverage needed to transform our future challenges into new opportunities for our employees and our organisation.

Developing future-proof employees

Fluxys Belgium's competency management and professional development and training programmes are geared towards providing employees with the support they need to achieve both the company's objectives and their own goals.

Competency management is focused on aligning staff competencies with what the company needs to make its strategy a success. Developing employees' individual competencies allows them to make the best possible contribution to the company's goals while remaining employable in the future.

In 2020, various initiatives were further honed and combined to increase the agility and employability of our employees. For example, we continued to put together cross-disciplinary teams to work on energy transition projects in order to stimulate the exchange of knowledge within the company and offer employees the chance to take on different roles with a view to broadening their skills.

In a bid to improve employees' long-term employability within the company, we offer various digital learning portals with e-learning modules, with each focusing on a specific skill. Digital skills were given a considerable boost in 2020 with the help of Digital Coaches and by all employees working on these skills themselves.

Offering meaningful work as an attractive employer

As an attractive employer, Fluxys Belgium attaches great importance to ensuring that employees are familiar with the business context and the challenges that the company faces, as this fosters personal commitment to the company's vision, strategy and goals. Fluxys Belgium makes special efforts, using a variety of means, to systematically inform members of staff on what changes are going on in the energy sector, how the company is adjusting its goals and strategy to address these developments, and what these goals mean for each individual staff member.



Our employees are our ambassadors

Our purpose and our employees are central to our Employer Branding campaign. They are the ones who, as true ambassadors, tell us how exciting it is to work on the energy transition and what other benefits we offer as a growth company.



94%

In 2020, thanks to a wide range of e-learning options, 94.29% of all staff members had completed at least one e-learning module. In the wake of the pandemic, many traditional training modules have also been converted to digital or hybrid training courses.



Social dialogue

Based on its company objectives, Fluxys Belgium assesses its future staffing needs to gain a clear overview of which competencies are required now and in the future. This includes a sustainable, future-oriented approach to recruitment: we want what we offer as an employer to give employees proper meaning to their work in exchange for their drive, expertise and competencies. Our purpose shows what we stand for as a company in order to find the right match for future employees.

We are no stranger to the ‘war for talent’. In a bid to win, in 2020 we further developed our Employee Value Proposition and started rolling out a new Employer Branding campaign.

In contrast to previous years, the COVID crisis prevented us from organising physical recruitment events and making direct contact with candidates. We switched to digital channels to attract new talents and completed the recruitment process alongside the candidates. This was a success: recruitment remained stable and internal mobility also continued to run smoothly.

The personnel data in this section are based on the workforce of Fluxys Belgium and Fluxys LNG. Workforce statistics are based on all personnel in the personnel register, including active staff as well as those on long-term sick leave. Unless otherwise specified, the statistics refer to the number of employees and not the number of FTEs.

Indicators

	2020	2019	2018	2017
Members of staff	909	897	894	907
Women	161	161	157	163
Men	748	736	737	744
Ratio of women/men	18/82	18/82	18/82	18/82
Full-time	783	770	771	787
Part-time	126	127	123	120
Ratio of full-/part-time staff members	86/14	86/14	8/14	87/13
Open-ended contract	890	873	869	883
Fixed-term contract	19	24	25	24
Ratio of open-ended/fixed-term contracts	98/2	97/3	97/3	97/3
Internal mobility	69	70	39	50
Incoming employees	59	63	52	35
Outgoing employees (including those leaving due to their contract coming to an end or due to retirement)	58	56	61	57
Ratio of outgoing employees	3.2%	3.6%	4%	3%
Average number of training days* per full-time equivalent	3.42*	6	6.14	6.23

* Number of training days limited by Covid measures in 2020

Policy approach

Good industrial relations are vital for company cohesion and activity development, which is why Fluxys Belgium engages in transparent, constructive social dialogue with all employees, members of the works council, the committee for prevention and protection at work, the trade union delegation and executive representatives.

Digital twice over

Due to COVID-19, Fluxys Belgium organised social dialogue digitally. Alongside the usual meetings, several additional consultations were held to liaise with staff representatives on the measures to be taken in the wake of the pandemic.

The 2020 social elections were also held digitally and with electronic voting. 85% of employees took part.

Actively promoting togetherness and support in social events

Fluxys Belgium actively promotes togetherness and enjoyment at work, key aspects of a meaningful work. Even with the social constraints imposed in 2020, employees got a lot of satisfaction from the social initiatives for hospitals, schools and local initiatives that Fluxys supported in the spring. These were moments to be together, safely, to aid society.

The company is also home to a Circle of Friends where staff organise a wide range of sporting and cultural activities. Due to the COVID-19 pandemic, however, only a few activities could take place in January and February 2020.





References



GRI table of contents

General content	Reference/answer
Organisational profile	
102-1 Name of the organisation	9, 14
102-2 Activities, brands, products and services	10-13, 17, 24-25
102-3 Location of headquarters	171
102-4 Location of operations	10
102-5 Ownership and legal form	14-15
102-6 Markets served	10-13
102-7 Scale of the organisation	10-13, 71-81
102-8 Information on employees and other workers	91-103
102-9 Supply chain	89
102-10 Significant changes in the organisation and its supply chain	89
102-11 Precautionary principle or approach	22
102-12 External initiatives	24-25
102-13 Membership of associations	36
Strategy	
102-14 Statement from senior decision-maker	3-7
102-15 Key impacts, risks and opportunities	20-21
Ethics and integrity	
102-16 Values, principles, standards and norms of behaviour	82-84
Governance	
102-18 Governance structure	26-29
Stakeholder engagement	
102-40 List of stakeholder groups	31-33
102-41 Collective bargaining agreements	93
102-42 Identifying and selecting stakeholders	31
102-43 Approach to stakeholder engagement	32-33
102-44 Key topics and concerns raised	34-35
Reporting practice	
102-45 Entities included in the consolidated financial statements	15, 79
102-46 Defining report content and topic boundaries	Front cover inside, 3-7, 31, 34-35
102-47 List of material topics	34-35
102-48 Restatements of information	-



102-49 Changes in reporting	-
102-50 Reporting period	1 January 2020 to 31 December 2020
102-51 Date of most recent report	10 April 2020
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	312
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards – core reporting
102-55 GRI content index	105
102-56 External assurance	108

Planet

Transporting the molecules for a carbon-neutral future	
103-1 Explanation of the material topic and its boundary	39-40
103-2 The management approach and its components	41-52
103-3 Evaluation of the management approach	41-52
Systematically reducing our own climate impact	
103-1 Explanation of the material topic and its boundary	39-40
103-2 The management approach and its components	53-57
103-3 Evaluation of the management approach	53-57
302-1 Energy consumption within the organisation	57
302-4 Reduction of energy consumption	57
305-1 Direct (Scope 1) GHG emissions	57
305-2 Energy indirect (Scope 2) GHG emissions	57
305-4 GHG emissions intensity	57
305-5 Reduction of GHG emissions	57
307-1 Non-compliance with environmental laws and regulations	58

Prosperity

Safe and reliable infrastructure	
103-1 Explanation of the material topic and its boundary	61-62
103-2 The management approach and its components	63-70
103-3 Evaluation of the management approach	63-70
203-1 Infrastructure investments and services supported	44, 56, 75, 85, 97
Financial resilience	
103-1 Explanation of the material topic and its boundary	61-62
103-2 The management approach and its components	71-81
103-3 Evaluation of the management approach	71-81
201-1 Direct economic value generated and distributed	78-81
201-2 Financial implications and other risks and opportunities due to climate change	41-57
201-3 Defined benefit plan obligations and other retirement plans	Note 2.11 in the consolidated financial statements

201-4 Financial assistance received from government

In 2020, Fluxys Belgium and Fluxys LNG received a reduction in withholding tax of €962,058.81 and €308,760.68 respectively. The partial exemption from paying withholding tax is the result of the structural exemption for all employee categories, for shift, night and continuous work, for a certain number of overtime hours, and for R&D (certain qualifications). Furthermore, in 2020 Fluxys Belgium received an advance ruling on the innovation income deduction for the financial years 2019, 2020 and 2021. This regime, which replaced the patent income deduction, provides for a deduction

calculated on net income from intellectual property limited in proportion to the share of the company's or the share outsourced to non-affiliated companies in the total R&D expenditure relating to this intellectual property. The deduction for the 2019 financial year (declaration submitted in 2020) totalled €6,409,585.96, i.e. a net tax gain of €1,895,955.53.

Efforts to combat corruption	
103-1 Explanation of the material topic and its boundary	82
103-2 The management approach and its components	82
103-3 Evaluation of the management approach	82
205-1 Operations assessed for risks related to corruption	82
205-2 Communication and training about anti-corruption policies and procedures	82
205-3 Confirmed incidents of corruption and actions taken	82
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	82
Human rights	
103-1 Explanation of the material topic and its boundary	83-84
103-2 The management approach and its components	83-84
103-3 Evaluation of the management approach	83-84
412-2 Employee training on human rights policies or procedures	83-84
415-1 Political contributions	Fluxys Belgium does not make any political contributions

People

Employee safety, health and well-being	
103-1 Explanation of the material topic and its boundary	91-92
103-2 The management approach and its components	93-97
103-3 Evaluation of the management approach	93-97
403-3 Occupational health services	93
403-4 Worker participation, consultation, and communication on occupational health and safety	93-95
403-5 Worker training on occupational health and safety	95-97
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	95-97
403-9 Work-related injuries	95, 97
Diversity	
103-1 Explanation of the material topic and its boundary	91-92
103-2 The management approach and its components	98-99
103-3 Evaluation of the management approach	98-99
405-1 Diversity of governance bodies and employees	99
405-2 Ratio of basic salary and remuneration of women to men	99
Our people and organisation	
103-1 Explanation of the material topic and its boundary	91-92
103-2 The management approach and its components	100-103
103-3 Evaluation of the management approach	100-103
401-1 New employee hires and employee turnover	102
404-1 Average hours of training per year per employee	102
404-2 Programmes for upgrading employee skills and transition assistance programmes	101



Independent limited assurance report on selected sustainability indicators

This report has been prepared in accordance with the terms of our contract dated 19/01/2021 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with selected sustainability data, marked with a checkmark ☒, of the Annual Report as of and for the year ended 31 December 2020 (the “Report”).

The Directors’ Responsibility

The Directors of Fluxys Belgium NV (“the Company”) are responsible for the preparation and presentation of the selected sustainability indicators for the year 2020 marked with a checkmark ☒ in the Report of Fluxys Belgium NV, (the “Subject Matter Information”), in accordance with the criteria disclosed in the Report (the “Criteria”).

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors,

and with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement contract.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information does not comply, in all material respects, with the Criteria.

In a limited-assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable-assurance engagement. The procedures selected

depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Subject Matter Information in respect of the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2020 presented in the Report;
- conducting interviews with responsible officers;
- inspecting internal and external documents.

The scope of our work is limited to assurance over the selected sustainability indicators for the year 2020 marked with a checkmark ☒ in the Report of Fluxys Belgium NV. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the selected sustainability indicators for

the year 2020 marked with a checkmark ☒ in the Report of Fluxys Belgium NV, do not comply, in all material respects, with the Criteria.

Other matter - Restriction on Use and Distribution of our Report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2020 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Sint-Stevens-Woluwe, 31 March 2021

PwC Bedrijfsrevisoren BV
Réviseurs d'Entreprises SRL represented by

Marc Daelman¹
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman



Methodology for calculating greenhouse gas emissions

Scope and sites

- Emissions from scope 1 and 2
- All the relevant sources from our activities

Definitions

Scope 1

1. CO₂-sources

Gas consumption related CO₂-emissions:

- Stationary combustion: gas turbines, gas engines, boilers and heaters in Fluxys Belgium's facilities
- Consumption of office's buildings (headquarters and regional operating centres)
- Flaring during interventions
- Fleet (CNG vehicles)

Diesel and petrol consumption related CO₂-emissions:

- Fleet
- Emergency generator

2. CH₄-sources

- Pneumatic Emissions: emissions from pneumatic controls
- Fugitive emissions: emissions due to tightness failure on some equipments (flanges, pipe equipment, valves, joints, seals)
- Operational emissions: emissions due to manoeuvres (start-stops of machines) and incomplete combustion
- Interventions: volume vented for interventions
- Incidents: vented volume due to emergency breakdowns/shutdowns or due to pipeline damages by third parties

For the purpose of our calculation, we assume that 1 kg of methane contributes 25 times as much to climate change as 1 kg of CO₂ (GWP₁₀₀ = 25, according to the 4th IPCC report).

Scope 2

The carbon footprint from the consumed electricity according a market-based approach as defined in the GHG-protocol (ghgprotocol.org).

Fluxys Belgium Health, Safety and Environment Policy

Health, Safety and Environment (HSE) is a shared responsibility and a joint commitment of Fluxys Belgium and its employees. Transparency and trust are key to deliver on our HSE Policy.

Well-being at work

- Fluxys is committed to investing in health and safety at work and in the prevention of incidents
- Employees and contractors have the individual responsibility to live up to that commitment in their actions
- We continuously improve to further enhance our safety culture

Integrity of our assets

- We ensure safe, reliable and sustainable operations towards our stakeholders
- We actively manage risk through a Quality & Safety Management System
- We report incidents and learn from experience

Commitment to the climate targets

- We are committed to accommodating the energy carriers of the future
- We invest in reducing our greenhouse gas emission
- We improve our ecological footprint

Questions about accounting data

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