

Annual report 21st financial year  
1 January – 31 December 2023



# Annual Report Fluvius System Operator 2023

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# 1 Foreword

Energy transition and climate adaptation. They are no longer fads today, but full-blown realities. We are in the middle of it and it is accelerating. The world is changing and in 2023 Fluvius continued to take up the challenge of adapting its networks accordingly. We look back on this in our annual report 2023.

## Investment plan

One of the highlights of the past year was the update of our 2024-2033 investment plan, which is currently still up for approval by the VREG (the Flemish Energy Regulator). This plan takes a look ahead and explains what investments will be needed over the next ten years to prepare the distribution grid for the accelerated electrification that is coming our way. Notable in this update was the drop in expected investments for the natural gas grid to €63 million per year in 2033, the considerable importance of digitalisation and the continued adherence to the 'no regret' scenario with €4 billion in additional investments in the electricity grid.

## Muti-utility

Fluvius continued to focus on the digitisation of grids and systems last year. The roll-out of the digital meter, as a crucial link in the energy transition, is progressing steadily. We are testing, on behalf of the VREG, the effect of a capacity tariff on the load on the grid. We are investigating where heat networks are a sustainable solution for providing heat to local areas and we are getting closer and closer to completely phasing out our public lighting. And in all this, data management is also an indispensable link, which is why in 2023 we also worked on a clear vision of data that we wish to achieve by 2025.

## Climate adaptation

We continue to nurture ambitions in the field of water management. Together with the municipalities, we will separate waste water better, for instance. Because together we can do more. And we need to, because longer periods of high rainfall alternating with drought put our ecosystem under pressure. As the largest sewerage manager in Flanders, Fluvius supports various projects and initiatives working on softening and circular water use, for example, within the framework of the Blue Deal.

## Grids for tomorrow

The media campaign 'Grids for tomorrow', launched at the end of the summer in 2023, indicates the important role of Fluvius and its distribution grids in the energy transition and climate adaptation. And at the same time, it is a warm call to come and help build the grids for tomorrow. After all, in addition to extra investments, we also need additional talents to help realise our ambitions.

## Great place to work

In 2023, we worked not only on the grids, but also on our company. We are very proud to say that our annual employee survey was completed by a record number of colleagues (87%) and that we obtained the internationally recognised 'Great Place To work' certificate. We took a remarkable step forward in the past year, but we are not resting on our laurels. In 2024, we will work on the feedback from the survey in order to continue to grow and remain a place where people enjoy being and working.

## Customer focus

We visited more customers than ever in 2023. Those customers were not all undividedly satisfied, we cannot deny that. The number of complaints showed a clear increase, partly due to problems with EANs, delayed connections and voltage complaints with solar panel inverters. We continue to put extra effort into targeted customer communication, both proactive and reactive. Customers are finding their way well to us, digitally, for example, via my.fluvius.be where they track their usage and apply for premiums, but equally physically in our customer offices: we received around 10 000 more visitors than in 2022.

And that is important. Because Fluvius is there for society. In 2023, we sought additional connection, through ecological projects, initiatives around training and education and, of course, our charity work.

### **To conclude**

Fluvius works today, with an eye on tomorrow and the long-term future. In 2024, we continue to build the grids for tomorrow with even more focus on cooperation. Cooperation internally, cooperation with our shareholders, cooperation with external partners, ... because together we achieve more. In addition, the focus is on further strengthening the grids, with data management and digitalisation also playing a fundamental role.

Wim Dries

Chair of the Board of Directors

## 2 Contents of the report

In accordance with the law and the articles of association, we present this Annual Report on the activities of Fluvius System Operator cv ('Fluvius') during the past financial year 2023.

This report is a combined report in which the Activity Report, the Financial Report and the Sustainability Report are contained in a single document. The specific sustainability and CSR aspects are reported on with reference to the GRI standards (version 2021), issued by the Global Reporting Initiative (GRI). The information included in the GRI table at the end of this annual report is an integral part of the annual reporting.

Fluvius System Operator is therefore compliant with the statutory obligation that large Belgian businesses must report on certain non-financial elements and diversity aspects (*Law of 3 September 2017 on the publication of non-financial information and information on diversity by certain large companies and groups*).

In the Financial Report, we present the following documents:

- ✓ separate financial statements for the financial year ended 31 December 2023. These financial statements have been drawn up in accordance with Belgian accounting standards (BE-GAAP). They comprise the balance sheet, the income statement with comments, the explanatory notes, the distribution of the profits and the social balance sheet;
- ✓ the consolidated financial statements for the financial year 2023 of the Fluvius Group ended 31 December 2023, in accordance with the International Financial Reporting Standards (IFRS);
- ✓ the reports by the Statutory auditor on the financial statements for 2023 under BE-GAAP and IFRS;
- ✓ the declaration by the persons responsible for the financial statements and the annual report (*cf. article 12, §2 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market*).

This report also includes a sustainability analysis of the business activities of Fluvius, and in particular their eligibility and alignment with the EU Taxonomy, cf. Article 8 of the relevant Regulation<sup>1</sup>.

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

## 3 Fluvius System Operator at a glance

### 3.1 Fluvius, close to you

The cooperative company Fluvius System Operator (known operationally under the working name of 'Fluvius') is the Flemish multi-utility grid operator that came into being on 1 July 2018 from the merger of Eandis System Operator CVBA and Infrac CVBA. On 1 April 2019, the former Integan ov joined the Fluvius Economic Group when acquired by ex-Iveg (now Fluvius Antwerpen).

Fluvius is responsible for the construction, management and maintenance of distribution grids for electricity and natural gas, sewerage, and heat. The company also manages a substantial proportion of the municipal public lighting system in Flanders, with 1,180,115 lighting points. The data management that supports the above-mentioned business activities is also part of Fluvius' remit.

In total, Fluvius manages 207,445 kilometres of utility networks<sup>2</sup>. Fluvius is active in all 300 Flemish cities and municipalities, which means that everyone in Flanders can benefit from the professional service provided by our 5,638 employees. In the free energy market in Flanders, Fluvius, as operator of the distribution grid, is an indispensable link between energy producers, energy consumers and transmission system operators.

### 3.2 Working for our shareholders, the mandated associations

Fluvius System Operator is the operating company for 11 Flemish utility companies, each of which is legally constituted as an intermunicipal 'mandated association': They are also the shareholders of Fluvius System Operator:

	Electricity	Natural gas	Sewerage	Public lighting
<b>FLUVIUS ANTWERP</b>	X	X	X	X
<b>FLUVIUS LIMBURG</b>	X	X	X	X
<b>FLUVIUS WEST</b>	X	X	X	X
<b>GASELWEST</b>	X	X		X
<b>IMEWO</b>	X	X		X
<b>INTERGEM</b>	X	X		X
<b>IVEKA</b>	X	X		X
<b>IVERLEK</b>	X	X		X
<b>PBE</b>	X			X
<b>RIOBRA</b>			X	
<b>SIBELGAS</b>	X	X		X

<sup>2</sup> Figure excluding cable communications networks, for which 28,270 km were still reported in 2022.

*Note: mandated associations for electricity and gas distribution are also involved in supplying heat.*

Fluvius works on behalf of the inter-municipal utility companies listed in the table above. As shown in the table, the majority of these mandated associations are active in the regulated activity of energy distribution (electricity and/or natural gas). Consequently, a substantial part of Fluvius's business is subject to regulation by the authorised energy regulator VREG (Flemish Regulator of the Electricity and Gas Market). Fluvius' sewerage business is also regulated in Flanders, namely by the VMM (Flanders Environmental Agency).

Fluvius acts as an operating company for its shareholders/principals at cost price, i.e. no profit margin is charged on the operating tasks carried out. Every month, Fluvius charges all of its direct and indirect operating costs, investments and public service obligations (staff, contractors, suppliers, financing costs) to its shareholders/principals in full. That is why the financial statements of the operating company Fluvius System Operator close with a zero balance, with no profit or loss, with the exception of its stake in Wyre Holding bv for the business in public electronic communication networks.

Fluvius System Operator does not own the distribution infrastructure (distribution grids with cables and pipelines, substations, measurement infrastructure, etc.). The various mandated associations are the owners of this infrastructure.

### 3.3 Supported by 4 subsidiaries

Fluvius System Operator relies on a number of subsidiaries and associates to carry out part of its remit:

- • **De Stroomlijn CV:** the customer communication centre that handles calls from our end customers.
- • **Atrias CV:** the federal clearing house platform for the energy sector in Belgium.
- • **SYNDUCTIS CV:** the company for coordination and synergy for infrastructure works carried out by utility companies in the public domain.
- **Wyre Holding bv:** a holding company, with Fluvius System Operator and Telenet bv as shareholders, which owns 100% of Wyre bv, an independent self-financing infrastructure company incorporated in the context of the planned realisation by Fluvius System Operator and Telenet of a high-speed data network for the Flemish Region.

### 3.4 Our mission, vision, strategy and values

The mission, vision and values of Fluvius give our company direction. We embody them in our interactions with our shareholders, employees, customers and partners.

#### 3.4.1 Our mission

***'To sustainably connect society through our multi-utility solutions'***

- **Fluvius connects society.** This involves not only the physical connection that we make via our networks. We also bring people together. And Fluvius is there for everybody.

- **We create sustainable connections.** We work for the long term, and we want to contribute to a better environment and climate. And we will support communities with forward-looking solutions that also provide comfort in the long term.
- **Fluvius is a ‘multi-utility’, working in a range of different utility sectors.** Because we believe in the synergies and economies of scale this creates for all partners and customers of our company.

### 3.4.2 Our vision

*‘Fluvius, together with all stakeholders, aims to become the number one multi-utility company in Flanders.’*

Fluvius aims to be the number one network operating company for the majority of utility sectors in Flanders. We want Fluvius to be the name that comes to mind in Flanders when it comes to utilities.

Our starting point is always the world around us. We work not for ourselves, but for all of the cities, municipalities, customers, partners, suppliers and investors around us. Only with their support can we grow, by responding to their expectations. And by excelling in what we do and providing an outstanding service.

Everything we do, we do for and with Flemish society. This means we always strive for consultation and cooperation. We put openness and transparency centre stage.

### 3.4.3 Our values

Our values came from suggestions made by our staff. They express the way we aim to deal with each other, and with everyone who comes into contact with Fluvius.

- **Together:** we reinforce each other, to achieve our goal together and as one team.
- **Proud:** we put safety and quality first, and we are proud of that. We seize new opportunities and ideas with both hands.
- **Our engagement:** as veritable Fluvius ambassadors, we take full responsibility.
- **Respect:** we value each other's opinions and feedback and use them to grow together.
- **Customer centric:** satisfied customers are our biggest driver.

### 3.4.4 Strategic choice of core tasks

Since 2020, Fluvius has based its operation on the following strategic choice, as regards its core tasks: ‘Fluvius wants to be the multi-utility operator of (public) grids in the public domain, to maximise synergy.’ This strategic choice applies to 3 sectors:

- Energy (electricity, gas and heat)
- Municipal public lighting (street lights, lighting of public places and monuments, light-as-a-service)
- Water (drinking water and/or sewerage), if opportunities arise in the region

The activities mentioned above also include setting up and managing the necessary data platforms that are directly connected to the various utilities.



In addition, Fluvius is responsible for the public service obligations imposed on it. Furthermore, to support local authorities, Fluvius offers the latter energy services, to join forces to make energy savings in municipal buildings<sup>3</sup>.

### 3.5 Administrative data

- The company was incorporated on 29 April 2002 under the name Electrabel Netmanagement Flanders nv. The name was subsequently changed to Electrabel Netten Vlaanderen nv. On 30 March 2006, the legal form and name of the company were changed to Eandis cvba. The company was renamed Eandis System Operator cvba with effect from 1 January 2016.
- On 1 July 2018, a merger by absorption took place whereby Eandis System Operator cvba took over its fellow utility operator Infracvba. With effect from that date, the name of the newly merged company was changed to Fluvius System Operator cvba.
- Legal form: cooperative company (cv) – since 1 January 2020 due to the revision of the various legal forms stipulated by the Companies and Associations Code dated 23 March 2019 (published in the Belgian Official Journal on 4 April 2019)
- Head office of the company: Brusselsesteenweg 199, 9090 Melle, Belgium
- Company number 0477.445.084
- VAT BE 0477.445.084 - Ghent Register of Legal Entities, Ghent division
- Website: [www.fluvius.be](http://www.fluvius.be)
- Correspondence address:  
Fluvius System Operator cv  
Brusselsesteenweg 199  
9090 Melle

### 3.6 Useful contacts

- For all information and specific queries about meter readings, premiums, connections, meter installation, investment works, Social Supplier services, faulty streetlights and much more, you can find help on our website [www.fluvius.be](http://www.fluvius.be)
- On the website, you can also submit a query via a contact form or make a complaint.
- If you can't find the answers you need on our website, you can call us on the general information number 078 35 35 34, on weekdays from 8am to 8pm and Saturdays from 9am to 1pm.
- For urgent calls, the following numbers are staffed 24/7:
  - Gas smell: 0800 65 0 65

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<sup>3</sup> The Energy Decree has since been amended to abolish this support with respect to energy services as of 1 January 2025, with a transitional measure allowing these activities to continue until no later than 31 December 2027, provided they were already started by 31 December 2024.

- Outages and defects: 078 35 35 00
- People with a speech or hearing impairment can report smells of gas, outages and defects by sending a text code message to 8635.
- Faulty streetlights can be reported at [www.straatlampen.be](http://www.straatlampen.be) or in urgent cases by calling 0800 6 35 35
- Fluvius Complaints Commission: via the website <https://www.fluvius.be/nl/thema/storingen-a-werken/klachten>

## 4 Figures and charts - 31 December 2023

	31.12.2021	31.12.2022	31.12.2023
<b>FLUVIUS</b>			
Financial (IFRS figures)			
Balance sheet total (1000 euros)			
<ul style="list-style-type: none"> <li>Fluvius System Operator consolidated group</li> </ul>	6,497,808	6,889,767	8,804,386
<ul style="list-style-type: none"> <li>Eandis Economic Group</li> </ul>	16,699,180	17,242,497	18,623,535
Turnover (= operating income in 1000 euros)			
<ul style="list-style-type: none"> <li>Fluvius System Operator consolidated group</li> </ul>	1,839,806	2,011,644	2,505,752
<ul style="list-style-type: none"> <li>Fluvius Economic Group</li> </ul>	3,771,814	3,249,064	3,749,621
Staff			
Number of contractual staff Fluvius System Operator	4,780	4,770	5,042
<ul style="list-style-type: none"> <li>Executives</li> </ul>	972	1,017	1,105
<ul style="list-style-type: none"> <li>Non-executives</li> </ul>	3,808	3,753	3,937
Full-time equivalents (FTE):	4,586.28	4,574.22	4,846.55
<ul style="list-style-type: none"> <li>Executives</li> </ul>	949.53	993.47	1,079.17
<ul style="list-style-type: none"> <li>Non-executives</li> </ul>	3,636.75	3,580.75	3,767.38
Additional statutory staff Fluvius Mandated Association			
<ul style="list-style-type: none"> <li>number</li> </ul>	717	667	625
<ul style="list-style-type: none"> <li>FTEs</li> </ul>	691.93	643.81	601.38
Total number of staff members Fluvius			
<ul style="list-style-type: none"> <li>number</li> </ul>	5,497	5,437	5,667
<ul style="list-style-type: none"> <li>FTEs</li> </ul>	5,278.21	5,218.03	5,447.93
<b>Operations (carried out on behalf of the distribution system operators)</b>			
Network Operation and Management			
Realised investment budget (gross, in million euros)	1,110.3	1,198.2	1,411.6
<b>Number of installed digital meters</b>	1,270,458	2,150,963	3,150,311
Unavailability of electricity grid (number of minutes/year/customer)	19 min 51 sec	22 min 29 sec	22 min 25 sec
Natural gas			

Connection points	2,338,503	2,355,263	2,364,869
Low-pressure network (km)	47,727	47,842	47,900
Medium-pressure network (km)	10,060	10,070	10,077
Total network length (km)	57,788	57,912	57,976
<b>Electricity</b>			
Connection points	3,563,333	3,587,133	3,631,149
Low-voltage network (km)	87,070	88,129	89,547
Medium-voltage network (km)	46,841	47,146	47,418
High-voltage network (km)	0	732	734
Total network length (km)	133,911	136,007	137,699
Public lighting and monument lighting	1,171,490	1,179,854	1,188,602
<b>Heating</b>			
Network length (km)	65.5	67.9	99.7
Connection points	1,756	2,123	2,054
Number of municipalities with Fluvius heat customers	15	15	15
<b>Sewerage</b>			
Sewer network (km)	11,861	11,899	12,433
Number of connections	649,942	658,991	684,909

Social public service obligations			
Active meters prepaid electricity	36,136	49,070	60,373
Active meters prepaid natural gas	25,003	31,874	38,952
Charging points budget meter cards	minimum 1 per municipality	minimum 1 per municipality	minimum 1 per municipality
Number of Social Supplier customers electricity	68,907	75,101	76,154
Number of Social Supplier customers natural gas	50,556	56,915	58,143
Customer contacts			
Number of visits to customer service centres	37,189	47,641	57,517
Number of contact centre contacts	2,564,892	2,555,833	2,416,828
Average total number of visitors to the website per month	661,460	806,692	732,846
Energy premiums			
Number of premiums paid	96,956	92,790	132,959
Total premium amount paid (million euros, amount for 2023 excluding MyRebuilding premiums)	68.03	91.15	140.38

## 5 Management Report of the Board of Directors

In accordance with the law and the articles of association, the Board of Directors of Fluvius System Operator cv ('Fluvius') hereby reports on the management activities of the company during the financial year from 1 January 2023 to 31 December 2023.

### 5.1 Shareholder- and group structure of Fluvius System Operator cv

The table below shows an overview of the shareholder structure of Fluvius System Operator cv on 31 December 2023. This allocation of shares is primarily based on the number of EANs<sup>4</sup> per shareholder. The shareholder structure changed during 2023 as a result of the Wyre transaction. As a result, the number of shares for each shareholder at the end of 2023 is as follows:

FLUVIUS SYSTEM OPERATOR	Voting shares	
	Quantity	% in Fluvius
Fluvius Antwerp	4,927,882	18,31%
Fluvius Limburg	5,046,808	18.75%
Fluvius West	1,578,274	5.86%
Gaselwest	2,711,673	10.08%
Imewo	3,798,172	14.11%
Intergem	1,853,953	6.89%
Iveka	1,580,224	6.89%
Iverlek	3,508,983	13.04%
PBE	1,011,018	3.76%
Riobra	394,394	1.47%
Sibelgas	499,554	1.86%
<b>TOTAL</b>	<b>26,910,935</b>	<b>100.00%</b>

### 5.2 Consolidation scope

The table below shows the entities included in the consolidated financial statements of the Fluvius group for 2023 under Belgian accounting standards. Fluvius System Operator is the consolidating company in each case.

<sup>4</sup> EAN = European Article Number, one EAN corresponds to one connection for one utility.

Consolidated company	Consolidation method	Shareholding of Fluvius System Operator
<b>De Stroomlijn cv</b> Brusselsesteenweg 199, B-9090 Melle	Full consolidation	62.17%
<b>Atrias cv</b> Koning Albert II-laan 37, 1030 Brussels (Schaarbeek)	Equity method	50.00%
<b>SYNDUCTIS cv</b> Brusselsesteenweg 199, B-9090 Melle	Equity method	34,38%
<b>Wyre Holding bv</b> Liersesteenweg 4, 2800 Mechelen	Equity method	33,20%

The stake in Wyre Holding bv (which directly holds 100% in Wyre bv) has been included in the consolidation scope since 1 July 2023. On that date, the so-called 'Wyre transaction' was finalised. See the section on 'Wyre' below.

For the sake of completeness, it should also be noted that SYNDUCTIS cvba holds a 2.90% equity stake in De Stroomlijn cvba.

Furthermore, Fluvius System Operator also has a non-consolidated 4.35% equity stake in Duwolim (Duurzaam Wonen Limburg). In addition, Fluvius has a stake in the following business centres, at the request of several DSOs:

Company	DSO	% of the total number of shares
<b>Kortrijk Business Centre</b>	Gaselwest	24.52
<b>Flemish Ardennes Business Centre</b>	Gaselwest	3.29
<b>Waregem Business Centre</b>	Gaselwest	6.66
<b>Bruges Business Centre</b>	Imewo	12.15 <sup>5</sup>
<b>De Punt Business Centre</b>	Imewo	5.87

None of the companies or business centres in which Fluvius System Operator cv has an equity stake can be considered a producer or supplier of electricity or natural gas. The equity stakes held by Fluvius System Operator in the 5 above-mentioned regional business centres are not consolidated. This is because the

<sup>5</sup> 13.86% on the voting shares

company either has no decisive influence on policy or does not have the right to appoint a majority of the members of the board of directors.

The parent company Fluvius System Operator did not acquire any additional shares in subsidiaries or associated companies during 2023. The subsidiaries and associated companies did not acquire any shares in their parent company either.

### 5.3 Branches

Fluvius does not have any branches.

### 5.4 Amendments to articles of association

The articles of association of Fluvius System Operator were amended at the Extraordinary General Meeting of Shareholders on 23 June 2023; publication in the Annexes to the Belgian Official Journal followed on 19 July 2023. The amendments primarily concerned the activity 'public electronic communication networks' due to the transfer of the activity public electronic communication networks (cable distribution) from the relevant mandated associations<sup>6</sup> via Fluvius System Operator to Wyre. For more info on Wyre, see the section below.

The amendments to the articles of association of Fluvius System Operator created a new share class 'K'. These K shares reflect the contribution of cable activity in Wyre. From now on, Fluvius System Operator and the relevant mandated associations have no operational activity in cable television.

### 5.5 Wyre

On 1 July 2023, Wyre bv was established as a company. This marked the end of a long preparatory process in which Fluvius System Operator and the telecom operator Telenet worked to create an autonomous, self-financing infrastructure company for telecoms. Fluvius System Operator and Telenet have equity stakes in this new entity. Both of their stakes in Wyre are organised through a holding structure called 'Wyre Holding', which is also a limited liability company.

The necessary notification procedures had to be completed at both the national and European levels. In the end, these procedures led to a six-month delay in the operational startup (1 July 2023 instead of 1 January 2023).

The Belgian Competition Authority (BCA) had already launched an ex-officio investigation into the proposed Telenet/Fluvius joint venture during the course of 2022. This primarily involved ensuring a level playing field for the handling of permits and the efficient rollout of fibre optic networks in Flanders. To address potential objections, Fluvius and Telenet agreed to take some measures in this regard. Among other things, they have positioned themselves in the area of communication to cities and municipalities, explicit compliance with the GIPOD<sup>7</sup> decree and the Utilities Code, and the appointment of an internal auditor at Fluvius to ensure

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<sup>6</sup> These mandated associations are: Fluvius Antwerp, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, and Sibelgas.

<sup>7</sup> GIPOD Decree: GIPOD stands for (in Dutch) 'Generic Information Platform Public Domain'. GIPOD makes all data on planned mobility disruptions on the public domain in Flanders publicly available. GIPOD is legally regulated by the Decree of 4 April 2014 on



correct compliance with the agreements made. All this meant that an agreement could be reached with the BCA on 18 April 2023. The BCA therefore also dismissed the NetCo/Wyre investigation.

Following the BCA's decision to dismiss the investigation, the joint initiative of Telenet and Fluvius also had to be notified to the European Commission. This procedure was also successfully finalised: on 31 May 2023, the European Commission unconditionally approved the NetCo/Wyre transaction following an extensive merger review.

Telenet and Fluvius have made detailed agreements, including operational aspects and the financial impact on the existing contracts between Telenet and the mandated associations with cable activity (public electronic communications networks activity). The current contracts would of course naturally expire when the entire cable operation is brought under Wyre. These agreements were laid down in, inter alia, a settlement agreement and a shareholder agreement. Furthermore, a loan agreement was also concluded between Fluvius System Operator and Wyre: in connection with the above-mentioned contribution, Wyre took over a debt from Fluvius System Operator in the form of an intercompany shareholder loan of €32 million on market terms, expiring in April 2029.

When the cable activity was reorganised to Wyre (the entire branch of activity brought under Wyre), there was no obligation for the relevant Fluvius staff to also join Wyre. 212 colleagues were potentially impacted by the transfer of the public electronic communications networks branch of activity to Wyre. They were given the possibility to voluntarily apply to Wyre, but ultimately only one Fluvius employee made the switch to Wyre. Almost all the colleagues in question therefore opted to stay at Fluvius. They will opportunities to retrain at Fluvius. Indeed, for Fluvius, this is an important element in the search for skilled personnel in a tight labour market, especially for technical profiles, to bring about the energy transition. This clearly shows that Fluvius takes the interests of its employees into account in the event of major reorganisations, such as the divestment of the cable communications branch of activity in this case.

Wyre Holding and Wyre are each governed by a 12-member board of directors. From a legal perspective, Fluvius System Operator is entitled to 4 of these mandates in each case. Wim Dries, Koen Kennis, Frank Demeyer and Hans Bonte were appointed to this role. Filip Van Rompaey, a member of Fluvius' Management Committee, acts as an observer on both Boards of Directors.

The telecoms company Proximus has filed several proceedings at various levels against NetCo/Wyre and the two initiating parties. As of the end of 2023, none of these complaints or proceedings had resulted in an outcome that in any way blocks Wyre's operations.

For the existing customers of Fluvius' backbone network, the necessary changes were made to their current contracts.

## 5.6 Interkabel Vlaanderen

Another implication of the incorporation of Wyre is that Interkabel Vlaanderen cv ceased to exist. Since 1996, Interkabel had been the permanent partnership between all so-called 'purely' cable intermunicipals in Flanders, namely Integan (following the merger by acquisition on 1 April 2019, now part of Fluvius Antwerp) in the province of Antwerp, Inter-media (following the merger by acquisition on 1 April 2019, now part of Fluvius Limburg) in the province of Limburg, PBE in the province of Flemish Brabant and Fluvius West

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*the exchange of information regarding the occupation of the public domain in the Flemish Region, as amended by the Decree of 17 December 2021 amending the GIPOD Decree of 4 April 2014.*

(following the change of name from Infrac West and before that WVEM) in the provinces of West Flanders and Flemish Brabant). These purely cable intermunicipals were the owners of the cable distribution network in the municipalities where they operated until mid-2023. Previously, the 'pure' sector could speak with one voice and reach agreements and understandings with Telenet, via Interkabel Vlaanderen.

Interkabel Vlaanderen was taken over by Fluvius System Operator on 1 July 2023, by merger by acquisition. As such, all assets and liabilities, and all rights and obligations of Interkabel Vlaanderen were taken over by Fluvius System Operator. Interkabel Vlaanderen itself was therefore dissolved without going into liquidation.

## 5.7 Changes in the scope and structure of the Fluvius Economic Group

### 5.7.1 Changes in the operational domain

On 31 December 2023, two municipalities contracted Fluvius for sewerage services. Tessenderlo and Hamont-Achel are both now affiliated with Fluvius Limburg for these services.

There were no further changes in the operational domain of Fluvius System Operator in financial year 2023, nor that of the distribution system operators for which Fluvius System Operator acts as an operating company.

We can report that the statutory term of the mandated association Riobra (which would have expired on 24 November 2023) was extended to 29 March 2037. As a result, Riobra's duration is now the same as that of the 10 other mandated associations within the Fluvius Economic Group.

### 5.7.2 Structural changes

We draw attention to the decisions to implement a number of so-called structural changes. These changes, made at various decision-making levels of the Fluvius Economic Group and of the cities and municipalities during 2023, will take effect from 1 January 2025, and will have a substantial impact on the structure of the Fluvius Economic Group from that date. But this internal reorganisation within the Fluvius Economic Group does not change the overall operational domain for Fluvius System Operator, which will continue to cover the entire territory of the Flemish Region.

These changes were made on account of several requirements in the Flemish Energy Decree.

Specifically, this decree stipulates that

- only a single system operator can operate in each municipality for the distribution of both electricity and natural gas;
- each distribution system operator must have a contiguous operational domain (so-called 'islands' are prohibited);
- and each DSO must have at least 200,000 customers.

In addition, the structure of Fluvius Economic Group will still have to take into account the consequences of a number of voluntary mergers of municipalities.

In summary, from 2025, Fluvius System Operator will be the operating company of 8 electricity and gas distribution system operators; currently there are 10. For Riobra, which is only active in the sewerage business, nothing has changed.

## 5.8 VAT unit and cash pooling

The VAT unit 'Economische Groep Fluvius' (Fluvius Economic Group) includes Fluvius System Operator cv and the associated companies De Stroomlijn and SYNDUCTIS. Fluvius System Operator cv acts as the representative for this VAT unit.

Various entities in the Fluvius Economic Group participate in a cash pooling system. Within this system, cash surpluses and shortfalls are mutually offset on a daily basis within a combined cash pool at the bank. This system is more beneficial for the participants overall than if they were each to maintain separate cash accounts. The members of the Fluvius cash pool are the operating company Fluvius System Operator itself, Fluvius OV, its subsidiaries De Stroomlijn and SYNDUCTIS, and the 11 mandated associations/shareholders.

## 5.9 Concise comments to the financial accounts

### Concise comments on the consolidated accounts 2023 (IFRS)

The Fluvius Group's consolidated accounts for the fiscal year 2023 are characterized by two main elements. On the one hand, there's continuity in the ongoing investments and the associated financing by debt instruments. On the other hand, there's the closing of the Wyre transaction on 1 July 2023.

As to the **continuity** factor, Fluvius System Operator – on behalf of its shareholders – is further increasing investments in primarily the energy transition (electrification) and climate change adaptation (sewerage). Current financing is to a large extent done by raising debt. The financial resources thus raised, are immediately passed through by the operating company Fluvius System Operator at identical conditions to the shareholders, which triggers a debt but at the same time a receivable on its own shareholders. In 2023, the issuance of new bonds for EUR 1.440 million is partly compensated by the repayment of maturing bonds for an amount of EUR 750 million; the net outstanding bond debts thus increased by EUR 740 million. This partly explains the increase of the balance sheet total from EUR 6.890 million to EUR 8.804 million. In the statement of profit/loss this results in an increase of financial costs and revenues. In this respect, there is also the impact of the higher interest rates on the financial markets. We also draw attention to the success of the renewed premiums for Rational Use of Energy (RUE) (an increase by EUR 174,6 million). And, additionally, there is the increased use of materials (increased by EUR 70,3 million) and higher costs for subcontracting (increased by EUR 90,0 million) due to the accelerated roll-out of both digital metering and LED in public lighting, and the energy transition investments. These had clear impact on the statement of profit/loss.

As to the complex **Wyre** transaction (with accounting effect as from 1 July 2023). The activity 'public electronic communication networks' of a few mission-entrusted associations within the Fluvius Economic Group has been contributed to Wyre BV via their operating company Fluvius System Operator. We have registered an investment in an associate for EUR 960,1 million. The share in the profit amounts to EUR 10,2 million. On the liabilities side of Fluvius System Operator's consolidated balance sheet, equity has increased by EUR 1.000,9 million due to several steps in the execution of the Wyre transaction. In the statement of profit/loss the consolidated group has realized a one-off positive result due to the added value on the sale of Wyre shares to Telenet (EUR 59,9 million). For the regulated energy activities, as usual, a zero result has been recorded.

### Concise comments on the non-consolidated accounts 2023 (BE-GAAP)

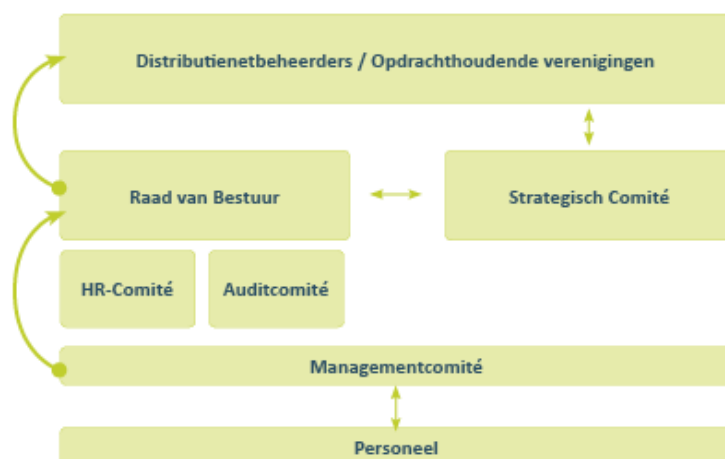
The trends as outlined above for the consolidated accounts 2023 are also valid mutatis mutandis for Fluvius System Operator's non-consolidated accounts 2023.

The **continuity** in investments is not shown as such in the material fixed assets of the operating company Fluvius System Operator (the relevant assets are owned by the mission-entrusted associations/principals of Fluvius System Operator), but in the increase of, on the one hand, the long-term financial debt (up to EUR 6,6 billion) due to the investment financing and, on the other hand, the long-term receivables (EUR 6,7 billion) due to the pass-through of the debt raised to the mission-entrusted associations that hold the infrastructure assets. In the statement of profit/loss this results in an increase of the recurrent financial costs and revenues.

As to **Wyre**. The non-consolidated balance sheet and statement of profit/loss show some one-off effects of this transaction. The financial fixed assets now amount almost EUR 1 billion as a result of the participation in Wyre Holding BV. On the liabilities side, there is the substantial increase of both the contribution and the available reserves (each of these elements separately increased by approximately EUR 500 million).

## 5.10 Composition of governing bodies and management

The diagram below summarises the various governing bodies within the Fluvius Economic Group and their relationships to each other: The structure in which the various management and supervisory bodies of Fluvius are organised is in full compliance with all applicable legal (including in particular company law), decree and regulatory requirements.



### 5.10.1 Board of Directors

The composition of the Board of Directors of Fluvius System Operator as of 31 December 2023 was as follows<sup>8</sup>:

<sup>8</sup> The mandate of Ms. Kristien Vingerhoets, director, who resigned on 1 March 2022, had not been reassigned by the end of 2023.

<b>Name</b>	<b>Role</b>	<b>Nominated by</b>	<b>Number of meetings attended</b>	<b>Public mandate</b>
Wim DRIES	Chair	Fluvius Limburg	10	Genk, Mayor
Koen KENNIS	1st Deputy Chair	Fluvius Antwerp	9	Antwerp, Alderman
Christophe PEETERS	2nd Deputy Chair	Imewo	8	Ghent, Chair of Municipal Council
Hans BONTE	3rd Deputy Chair	Sibelgas	10	Vilvoorde, Mayor
Piet BUYSE	Director	Intergem	10	Dendermonde, Mayor
Geert CLUCKERS	Director	PBE	10	Diest, Alderman
Lieven COBBAERT	Director	Gaselwest	9	Ichtegem, Mayor
David COPPENS	Director	Intergem	8	Aalst, Chair of Municipal Council
Jan DALEMANS	Director	Fluvius Limburg	10	Hechtel-Eksel, Mayor
Charlotte DE BACKER	Director	Imewo	9	Ostend, Member of Municipal Council
Christof DEJAEGER	Director	Gaselwest	9	Poperinge, Mayor
Jan DESMETH	Director	Iverlek	10	Sint-Pieters-Leeuw, Mayor
Ine FRANSSSEN	Director	Fluvius Limburg	9	Maaseik, Member of Municipal Council
Greet GEYPEN	Director	Iverlek	9	Mechelen, Alderman
Tom KERSEMANS	Director	Iveka	4	Lille, Alderman
Lies LARIDON	Director	Fluvius West	10	Diksmuide, Mayor
Nicky MARTENS	Director	Riobra	8	Tienen, Member of Municipal Council
Guy VAN DE PERRE	Director	Iveka	8	Kasterlee, Alderman
Adinda VAN GERVEN	Director	Fluvius Antwerp	10	Brasschaat, Alderman

Bruce Almey has been the secretary of the Board of Directors since 1 January 2023.

Overall attendance at meetings of the Board of Directors for the 2023 operating year was 89.5% (2022: 85.6%).

The mandates of all directors will automatically expire at the General Meeting of Shareholders to be held in the first quarter of 2025. These mandates can be renewed.

The Chair of the Board of Directors has no operational management responsibilities within the company. This is also the case for the Deputy Chairs and all other members of the Board of Directors.

The Board of Directors of Fluvius System Operator has no independent directors within the meaning of article 7:87d of the Companies and Associations Code<sup>9</sup>. All directors are appointed - albeit indirectly through the mandated associations/shareholders - from the municipal administrations. This ensures that local governments have a say in Fluvius' activities that directly affect the population.

### 5.10.2 Guaranteed independence

The Board of Directors and the management are strictly separated at Fluvius System Operator. For example, the CEO and the other members of the Management Committee are not members of the Board of Directors.

Article 6:64 of the Companies and Associations Code provides for a specific procedure within the Board of Directors in the event of a possible direct or indirect conflict of interest of a financial nature in respect of a director, where there is a conflict with a decision or a transaction falling under the competence of the Board of Directors of the company. This legal provision was not to be applied in 2023.

### 5.10.3 Audit Committee

In accordance with article 24.B of the articles of association, the Board of Directors of Fluvius System Operator has set up an Audit Committee. Its members were as follows on 31 December 2023:

Name	Role	Number of meetings attended in 2023
Jan Desmeth	Chair	7
Lieven Cobbaert	Member	8
Lies Laridon	Member	8

Ms. Kristien Vingerhoets resigned as a director on 1 March 2022; consequently, her mandate on the Audit Committee also expired. As of the end of December 2023, her replacement had not yet been envisaged.

The Audit Committee met 8 times in the course of 2023.

The most important matters handled by the Audit Committee were the internal audits they conducted (including on safety culture and perception, decommissionings, the quality factor in rates (Q factor)). The Audit Committee also further examined the financial reporting and the 2023 audit plan.

The Audit Committee reports on its findings to the Board of Directors.

<sup>9</sup> All Fluvius directors are independent according to the criteria in the Flemish Energy Decree of 19 November 2010 (Article 1.1.1.1.§2, 74°)

### 5.10.4 HR Committee

As stipulated in the articles of association (article 24.C) the Board of Directors of Fluvius System Operator has also set up an HR Committee. Its members were as follows on 31 December 2023:

Name	Role	Number of meetings attended in 2023
Greet Geypen	Chair	6
Piet Buyse	Member	6
Adinda VAN GERVEN	Member	6

Ms. Kristien Vingerhoets resigned as a director on 1 March 2022; consequently, her mandate on the HR Committee also expired. As of 31 December 2023, her replacement had not yet been envisaged.

Under the articles of association, the task of the HR Committee is to monitor developments in the HR policy of Fluvius System Operator and make recommendations to the Board of Directors. The HR Committee also reports directly to the Board of Directors.

The HR Committee met 6 times in 2023.

Among other things, the committee discussed long-term management incentives, basic assumptions for the calculations of liabilities and reserves within the pension funds, recruitment, the CLA-90 (collective labour agreement under which non-recurring result-related benefits can be offered to employees), social consultation, the introduction of a mobility budget and the organisational chart.

### 5.10.5 Strategic Committee

The Strategic Committee consisted of the following persons as of the end of December 2023:

Name	Role	Number of meetings attended in 2023
Wim Dries	Chair	5
Hans Bonte	Member	5
Piet Buyse	Member	5
David Coppens	Member	4
Koen Kennis	Member	5
Christophe Peeters	Member	5

The articles of association of the company stipulate that the Chair of the Board of Directors is ex officio also the Chair of the Strategic Committee (article 24.D of the articles of association).

The Strategic Committee outlines the general strategy for Fluvius System Operator and the entire Fluvius Economic Group. In this regard, there is a special focus on the company's relationship with the authorities and regulators, with shareholders and with the other stakeholders within the grid management in Flanders.

In 2023, the Strategic Committee met 5 times. Among other things, the Strategic Committee discussed the future structure, the memorandum prepared for the Flemish elections in June 2024, and the long-term financing of the Fluvius Economic Group.

The Strategic Committee reports to the Board of Directors.

### 5.10.6 Executive Committee

Article 24.A of the articles of association of Fluvius stipulates that, if the Board of Directors is not wholly composed of independent directors, it shall set up an Executive Committee within the Board. The members of the Executive Committee must all be independent directors within the meaning of Article 1.1.1. §2, 74° of the Flemish Energy Decree of 19 November 2010. They are appointed by the Board of Directors from among its members.

To date, the provision regarding the Executive Committee contained in article 24.A has had no effect in practice, since all the directors of the business are always independent directors. Pursuant to article 3.1.28 para. 3 of the Energy Decree, Fluvius is therefore not required to set up such a body.

### 5.10.7 Management Committee

Day-to-day management of Fluvius is entrusted to the Management Committee. See also article 26 of the company's articles of association.

The composition of the Management Committee of Fluvius System Operator between the period 1 July 2023 and 31 December 2023 was as follows:

Name	Title / Role
Frank VANBRABANT	CEO
Raf BELLERS	Director Network Management
Tom CEUPPENS	Director Network Operations
Guy COSYNS	Director Customer Service & Data management
Wim DEN ROOVER	Director Network Operations
Jean Pierre HOLLEVOET	Director of Energy & Climate transition
David TERMONT	Director Financial Management, Legal & IT
Ilse VAN BELLE	Director HR
Filip VAN ROMPAEY	Director Strategy

In view of the forthcoming retirement of Wim Den Roover, Director of Network Operations, on 1 May 2024, Mr. Den Roover will no longer serve on the Management Committee as of 1 January 2024.



The CEO attends the meetings of the Board of Directors ex officio but does not have voting rights. Other members of the Management Committee may also attend meetings of the Board of Directors if it is appropriate in view of the matters on the agenda. They also have no voting rights on the Board of Directors. The Management Committee generally meets every week.

## 5.11 Integration to 'One Fluvius'

The merger of the former entities Eandis System Operator, Infrax and Integan was the impetus for the current Fluvius System Operator. It prompted a comprehensive integration process. This programme was named 'Fluvia'. The aim was to evolve into one integrated organisation with uniform operations across Flanders. Throughout the integration process, there was significant focus on creating one common Fluvius culture. In the process, significant synergies were achieved.

We are now more than 5 years on. Since the end of 2022, the objectives of the Fluvia programme have been almost completely realised and virtually all integration projects have been completed. As such, the programme was discontinued at the end of 2022.

Nevertheless, Fluvius plans to continue down the same path. Because the outside world does not stand still and is evolving at lightning speed, so the expectations for a grid company are constantly changing. Fluvius has therefore launched a process of further optimisation. This became the 'HST - High Speed Transformation' programme. Within this programme, we will be further optimising the support systems for connection works, investment works, maintenance works and outage management, integrating them with various asset management systems. In addition, Fluvius also plans to implement a new GIS system.

## 5.12 Legal disputes

### 5.12.1 Claim by Proximus

Following the takeover by Telenet of the cable television customers and the establishment of a lease over the cable network, Proximus filed a complaint at the Court of First Instance in Antwerp calling for the contracts to be voided and claiming damages. This claim was rejected at first instance (judgment of 6 April 2009). Proximus appealed to the Antwerp Court of Appeal.

Proximus demanded the disclosure of all documents related to the agreement between Telenet, Interkabel Vlaanderen and the cable companies. It also demanded the annulment of these agreements and damages of €1.4 billion based on an expert report it had commissioned. The above-mentioned agreements include a limitation of liability for the cable companies in the Fluvius Economic Group through an indemnity clause, at the expense of Telenet. As a result, in the event of a ruling against them, Interkabel Vlaanderen and the cable companies would in principle be obliged to compensate any losses incurred by Proximus only up to a maximum of €20 million.

The Court of Appeal fully rejected Proximus's claims in a ruling of 18 December 2017. At the end of June 2019, Proximus appealed this ruling to the Court of Cassation.

On 22 January 2021, the Court of Cassation ruled on this appeal and held that the ruling of the Antwerp Court of Appeal had to be partially annulled. The partial annulment only pertained to the point that the Antwerp Court of Appeal did not sufficiently justify its refusal to void the agreement between Telenet and the cable companies, but did not make a ruling on the merits on this point. The case has been sent to the Brussels Court of Appeal to examine and rule on this matter. The Court of Cassation therefore did not

decide to overturn the ruling on Proximus's claim for damages. It follows that Proximus's claim for damages has been definitively rejected. The Court of Cassation therefore did not decide to overturn the ruling on Proximus's claim for damages.

On 16 June 2021, Proximus issued a summons to Telenet and the cable companies to appeal after cassation. Through these proceedings, Proximus is demanding the annulment of the agreements between Telenet and the cable companies. In addition, Proximus once again claims damages (currently estimated at €1 provisionally) for unlawfully concluding and maintaining the agreements. Furthermore, Proximus is demanding that the performance of the agreements cease, and is seeking a preliminary injunction in the event that it is considered that no remedy/damages is possible for Proximus. In the first appellate conclusion filed by Proximus following the appeal in cassation, its provisional claim for damages had not yet been estimated. Also in Proximus' latest conclusion filed in December 2022, the damages it sought are still not estimated and its claim is still limited to €1 provisionally. Proximus asks that the debate on the exact extent of the damages is only addressed in a second stage, following an interim judgment by the Court on the liability of Telenet and/or the intermunicipal partnerships. In subordinate order, Proximus requests the appointment of a court expert with the task of advising on damages. The Fluvius DSOs were required to file their last conclusion by no later than 27 February 2023. All parties have since filed their final conclusions. Given the merger by acquisition of Interkabel Vlaanderen by Fluvius System Operator that has since been completed in the context of the Wyre deal, litigation may have to be resumed by Fluvius System Operator prior to the hearing. The date of the hearing is not yet confirmed.

### 5.12.2 Gas explosion in Wilrijk

On 3 September 2019, a gas explosion occurred at Wilrijk, Antwerp, resulting in one fatality, three cases of severe injury and significant material damage. The council chamber in Antwerp had referred the company Fluvius System Operator and two of its managers (namely the CEO and the Director of Network Operations) to the correctional court for their possible involvement in events that may have led to the explosion. The Antwerp correctional court cleared both Fluvius managers of criminal liability on 27 April 2021, finding them not personally responsible for the events. The court handed down a suspended sentence for the company Fluvius System Operator, and Fluvius was ordered to pay all civil claims. Fluvius is and remains of the opinion that the company, its managers, and staff are not at fault in the tragic events, and that the evidence and arguments presented by Fluvius in the course of the proceedings, which prove that Fluvius is not at fault, were not sufficiently taken into account. Based on these considerations, the company has appealed against this ruling by the Antwerp correctional court. An initial hearing in the appeals process took place on 18 May 2022. Following this hearing, on 1 June 2022, the Court of Appeal decided to appoint an expert from the civil interlocutory proceedings also for the criminal law aspect. The expert was to submit his report by 31 January 2023. The appeal hearing was scheduled for 29 March 2023. This hearing was postponed as the expert could not deliver his report on time. An additional appraisal was made on 9 August 2023; the final report is expected in early 2024. The court set the date of the hearing at 13 November 2024.

### 5.12.3 Administrative fine imposed by the VREG

Energy regulator VREG served notice of default to Fluvius System Operator [DSOs] during 2022 and subsequently imposed a one-time and an administrative fine per calendar day for late delivery of informational monthly customer volumes for energy suppliers. Fluvius had opted to give priority to resolving the urgent problem of blocked access points (EANs) within the Atrias platform. This decision, combined with smooth market functioning, delayed the delivery of the informational monthly volumes. Moreover, activating the informational monthly volumes on the initial start date of 1 April 2023 could have caused problems and damage to market participants. The VREG collected the administrative fine in April

2023, which totals around €1 million for all distribution system operators. Fluvius regrets this turn of events and is redoubling its efforts to provide all market services correctly and on time.

#### 5.12.4 Judgment on awarded minimum support for solar panels

In April 2023, the Antwerp Court of Appeal made a ruling in a dispute over the date of commissioning of a PV installation, and by extension, the exact amount of minimum support to which the installation was entitled. The Court rejected the arguments of Fluvius and the regulator in this case. Both litigants each separately decided to challenge this ruling before the Court of Cassation.

#### 5.12.5 European Court of Justice - public procurement legislation

In a judgment dated 28 June 2023, the Commercial Court of Ghent - in legal proceedings brought by a supplier of sewer pipes regarding an alleged violation by Fluvius of public procurement legislation - referred several preliminary questions to the European Court of Justice. Fluvius took the necessary steps to defend its interests in these proceedings.

### 5.13 Key developments in the companies in which Fluvius System Operator holds an equity stake

For a discussion of the equity stake in Wyre (Holding), see the 'Wyre' section, elsewhere in this annual report.

#### 5.13.1 De Stroomlijn

De Stroomlijn is the customer communication centre for Fluvius, TMVW/Farys and De Watergroep. The shareholders in De Stroomlijn are Fluvius System Operator (62.17%), TMVW/Farys (32.03%), SYNDUCTIS (2.90%) and De Watergroep (2.90%).

De Stroomlijn is fully consolidated in the consolidated financial statements of Fluvius System Operator.

At the end of 2023, De Stroomlijn had 361 in-house employees or 329.45 full-time equivalents (2022: 332 employees, or 300.4 FTEs), supplemented by 55 interims (53.50 in full-time equivalents). They work at 4 sites: Mechelen, Ypres, Ledeborg (Ghent) and Hasselt.

In 2023, De Stroomlijn realised a turnover of €27.4 million (2021: €23.0 million). The balance sheet total as at 31 December 2023 was €3.9 million (2022: €5.4 million). The company's equity at the end of 2023 was €265,400, unchanged from the end of 2022.

#### 5.13.2 Atrias

Atrias is responsible for creating and operating a common data exchange platform between all actors in the Belgian energy market. Atrias processes information on more than 10 million connection points and 300 million meter readings. Set up to replace the separate data systems within the Belgian distribution system operators, Atrias centralises data processing for the Belgian energy market into a single, federated system. The Atrias platform Central Market System (CMS) with its associated communication rules (MIG-6) went live on 1 November 2021. Since that date, CMS has controlled the mutual exchange of market data (such as meter readings and billing data) and market processes (such as people moving house and changing suppliers) through MIG-6.

All of Belgium's distribution system operators for electricity and gas are shareholders in Atrias: Fluvius System Operator (50%), Ores Assets (16.67%), Sibelga (16.67%), Resa (15.05%), AIEG (0.54%), AIESH (0.54%) and Réseau d'Énergie de Wavre (0.54%).

At the end of 2023, Atrias had 31 employees or 29.6 full-time equivalents (2022: 29 employees or 27.8 full-time equivalents). They realised total sales for Atrias in 2023 of €63.3 million (2022: €53.2 million). The balance sheet total as at 31 December 2023 was €77.7 million (2022: €86.1 million) with equity of €18,600 (unchanged during 2023).

There has been a change of CEO at Atrias: Frank De Saer has retired and has been replaced by Pascal Dekoster, who has made the switch from Fluvius to Atrias.

For consolidation purposes, Atrias is regarded as an associated participation. Atrias is consolidated with Fluvius System Operator using the equity method.

### 5.13.3 Synductis

SYNDUCTIS promotes synergy in infrastructure work carried out in the public domain and helps shape an active 'less disruption' policy.

Fluvius System Operator's stake in SYNDUCTIS is 746 shares out of a total of 2,170 shares, or 34.38%. The remaining shareholders in SYNDUCTIS are: De Watergroep, IWVA/Aquaduin, Aquafin, Pidpa, Proximus, and TMVW/Farys. In addition, SYNDUCTIS works closely with the Flemish Administration for Roads and Traffic (AWV) and the Flemish public transport company De Lijn, on the basis of mutual cooperation agreements.

SYNDUCTIS' business plan is based on the principle of providing high-quality service to customers (local authorities, residents, shops and businesses). Building a high-performance IT platform must help realise this goal.

SYNDUCTIS has no staff of its own. The utility companies which own it make their own staff available to SYNDUCTIS as and when required, based on the projects that arise.

SYNDUCTIS recorded turnover of €2.7 million in financial year 2023 (financial year 2022: €2.0 million). The balance sheet total at the end of December 2023 was €1.7 million (2022: €1.6 million). SYNDUCTIS' equity remained unchanged over 2023 at €21,700.

Fluvius consolidates SYNDUCTIS as a company with participating interests using the equity method.

### 5.13.4 Wyre

Wyre is developing a fibre optic network in Flanders. Wyre will roll out this fibre network while keeping a balance between urban and rural areas in Flanders. Trenches for infrastructure works will be divided as much as possible.

In the second half of 2023 (since the company's operational start on 1 July 2023), Wyre already has 44,000 'homes passed'<sup>10</sup> and 59,000 homes where works have progressed to various stages of completion. These figures were below initial expectations. The backlog is mainly due to delays in obtaining the necessary permits.

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<sup>10</sup> Homes passed: homes along which fibre infrastructure runs

Wyre, through Wyre Holding which owns 100% of Wyre's shares, has two shareholders: Telenet (with 66.8% of the shares) and Fluvius System Operator (33.2%).

At the end of 2023, Wyre had 193 employees (or 187.1 FTEs). Wyre Holding has no employees.

On behalf of Fluvius System Operator, Wyre Holding is consolidated via the equity method.

## 5.14 Agreement protocol with Aquafin

Regarding the sewerage business, good cooperation between the local level (Fluvius System Operator on behalf of its four mandated associations involved in the sewerage business) and the supra-local level (Aquafin) is crucial. In 2023, the bilateral agreement protocol was revised. As such, from now on there are also clear agreements on the rules in a joint sewerage project. There are also new agreements on hydraulic modeling studies. As a reminder, existing agreements include a variety of technical regulations such as the conditions for different types of connections.

## 5.15 Audit carried out by the statutory auditor, and their remuneration

The audit firm Ernst & Young Bedrijfsrevisoren BV (EY) acts as the statutory auditor of the company. EY's permanent representative is Marnix Van Dooren, company auditor.

On 24 May 2023, the General Meeting of Fluvius System Operator, on the recommendation of the Board of Directors and the Works Council, granted EY another three-year mandate, with Marnix Van Dooren as its permanent representative. The new mandate expires after the annual meeting to be held in 2026 on the 2025 financial year. The terms of this renewed auditor's mandate for EY are the same as the previous mandate, i.e. with the last indexed charged amount of the basic fee of €125,000 (excluding VAT and indexable every year) as the basis.

This mandate for EY also covers reporting under IFRS.

During 2023, EY was paid €148,503 for performing its mandate as statutory auditor for the parent company Fluvius System Operator, supplemented by €425,636 for additional (statutory) assignments in the extension of the mandate as statutory auditor, as well as €136,282 for other assignments performed by related persons. The additional activities of the auditor include the complex work following the Wyre deal (contribution of the cable business). All additional services were approved by the Audit Committee.

The statutory auditor is also responsible for auditing the annual allocation and impact reports related to the green bonds issued by Fluvius at the end of 2020 and in June 2023.

For 2023, the statutory auditor performed an audit of the financial statements (see the Financial Report) and a compliance check on the non-financial and diversity information that Fluvius must include in its annual reporting pursuant to the applicable legislation.

EY Bedrijfsrevisoren formally declared to the Audit Committee on 22 March 2023 that they are independent in the performance of their mandate as statutory auditor. An identical declaration of independence was submitted at the General Meeting of Shareholders held on 24 May 2023.

Fluvius System Operator has also tasked the audit firm EY to report on its cash management, the valuation of the Regulatory Asset Base (RAB) and decommissioning. This mandate was also renewed by the annual meeting on 24 May 2023.

## 5.16 Brief review of the financial results

The brief review of the balance sheet and profit and loss account below is based on the consolidated annual IFRS figures for the Fluvius group, i.e. Fluvius System Operator as the consolidating entity together with its consolidated entities Atrias, De Stroomlijn, SYNDUCTIS and Wyre Holding.

### 5.16.1 Financial statements financial year 2023 - Fluvius System Operator CV (consolidated, IFRS)

#### Profit and Loss statement

(in 1,000 euros)	2021	2022	2023	Change 2022-2023 (%)
Operating income	1,839,806	2,011,644	2,505,752	+24.6%
Operating costs	1,824,812	1,999,662	2,407,287	+20.4%
Operating profit	14,914	11,982	98,465	
Financial result	-7,772	-4,752	-21,046 <sup>11</sup>	
Taxes	7,142	7,230	8,916	+23.3%
Profit for the financial year	0.0	0.0	68,503	

Even though Fluvius performs its operating tasks at cost without charging any commercial margin to its principals, a positive profit balance of €67,955 is recorded for the 2023 financial year. This is a direct result of the contribution of Wyre in the 'public electronic communications networks' activity.

#### Balance sheet

(in 1,000 euros)	2021	2022	2023	Change 2022-2023 (%)

<sup>11</sup> Including a one-time share of profit from associated participations and joint ventures amounting to €10,178 k

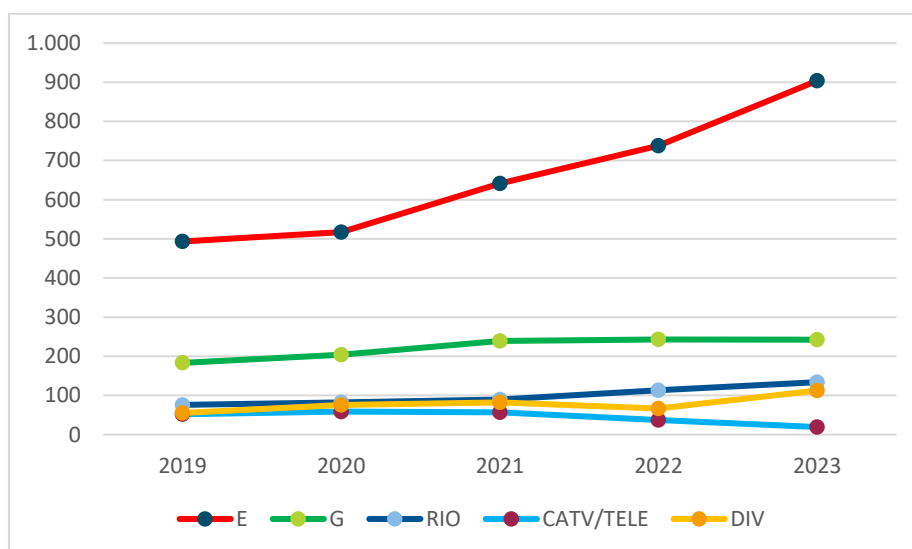
<b>Fixed assets</b>	5,031,755	5,324,371	7,860,695	+47.6%
<b>Current assets</b>	1,466,053	1,565,396	943,691	-39.7%
<b>Total assets</b>	6,497,808	6,889,767	8,804,386	+27.8%
<b>Equity</b>	1,617	1,617	1,002,482	
<b>LT obligations</b>	5,036,071	5,277,248	6,744,442	+27.8%
<b>LT obligations</b>	1,460,120	1,610,902	1,057,462	-34.4%
<b>Total liabilities</b>	6,497,808	6,889,767	8,804,386	+27.8%

### 5.16.2 Investments in 2023

Gross investments made by Fluvius in 2023 amounted to €1,411.6 million (2022: €1,198.2 million). On an annual basis, this is therefore a significant rise of €213.4 million, or +17.8%.

Investment amounts 2023 in detail:

- €903.7 million for electricity (including investments in 70/36 kV grids) - 2022: €738.1 million;
- €242.2 million for gas - 2022: €242,9 million;
- €133.9 million for sewerage - 2022: €113,5 million;
- €19.3 million for cable and data communications infrastructure - 2022: €37.3 million;
- €112.5 million for miscellaneous activities (= heat and public lighting) - 2022: €66.3 million.



Remarks:

- The sharp decline in the 'cable and data communications' segment (-48.3%) is a direct result of Fluvius' contribution of this business and infrastructure to Wyre as of 1 July 2023. As a result, Fluvius no longer invests in this infrastructure as of that date.
- The figures for 2022/2023 already clearly illustrate the shift within the energy branch from natural gas (with a quasi-stable investment amount) to electricity (+22.4%).
- Public lighting in particular, due to the accelerated switch to LED technology, is attracting an increasing amount of investment in the 'miscellaneous' segment.
- Investments in the sewerage network are also increasing year after year: from €75.9 million in 2019 to €133.9 million in 2023 (+76.4%).

## 5.17 Investment plan 2024-2033 for energy and climate transition

With the drive for climate neutrality by 2050 and all the associated evolutions in mobility, heating of buildings, industrial processes and the generation of green energy, the electricity grid will play an increasingly important role in the coming years. In the investment plan 2024-2033, Fluvius details what changes are needed to make the Flemish electricity and gas networks ready for energy transition (electrification of mobility, more solar and wind energy and the switch from fossil fuels to solar panels and heat pumps, etc.) and what investments are required in this regard. Fluvius bases this on the social context and the policy framework. We rely on a number of long-term assumptions, based in part on the ambitions in the Flemish Energy and Climate Plan.

The plan for 2024-2033 is a first revision of the original investment plan 2023-2032. The VREG approved the plan for 2023-2032 on 28 March 2023. The second plan (2024-2033) was also jointly prepared in extensive stakeholder consultations. Sectoral and civil society organisations, universities, onshore wind farm project developers, charging station operators and reference customers were surveyed about the assumptions underlying the investment plan. As required by the Energy Decree, Fluvius also consulted transmission system operator Elia and all relevant grid users ahead of this updated investment plan.

This led to limited changes compared to the original 2023-2032 plan, in part because of recent evolutions in heavy freight.

Following the public consultation, Fluvius collected all the questions and comments submitted, formulated its response to them and submitted the complete file to the VREG, the Flemish energy regulator. It is now up to the VREG to make a final decision on this updated investment plan.

### 5.17.1 Electricity in the investment plan 2024-2033

Like the 2023-2032 plan, the 2024-2033 plan assumes intensified electrification, with further growth in electric mobility and electric heating applications in particular. Fluvius therefore intends to realise a 'no regret' investment plan, i.e., one that anticipates higher peak consumption as much as possible. Over a 10-year period, the investment needs are estimated at around €4 billion (unchanged from the first edition of the plan), of which roughly three-quarters in low-voltage grids and one-quarter for reinforcing the high-voltage grid. However, essential preconditions are the availability of sufficient financial resources, qualified personnel (in-house personnel and/or personnel at contractors), and materials.



### 5.17.2 Gas in the investment plan 2024-2033

We can expect the distribution of fossil natural gas to be gradually phased out. The Fluvius Investment Plan therefore no longer includes additional funds for further expansion of the gas grid. Only investments related to the legal obligations regarding security of supply for grid users and secure access to the grid are still planned and budgeted for. The gas plan is therefore characterised as a 'keep-it-running' plan. In the run-up to 2033, gas investments are expected to reduce by half, to an annual amount of around €68 million; the 2023-2032 version of the investment plan still forecast an amount of €88 million.

With regard to 'green molecules', Fluvius intends to keep all possibilities open for the future use of the existing gas distribution system pending further research and the outcome of various test projects.

### 5.18 Financing of Fluvius System Operator

Fluvius System Operator offers securities to the public. The relevant laws and regulations therefore apply. Fluvius therefore complies with market abuse regulations.

The mandated associations/shareholders guarantee the bonds and related debt instruments issued by their operating company Fluvius System Operator (and in the past its predecessors Eandis System Operator and Infrac). These debt instruments are listed on the following stock exchanges:

- Luxembourg Stock Exchange – regulated market
- Euronext Brussels – regulated market
- Euronext Growth Brussels – non-regulated market
- Open Market Frankfurt ('*Freiverkehr*') – non-regulated market

In 2020, Fluvius introduced a Euro Medium Term Note (EMTN) programme for the issue of internationally issued bonds. The FSMA, as the competent financial regulator, approved the original basic prospectus for the EMTN programme on 17 November 2020. The FSMA approved the most recent version of the EMTN basic prospectus on 6 June 2023. The FSMA approved a supplement to this prospectus on 20 December 2023.

Under this EMTN programme, Fluvius completed three financing transactions in 2023:

- on 9 May 2023 an institutional bond worth €700 million with a maturity of 10 years and an annual fixed coupon rate of 3.875%;
- on 28 June 2023, a green retail bond for retail investors worth €240 million with a maturity of 4 years and an annual fixed coupon rate of 4.000%;
- and on 18 September 2023, an institutional bond worth €500 million with a maturity of 7.5 years (the first coupon payment will be made on 18 March 2024 and thereafter on or around 18 March each year until final maturity on 18 March 2031) and an annual fixed coupon rate of 3.875%.

During 2023, Fluvius repaid two bond loans that had reached their maturity date:

- on 9 October 2023 an EMTN bond from ex-Eandis (€500 million, issued in 2013, coupon rate of 2.875%),

- on 30 October 2023 an EMTN bond from ex-Infrac (€500 million, issued in 2013, coupon rate of 2.875%),

Fluvius has two loan programmes with the European Investment Bank (EIB):

- for digital metering electricity, worth €425 million: of this, €200 million had already been taken up by the end of 2023, leaving a balance of €225 million;
- for infrastructure related to the energy transition for a total loan amount of €350 million: this facility has been fully taken up since November 2022.

To facilitate the issuance of so-called 'green' financing instruments, Fluvius fully updated its existing Green Financing Framework from 2020, in 2023. The Board of Directors of Fluvius System Operator approved the updated framework at the session of 24 May 2023. The external validation of the Green Financing Framework in the form of a second party opinion (SPO) was issued by the specialised firm ISS Corporate Solutions on 29 May 2023. In this SPO, ISS concludes that the Green Financing Framework and business activities of Fluvius System Operator (i) are aligned with the ICMA Green Bond Principles<sup>12</sup>, (ii) have positive sustainability credentials in terms of energy efficiency, water infrastructure, heat networks, clean transport and renewable energy, (iii) are aligned with the EU Taxonomy, (iv) are consistent with Fluvius System Operator's ESG profile<sup>13</sup>, and (v) make a significant contribution to Sustainable Development Goals 6, 7 and 13<sup>14</sup>.

Given the significant financing needs for the next decade (cf. the energy and climate transition investment plan 2024-2033 discussed in detail under point 5.17 in this management report), the Board of Directors commissioned a study into the options for bolstering the equity of the Fluvius Economic Group.

In 2023, Fluvius System Operator did not carry out any transactions in derivatives.

The company does not disclose any losses carried forward in its annual accounts, either in the non-consolidated or consolidated figures.

## 5.19 The rating of Fluvius System Operator

Fluvius System Operator has a corporate credit rating with Moody's Investors Service ('Moody's'). Until mid-2023, the company had a second rating, namely with Creditreform Rating AG ("Creditreform"). However, Fluvius has discontinued its active participation in the rating procedure with Creditreform. Fluvius System Operator's rating with Creditreform has since been on an unsolicited basis.

### 5.19.1 Moody's

The corporate rating from Moody's remained at A3 with a stable outlook throughout 2023.

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<sup>12</sup> ICMA; International Capital Markets Association; June 2021 version with June 2022 supplement

<sup>13</sup> ESG stands for Environment, Social and Governance.

<sup>14</sup> Refers to the United Nations Sustainable Development Goals (SDGs); SDG 6 refers to clean water and sanitation, SDG 7 to affordable and clean energy and SDG 13 to climate action.

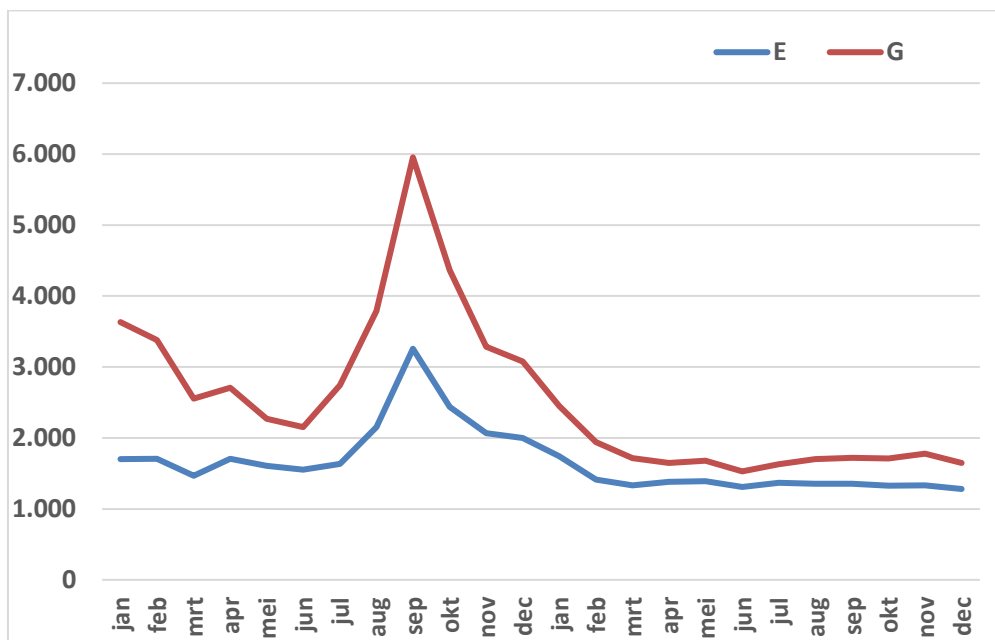
The CIS at Moody's (credit impact score, which reflects an assessment of the risks to the credit profile from environment and climate (also known as the E factor), social aspects (S factor) and governance (G factor) also remained unchanged at CIS-3, with 1 as highest positive to 5 as highest negative. A score of 3 means there is moderate to negative ESG risk to Fluvius' overall credit profile, according to the rating agency. Fluvius' partial scores are: E-3, S-3, and G-2 where 2 means 'neutral to low' and 3 means 'moderately negative'.

### 5.19.2 Creditreform

At the end of 2023, the Fluvius rating at Creditreform was 'A' with a stable outlook.

## 5.20 Energy markets in 2023

On the energy front, calm returned somewhat following the major (price) turbulence in 2022. Both electricity and natural gas prices stabilised in 2023, even below the level reached in early 2022. This can also be seen in the chart below; it shows the price evolution for electricity and gas<sup>15</sup> from January 2022 to December 2023.



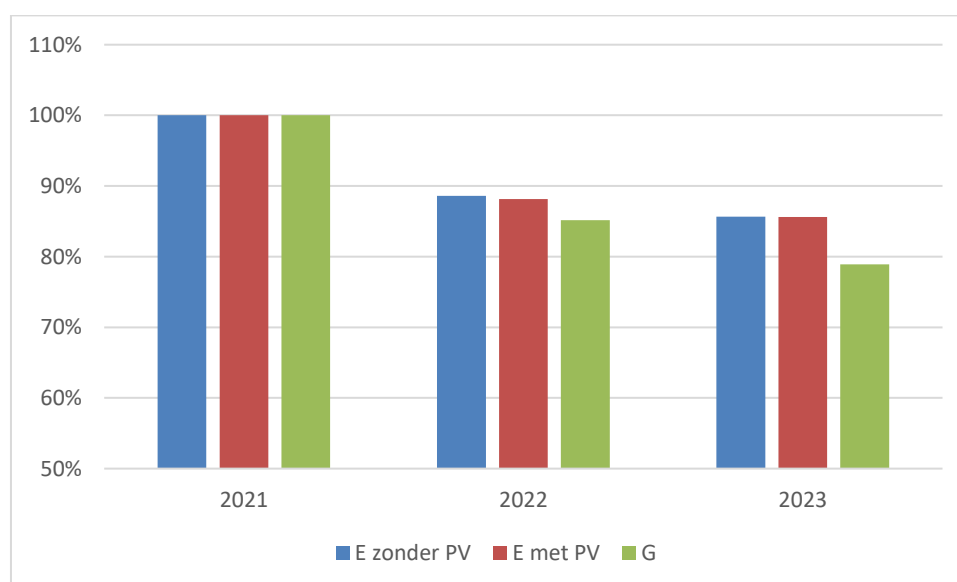
We observe that the past energy crisis, with peak prices for both electricity, and even sharper prices for gas, prompted end consumers to change their habits. This can be seen in the registered consumption volumes<sup>16</sup> over the past three years:

<sup>15</sup> Price for annual consumption in EUR; for electricity based on an annual consumption of 3,500 kWh with a dual meter; for gas an annual consumption of 23,260 kWh with cooking and home heating on natural gas (source: VREG)

<sup>16</sup> Average daily consumption in kWh, for gas normalised for temperature differences

Consumption in kWh	2021	2022	2023
Electricity (without PV)	8.77	7.77	7.51
% evolution compared to 2021		-11,4%	-14.3%
Electricity (with PV)	10.32	9.09	8.83
% evolution compared to 2021		-11.8%	-14.4%
Gas	37.06	31.57	29.25
% evolution compared to 2021		-14.8%	-21.1%

The declining trend in consumption is also evident in the graph below, in which the consumption volume in 2021 is equated to 100%.



## 5.21 No substantial impact of the war in Ukraine

The Russian invasion of Ukraine in early 2022 and the ensuing protracted armed conflict had no material direct material or financial impact for Fluvius in the past financial year 2023. Fluvius System Operator and the entities of the Fluvius Economic Group have no activities at all in Ukraine or Russia. The economic sanctions declared against Russia have not had any substantial impact on Fluvius either.

To the extent that the situation in Ukraine was the cause of the disruption in the global supply chain, Fluvius was also confronted with delays in deliveries of certain materials, and consequently an increased risk of stock shortages. Fluvius anticipated this by stocking up on certain critical materials to ensure the security of its supply and operations.

## 5.22 Equity stakes in Publi-T and Publigas

Nine mandated associations from the Fluvius group <sup>17</sup> have an equity stake in Publi-T cv. Five mandated associations also have an <sup>18</sup> equity stake in Publigas cv. With a 44.79% stake, Publi-T is a key shareholder in the TSO for electricity, Elia. With a 77.44% stake, Publigas is the majority shareholder in the gas transport company Fluxys.

Day-to-day management of these holdings in Publi-T and Publigas is entrusted to the financial services of Fluvius System Operator, as part of Fluvius's broader operational remit on behalf of its mandated associations/shareholders. These holdings have substantial strategic importance, not only for the security of supply of our country but also for the realisation of the energy transition.

For the mandated associations with a stake in Publi-T and/or Publigas, the financial aspects of these holdings are important. Publigas once again paid out a stable dividend in 2023; Publi-T's dividend increased by 2%. Specifically, a dividend of €31.61 million was paid to the 5 mandated associations in Publigas and a total dividend of €24.61 million to the 9 mandated associations in Publi-T. A substantial part of the dividend that can be paid by these mandated associations to their participating municipalities comes from these holdings.

To structurally finance Publi-T's participation in the capital increase of Elia in June 2022, the Extraordinary General Meeting of Publi-T on 27 March 2023 issued 133,210 new Publi-T shares for a total amount of €257.63 million. These new shares were already entitled to dividends in 2023. Ultimately, 7 mandated associations from the Fluvius Group subscribed to and paid up their reserved shares (a total of 60,144 new shares). This investment, totalling €116.32 million, was largely (pre)financed by the cash pool of Fluvius System Operator.

## 6 Remuneration report

In accordance with article 3:6 §3 of the Companies and Associations Code, this section provides a statement of information on the remuneration of the members of the company's Board of Directors. We also present the information on the remuneration for the members of the Management Committee.

### 6.1 Board of Directors

The remuneration of the directors of the company is based on the highest compensation that can be paid to a municipal councillor in Flanders. For the financial year 2023, this attendance fee ('session allowance') was €249.95 per session actually attended, regardless of whether the meeting was physical or online.

The travel allowance paid to directors for travelling to and from the venue for physical meetings of the Board of Directors (and other governing bodies) was 40 euro cents per km in the first half of 2023; from 1 July 2023, the travel allowance was increased to 42 euro cents per km.

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<sup>17</sup> These are: *Fluvius Antwerp, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, and PBE.*

<sup>18</sup> These are: *Fluvius Antwerp, Gaselwest, Imewo, Intergem and Iverlek.*

In 2023, the Fluvius System Operator Board of Directors met 10 times, including one written or online meeting.

The table below shows for each director the amounts for calendar year 2023 paid to them as attendance and travel allowances. The corresponding amounts for 2022 are also listed for comparison.

	2022			2023		
	ATTD. FEE	TRAVEL	TOT	ATTD. FEE	TRAVEL	TOT
Bonte Hans	2,586.11	76.44	2,662.55	3,427.15	114.24	3,541.39
Buyse Piet	3,414.59	209.60	3,624.19	2,661.71	245.60	2,907.31
Cluckers Geert	2,545.14	404.32	2,949.46	2,249.55	459.48	2,709.03
Cobbaert Lieven	2,993.31	502.44	3,495.75	3,177.20	641.80	3,819.00
Coppens David	3,224.89	82.66	3,307.55	2,691.73	149.44	2,841.17
Dalemans Jan	1,852.32	368.66	2,220.98	2,249.55	602.00	2,851.55
De Backer Charlotte	2,083.23	443.96	2,527.19	1,999.60	656.72	2,656.32
Dejaegher Christof	2,309.62	595.40	2,905.02	1,999.60	753.68	2,753.28
Desmeth Jan	3,473.48	80.86	3,554.34	3,191.63	95.16	3,286.79
Dries Wim	4,611.20	0.00	4,611.20	3,677.10	0.00	3,677.10
Franssen Ine	2,083.23	582.52	2,665.75	1,999.60	686.40	2,686.00
Geypen Greet	3,235.72	162.86	3,398.58	2,588.40	169.76	2,758.16
Kennis Koen	2,699.49	258.98	2,958.47	2,642.10	313.92	2,956.02
Kerseman Tom	1,145.76	64.38	1,210.14	749.85	207.40	957.25
Laridon Lies	3,930.78	687.82	4,618.60	3,427.15	840.52	4,267.67

Martens Nicky	2,545.14	313.92	2,859.06	1,749.65	259.20	2,008.85
Peeters Christophe	3,575.87	402.36	3,978.23	2,338.45	301.28	2,639.73
Van De Perre Guy	2,545.14	509.24	3,054.38	1,749.65	462.12	2,211.77
Van Gerven Adinda	3,926.26	358.70	4,284.96	3,427.15	442.44	3,869.59
<b>TOTAL</b>	<b>54,781.28</b>	<b>6,105.12</b>	<b>60,886.40</b>	<b>47,996.82</b>	<b>7,401.16</b>	<b>55,397.98</b>

Please take into account the following remarks for the correct interpretation of this table:

- the totals shown for each director are gross taxable amounts;
- the amounts shown are the total amounts paid to the directors concerned, including any amounts to which they were entitled from their additional mandates (such as in the Audit Committee, HR Committee, Interkabel Vlaanderen and/or Strategic Committee).

Other than the amounts shown above, no additional benefits were awarded or paid to the directors either in cash or in kind during or in relation to financial year 2023.

## 6.2 Management Committee

To protect the privacy of the persons concerned, the company does not publish details of the performance of individual Management Committee members, and consequently does not provide details of the associated remuneration.

The total gross salary cost for 2023 for the members of the Management Committee was €4,016,560.56. The comparable gross salary cost for 2022 was €4,106,831.47 This gross wage costs consists of three components: (a) basic annual salary, i.e. gross salary, including holiday allowance and year-end bonus, before deduction of payroll taxes and social security contributions, (b) performance-based variable remuneration and (c) employer's pension costs, which totalled €234,816.96 in 2023 (2022: €211,539.58).

Basic salaries are based on the internationally recognised Hay method, the results of which are consistent with the Belgian market. Compensation paid to members of the Management Committee is approved by the shareholders in the appropriate governance bodies. The variable remuneration paid to members of the Management Committee is linked to the company's score on a number of carefully selected performance indicators. The evaluation of members of the Management Committee is validated every year within the relevant governing bodies. In this way, the company aims to strengthen the long-term perspective in the policy and foster continuity.

A set of long-term indicators covering the various areas of company management is used for the performance-based part of the Management Committee compensation:

- KPIs on core tasks of the network management, including lead times for new connections, outage frequency and duration, supply unavailability

- parameters on specific programmes such as the rollout of digital meters or the switch to LEDs for public lighting
- the safety results
- KPIs on the financial policy such as the credit rating, cost savings
- parameters on customer satisfaction
- parameters on Great Place To Work as an indicator of employee satisfaction and well-being
- the completion of the 'energy & climate transition' investment plan
- the management of ESG risks, as measured using an independent external benchmark
- the investment tempo for sewerage
- the staff absenteeism rate
- the relationship with shareholder local administrations.

The group of executives can also earn a results-related bonus (CLA 90) if overall results determined in advance are achieved. Customer satisfaction, the number of kilometres driven for company-related travel, and the number of kilometres driven with leased vehicles fall under this list.



## 7 Sustainability and corporate social responsibility report

The structure of this 'Sustainability and Corporate Social Responsibility Report' section is already largely based on the presentation of information highlighted by the Corporate Sustainability Reporting Directive (CSRD). In 2025, Fluvius will publish a full CSRD report for financial year 2024.

### 7.1 General provisions on sustainability (ESRS 2).

#### 7.1.1 Starting points

For a company like Fluvius, which only has public shareholders, Corporate Social Responsibility (CSR) is an essential tool for giving substance to its mission. As an energy and utility company, sustainability in the broad sense of the term is interwoven into our strategy and core business, with a clear focus on energy efficiency, flexibility in energy use, supporting a shift to non-fossil energy supply and the role of sewerage in climate adaptation.

#### 7.1.2 Scope

We specifically emphasise that all policies, procedures and measures described below cover all business activities, the entire staff (both at Fluvius System Operator and at Fluvius OV) and the entire operational domain of Fluvius System Operator.

#### 7.1.3 Double materiality analysis as the basis

In 2023, Fluvius completed a double materiality analysis with stakeholder engagement in accordance with the requirements in the Corporate Sustainability Reporting Directive (CSRD)<sup>19</sup>. Fluvius conducted the double materiality analysis with its stakeholders via interviews and a comprehensive screening of internal and external sources. A full final report of the double materiality analysis was drafted and approved by the Board of Directors on 22 November 2023. You can consult this document at:

<https://over.fluvius.be/sites/fluvius/files/2023-12/dubbele-materialiteitsanalyse-2023.pdf>

#### 7.1.4 Time horizon

When analysing and evaluating impacts, risks and opportunities (IROs), the time horizon of the IRO is also examined. This makes it possible to differentiate between potential short-, medium- and long-term impacts and adjust and prioritise possible actions or initiatives accordingly. Mapping the time horizon applicable per IRO takes into account stakeholder expectations, sustainability trends within the sector and society, and the organisation's strategic goals and actions put in place. For most IROs, the time horizon is somewhat related to the likelihood.

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<sup>19</sup> In Dutch: Corporate sustainability reporting directive (Directive (EU) 2022/2464 of 14 December 2022)

Time horizon	Period	Likelihood
Short-term	+/- 1 year	1.0 = current/very likely (>70%)
		0.9 = likely (>60%)
Medium-term	2-5 years	0.75 = possible (>40%)
		0.65 = unlikely (>20%)
long term	+/- 5 years	0.60 = very unlikely (>5%)

### 7.1.5 Value chain

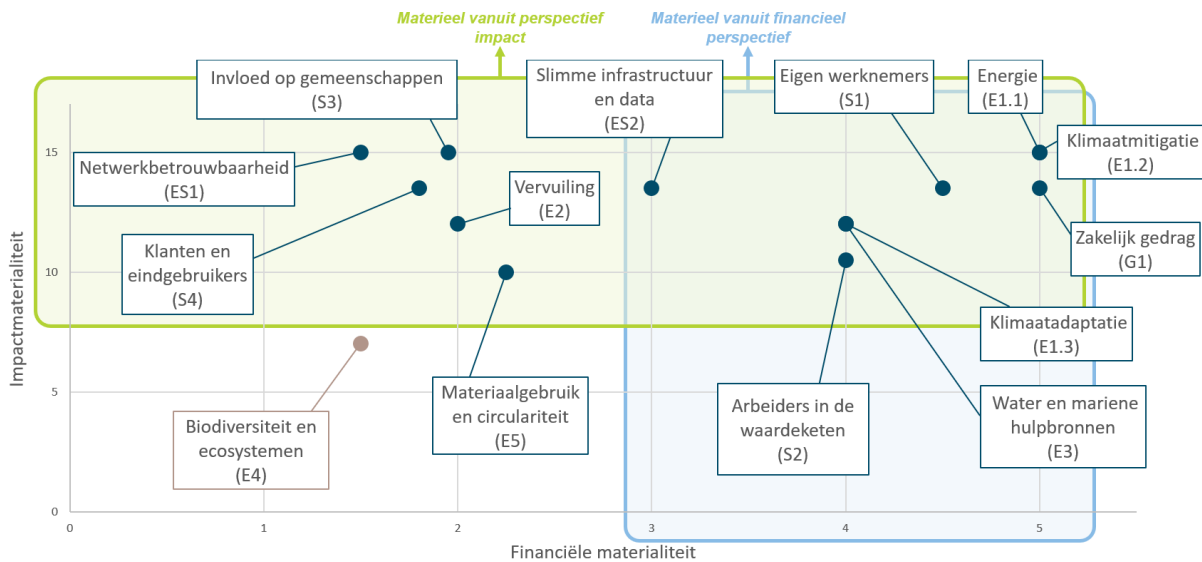
During the double materiality analysis, Fluvius' value chain was also comprehensively analysed. This helps identify and investigate any impacts at suppliers or customers. Below is a schematic high-level overview of Fluvius' value chain.



Remarks: Fluvius is responsible for the construction, maintenance and management of utility lines. However, the value chain shown describes more of the physical reality. Entities in the pre-chain are therefore not always qualified as suppliers to Fluvius. For example, transmission/transport of electricity/natural gas is part of the physical pre-chain, which allows energy to reach end consumers through the various networks.

### 7.1.6 Results of the double materiality analysis

The double materiality analysis is based on two strands: (i) the financial materiality - outside-in, which considers what financial consequences (risks and opportunities) may arise for the organisation as a result of a sustainability theme, and (ii) the impact materiality inside-out, or what positive/negative impact on the environment and society does the organisation have within a given sustainability theme? For each theme, the impact, risks and opportunities (IROs) are identified and given a score. In addition to the 10 required themes, Fluvius has included two additional company-specific themes in the analysis, specifically network reliability and smart infrastructure & data. The highest score within a theme determined whether the theme needed to be considered material or not.



This matrix shows that all themes were found to be material in at least one of the perspectives, with the exception of the biodiversity & ecosystems theme. This result of the analysis therefore means that Fluvius has to report on all sector-agnostic themes, except 'biodiversity & ecosystems' (E4), and company-specific themes in the 2024 annual report, to meet the CSRD requirements.

### 7.1.7 Strategic engagement as regards sustainability and corporate social responsibility

We have set out the specific engagements that Fluvius has made for CSR and sustainability in a Charter. The Board of Directors of Fluvius already approved this Corporate Social Responsibility Charter on 4 December 2019. [You can view this document here:](https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019.pdf) <https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019.pdf> In the 2023 Activity Report, you will also find numerous concrete examples of how Fluvius is putting CSR and sustainability into practice.

In light of the current major societal challenges, Fluvius' management has defined the following four focus areas for its sustainability and CSR policies.

1. energy and climate transition
2. climate adaptation: sewerage
3. digitisation
4. sustainable operations

For points 1 through 3, Fluvius has drawn up vision documents.

A substantial part of the energy and climate transition in Flanders will need to be achieved in energy distribution. For example, the strengthening of the local electricity grid to cope with the rising electrification as a result of the shift to electricity in mobility and heating.

For sewerage, we take a holistic approach, i.e., we place sewerage within a broader water policy. As such, elements such as buffering and infiltration are also addressed in our investment policy for sewerage.

In addition, Fluvius acknowledges the increasing importance of data and wants to play a facilitating role in this regard. We provide customers with data that can help them use energy more efficiently, so they can also have as much control as possible over their energy costs. Furthermore, we ensure that customers can take part in the renewable energy trade. We are therefore helping to build the energy market of tomorrow.

This sustainability policy will be further reinforced and broadened in 2024 based on the findings from the double materiality analysis and guided by the 4 above-mentioned focus areas.

### 7.1.8 Translating the sustainability strategy into financial planning

Fluvius has also decided in principle to fully align the investment policy for the Fluvius Economic Group with the Flemish Energy & Climate Plan 2021-2030<sup>20</sup>. In the future, all investment decisions will have to contribute to the general climate objectives laid down by Flanders in this plan. Currently, this policy decision in principle is being quantified in terms of its budgetary impact and financing needs. Specific investment projects are also being further outlined.

The Asset Planning department has drawn up a Strategic Asset Management Plan (SAMP) that takes Fluvius' mission, vision and strategy as the starting point and focuses on that part of the strategy that is linked to the network-related assets and their value. Based on this plan, the asset investment plan will be published, among other things.

### 7.1.9 Acknowledgment

Fluvius' performance in the area of sustainability and corporate social responsibility was recognised with the 'SDG Pioneer' certificate (October 2020), awarded by Unitar (the United Nations Institute for Training & Research), Cifal Flanders (the Flemish branch of Unitar), and the employers' organisation VOKA. This certificate is recognition for companies that have successfully implemented 10 actions for at least 3 years on each of the 17 United Nations Sustainable Development Goals (SDGs) and on at least 4 of the 5 pillars of Agenda 2030<sup>21</sup>.

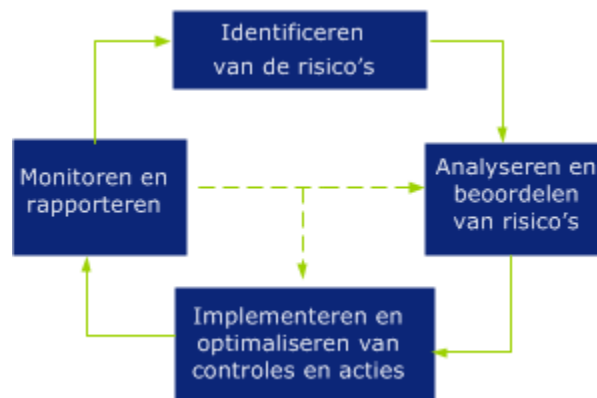
### 7.1.10 General risk management

Fluvius has drafted internal guidelines for risk management. Because every business is confronted with uncertainty and risks. Fluvius addresses the potential risks in a structured manner through an 'integrated risk management' methodology that applies to all our business areas. Permanent monitoring and various procedures are designed to help manage these uncertainties and risks as much as possible.

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<sup>20</sup> Approved by the Government of Flanders on 9 December 2019. Among other things, this plan aims for a 35% reduction in greenhouse gas emissions by 2030 compared to 2005, energy savings of 84,062 TWh and a renewable energy share of 28,512 GWh by 2030. For the complete document see, for example: [https://emis.vito.be/sites/emis/files/articles/3331/2019/2019-12-09\\_VEKP.pdf](https://emis.vito.be/sites/emis/files/articles/3331/2019/2019-12-09_VEKP.pdf)

<sup>21</sup> These 5 pillars are: (1) People - end poverty and hunger in all its forms and ensure dignity and equality (2) Prosperity - ensure prosperous and fulfilling lives in harmony with nature (3) Peace - foster peaceful, just and inclusive societies (4) Partnership - Implement the agenda through a solid global partnership (5) Planet - protect our planet's natural resources and climate for future generations.



The same methodology is used for assessing the identified operational risks. Strategic risks are validated by the Board of Directors, business risks by the Management Committee and operational risks by the competent business process owner. The internal audit services carry out risk audits systematically and regularly for all business processes – including financial processes. Each recommendation is given a score which indicates its priority for remedial action.

This cycle is then repeated in order to evolve to a higher maturity level.

We classify the risks into 5 categories: (1) strategic risks, (2) business risks, (3) generic business risks, (4) operational risks and (5) generic operational risks. We only monitor risks that are relevant to one or more business processes. For the electricity distribution business activity, for example, we identified risks such as: performance of the networks, continuation and expansion of the activity, process control, safety, environment, legislation & regulation, culture and/or ethics, image, (external) customer satisfaction, finance.

All identified risks end up in a risk matrix. This indicates the likelihood and impact for each risk. The likelihood ranges from 'conceivable' to 'permanent'; the impact ranges from 'negligible' to 'catastrophic.' Based on 'likelihood x impact', each risk is quantified. A ranking of the risks is therefore obtained, and this is the starting point for working out measures.

Fluvius uses a simple colour scale for the assessment or scoring of strategic risks:

- green: there is no danger to achieving strategic objectives – no action needed
- yellow: the risk may slow down realisation of the strategy – attention and measures needed to address the underlying risks
- orange: the risk is an obstacle – action is required in the short term
- red: the risk is a threat to achieving the strategic objectives – immediate coordinated action is required.

A risk exercise is organised at least once a year by the risk owners and managers. The list of risks is updated every year. Adjustments to risks or risk scores can be made at any time if there are good reasons to do so. Risks are reported to the Management Committee and Audit Committee on a quarterly basis, if necessary ad hoc reports will follow.

### 7.1.11 Financial risks

The Board of Directors has identified the following financial risks:

- **Price risk**

As the operations company, Fluvius System Operator charges all its operational costs – in full and without any profit margin – to its shareholders/customers, i.e. the 11 mandated associations. These associations are themselves subject to a regulatory system or statutory or contractual arrangements regarding their income:

- For electricity and gas, the Flemish Regulator of the Electricity and Gas Market (VREG) determines the tariff revenues of the DSOs. There is therefore no significant price risk for these entities in the Fluvius Economic Group apart from the possible risk related to the rejection of certain costs.
- The revenues of the mandated associations that carry out sewerage tasks are anchored in the applicable legislation, namely the Flemish Drinking Water Decree of 18 July 2003 (coordinated on 15 June 2018). Capital investment in this activity is paid for by the Flanders Environment Agency and the municipal authorities.

The consolidated subsidiaries De Stroomlijn, Atrias and SYNDUCTIS also operate in this way. Each of them charges the relevant proportion of its costs to Fluvius, which in turn includes these costs in its own total operating costs and then charges them to the mandated associations.

- **Liquidity risk**

The financial services of Fluvius System Operator monitor the liquidity position of the Fluvius Economic Group on a daily basis to mitigate the risk of the company not being able to meet its financial obligations in the short term. The cash pooling system set up between Fluvius System Operator, Fluvius OV, the 11 mandated associations, De Stroomlijn and SYNDUCTIS is an important tool in this regard.

The company has a number of short-term financing instruments. Specifically, these comprise straight loan facilities, a revolving credit facility and a commercial paper issuance programme. The first two instruments are committed facilities, while the commercial paper programme is on a non-committed basis.

Fluvius has no doubt that these financing instruments are sufficient to adequately address liquidity risk in the short term.

- **Solvency risk**

The long-term financial planning must ensure that the equity/debt ratio within the Fluvius Economic Group remains balanced and sustainable.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument fails to meet its obligations, causing the other contractual party to incur a financial loss. The maximum credit risk is the balance sheet value of each financial asset.

In the context of its operational tasks for the mandated associations, Fluvius System Operator is an active issuer of various debt instruments. Appropriate diversification in terms of maturities, counterparties and repayment method is crucial in this regard.

An important financing tool for Fluvius is the issuance of bond loans. This is usually organised in the international financial markets with institutional investors such as pension funds, mutual funds, insurers and so on. But Fluvius has also already approached the market of private investors in Belgium.

Bank loans are also an essential component of financing for the Fluvius Economic Group. These loans are also taken out directly by the mandated associations and therefore do not represent a financial risk to Fluvius System Operator.

Fluvius actively manages the maturity profile of the entire Fluvius Economic Group, in order to spread the necessary refinancing as much as possible over time. See the financial accounts for more details on the amounts that are relevant to credit risk.

- **Collection risk**

The operating company Fluvius System Operator only faces limited collection risk, given that the company generates virtually all its income from charging its operating expenses at cost to its principals, namely the 11 mandated associations, which are also the company's shareholders. In the energy distribution sector, these associations earn income from charging network fees to the commercial suppliers active in the Flemish market. In the sewerage activities, revenues are earned from subsidies for the infrastructure works carried out.

However, for the DSOs there is a certain collection risk associated with the role of social supplier or emergency supplier imposed by decree<sup>22</sup>, because here the affected end users have to pay their consumption bills directly to Fluvius.

- **Interest rate risk**

As an issuer of debt instruments, Fluvius System Operator is subject to interest rate fluctuations in the financial markets. As interest rates rise, the financing cost of new debt instruments also rises.

- **Refinancing risk**

Debt instruments (whether bonds or bank loans) approaching maturity need to be refinanced. At the time these are refinanced, there is a risk that Fluvius will not be able to attract refinancing (or not enough), or that the debt will have to be refinanced on less favourable terms.

- **Currency risk**

All regulated and non-regulated income of Fluvius System Operator and its consolidated subsidiaries and associates is expressed in euros. The same applies to all outstanding debt instruments, whatever their nature. This means that the Fluvius group is not exposed to any substantial currency risk.

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<sup>22</sup> Since April 2023, no tariff has been envisaged for the emergency supplier as there have been no customers in this segment since then.

## 7.2 Environment (E)

### 7.2.1 Climate (E1)

#### 7.2.1.1 Transition plans

##### **Vision 2050 - Flemish energy grids of the future**

Fluvius fully supports the climate ambition of Flanders and the European Commission to be climate neutral by 2050. In the spring of 2020, Fluvius carried out a comprehensive brainstorming exercise to set out the main outlines of energy grid management in the future. These outlines are intended to guide our internal operations. We hope our partners and stakeholders will also find them inspiring. This transition plan set out objectives and corresponding actions.

Based on this vision text<sup>23</sup>, an investment plan<sup>24</sup> was drawn up. In this Investment Plan, we describe the investments in the Flemish electricity and natural gas distribution systems and the conditions necessary for alternative solutions to flourish, such as the capacity tariff and flexibility services. This was based on the social context and policy framework. The long-term assumptions were made together with stakeholders and are based on the ambitions in the Flemish Energy and Climate Plan. Because the future is uncertain and we do not know in 2023 which scenario will become reality, the necessary 'no regret' investments were identified for a broad range of scenarios. For the gas network, these are investments necessary to ensure safety and maintain operational efficiency.

##### **Conversion of the gas distribution system to high-calorific gas**

The Dutch authorities decided several years ago to gradually reduce imports of low-calorific natural gas from the Netherlands, with the ultimate aim of phasing it out completely. As such, Belgian gas network operators, and therefore also Fluvius, have been working since 2018 to switch their gas networks to high-calorific gas. Around 1.6 million end customers (private individuals and businesses) are affected. These end-users of Fluvius are mainly located in the provinces of Antwerp, Flemish Brabant and Limburg. Originally, this conversion would have gone on until 2029. However, optimisations in planning and organising this conversion at the same time as the rollout of digital meters meant that the end date for the conversion programme at Fluvius could be brought forward to the end of 2024. From then on, all our end customers will be supplied with high-calorific gas.

##### **Heating**

Fluvius plays an active role in various heat projects in Flanders. An overview of<sup>25</sup> the projects for which Fluvius acted as system operator and/or heat supplier in 2023:

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<sup>23</sup> Available at <https://over.fluvius.be/sites/fluvius/files/2020-11/visie-netbeheer-van-de-toekomst-nota.pdf>

<sup>24</sup> Available at <https://over.fluvius.be/sites/fluvius/files/2023-06/investeringsplan-2024-2033.pdf>

<sup>25</sup> Source: VREG, RAPP-2023-12 (Report on the heat networks activity at the VREG in 2022-2023)



Location	Project name	Number of household heat consumers	Number of non-household heat consumers
Antwerp	Blue Gate	0	3
Antwerp	Nieuw Zuid	1,180	65
Dessel	De Ark	22	0
Diksmuide	Hof ter Bloemmolens	130	0
Hoogstraten	De Kluis	0	2
Kuurne-Harelbeke	Kuurne-Harelbeke	304	9
Leuven	Balk Van Beel - Ark - Twist	93	4
Mol	Balmatt site (VITO)	0	1
Mol	Guido Gezellestraat	64	0
Mol	Rodekruislaan	0	2
Roeselare	Roobaertpark	3	0
Roeselare	Sint-Idesbald	0	7
Turnhout	Niefhout	100	1
Veurne	Suikerpark (phase 1)	37	0
<b>TOTAL</b>		<b>1,933</b>	<b>94</b>

## Vision for sewerage in the water cycle

All stakeholders agree that Flanders needs an overarching approach to the various aspects of the water issue. As the largest sewer operator in Flanders, Fluvius plans to actively contribute to these objectives. Sewerage can and will play an important role in climate adaptation, to the extent that it is integrated into an overall water policy, thereby offering a solution to the need for stormwater buffering, infiltration and use, as well as water treatment.

Fluvius has worked out a clear vision for the sewerage business. For us, there are 4 general objectives, with 7 areas of action. The general goals are:

1. contribute to reducing drinking water consumption: synergy in installation of digital water meters; encourage buffering and reuse of rainwater;
2. commit to maximum circular use of water and restore the natural cycle of stormwater: trash collection, watercourse alteration, buffering and infiltration of rainwater; reclaim water for circular uses;
3. Future-proof sewer networks: digitise and automate sewer networks;
4. Make data on the sewer system available: alternative solutions for overloading of the sewer system.

Implementing these objectives must always be socially and environmentally responsible, financially and technically feasible, and must ensure convenience for the end customer.

Fluvius has since continued to work on rainwater and drought plans for the benefit of local governments.

In addition, Fluvius is setting up a pilot project in the province of Limburg to retain as much drainage water as possible and reuse it locally. Drainage water is water that is pumped up on building sites and during major groundworks, and usually discharged into the sewer system.

Fluvius is fully behind the Flemish 'Municipal sewerage management' action plan. With the participation of the Flemish government, the municipal administrations, Aquafin, and the sewerage managers, this plan focuses on three priorities:

- the construction of new, separate sewers;
- a risk-based management of the network infrastructure for repairs and renewals, which includes both centralised and decentralised wastewater and rainwater systems;
- and creating solutions for heavy rainfall and drought.

This action plan should be accompanied by the appropriate instruments for financing.

We are getting everything ready to conduct a comprehensive scan in the coming years of the entire sewer network in the 88 municipalities where we are the sewerage network operator. As a first step to this end, together with the other sewerage managers in Flanders, we have entered the inventory of sewerage networks into one central system. In the first phase, the scan will focus on high-risk parts of the network, according to age and location. We will introduce mobile robotic cameras here which will drive through the sewer pipes, so to speak. For less risky sections of the network, photos from the inspection well will be used. Fully in line with the Flemish objectives, we will have mapped out the state of our network by the end of 2027 and will also have carried out the appropriate renovations and repairs based on the scans.

### **The switch to LEDs**

The large-scale investment programme to convert municipal public lighting in Flanders to LED continues unabated. At the end of 2023, there were 550,625 lighting points with LED technology. During 2023, 131,646 LED light points were added (2022: +88,028 light points). This means that 46.4% of light points have now been converted. This is slightly better than the target of 44.25% by the end of 2023. The goal remains to complete this investment programme by the end of 2028.

These efforts are an important contribution to the climate issue, as energy-efficient LED lighting offers significant savings in terms of electricity use and therefore CO<sub>2</sub> emissions. In addition, LED technology means that public lighting can be actively controlled with dimming, motion detection for switching on and off, and so on.

#### **7.2.1.2 Objectives**

Across all energy disciplines (electricity, heat networks and gas networks) Fluvius sees four main objectives, or strands. As a grid operator we must work on these to make climate neutrality possible by 2050.

1. Helping to reduce energy consumption in Flanders.
2. Maximising the availability of renewable energy.

3. Making Flemish energy grids future-proof.
4. Creating new opportunities for active users.

### 7.2.1.3 Actions

We have identified twelve concrete actions that should help us to achieve the final goal of climate neutrality in 2050 in a way that is acceptable. These actions flesh out the various objectives and are explained in detail in the vision text available at <https://over.fluvius.be/sites/fluvius/files/2020-11/visie-netbeheer-van-de-toekomst-nota.pdf>. Some of the projects have already been started, while others are planned for the next few years. A third group of projects will take place in the more distant future, after 2030.

### 7.2.1.4 CO<sub>2</sub> reduction targets

Fluvius has set out the following, future-oriented ambitions:

- in the activities under our direct control, we are putting an SBTi-inspired <sup>26</sup>goal as the priority, i.e. a minimum reduction in emissions of 30% by 2030 (compared to reference year 2020);
- in 2023, we calculated Fluvius' scope 3 emissions for the first time;
- by 2050, we are a net-zero organisation as regards emissions from all activities.

### 7.2.1.5 CO<sub>2</sub> emissions

Fluvius puts its approach to reducing greenhouse gas emissions in the broader context of corporate social responsibility, as set out in the Fluvius Corporate Social Responsibility Charter. In the charter, we explain that sustainability must be duly observed in all the company's activities. Our climate ambition starts from the objectives laid down in the Paris climate accords. As such, until now we have measured our CO<sub>2</sub> emissions according to the international standards of the GHG Protocol in an exercise every 2 years; in the near future this will become an annual exercise. That way, we can continuously validate our level of ambition.

We divide the results into two groups: (1) emissions over which Fluvius has direct control (scope 1 and 2), such as emissions from our own operations, emissions due to our own transport and heating needs and (2) emissions with indirect control (scope 1 and 2), such as grid losses from electricity and gas distribution. From 2023, we will start measuring our scope 3 emissions.

The most recent available emissions results are those for the year 2020; emissions are still being calculated for the 2021-2022 cycle, but the results were not yet available at the time this annual report was drafted.

2020 is taken as the reference year for future evolution; for the relevant data of the reference year see the table below:

2020	in tons CO <sub>2</sub> eq
Scope 1 (excluding grid losses)	20,083

<sup>26</sup> SBTi: Science Based Targets Initiative, an international partnership that aims to help companies reduce their emissions in line with international climate agreements.

<b>Scope 1 grid losses gas distribution</b>	217,320
<b>Scope 2 (excluding grid losses)</b>	1,423
<b>Scope 2 grid losses electricity distribution</b>	153,891
<b>Total emissions with direct control</b>	21,507
<b>Total emissions with indirect control</b>	371,211
<b>Total emissions Fluvius</b>	392,717

The physical grid losses for electricity - as shown in the table above - are a major source of CO<sub>2</sub> emissions (scope 2). The electricity distribution networks of the DSOs managed by Fluvius recorded an overall grid loss <sup>27</sup>rate of 3.77% (or a net efficiency of 96.23%) in 2023. In absolute terms, there was a grid loss of 1,128.2 GWh in 2023 (2022: 1,168.7 GWh, with an efficiency of 96.32%). In absolute grid loss volumes, this represents a 3.5% year-on-year decrease, but a limited efficiency loss of 0.09 percentage points. Over a five-year period, we registered an impressive 10.5% fall in grid loss volumes.

<b>kWh</b>	<b>Volume of grid losses</b>	<b>Delta with previous year</b>
2019	1,259,969,719	-2.8%
2020	1,209,778,884	-4.0%
2021	1,218,772,074	0.7%
2022	1,168,681,739	-4.1%
2023	1,128,184,875	-3.5%
<b>5-year average</b>	<b>1,197,077,458</b>	<b>Delta 2019-2023 -10.5%</b>

The company's policy is to restrict grid losses in order to minimise their environmental and financial impact following CO<sub>2</sub> emissions and purchases of volumes of electricity. Within the current regulatory framework, the regulator VREG catalogues the costs of electricity purchases to cover grid losses entirely as external costs.

### 7.2.1.6 Research & development policy: no transition without innovation

#### Why do we innovate?

<sup>27</sup> Arithmetic average of grid losses of the ten individual electricity grid operators

Fluvius presented its 2024-2033 investment plan in 2023. In the plan, we explain how Fluvius intends to help realise the energy transition challenge: feasible and affordable for everyone and in line with Flemish and European climate ambitions. In this Investment Plan, we describe the investments in the Flemish electricity and natural gas distribution systems and the conditions necessary for alternative solutions to flourish, such as the capacity tariff and flexibility services.

In order to more accurately assess further investment needs during the period up to 2050, we are investing in measures to

- be able to closely monitor how the actual grid load evolves and how more detailed scenarios can be handled,
- allow alternative solutions to develop, such as the capacity tariff and flexibility services.

Our innovative approach is an important means to that end.

### How do we innovate?

In 2023, Fluvius followed up its innovation pathways with more focus and intent. An important tool was used to this end: the Fluvius innovation radar. This radar allows Fluvius to identify and evaluate emerging trends and technologies. By proactively responding to these trends, Fluvius can improve its service offering and better serve its customers and stakeholders of the energy system. In this regard, we leverage our relationships with other European distribution system operators, including through umbrella organisations such as E.DSO. These innovations may be the impetus to our own innovation initiatives, or initiatives that we follow up within our partner network.

We rarely roll out these innovation initiatives alone. We usually collaborate in this regard with research institutions and universities including UGent, KU Leuven, VUB, University of Antwerp, Howest, VITO, and partners such as Energyville, Thorpark, Green Energy Park, Flux50, Ode and our fellow grid operators.



The initiatives are selected and monitored by an 'Innovation Board', composed of representatives of our own internal directorates.

### Innovation areas

We have identified various areas where we want to focus on to add value:

- forecasting the use of our networks for electricity and gas;
- developing and deploying flexibility on our networks;
- developing new market innovations such as energy sharing;
- developing data hubs, data spaces and data exchange;
- focusing on multi-utility and looking for synergy with sewerage and other utilities;
- new techniques or mitigation measures to improve the operation of our networks.

In this regard, we make sure that our initiatives meet the following criteria:

- they sufficiently facilitate the energy transition;
- they are sufficiently innovative and introduce new and better approaches;
- they provide added value to the distribution network user that outweighs the cost;
- they are technically feasible.

### Some examples

**Io.E** Fluvius is one of the founding members of Internet of Energy (IO.Energy). This project - driven by Belgium's energy network operators - brings together companies, government agencies and academia to integrate cross-industry customers into the energy market, ranging from EV startups to well-known construction companies. Through a variety of innovative use cases, ideas are launched for smart charging, new energy sharing solutions or flexibility services.

**It's-E** Fluvius is one of the initiators for devising a platform with partners including Athumi, KBC and Bebat to build an asset register of customers' energy assets such as batteries, charging stations, inverters and solar panels. In doing so, we are aiming to track the entire life cycle of these assets from the manufacturer, importer, installer, inspection body and customer use, to repair, decommissioning and recycling.

By 2024, we want to finalise a clear (working) framework in which Fluvius can let innovation thrive.

### 7.2.2 Pollution (E2)

Fluvius' operations are always subject to VLAREM legislation and, where necessary, environmental permits are applied for and works do not start until the permit is approved. At the time of the application, the necessary impacts related to air, water & soil pollution and biodiversity, among others, are identified. Based on these analyses, when the environmental permit is granted, the necessary measures are imposed and followed up within our internal Environmental Department. Examples of measures include: applying mitigation measures, taking measurements, periodic evaluation of methods, internal and external reporting ... If necessary, actions and/or improvement processes are incorporated in order to prevent pollution of air, water and soil, or restore these as much as possible. Any incidents are reported in the environmental annual report.

In the context of the sewerage business, a sewerage manager makes active efforts to collect waste loads and dispose of them in the most concentrated way possible at the Aquafin treatment plants. In this way, we help minimise water pollution.

As explained in the 'EU taxonomy' section within this report, Fluvius' sustainable activities are assessed against defined criteria. It is always evaluated here whether the 'Pollution Prevention and Control' objective is not seriously undermined. For the selected sustainable activities, 100% effectively meet these criteria. This evaluation is assessed by an independent third party.

### 7.2.3 Water and marine resources (E3)

Fluvius' operations cannot be considered water-intensive. The largest consumers are mostly domestic applications for office buildings. This involves reusing rainwater as much as possible and water-saving techniques to minimise consumption of drinking water.

As explained in the transition plan, the sewerage activities have a strong impact on the water cycle. We are therefore focusing on 4 main objectives:

1. contribute to reducing drinking water consumption: synergy in installation of digital water meters; encourage reuse of rainwater;
2. commit to maximum circular use of water and restore the natural cycle of stormwater: trash collection, watercourse alteration, buffering and infiltration of stormwater; reclaim water
3. Future-proof sewer networks: digitise and automate sewer networks;
4. Make data on the sewer system available: alternative solutions for overloading of the sewer system.

As explained in the 'EU taxonomy' section within this report, Fluvius' sustainable activities are assessed against defined criteria. It is always evaluated here whether the objective 'Sustainable use and protection of water and marine resources' is not seriously undermined. For the selected sustainable activities, 100% effectively meet these criteria. This evaluation is assessed by an independent third party.

### 7.2.4 Biodiversity and ecosystems (E4)

The impact on biodiversity is considered a less material topic in the materiality analysis given the limited above-ground facilities that Fluvius manages. The works performed by Fluvius are always limited in time and the area is usually repairable. By optimising synergy, we also try to minimise the impact.

Fluvius takes into account the protection of plants and animals when grids are constructed or maintained in the immediate vicinity of natural areas or areas with valuable fauna or flora. For example, Fluvius then considers which type of public lighting will cause the least amount of disruption or how a distribution network can be constructed with the least impact to the surrounding area.

As with pollution, when applying for an environmental permit, the necessary analysis is done for biodiversity regarding the potential impact of the operation and the necessary measures are then taken.

As explained in the 'EU taxonomy' section within this report, Fluvius' sustainable activities are assessed against defined criteria. It is always evaluated here whether the objective 'Protection and restoration of biodiversity and ecosystems' is not seriously undermined. For the selected sustainable activities, 100% effectively meet these criteria. This evaluation is assessed by an independent third party.

## 7.2.5 Material use and circularity (E5)

One of Fluvius' main activities is building infrastructure. This involves significant use of material, although it is long-lasting. Fluvius is aware of the impact and potential opportunities offered by circular models and the possibilities for this are continuously studied within the technical and legal frameworks. Working with contractors and suppliers, the impact of current material use and circularity are identified and, where possible, actions are started to make improvements. Fluvius intends to leverage its scale here to explore and accelerate opportunities to use circular materials within Flanders.

Within the operational activities of Fluvius, various waste streams are currently still generated and are collected separately as much as possible. For each waste stream, the application with the most value retained is looked at. This may include reuse, repair, recycling or external disposal. For each application, we then look for the right partner who will reuse the materials sustainably while respecting applicable regulations.

As explained in the 'EU taxonomy' section within this report, Fluvius' sustainable activities are assessed against defined criteria. It is always evaluated here whether the 'Transition to a circular economy' objective is not seriously undermined. For the selected sustainable activities, 100% effectively meet these criteria. This evaluation is assessed by an independent third party.

## 7.3 Social (S)

### 7.3.1 Own employees (S1)

#### 7.3.1.1 Great Place to Work

Fluvius wants to be and remain an organisation with a culture that excels in trust between colleagues and between management and employees, in pride with employees who are proud of their job, their team and their company, and in fun and camaraderie among colleagues in the workplace. That's why at Fluvius, we make a conscious choice to be a 'Great Place to Work' for all our employees. This fits in with our strategy whereby we want to put our employees first. Via the annual Great Place to Work survey, we want to hear from our employees how they actually experience working here. The survey results tell us objectively what areas we can be satisfied about, or even very satisfied. Conversely, we also find out straight away what's not so great: what should we be less pleased about, or not pleased about at all? That gives us useful insights into where we need to continue making efforts. What we want to keep on doing, and also what we really need to do differently.

At the end of 2023, Fluvius was certified as a 'Great Place to Work' (GPTW). This certification is granted to companies whose employees indicate in an official survey that they enjoy working for the business, have confidence in each other and are proud of their jobs. The main assets of Fluvius are: the good team atmosphere, camaraderie & plezier beleven; pride in one's job and the achievements of Fluvius, including being allowed to contribute to the social relevance of Fluvius; providing care and support, and a high satisfaction with the work-life balance.

The final score of the survey taken in 2023 was an +8% rise over the 2022 survey result. This may be a positive corollary of the continued commitment to culture choices: trust, shared leadership, and to efforts to achieve unified operations.



As always, the detailed results of the Great Place to Work survey are discussed transparently in all teams, in part based on scores by business unit.

In 2023, we also continued to work on anchoring the Fluvius values. After five years of Fluvius, we wanted to re-evaluate our values. In dialogue with around 80 volunteer employees, we explored how the values are experienced in the workplace and where we still have room for growth. Management also received these same questions. This allowed us to sharpen our values. This will be the basis of setting out behavioral descriptions and goals in 2024. We will do this under the motto STERK (STRONG in Dutch), which stands for 'side-by-side, Thankful, Respect, Our eNgageMENT, Great customers'. See also item 3.4.3 ("Our values").

### 7.3.1.2 Human rights policy

Within the framework of the EU Taxonomy and the minimum social guarantees formulated therein, Fluvius has made a clear commitment to respect applicable international standards and norms and to set up the necessary structures to this end within its organisation. Our explicit endorsement of the United Nations Sustainable Development Goals (SDGs) is the first proof of this. Our Ethics Charter also attests to Fluvius' commitment in this regard.

### 7.3.1.3 Diversity policy

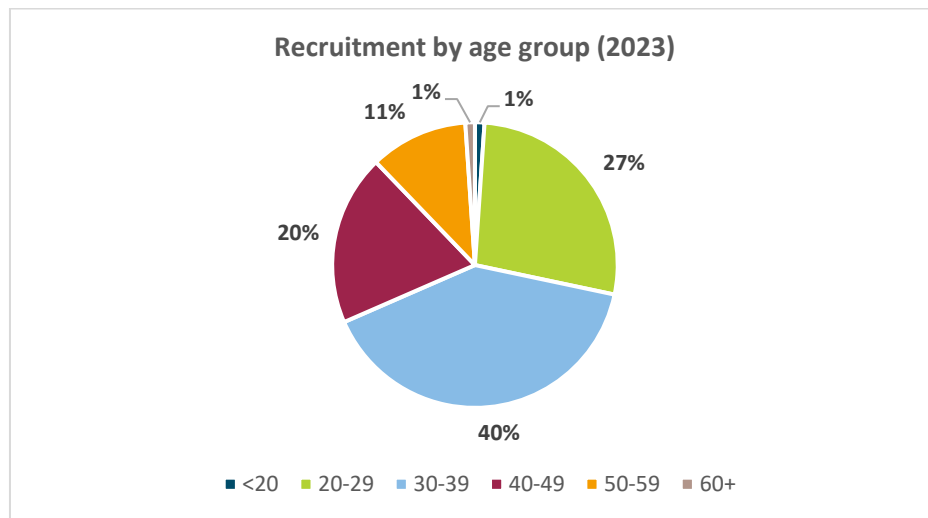
Remuneration in the company is wholly and exclusively dependent on the role performed by each employee. Gender plays no role in determining someone's pay. Fluvius System Operator's pay gap report, published every 2 years, examines the company's pay structure in close detail. This report is produced in accordance with the Law of 22 April 2012 on combating the pay gap between men and women and it is discussed by the Works Council as a mandatory item. The Works Council then judges based on the results in the pay gap report on whether action has to be taken to promote gender-neutral remuneration.

The latest 2021-2022 report finds that there are no structural causes of a wage gap. The narrow pay gap is explained on the one hand by the differences in the 'old working conditions' and 'new working conditions' systems, where women are underrepresented in the former (21% men vs. 13% women) and on the other hand by individual career differences (seniority and the historical effect of the performance process). The performance process itself shows no significant differences between men and women.

The report further observes that the selection process is gender neutral: anyone can and may apply based on a defined selection process and the required job profile. In general, within Fluvius, gender neutrality is ensured by the qualification method for executive positions (Joint Committee 326) and for executives (Hay methodology). For all categories, the content of job duties and responsibilities determines the level of payment, regardless of gender.

The Works Council of Fluvius System Operator held a detailed discussion of this 2021-2022 wage gap report on 30 May 2023. As such, the members of the Works Council came to the conclusion that (freely translated) "based on the analysis report relating to the financial years 2021 and 2022, it was not considered relevant to draw up an action plan aimed at implementing a gender-neutral remuneration structure within the company."

When Fluvius recruits, the age of the candidate is not in any way a factor. Our hires during 2023 were effectively spread across various age groups:



#### 7.3.1.4 Non-discrimination policy

Fluvius pursues a clear policy of non-discrimination. This is one of the principles of the Ethics Charter that applies to the entire company. Non-discrimination plays a role in the recruitment of new employees, promotional opportunities, etc. Fluvius' Ethics Charter also explicitly states that no form of discriminatory behaviour is tolerated within the company.

#### 7.3.1.5 Gender diversity in the administrative and management bodies (31 December 2023)

	Total	Male	Female
<b>Board of Directors</b>	20	13	7
<b>Audit Committee</b>	4	2	2
<b>HR Committee</b>	4	1	3
<b>Strategic Committee</b>	6	6	0
<b>Management Committee</b>	10	9	1

The current composition of the Board of Directors meets the rule that "at least one-third of the members must be of the opposite sex from the other members."

Among the senior management of Fluvius System Operator (excluding Management Committee), there are 85.4% men and 14.6% women. The low percentage of women in the company's management committee and senior management positions is still largely due to the historical fact that (most) 'technical' positions were mainly held by men.

For information, of Fluvius System Operator's total workforce, 68.8% are male and 31.2% are female. On an annual basis, the proportion of female colleagues has grown by 1.4 percentage points, from 29.8% to 31.2%. On a five-year term (2019-2023), this rate increased from 28.5% to 31.2% (+2.7 percentage points).

### 7.3.1.6 Labour relations policy

Fluvius closely follows the extensive Belgian labour legislation in all its aspects: safety and health in the workplace, free association of employees, structured consultation and information exchange between employer and employees in the Works Council and Committees for Prevention and Protection at Work, free social elections, etc.

Fully in line with Belgian social legislation, Fluvius System Operator organises social elections every four years. One Works Council and three Prevention & Protection Committees are elected. The Works Council has a role as an official consultative body around corporate policy. More specific issues are addressed in the Local Syndicate Consultation, which is integrated in the company's 18 branches.

Dossiers on qualification matters are discussed in the local joint qualification group. Sectoral provisions serve as guidelines in this regard.

Specifically for executives, there is the executives committee, an unofficial consultative body between management and executives.

Social elections will take place again in May 2024.

Fluvius System Operator ensures that the elected union delegates can correctly perform their duties. As such, there are agreements on time commitment, cost reimbursement and such like. Once recruited, new colleagues are clearly informed about union operations within the company. And employee organisations are given every opportunity at Fluvius to communicate with their members.

For statutory employees within Fluvius OV, the regulations and legal basis differ<sup>28</sup>.

Since Belgian labour legislation complies with international treaties and conventions on the subject (including the conventions of the International Labour Organization ILO), Fluvius also works in full compliance with these international standards.

Fluvius System Operator falls within the scope of Joint Committee 326 (gas and electricity sector). In this joint committee, employers and employees conclude collective labour agreements that apply to all employees in this sector in Belgium. These CLAs<sup>29</sup> acquire general binding value as soon as they are filed with the federal government. See <https://werk.belgie.be/nl/themas/paritaire-comites-en-collectieve-arbeidsovereenkomsten-caos/collectieve-4>

The CLAs at the three levels (federal, sector and company) applicable at Fluvius cover a wide range of topics, ranging from working hour regulations, pay conditions, holiday arrangements, to transport costs for commuting to various end-of-career arrangements.

In the event of a possible violation of labour laws or regulations, each individual employee can contact the union representatives. If necessary, an investigation is launched by the independent external social inspectorate.

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<sup>28</sup> *The Royal Decree of 28 September 1984 (also called the Trade Union Status for the Public Sector) governs relations between the government (in this case Fluvius OV) and the unions of its staff.*

<sup>29</sup> *Since January 1999*

In addition, Fluvius employs social assistants. Any employee, if facing problems of a social nature, can turn to these social assistants. They will search for a solution, with discretion. The 'Well-being' team consists of five people.

### 7.3.1.7 Safety at work

Important parameters in occupational safety are frequency and severity. These figures indicate the number of in-house employee accidents at work involving absence and the number of days of absence, respectively, in proportion to the number of hours worked per year.

In 2023, the frequency rate was 4.09 (2022: 6.33), keeping us below our self-imposed limit of 4.50. We recorded 33 accidents resulting in absence from work (2022: 50). The severity rate for 2023 came to 0.07 (2022: 0.16). This is also below the limit of a maximum severity rate of 0.09. The recorded accidents resulted in a total of 600 days of work incapacity due to recorded workplace accidents (2022: 1,297 days). For the above parameters, there was a marked improvement between 2022 and 2023. For both severity and frequency, in 2023 we recorded the lowest rates in the past five years.

Unfortunately, we did record 13 accidents involving our electricity or gas in 2023. In 2022, there were only 3 such accidents. For accidents involving electricity or gas, Fluvius maintains the strict standard of zero accidents. Accidents involving electricity or gas resulted in 4 victims with absence from work in 2023 (2022: 5 victims).

There were no occupational fatalities in 2023, as in 2022.

The most common causes of accidents and incidents among in-house staff in 2023 were falls, slips and trips. Most days of lost work were due to these accidents.

Over 5 years (2019-2023), we see the following results:

5-year average		2023	
<b>Frequency</b>	5.79	4.09	better
<b>severity</b>	0.12	0.07	better
<b>Accidents involving electricity or natural gas</b>	4.80	13	worse
<b>Accidents leading to absence from work</b>	45.40	33	better
<b>days of work incapacity</b>	977	600	better

### 7.3.1.8 Training policy

#### Social balance

Fluvius is committed to training its employees, both in terms of professional technical knowledge and for general skills and attitudes. A training plan is submitted to and discussed at the Works Council every 6 months. Fluvius follows the sectoral CLAs on education and training and the relevant legislation.

For 2023, 22.45 hours/FTE/year of formal and 41.07 hours/FTE/year of informal training were recorded; the corresponding figures for the year 2022 were 18.82 hours of formal and 24.52 hours of informal training per

FTE, or an increase of 19.3% for formal and 67.6% for informal training, respectively. This brings the total training to 63.52 hours/FTE/year or 7.94 days (2022: 43.34 hours/FTE/year or 5.42 days). The 2023 result is well above the prevailing standard of 5 days (40 hours) per FTE per year. See also Social Balance for more numerical data on our training efforts in 2023.

All education and training initiatives (both internal and external training) are coordinated by the Fluvius Academy. Internal training takes place on four Fluvius campuses (Hasselt, Mechelen, Melle and Torhout). The offering includes consulting, coaching and customised training with a focus on independent learning. All technical training is done in cooperation with experienced experts, mostly our own experienced colleagues. The training offer obviously targets Fluvius' own employees, but external parties (such as Synductis utilities, Atrias, contractor personnel) can also come to us.

The offering of internal training programmes is very broad and diverse. There are professional training courses in all areas of grid management (electricity, natural gas, sewerage), IT training, welding techniques, safety training, training in dealing with customers and so on.

## 7.3.2 Workers in the value chain (S2).

### 7.3.2.1 Socially responsible purchasing policy

Starting in 2021 - as one of the spearheads of Fluvius' CSR and sustainability policy - the Procurement Department launched a broad project to make its own supply chain more sustainable. Joining the sustainability platform Ecovadis is an important tool in this regard, as it allows us to screen our (prospective) suppliers on their sustainability profile and performance. We want to assess more supplier on ESG in the coming years. Fluvius itself is also screened by Ecovadis.



Our procurement procedures are largely governed by Belgian public procurement legislation. Most of our purchases fall within the scope of this legislation. The correct application of this legislation is considered the bare minimum. But Fluvius wants to go further. This is why we apply our Socially Responsible Purchasing (SRP) Charter. This helps us to further shape purchasing policies with the most positive environmental, social and economic impact, across the entire life cycle. SRP is fully aligned with our Corporate Social Responsibility (CSR) Charter. By acting on the SRP principles, Fluvius contributes to SDG 12 (sustainable production and consumption) and SDG 13 (action against climate change and its impact).

### 7.3.2.2 Human rights policy

As a major purchaser of materials and technical products, Fluvius pays due attention to respect for human rights, particularly in its supply chain. Fluvius is aware that there are risks associated with a supply chain organised on a global scale for some materials. We expect our suppliers to respect the principles of acting with integrity and corporate social responsibility. In this way, Fluvius aims to have assurance regarding ethical conduct throughout our value chain in a number of areas. These include, for example, expressly respecting international labour standards, health & safety, ethics, no discrimination, ensuring the mental health of employees, the right to collective consultation within the organisation, living wages, free employment, etc.

Concerning the human rights aspects related to the materials used and the entire supply chain, Fluvius' purchasing procedures and specifications provide for measures to prevent abuses, such as production in low-wage countries. For example, candidate suppliers must submit a sworn declaration.

Building on the existing risk management, the Corporate Social Responsibility Charter and the risk monitoring procedures and methodologies in place within the Procurement Department, in 2023 Fluvius identified specific human rights risks at suppliers and determined the necessary mitigating measures. Among other things, this resulted in a Supplier Code of Conduct published on the Fluvius website in late 2023. In 2024, we plan to further communicate to suppliers and we will also expand the scope of and report on the audits mentioned above.

### 7.3.2.3 Supplier Code of Conduct

At the end of 2023, Fluvius approved and published a Supplier Code of Conduct. The code applies to all procurement and supply of goods and services, including contracting. The Management Committee approved this code on 7 December 2023, and the Board of Directors took cognizance of it by consent on 10 January 2024. This document is an essential tool to mitigate sustainability risks in our company's value chain.

#### **What does the Supplier Code of Conduct mean for suppliers?**

Fluvius is committed to the principles of acting with integrity and corporate social responsibility. We expect the same from our suppliers. The main principles relate to international labour standards, ethics, health, safety and the environment. We therefore prohibit child labour and expect free employment, living wages, feasible working hours, regular working relationships, right to collective bargaining, no discrimination and humane treatment for all. The supplier must always act with integrity and conduct business in an ethical manner. The safety, physical and mental health of employees and suppliers must be guaranteed to the maximum extent possible. On the environmental front, the Supplier must also make the necessary efforts to reduce its impact.

#### **How will we implement and follow the code of conduct?**

The code of conduct is sent out to all current suppliers who can then adhere to it. Since these are ongoing contracts, Fluvius cannot oblige this. For all new contracts, however, adherence to the code of conduct will be mandatory. Reports of non-compliance with this code of conduct can always be passed through the whistleblower channels. See also the item "Advice and reports related to ethics" elsewhere in this annual report.

Regarding the control of its suppliers, Fluvius itself conducts active checks in production sites abroad for the most important materials. In 2023, some 70 audits had been completed. The primary focus is on the production processes and associated safety issues for employees. In the future, the scope will be further expanded to include additional sustainability aspects. Following the extension of a supply contract, from April/May 2021 until the end of the contract, Fluvius commissioned a specific audit on working conditions at a Chinese production site by an independent research firm.

The code of conduct is an important lever for Fluvius and its partners in the value chain to become more sustainable. Making the commitment to this code is not an empty promise, but a must for those who want to be part of our value chain and that of many other companies over time. It should become a catalyst for sustainable work on the energy transition.

### 7.3.3 Impact on communities (S3)

Fluvius' operational domain is limited to the Flemish Region. The majority of business activities conducted within a strict legislative and regulatory framework. The fact that all Flemish local authorities indirectly - through their participation in one or more of the shareholders of the operating company Fluvius System Operator - hold all of the operating company's shares is a guarantee of good relations and cooperation between the company and the local authorities in Flanders. The directors of both the shareholding intermunicipal partnerships and of Fluvius System operator itself are all democratically elected local representatives.

Fluvius is a central and essential player in the provision of essential services in public infrastructure from its role as grid operator. How we take on this role is embodied in our vision, mission and strategy. We also involve the communities through the necessary consultations. From this feedback, impacts, risks and opportunities are identified and fed back into action plans aligned with objectives.

In addition, Fluvius has special expertise that is highly valuable within the public debate. The extent of Fluvius' participation in public debate is widespread. On the one hand, Fluvius has a prominent position in the Flemish energy landscape and consequently has relevant input to offer in many dossiers, on the other hand, Fluvius is also actively involved in various sector federations, advisory bodies, interest federations and shares extensively knowledge through seminars, trainings, and such like.

In its Public Lighting activity, Fluvius contributes to the sense of safety in all Flemish cities and municipalities. This ensures a positive impact on traffic safety, crime, etc. By evolving to smart (interactive) control, cities and municipalities can increasingly adapt the use of public lighting to their needs.

Fluvius has many construction sites in the public domain and impacts the community with traffic, noise and other disruptions for the duration of the works. Through collaboration and participation in Synductis, maximum synergy is sought to minimise the disruption for the community. Fluvius will always apply certain principles and impose measures on the value chain.

### 7.3.4 Customers and end users (S4)

Customer centricity is a strategic pillar of Fluvius and one of our values. We therefore consider it of utmost importance that "Customer-centric" is elaborated, rolled out, guided and ensured within our company. In order to achieve the objectives, efforts are made on information flow, a culture trajectory and governance & mandate.

Electricity and gas distribution system operators - and therefore their operating company Fluvius System Operator - provide services to end consumers: they bring energy to the end customer and they take care of the development, management and maintenance of the networks required for this purpose, and the connections of end consumers to these networks. All aspects of these services take place in a regulated context. This means that services are not priced by the network operators themselves (or their operating companies), but by an external, independent regulator that develops and imposes a pricing methodology for this purpose. In other words, regulation stipulates the costs to be paid by the final consumer and therefore, at the same time, the revenues that network operators are allowed to collect for certain works and services.

### 7.3.4.1 Customer satisfaction

To continuously improve its services, Fluvius wants to keep its finger on the pulse of its end customers. We therefore organised another survey in 2023 to measure our customers' satisfaction. On our behalf, an independent agency surveys customers who have recently come into contact with our services.

In 2023, more than 22,000 customers were therefore surveyed about their experience with Fluvius. For 2023, overall satisfaction with Fluvius scored 79.1%, which is 0.2 percentage points better than the score for 2022 (78.9%). The scores since 2021 remain fairly stable. Remark: for the process 'Studies & Construction' a modified survey method was introduced in 2022. Last year, we therefore reported an overall score of 81.3% which was partly impacted by reusing the 2021 score for 'Studies & Construction'. Meanwhile, the score for this subprocess for 2022 has been revised to 75.0%, bringing the annual score for 2022 to 78.9%. The figures for 2022 and 2023 are now on a fully comparable basis.

As always, the scores vary by business process. The processes where we score over 80% are 'Premium applications' with 83.7%, 'Connections' with 84.7% and 'Metering' with 91.7%. The lowest scores are in 'Prepaid' with 70.8% (2022: 66.2%) and 'Local generation' with 71.2% (2022: 66.6%).

Our complaint management also provides clear indications of how customer-focused we are. In 2023, we recorded 35,063 first-line complaints in our systems; this is an increase of 8,167 complaints compared to 2022, or +30.4%. Second-line complaints, which are complaints that the complainant feels were not satisfactorily resolved in the first-line, increased from 2,552 complaints in 2022 to 2,923 complaints in 2023, or +14.5%. The number of complaints in second line compared to the number of complaints in first line did decrease, from 9.5% in 2022 to 8.3% in 2023. These types of complaints are mainly about market operations, connections, outages and defects, and works in the street.

## 7.4 Governance (G)

### 7.4.1 Corporate governance statement

Fluvius System Operator endeavours to adhere in practice to the principles of corporate governance at all times. The Belgian Corporate Governance Codes for listed and unlisted companies<sup>30</sup> serve as the benchmark for the quality of corporate governance. These two texts were the inspiration for the Fluvius System Operator's own Corporate Governance Charter, which the Board of Directors approved on 17 June 2021. Like the two codes mentioned above, the Fluvius Charter is based on striking a balance between entrepreneurship and oversight, and between performance and compliance. The charter can be accessed at <https://www.fluvius.be/sites/fluvius/files/2021-09/corporate-governance-charter-fluvius.pdf>

The Board of Directors of Fluvius System Operator is responsible for the accuracy and completeness of the Charter. It is also the Board of Directors that updates the Charter based on the development of the corporate governance policy and changes in the provisions and guidelines.

The Corporate Governance Charter is also drawn up taking into account the provisions imposed by legislators on Fluvius and the DSOs to ensure the correct operation of the energy market. These provisions

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<sup>30</sup> These are the Belgian Corporate Governance Code for listed companies ("2020 Code") and the one for non-listed companies ("Buysse Code").



focus in the first instance on the relationship between network operators and users. The rules in this regard must ensure that all network users have non-discriminatory access to the gas and electricity distribution network. The Fluvius Corporate Governance Charter therefore necessarily differs from the majority of Belgian charters on a number of points. This is primarily due to the specific laws and regulations applicable to Fluvius as an operating company for distribution system operators for gas, electricity, and other utilities.

These differences are also due to the company's shareholder structure, namely the 11 mandated associations, each of which is exclusively owned by local authorities. This also entails the application of specific legislation (for example, on intermunicipal cooperation).

The Board of Directors, the Audit Committee, the HR Committee, and the Management Committee are attentive to potential problems related to the use of the Charter. They take measures to correct any problems as required. Responsibility for the practical implementation of the Charter and compliance with it lies with Fluvius's directors and management and with its employees.

### 7.4.2 The Fluvius Ethics Charter, our ethical compass

The Fluvius Ethics Charter defines what integrity and ethical conduct in carrying out our assignments entails. It describes in detail how Fluvius and its shareholders must conduct themselves ethically in business matters. It provides our employees, as it were, with an ethical compass for addressing moral issues, assessing complex situations correctly, making the right decisions and acting appropriately. It therefore supports the practical expression of our fundamental values and underpins ethically appropriate decision-making.

The Ethics Charter lays down clear guidelines on fighting corruption and preventing bribery by employees. All our employees can contact their managers for advice on ethical questions.

The annual Great Place To Work survey also gauges the integrity of the company and management. Employees can freely express their opinions about fair treatment, respectful behaviour within the company and management credibility.

A system of continuous reporting to management and the Audit Committee, and a periodic review, have been introduced. This must allow an ever-growing awareness to develop in the company and improve resources and procedures.

Fluvius' Ethics Charter also sets out an independent and easily accessible procedure for reporting possible unethical behaviour. These reports can be made through various channels: to the supervisor, or through the website or mail. A strictly independent and multidisciplinary ethics group handles all internal and external reports. This document can be freely consulted at: <https://over.fluvius.be/nl/thema/onze-missie-visie-waarden-charters>

### 7.4.3 Advice and reporting infringements of the ethical rules

Fluvius has a clear and accessible procedure for reporting unethical conduct. This is fully in line with the development of Fluvius' integrity policy (see above). In line with Flemish and federal legislation on whistleblowers, Fluvius issued integrity guidelines in 2023 along with a number of tools for their concrete application in daily practice. Our procedure for reports of unethical behaviour and whistleblower reports was also updated.

The intake of reports was streamlined through the Fluvius website, with separate channels created for various types of reports. First-line complaint handling was uniformed with respect to clients. The Ethical Unit is called in second line for anonymous reports. Whistleblower notifications are now channelled through a specific external tool to a limited number of 'report managers', ensuring that the procedure is fully aligned with the technical requirements of the regulations.

During 2023, Fluvius received a total of 136 reports of possible ethics violations (in 2022: 124). 82 reports were related to Fluvius staff members, while 54 reports were about external parties. Ultimately, 15 cases ended up at the Ethical Unit. 4 were found to be inadmissible, 6 were admissible and 5 cases were still pending at year-end. The content of these reports included rude or undesirable behaviour, theft, alcohol abuse, traffic aggression, unlawful absences, forgeries and violations of safety rules.

#### 7.4.4 Fraud Policy

Fluvius has built its internal anti-fraud policy around three strands: prevention, detection and response. In this way, the company aims to have an effective deterrent against fraud, make fraud easier to detect and significantly reduce the damage caused by fraud. We obviously look at both internal and external risks. However, the emphasis of our actions is on the 'prevention' aspect. Fluvius uses the methodology of fraud risk assessments. We therefore look for fraud-prone vulnerabilities in the organisation. In these assessments, we take the same approach as for other risk domains according to the process steps described in the ISO-31000 standard.

In preventing fraud, we try to understand the reasons behind fraud: motive, rationalisation and opportunity. Each of these three factors within the fraud triangle is approached via procedures and controls to actually prevent cases of fraud.

Part of Fluvius' social mission is the detection of energy fraud by third parties<sup>31</sup>. This fraud can take the form of tampering with green certificates, failure to register PV installations, meter fraud, illegal tapping of electricity and so on. What all these forms of fraud have in common is that they increase the cost to other grid users and therefore can be considered theft. Safety can also sometimes be compromised on the grid.

For 2022<sup>32</sup>, Fluvius can present the following figures in the fight against energy fraud. We drew up 157 cases of energy fraud involving green certificates. We recovered more than €9 million in unduly granted minimum support, and we avoided unduly paying €14.7 million. As regards meter fraud, there were 283 cases in 2022, with a recovered amount of €1.3 million. We discovered 352 undeclared PV installations.

#### 7.4.5 Anti-competition policy

Fluvius System Operator, as an operating company for its intermunicipal shareholders, is fully bound by the laws and regulations that underlie our businesses, primarily energy distribution (electricity and gas), sewerage, heat networks and related data management. Within its operating area (the entire Flemish Region), Fluvius System Operator occupies a unique position, with no competitors. This situation was created by the legislature in order to ensure the most efficient organisation for managing a range of utility activities in Flanders. On the other hand, Fluvius and its shareholders are subject to the strict requirements of laws and regulations in terms of technical requirements, public service obligations of a social and environmental nature, and financial management (including the system of authorised income for electricity

<sup>31</sup> In accordance with the Flemish Energy Decree of 8 May 2009

<sup>32</sup> More recent figures were not available at the close of this annual report.

and gas whereby the regulator determines the tariffs that apply to the services provided and therefore immediately determines the income).

In this perspective, there is no risk of anti-competitive practices at Fluvius.

Specifically for the creation of Wyre, the joint venture between Telenet and Fluvius to roll out a Flemish fibre optic network, notification procedures for merger control were completed, with a favorable result. See the 'Wyre' section for more info.

#### 7.4.6 Policy on lobbying and public decision-making

Fluvius operates in a context in which a very large part of its remit is regulated. The tasks of Fluvius stem, on the one hand, from missions of general interest that its shareholders - the local governments - have transferred and, on the other, from missions that were established by Flemish, federal and European legislation. Among other things, the Flemish Energy Decree, the federal Electricity and Gas Act and European directives relating to the internal energy market define the legislative framework in which Fluvius operates.

The legislative framework determines not only which tasks Fluvius must and can perform, but also to a large extent the way in which it performs them. For instance, the Flemish Energy Decree imposes a non-discrimination obligation, a confidentiality obligation and a professional secrecy obligation on Fluvius' staff and directors. Incompatibilities are also identified for the directors and staff of Fluvius to avoid conflicts of interest. Public procurement legislation applies to the vast majority of contracts with contractors and suppliers.

All legal obligations are incorporated into Fluvius's processes and work instructions.

But Fluvius goes beyond what is legally required. Fluvius has drafted an Ethics Charter (see separate section elsewhere in this report). The Ethics Charter is an important part of Fluvius' Integrity Policy. By communicating this transparently, internally and externally, Fluvius fulfils its mission, vision and values to all stakeholders. The guidelines of the Ethics charter are rigorously applied by Fluvius staff members who are active in public policy making and lobbying.

Fluvius is not involved in donations of any kind to political parties.

#### 7.4.7 Concern for the security of commercial information

A dedicated Information Security department coordinates measures to make IT systems secure and minimise the risks of disruption to corporate data as much as possible. The company also provides internal training on this topic.

Within Fluvius, a Data Protection Officer (DPO) is responsible for coordinating security policies. The role of this DPO is to (i) inform and advise on GDPR<sup>33</sup> obligations, (ii) monitor compliance with GDPR and other privacy legislation, (iii) raise awareness and train staff on this and (iv) act as a point of contact for the Belgian Data Protection Authority (DPA).

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<sup>33</sup> GDPR: General Data Protection Regulation.

In addition, Fluvius has an internal privacy statement that governs what personal data of employees may be used through consent and in what manner. This privacy statement was updated in 2022.

The 'Information Security' regulations from 2019 were updated in 2023. It contains clear and binding guidelines for employees on how to handle company data correctly. These regulations are also linked in content to the Employment Regulations.

#### 7.4.8 Internal Audit

Internal audits at Fluvius System Operator are in accordance with international IIA standards. IIA is the Institute of Internal Auditors. This approach and certification ensure a high degree of professionalism in the internal audit work. In 2021, an external audit was conducted of the Internal Audit department, as provided for in the IIA standards. Fluvius System Operator was found to be fully compliant.

In 2023, Fluvius' internal audit department realised improvement actions, making a significant step forward on compliance with the IPPF<sup>34</sup>. We now achieve a score of 99.04%. We also meet IPPF standards with 36 out of 38 maturity rubrics with a score of three or more out of five.

The internal audit has now started preparations to be in compliance with the new Global Internal Audit Standards by 2025. A new external audit will also follow at that time.

#### 7.4.9 Emergency Procedures

Fluvius also has formal procedures that are triggered in the event of an emergency or disaster. They describe the roles, responsibilities and procedures when an emergency response is required. These plans also describe the restoration of normal operations.

In emergencies, a core team at management level holds meetings to coordinate the necessary activities. The overarching emergency plan consists of four complementary basic documents: (1) a crisis management plan, including a communication plan, (2) emergency plans, (3) a disaster recovery plan and (4) business continuity plans.

#### 7.4.10 Sustainability in the pension funds

As a major employer, Fluvius must provide the second pension pillar for its contractual employees and the first pillar for its statutorily appointed employees. The company has the considerable sums involved managed by specialist fund managers. Fluvius already started discussions with these partners several years ago to introduce more ESG aspects<sup>35</sup> into the management of Fluvius' pension funds. The fund managers agreed to report to Fluvius on a regular basis on how they put this into practice and what results they achieved.

For the contractual employees of Fluvius System Operator, pension provisions are managed at the sectoral level. Normative screening is used here, and excludes the most controversial companies based on the ten principles of the UN Global Compact<sup>36</sup>. The screening is conducted by Sustainalytics, an independent ESG

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<sup>34</sup> IPPF: International Professional Practices Framework, which is an internationally used set of guidelines in the field of internal audit work

<sup>35</sup> ESG: environment, social and governance

<sup>36</sup> The UN Global Compact's 10 principles cover human rights, labour, environment and anti-corruption.

firm. For example, it appears that more than three-quarters of the investments were made in accordance with the stated principles.

For statutory employees (Fluvius OV), two fund managers have already taken the step of investing only in SFDR 8 and SFDR 9 <sup>37</sup>type funds. In 2023, Fluvius decided to also mandate the third administrator to move in that direction.

#### 7.4.11 Memorandum on Flemish elections

Ahead of the Flemish elections in June 2024, Fluvius has drafted a memorandum containing its policy suggestions for the upcoming legislature. These essentially relate to the major challenges facing Fluvius and the distribution system operators in the context of the energy and climate transition. Nine general suggestions were made to policymakers:

1. Create the preconditions necessary for the realisation of the energy transition
2. Align decisions on the future of the gas grid with policies on the renovation rate of homes
3. Ensure stable market functioning and focus on flexibility
4. Realise the potential for heat networks in Flanders as much as possible
5. Evaluate synergies between utilities
6. Make the role of municipalities permanent as central pivots in wastewater management
7. Ensure that Fluvius can continue to perform tasks that are socially relevant and for which the right expertise and experience is available
8. Create one fast data network in all of Flanders
9. Fund public service obligations with general funds from the Flemish government

## 7.5 Grid reliability

The most important parameter for network reliability in electricity distribution is the interruption duration for end-customers. For the total electricity grid managed by Fluvius, the interruption duration in 2023 was 22 minutes and 25 seconds (2022: 22 min 29 sec). This figure includes all incidents that resulted in an interruption to end customers, i.e., including both incidents at the level of the transmission system operator Elia and incidents at the distribution level.

For information in the table below, the supply unavailability of the power grid over the period 2019-2023:

sec	LV	MS	TO	TOT (min:sec)
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<sup>37</sup> SFDR: Sustainable Finance Disclosure Regulation, or Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. SFDR Article 8 refers to financial products that promote environmental and/or social characteristics and where the investee companies have good governance, but without a minimum percentage of sustainable investments. SFDR Article 9 refers to funds that have sustainability as a specific goal and where that is a binding and mandatory part of the investment process and 100% of investments are sustainable in nature.

2019	361	747	1,108	18:28
2020	376	792	1,168	19:28
2021	374	817	1,191	19:51
2022	349	1,001	1,350	22:29
2023	433	911	1,344	22:25
<b>AVG. 5-Y</b>	<b>325</b>	<b>871</b>	<b>1,195</b>	<b>20:32</b>

Fluvius is responsible for the management and operation of various utility networks in Flanders, including:

- Electricity;
- Gas;
- Heating;
- Sewerage;
- Public lighting of municipalities;

Each of these networks faces challenges linked to global warming. These changes mean that each grid faces specific challenges that can impact network reliability, both in the short and longer term.

Fluvius' strategic asset management plan (SAMP) is based on the company's mission, vision and strategy and is the foundation for the expansion of asset management in the various networks. The SAMP not only shows what choices we make for our assets, it also describes how we make choices, how we want to organise asset management and what resources we want to allocate for this in investment plans.

In the short term, Fluvius is focusing primarily on safety and intervention speed to minimise any interruptions caused by incidents and restore them as quickly as possible. Information from operations serves as input for updating risk assessments and identifying opportunities. We also capture customer needs through appropriate channels. These and other aspects are included in a unified asset management framework that is used in decisions made over the long term. In the long term, the capacity needs of the various networks are therefore also examined.

The energy transition has an impact on the evolution of the electricity and gas distribution network. New local heat networks are contributing to this transition. Climate change and changing weather patterns mean that the sewerage network must be designed to be increasingly robust. In addition, the switch to LEDs in Flemish public lighting is currently being accelerated.

Finally, careful decisions are made based on the SAMP while sustainably connecting society to our multi-utility networks.

## 7.6 Smart data and infrastructure

### 7.6.1 Data management

An important task for distribution system operators and their operating company is data management at the distribution system level. Data management essentially includes the capture of metering data and exchanging it with other market participants (suppliers, final customers, etc.), management of the access register, etc. This must ensure efficient and smooth operation of the energy market. It is an essential part of the statutory mission of the DSOs and Fluvius as their operating company.

With the advent of the digital energy meter, data management is gaining even more importance. At the same time, smart data management can and should leverage more efficient and flexible energy use, which will be necessary for the energy transition to succeed.

In 2023, the focus was on the following elements:

- Our data management complies with the strict conditions imposed by the Flemish Energy Decree and Energy Decree.
- Fluvius has taken additional steps to improve maturity in risk management and information and data security and service quality;
- The introduction of the capacity tariff;
- Fluvius has developed new functionalities within the 'My Fluvius' portal that allow end customers and energy service providers to have more data available (such as consumption peaks, for example), which enables them to be more active in dealing with their energy bills. Indeed, customers are increasingly realising that, thanks in part to the digital meter, they have interesting new opportunities at their disposal to control their energy consumption. On top of that, Fluvius also makes data available to a range of energy service providers.
- Fluvius makes various (aggregated and anonymised) data available to third parties. This benefits policy making, scientific research and the development of new forms of commercial services in the energy market.
- Since early 2023, all forms of energy sharing have been supported. The new variant allowing sales in buildings was also made possible during 2023.
- The transition of market communications to Atrias' Central Market System (CMS) in late 2021 had a few teething problems. A limited number of access points became blocked in the system. The services involved at Atrias and Fluvius are doing what is necessary to address these problems and fix them as soon as possible.

For more information on customer-centric data management at Fluvius, see the Activity Report elsewhere in this annual report.

The energy regulator VREG has broadly confirmed the above findings in its 'Report on Data Management 2023'<sup>38</sup>.

A benchmark analysis at the European level<sup>39</sup> has shown that Flanders is among the better pupils in the class in terms of maturity of the business process 'data management'.

In 2023, there were significant legislative evolutions that will impact data management developments in the coming years:

- the general readout of quarter-hourly and hourly values will be realised incrementally between 1 January 2025, and 1 January 2028;
- the revision of the Electricity Directive and Regulation introduce new requirements on sub-metering and multiple contracts per access point (supply split);
- as regards flexibility, national rules will be established to harmonise products and lower barriers to entry.

In the midst of this challenging context, Fluvius continues to make every effort to conduct data management with the strictest privacy guarantees. Fluvius' Data Protection Officer (DPO) reports twice a year to Fluvius System Operator's Board of Directors on the extent to which the company is complying with applicable GDPR obligations and<sup>40</sup> the Belgian legislation derived from it, and the extent to which data breach risks are under control. He also immediately identifies potential areas for improvement in his reports.

The latest DPO report indicates that there are no substantial problems.

## 7.6.2 Roll-out of the digital meter

In 2023, a total of 988,131 (2022: 880,505) digital meters were installed. Of these, 509,626 were electricity meters (57.9%) and 370,879 were gas meters (42.1%). This brings the preliminary final total for the period since July 2019 when the rollout began to 3,150,311 digital meters.

Despite these significant numbers, there were still several obstacles that meant there was still a backlog from the original planning:

- the effect of the Constitutional Court's ruling (January 2021) on the principle of the bi-directional meter, which left many solar panel owners reluctant to install a digital meter;
- customers who do not respond to appointment letters, and/or do not show up at appointments;
- customers who continue to expressly refuse to have the digital meter installed;
- start-up problems among contractors, who need to employ new technicians in a tight labour market. Combined with this, training programmes also take longer;

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<sup>38</sup> *Data Management Report 2023 (Analysis of data management on the distribution network and compliance with conditions by distribution system operators and Fluvius - Analysis of the supply and development of energy services on the distribution network) dated 14 December 2023 (RAPP-2023-20)*

<sup>39</sup> *High-level benchmark for data management in Europe, SIA Partners (23 November 2022)*

<sup>40</sup> *GDPR: General Data Protection Regulation, Regulation (EU) 2016/679 on data protection in the European Union*



- suppliers do not always provide our services with correct customer end-user data
- more and more complex works, for example in apartment buildings, come into play, which delays the turnaround time of the conversion;
- pending and actual stock shortages.

The negative perception about the digital meter is gradually giving way to an awareness of the interesting opportunities that the digital meter offers, also for the end consumer. The energy crisis, with energy prices at unprecedented heights, clearly played a role in this as well. However, the continued suspicion of solar panel owners towards digital meters remains a concern for Fluvius.

For those who stubbornly refuse, Fluvius follows a roadmap agreed with the government and regulator to still be able to install a digital meter. Fluvius sends a registered letter, the customer is then called by the legal department, and finally a notice of default is sent by a lawyer, in that order. In most cases, the customer ends up accepting the installation anyway. But in extreme cases, Fluvius can take the refusing party to court. In 2023, Fluvius took that step for the first time. A court ruling is expected in the early months of 2024.

To accommodate the accelerated rollout, Fluvius approved a revision to its ongoing contract with IBM-Sagemcom. The number of meters to be delivered increased by about 600,000 units.

## 7.7 EU taxonomy

Fluvius System Operator (and by extension the Fluvius Economic Group) falls within the scope of the European Directive on non-financial information<sup>41</sup>. As soon as applicable, Fluvius also falls within the scope of the new European Directive on sustainability reporting by companies<sup>42</sup>. The European Union has developed and issued a taxonomy for sustainable business activities<sup>43</sup>.

### 7.7.1 The EU taxonomy applied to Fluvius

The taxonomy ordinance aims at six environmental objectives: climate mitigation, climate adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Business activities linked to any of these criteria must meet established technical screening criteria to make a substantial contribution to the stated objective. But they must also not have any significant negative effect on any of the other objectives according to the "do not seriously impair" principle. Finally, at the company level, minimum safeguards must be in place respecting social standards and human rights.

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<sup>41</sup> Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

<sup>42</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

<sup>43</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Companies must provide imposed quantitative information on how sustainable their various business activities are. As such, the degree of sustainability of the Fluvius business activities (measured by the share of total sales, capital expenditures and operating expenditures) is shown in table form below for both Fluvius consolidated group and Fluvius economic group. The choice for this dual reporting was made because of (1) the specific group structure with one operating company (consolidated with four entities) and eleven shareholders/principals who at the same time own by far the majority of the group assets, and (2) the fact that in this way sustainability reporting runs in parallel with financial reporting.

In order to meet applicable reporting requirements, Fluvius conducted a comprehensive analysis of all of its business activities. In application of the transparency rule included in Article 8 of the relevant Regulation, the extent to which these economic activities can be classified as environmentally sustainable in terms of turnover, capital expenditure and operational expenditure is reported below. This reporting was applied for the first time in the annual report for financial year 2022.

Given the specific missions of Fluvius System Operator as an operating company and the structure of the Fluvius Economic Group, the following observations should be taken into account when interpreting the results of the analysis:

A. Fluvius consolidated group

Fluvius System Operator, and by extension the Fluvius consolidated group, acts as the operating company for its 11 shareholders/associations.

To carry out its tasks, Fluvius System Operator also relies on several subsidiaries and associated companies, namely:

- Atrias CV: the federal clearing house platform for the energy sector in Belgium.
- De Stroomlijn CV: the customer communication centre that handles calls from the end customers.
- Synductis CV: the company responsible for coordination and synergy for infrastructure works carried out by utility companies.
- Wyre Holding bv and Wyre bv: are a holding company and an independent self-financing infrastructure company established as part of the planned realisation of a high-speed data network for the Flemish Region.

These companies from the Fluvius consolidation circle are also included in the scope of the EU Taxonomy, as reported here.

The turnover recorded by the operating company consists of the full settlement, without profit margin, with the mandated associations of all investment and operational expenditure commissioned by and for these entities. There are (almost) no own investments for the Fluvius consolidated group and all operational expenses are included in the turnover. The relevant figures for revenue, capital expenditure and operating expenses used in this analysis are the IFRS figures for financial year 2023.

## B. Fluvius Economic Group

As for the Fluvius Economic Group, the company wants to voluntarily report on the extent to which its business activities qualify for the taxonomy ("eligibility") and are aligned with the taxonomy ("alignment"). IFRS figures for financial year 2023 are also used in this reporting.

### 7.7.2 Disclaimer

Fluvius wishes to underline that the exercise as explained here is based on the relevant rules issued to date and published answers to frequently asked questions ("FAQs"). Regulations are still subject to change.

In many cases, therefore, the result of the analysis presented below rests on a number of interpretations and assumptions made by the company's management. These were necessary to match the content of the obligations to the specific nature of the company/group and its business activities. This made the whole exercise of arriving at a sound approach to this reporting challenging. As the EU Taxonomy framework will be further developed by the relevant European Union bodies, Fluvius will be able to further refine this analysis in the coming years.

In addition, Fluvius wishes to underline that the EU Taxonomy Framework has recently undergone an extension, expanding the list of eligible activities. Management is committed to giving due consideration to the resulting requirements. In the coming years, the necessary steps will be taken to strengthen and deepen the sustainable nature of Fluvius' core activities (Economic Group).

### 7.7.3 Sustainability analysis approach

#### 7.7.3.1 Eligible economic activities.

Based on the interpretation of the published list of taxonomy-eligible economic activities for the six objectives, a selection was made using these questions:

- Is Fluvius active in this sector?
- Does the title of the activity match?
- Does the description of the activity match?

If all these questions are answered in the affirmative, the activity qualifies as a sustainable activity. Then, based on Fluvius' activity portfolio, the activities corresponding to the selected eligible activities are allocated. Supporting documents are included in the reference list. This method achieves maximum selection of activities. Further analysis was conducted only for those activities effectively included and eligible in the portfolio.

For both the Fluvius Consolidated Group and the Fluvius Economic Group, the following activities (listed according to the corresponding activity codes and objectives) were finally identified as 'eligible':

	<b>Consolidated group</b>	<b>Economic Group</b>
<b>Turnover</b>	CCM & CCA: 4.9/4.15/7.3 CCM: 9,3 W: 2.2/2.3	CCM & CCA: 4.9/4.15/7.3 CCM: 9,3 W: 2.2/2.3
<b>CapEx</b>	CCM & CCA: 6,5	CCM & CCA: 4.9/4.15/6.5/7.3 W: 2.2/2.3
<b>OpEx</b>	CCM & CCA: 6.4/6.5	CCM & CCA: 4.9/4.15/6.4/6.5/7.3 W: 2.2/2.3

*Legend*

*CCM = climate mitigation, CCA = climate adaptation, W = water*

This selection includes a change from that made for financial year 2022. Sewerage activities were fully assigned to activity numbers 5.1 and 5.3 for 2022 with climate mitigation and adaptation as objectives. After the publication of the four additional objectives, sewerage activities could also qualify for activity numbers 2.2 and 2.3 under the "water" objective and for activity number 2.2 under the "circular economy" objective. Since the activities often serve multiple purposes at the same time and no accounting split can be made, in the current analysis sewerage activities will be bundled and assessed under the "water" objective. Indeed, this lens provides the most appropriate description for Fluvius.

In addition, a full segmentation was done for the consolidated group of the costs passed on to mandated associations and billing to third parties for all "eligible" activities.

The main economic activity performed by Fluvius, but "not eligible," is gas distribution. "Climate mitigation and adaptation" could be put this under the objectives (activity 4.14), but the description mainly mentions the transition of networks to renewable and low-CO<sub>2</sub> gases and/or the new construction of exclusive networks for hydrogen or other low-CO<sub>2</sub> gases. Fluvius facilitates as many connections as possible for biomethane to the existing network and sets aside budget for research and participation in pilot projects that would qualify for the taxonomy. The amounts involved in these projects at this stage are minimal compared to the totality of business activities. Moreover, there is no accounting split of the financial figures exclusively linked to renewable or low CO<sub>2</sub> gases and other activities within the gas distribution network. Therefore, to ensure the accurateness of the KPIs within the EU Taxonomy, it was decided not to include this activity and therefore not to assess it further.

### 7.7.3.2 Explanation of activities

The following explains all identified activities within the context of Fluvius' business activities.

Objectives	Activity number & implementing party	Abbreviation	Explanation
CCM & CCA	4.9  Consolidated group & Economic group	ELEC	The transmission and distribution of electricity -  Fluvius is responsible for the distribution of electricity through medium- and low-voltage grids (owned by the authorised electricity distribution system operators), providing the link between the transmission level and the final consumer. The task of the operating company consists in the operation of the networks (nearly 3.8 million connections and over 135,000 km of pipelines), their maintenance and expansion.
CCM & CCA	4.15  Economic Group	HEAT	Distribution of district heating and cooling -  Fluvius actively participates in a variety of district heating projects in Flanders. Our role in district heating projects focuses primarily on the construction and maintenance of the grid portion, but to facilitate such projects, Fluvius can also act (temporarily) as a supplier of heat if required.
CCM & CCA	6.4  Consolidated group	MOB - F	The operation of personal means of transport, bicycle logistics - Mobility solutions are provided for in-house employees, including vehicles and company bicycles.
CCM & CCA	6.5  Consolidated group	MOB - V	Transport by motorcycles, passenger cars and commercial vehicles - Mobility solutions are provided for in-house employees. Fluvius is committed to the further electrification and greening of its own fleet of commercial vehicles and leased passenger cars for the company's executives.
CCM & CCA	7.3  Economic Group	OV	The installation, maintenance and repair of energy efficient equipment - Fluvius provides energy efficiency services for the benefit of its end customers, and especially its member municipalities. For example, Fluvius has been appointed by cities and municipalities to manage the public lighting network. From this task, there has been an

			accelerated conversion of the existing light fixtures to LED light fixtures to achieve significant energy savings.
<b>CCM</b>	9.3  Economic Group	ESCO	Professional services related to building energy performance - Fluvius provides energy efficiency services in buildings owned by member municipalities. It was decided to phase out this activity. This service will still be offered until 31 December 2024, after which only ongoing projects (started no later than 31 December 2024) will be implemented until the end of 2027.
<b>Water</b>	2.2  Economic Group	RIO - DWA	Urban wastewater management - Fluvius - on behalf of the member municipalities - is responsible for the construction and operation of sewage networks, with which waste and rain water is collected and discharged in the most concentrated form possible to Aquafin's <sup>44</sup> treatment plants.
<b>Water</b>	2.3  Economic Group	RIO - DWA	Urban sustainable drainage systems - As part of a global vision of water policy in Flanders, Fluvius is taking action - on behalf of the municipal authorities - for the separate treatment of waste and rainwater, for installations of buffering and infiltration of water in order to restore the natural cycle for rainwater.

### 7.7.3.3 Aligned economic activities.

As provided in the applicable regulations, an eligible economic activity is aligned if it cumulatively meets the following three requirements:

- makes a substantial contribution to at least one environmental objective,
- thereby does not seriously compromise the other environmental objectives
- and is done in compliance with minimum social standards and human rights.

The Climate Delegated Regulation<sup>45</sup> and the Environmental Delegated Regulation<sup>46</sup> define the technical screening criteria that an activity must meet to make a substantial contribution to the relevant objective(s). In addition, criteria have also been defined to test whether the activity does not seriously impair (no

<sup>44</sup> Aquafin is responsible in Flanders for the financing, construction, optimisation and management of supra-municipal sewage treatment infrastructure.

<sup>45</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (consolidated version of 1 January 2024).

<sup>46</sup> Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.

significant negative effect) any of the other objectives. Finally, compliance with minimum social standards and human rights must be demonstrated at the corporate level.

The above analysis was performed for each eligible economic activity of Fluvius. In each case, a description of the specifics of the activity was provided with the supporting documentation that accompanied it. The substantial contribution criteria were listed for each objective. A qualitative motivation has been provided in each case that explains the interpretation and links to the supporting documents. These serve as evidence that these activities do meet the criteria within the entire organisation. Samples can then be taken based on these documents.

This screening process was applied analogously for the "does no serious harm" criteria.

The minimum social and human rights standards were globally verified and apply to all activities as these principles are applied throughout the organisation. Indeed, in its Supplier Code of Conduct, Fluvius states that as an organisation it adheres to this and consequently expects the same from its value chain.

The table below summarizes which activities within which objectives meet the three requirements listed above and can therefore be considered 'aligned'.

Activity	Objective	SCC	DNSH	MSS	Aligned
<b>ELEC</b>	CCM	Yes	Yes	Yes	Yes
	CCA	Yes	Yes	Yes	Yes
<b>HEAT</b>	CCM	Yes	Yes	Yes	Yes
	CCA	Yes	Yes	Yes	Yes
<b>MOB - F</b>	CCM	Yes	Yes	Yes	Yes
	CCA	No	Yes	Yes	No
<b>MOB - V</b>	CCM	Yes	Yes	Yes	Yes
	CCA	No	Yes	Yes	No
<b>OV</b>	CCM	Yes	Yes	Yes	Yes
	CCA	Yes	Yes	Yes	Yes
<b>ESCO</b>	CCM	Yes	Yes	Yes	Yes
<b>RIO - DWA</b>	Water	Yes	Yes	Yes	Yes
<b>RIO - DWA</b>	Water	Yes	Yes	Yes	Yes

All eligible activities are therefore fully aligned with the EU Taxonomy criteria for at least one objective. Therefore, the calculated KPIs as described in the next section will be the same for "eligible" and "aligned" economic activities.

## 7.7.4 Calculation method of KPIs regarding revenue, CapEx and OpEx

For both the consolidated Fluvius Group and the Fluvius Economic Group, the proportion of 'eligible' and 'aligned' economic activities is calculated relative to the total.

### 7.7.4.1 Consolidated group

KPI	Numerator	Denominator
<b>Turnover</b>	Share of the activity 'transmission and distribution of electricity' from the denominator.	Revenue from contracts with customers cfr. note 2.7 from the relevant IFRS accounts.
<b>CapEx</b>	Additions in 2023 for commercial vehicles and leased vehicles (property, plant and equipment and lease obligations related to rolling stock).	Sum of heading 'acquisitions' in intangible, property, plant and equipment and lease obligations during financial year 2023.
<b>OpEx<sup>47</sup></b>	Cost of renting wagons and bicycles.	Sum of rent and rental charges.

### 7.7.4.2 Economic Group

KPI	Numerator	Denominator
<b>Turnover</b>	Share of customer revenues from aligned activities (see table in 3.2.) from the denominator.	Revenue from contracts with customers cfr. note 4 from the relevant IFRS accounts.
<b>CapEx</b>	Net investments in grid-related electricity distribution, heat networks, the intangible fixed asset for the New Foundations project (= the new ERP system), investments in public lighting, sewers and cars.	Sum of heading 'acquisitions' in intangible, property, plant and equipment and lease obligations during financial year 2023.
<b>OpEx</b>	All operating expenses for the EU taxonomy-eligible activities for which CapEx was recognised, excluding depreciation, capital losses and recoveries, plus rental of passenger cars and bicycles.	All operating expenses for which CapEx was recognised, excluding depreciation, capital losses and recoveries, plus rental of passenger cars and bicycles.

### 7.7.4.3 Implementation of calculations

The figures listed were provided by the Accounting & Controlling Department of Fluvius. They compiled these data based on the data available in the company's accounting systems (IFRS accounting for both Fluvius System Operator consolidated and Fluvius Economic Group). Intercompany amounts were thereby

<sup>47</sup> Short-term lease payments and the leasing of low value assets are recognised in Fluvius' IFRS accounts as rental expense during the lease term, and not capitalised.



eliminated. The degree of "eligible for the EU Taxonomy" and "aligned with the EU Taxonomy" was determined by mutual agreement with the Investor Relations Department of Fluvius, using the applicable criteria. Where necessary for correct interpretation of the situation, specialists in the company were consulted for additional interpretation.

#### **7.7.4.4 General quality assurance**

The identification of eligible economic activities was done in both directions, with a focus on bottom-up selection. A selection was made both from the list of activities from the EU Taxonomy and from Fluvius' portfolio. Maximum aggregation of the identified economic activities according to the defined portfolio activities avoids double counting.

The financial source data of the EU Taxonomy is from Fluvius SAP's general ERP system, namely SAP and was reviewed by the company auditor prior to the processing of this data in the EU Taxonomy.

## 7.7.5 Tables EU taxonomy

Following are the official tables as provided by the relevant European Commission <sup>48</sup>Regulations.

Summary:

### Fluvius consolidated group

<b>Fluvius consolidated group</b>			
	<b>2022</b>	<b>2023</b>	<b>Delta</b>
<b>Turnover</b>			
amount (in 1000 EUR)	1,943,672	2,373,350	+429.678
ineligible (%)	38.2	20.7	-17.5
eligible/not aligned (%)	0.0	0.0	0.0
aligned (%)	61.8	79.3	+17.5
<b>CapEx</b>			
amount (in 1000 EUR)	9,076	22,013	+12.937
ineligible (%)	30.4	49.3	+18.9
eligible/not aligned (%)	69.6	28.8	-40.8
aligned (%)	0.0	21.9	+21.9
<b>OpEx</b>			
amount (in 1000 EUR)	3,961	5,149	+1,188
ineligible (%)	90.8	65.9	-24.9
eligible/not aligned (%)	9.2	18.4	+9.2
aligned (%)	0.0	15.7	+15.7

<sup>48</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021

	TOTAL	ineligible	eligible / not aligned	aligned
	in thousands of euros	%	%	%
<b>Turnover</b>	2,373,350	20.7	0.0	79.3
<b>CapEx</b>	22,013	49.3	28.8	21.9
<b>OpEx</b>	5,149	65.9	18.4	15.7

## Note

- The higher percentage of aligned turnover is due to the inclusion of more activities. In 2022, for costs charged to mandated associations and invoices to third parties, only the electricity activity was included without a breakdown of the "other" portion. By 2023, this split did take place.
- The increase in the percentage of ineligible capex is explained by the absolute amounts of investment. Both vehicle investment (+76%) and total investment (+142%) increased.
- The matched opex pertains to the rental cost of bicycles and durable leasing vehicles.

## Fluvius Economic Group

Fluvius Economic Group			
	2022	2023	Delta
<b>Turnover</b>			
amount (in 1000 EUR)	2,400,414	2,325,920	-74,494
ineligible (%)	22.9	23.3	+0.4
eligible/not aligned (%)	3.0	0.0	-3.0
aligned (%)	74.1	76.7	+2.6
<b>CapEx</b>			
amount (in 1000 EUR)	1,059,180	1,332,471	+273,291
ineligible (%)	28	25.9	-2.1
eligible/not aligned (%)	0.6	1.9	+1.3
aligned (%)	71.4	72.2	+0.8
<b>OpEx</b>			
amount (in 1000 EUR)	216,901	246,617	+29,716
ineligible (%)	22.9	23.6	+0.7
eligible/not aligned (%)	0.2	0.7	+0.5
aligned (%)	76.9	75.7	-1.2

	<b>TOTAL</b>	<b>ineligible</b>	<b>eligible / not aligned</b>	<b>aligned</b>
	in thousands of euros	%	%	%
<b>Turnover</b>	2,325,920	23.3	0.0	76.7
<b>CapEx</b>	1,332,471	25.9	1.9	72.2
<b>OpEx</b>	246,617	23.6	0.7	75.7

## Note

- The limited decrease in tuned opex is a result of the gradual switch to LEDs for municipal public lighting. The new LED infrastructure requires less maintenance, which translates into slightly lower maintenance costs.

## 7.7.5.1 Fluvius consolidated group

## Turnover

Boekjaar N	2023		Criteria inzake substantiële bijdrage							GEAD-criteria ("Geen ernstige afbreuk doen aan")							Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) omzet, jaar N-1 (18)	Categorie (faciliterende activiteit (F)) (19)	Categorie transitie ondersteunende activiteit (T) (20)	
	Code (2)	Omzet (3)	Aandeel omzet, jaar N (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water (7)	Verontreiniging (8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)	Biodiversiteit (16)	Minimumgaranties (17)				
				J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J/N	J/N	J/N	J/N	J/N				J/N
Valuta		%															%	F	T	
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																				
Behandeling van stedelijk afvalwater	2.2	84.471.934	3,6%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Duurzame stedelijke afwateringssystemen	2.3	84.863.564	3,6%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Transmissie en distributie van elektriciteit	4.9	1.557.377.772	65,6%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	61,8%	F	T
Distributie van stadsverwarming en -koeling	4.15	29.002.027	1,2%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Installatie, onderhoud en reparatie van energie-efficiënte uitrusting	7.3	106.353.852	4,5%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Professionele diensten in verband met de energieprestaties van gebouwen	9.3	20.636.253	0,9%	J	niak	niak	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	
<b>Omzet ecologisch duurzame activiteiten (op taxonomie afgestemd) (A.1)</b>		<b>1.882.705.402</b>	<b>79,3%</b>	<b>91,0%</b>	<b>89,9%</b>	<b>9,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>61,8%</b>		
<b>Waarvan faciliterend</b>		<b>1.882.705.402</b>	<b>79,3%</b>	<b>91,0%</b>	<b>89,9%</b>	<b>9,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>	<b>F</b>	
<b>Waarvan transitie ondersteunend</b>		<b>1.862.069.149</b>	<b>78,5%</b>	<b>90,9%</b>						<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>		<b>T</b>
<b>A.2. Voor de taxonomie in aanmerking komende, maar niet ecologisch duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																				
Omzet van voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)		-	0%	niak; niak	niak; niak	niak; niak	niak; niak	niak; niak	niak; niak									0,0%		
<b>A. Omzet van voor de taxonomie in aanmerking komende activiteiten (A.1 + A.2)</b>		<b>1.882.705.402</b>	<b>79,3%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>									<b>61,8%</b>		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
Omzet niet voor de taxonomie in aanmerking komende activiteiten (B)		490.644.598	20,7%																	
<b>Totaal (A + B)</b>		<b>2.373.350.000</b>	<b>100%</b>																	

## Capital expenditures (CapEx).

Financieel jaar N	2023		Criteria inzake substantiële bijdrage							GEAD-criteria ("Geen ernstige afbreuk doen aan")							Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) CapEx, jaar N-1(18)	Categorie (faciliterende activiteit (F)) (19)	Categorie (transitie ondersteunende activiteit (T)) (20)
	Code (2)	CapEx (3)	CapEx-aandeel (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water (7)	Verontreiniging (8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)	Biodiversiteit (16)	Minimum garanties (17)			
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																			
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	4.818.014,0	21,9%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	0,0%	F	T
CapEx ecologisch duurzame activiteiten (op taxonomie afgestemd) (A1)		4.818.014,0	21,9%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	J	J	J	J	J	J	J	0,0%		
Waarvan faciliterend		4.818.014,0	21,9%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	J	J	J	J	J	J	J	NVT	F	
Waarvan transitieondersteunend		4.818.014,0	21,9%	100,0%						J	J	J	J	J	J	J	NVT		T
<b>A.2 Voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																			
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	6.338.986,0	28,8%	iak	iak	niak	niak	niak	niak								69,6%		
CapEx voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)		6.338.986	28,8%	100,0%	100,0%	0,0%	0,0%	0,0%	0,0%								69,6%		
A. CapEx voor de taxonomie in aanmerking komende activiteiten (A.1+A.2)		11.157.000	50,7%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%								69,6%		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
CapEx van niet voor de taxonomie in aanmerking komende activiteiten		10.856.000	49,3%																
Totaal		22.013.000	100,0%																

## Operating expenses (OpEx).

Boekjaar N	2023			Criteria inzake substantiële bijdrage						GEAD-criteria ("Geen ernstige afbreuk doen aan")							Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) OpEx, jaar N-1(18)	Categorie faciliterende activiteit (F) (19)	Categorie transitie ondersteunende activiteit (T) (20)
Economische activiteiten (1)	Code (2)	OpEx (3)	Aandeel OpEx, jaar (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water (7)	Verontreiniging(8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)	Biodiversiteit (16)	Minimum garanties (17)			
		Valuta	%	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	F	T
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																			
Exploitatie van persoonlijke vervoersmiddelen, fietslogistiek	6.4	88.142,0	1,7%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	0,0%	F	T
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	720.054,9	14,0%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	0,0%	F	T
<b>OpEx ecologisch duurzame activiteiten (op taxonomie afgestemd (A1))</b>		<b>808.196,9</b>	<b>15,7%</b>	<b>100,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>0,0%</b>		
<b>Waarvan faciliterend</b>		<b>808.196,9</b>	<b>15,7%</b>	<b>100,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>	<b>F</b>	
<b>Waarvan transitieondersteunend</b>		<b>808.196,9</b>	<b>15,7%</b>	<b>100,0%</b>						<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>		<b>T</b>
<b>A.2 Voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																			
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	947.365,1	18,4%	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak								0,0%		
<b>OpEx voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)</b>		<b>947.365,1</b>	<b>18,4%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>								<b>9,2%</b>		
A. OpEx voor de taxonomie in aanmerking komende activiteiten (A.1+A.2)		<b>1.755.561,9</b>	<b>34,1%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>								<b>9,2%</b>		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
<b>OpEx van niet voor de taxonomie in aanmerking komende activiteiten</b>		<b>3.393.191,6</b>	<b>65,9%</b>																
<b>Totaal</b>		<b>5.148.753,5</b>	<b>100,0%</b>																

## 7.7.5.2 Fluvius Economic Group

## Turnover

Boekjaar N	2023		Criteria inzake substantiële bijdrage							GEAD-criteria ("Geen ernstige afbreuk doen aan")							Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) omzet, jaar N-1 (18)	Categorie (faciliterende activiteit (F)) (19)	Categorie transitie ondersteunende activiteit (T) (20)	
	Code (2)	Omzet (3)	Aandeel omzet, jaar N (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water(7)	Verontreiniging (8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)	Biodiversiteit(16)	Minimumgaranties (17)				
				Valuta	%	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J;N;niak (b) (c)	J/N	J/N	J/N	J/N				J/N
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																				
Behandeling van stedelijk afvalwater	2.2	39.517.117,2	1,7%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Duurzame stedelijke afwateringssystemen	2.3	39.700.327,3	1,7%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Transmissie en distributie van elektriciteit	4.9	1.673.216.115,2	71,9%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	73,0%	F	T
Distributie van stadsverwarming en -koeling	4.15	3.044.236,6	0,1%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	0,1%	F	T
Installatie, onderhoud en reparatie van energie-efficiënte uitrusting	7.3	8.515.968,6	0,4%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	0,5%	F	T
Professionele diensten in verband met de energieprestaties van gebouwen	9.3	20.771.088,6	0,9%	J	niak	niak	niak	niak	niak	J	J	J	J	J	J	J	J	0,5%	F	
<b>Omzet ecologisch duurzame activiteiten (op taxonomie afgestemd) (A.1)</b>		<b>1.784.764.853</b>	<b>76,7%</b>	<b>95,6%</b>	<b>94,4%</b>	<b>4,4%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>74,1%</b>		
<b>Waarvan faciliterend</b>		<b>1.784.764.853</b>	<b>76,7%</b>	<b>95,6%</b>	<b>94,4%</b>	<b>4,4%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>	<b>F</b>	
<b>Waarvan transitie ondersteunend</b>		<b>1.763.993.765</b>	<b>75,8%</b>	<b>94,4%</b>						<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>		<b>T</b>
<b>A.2. Voor de taxonomie in aanmerking komende, maar niet ecologisch duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																				
Omzet van voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)		-	0,0%	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak									3,0%		
<b>A. Omzet van voor de taxonomie in aanmerking komende activiteiten (A.1 + A.2)</b>		<b>1.784.764.853</b>	<b>76,7%</b>	<b>95,6%</b>	<b>94,4%</b>	<b>4,4%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>									<b>77,1%</b>		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
Omzet niet voor de taxonomie in aanmerking komende activiteiten (B)		541.155.147	23,3%																	
<b>Totaal (A + B)</b>		<b>2.325.920.000</b>	<b>100%</b>																	



## Capital expenditures (CapEx).

Financieel jaar N	2023			Criteria inzake substantiële bijdrage						GEAD-criteria ("Geen ernstige afbreuk doen aan")						Minimum garanties (17)	Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) CapEx, jaar N-1(18)	Categorie (faciliterende activiteit (F)) (19)	Categorie transitie ondersteunende activiteit (T) (20)	
	Economische activiteiten (1)	Code (2)	CapEx (3)	CapEx-aandeel (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water (7)	Verontreiniging (8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)					Biodiversiteit (16)
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																				
Behandeling van stedelijk afvalwater	2.2	61.448.220,5	4,6%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Duurzame stedelijke afwateringssystemen	2.3	61.733.108,0	4,6%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	J	NVT	F	T
Transmissie en distributie van elektriciteit	4.9	739.157.427,4	55,5%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	55,8%	F	T
Distributie van stadsverwarming en -koeling	4.15	6.283.678,3	0,5%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	1,1%	F	T
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	-	0,0%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	J	0,0%	F	T
Installatie, onderhoud en reparatie van energie-efficiënte uitrusting	7.3	93.557.837,5	7,0%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	J	4,6%	F	T
<b>CapEx ecologisch duurzame activiteiten (op taxonomie afgestemd (A1))</b>		<b>962.180.271,7</b>	<b>72,2%</b>	<b>87,2%</b>	<b>87,2%</b>	<b>12,8%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>71,4%</b>		
<b>Waarvan faciliterend</b>		<b>962.180.271,7</b>	<b>72,2%</b>	<b>87,2%</b>	<b>87,2%</b>	<b>12,8%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>	<b>F</b>	
<b>Waarvan transitieondersteunend</b>		<b>962.180.271,7</b>	<b>72,2%</b>	<b>87,2%</b>						<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>		<b>T</b>
<b>A.2 Voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																				
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	25.433.527	1,9%	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak									0,6%		
<b>CapEx voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)</b>		<b>25.433.527</b>	<b>1,9%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									<b>0,6%</b>		
A. CapEx voor de taxonomie in aanmerking komende activiteiten (A.1+A.2)		<b>987.613.799</b>	<b>74,1%</b>	<b>88%</b>	<b>88%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									<b>72,0%</b>		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																				
<b>CapEx van niet voor de taxonomie in aanmerking komende activiteiten</b>		<b>344.857.201</b>	<b>25,9%</b>																	
<b>Totaal</b>		<b>1.332.471.000</b>	<b>100,0%</b>																	

## Operating expenses (OpEx).

Financieel jaar N	2023			Criteria inzake substantiële bijdrage						GEAD-criteria ("Geen ernstige afbreuk doen aan")							Aandeel van op taxonomie afgestemde (A.1.) of er voor in aanmerking komende (A.2.) OpEx, jaar N-1(18)	Categorie faciliterende activiteit (F) (19)	Categorie transitie ondersteunende activiteit (T) (20)
	Code (2)	OpEx (3)	Aandeel OpEx, jaar (4)	Klimaatmitigatie (5)	Klimaatadaptatie (6)	Water (7)	Verontreiniging(8)	Circulaire economie (9)	Biodiversiteit (10)	Klimaatmitigatie (11)	Klimaatadaptatie (12)	Water (13)	Verontreiniging (14)	Circulaire economie (15)	Biodiversiteit (16)	Minimum garanties (17)			
Economische activiteiten (1)		Valuta	%	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J;N;niak	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	F	T
<b>A. VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
<b>A.1 Ecologisch duurzame activiteiten (op taxonomie afgestemd)</b>																			
Behandeling van stedelijk afvalwater	2.2	13.519.358,0	5,5%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	NVT	F	T
Duurzame stedelijke afwateringssystemen	2.3	13.582.036,7	5,5%	niak	niak	J	niak	niak	niak	J	J	J	J	J	J	J	NVT	F	T
Transmissie en distributie van elektriciteit	4.9	144.670.741,1	58,7%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	57,2%	F	T
Distributie van stadsverwarming en -koeling	4.15	1.268.350,6	0,5%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	0,4%	F	T
Exploitatie van persoonlijke vervoersmiddelen, fietslogistiek	6.4	89.788,4	0,0%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	0,0%	F	T
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	-	0,0%	J	N	niak	niak	niak	niak	J	J	J	J	J	J	J	0,0%	F	T
Installatie, onderhoud en reparatie van energie-efficiënte uitrusting	7.3	13.502.013,0	5,5%	J	J	niak	niak	niak	niak	J	J	J	J	J	J	J	8,2%	F	T
<b>OpEx ecologisch duurzame activiteiten (op taxonomie afgestemd) (A1)</b>		<b>186.632.287,8</b>	<b>75,7%</b>	<b>85,5%</b>	<b>85,5%</b>	<b>14,5%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>76,9%</b>		
<b>Waarvan faciliterend</b>		<b>186.632.287,8</b>	<b>75,7%</b>	<b>85,5%</b>	<b>85,5%</b>	<b>14,5%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>	<b>F</b>	
<b>Waarvan transitieondersteunend</b>		<b>186.632.287,8</b>	<b>75,7%</b>	<b>85,5%</b>						<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>NVT</b>		<b>T</b>
<b>A.2 Voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten)</b>																			
Vervoer met motorfietsen, personenauto's en bedrijfsvoertuigen	6.5	1.830.279	0,7%	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak	iak; niak								%		
<b>OpEx voor de taxonomie in aanmerking komende, maar ecologisch niet duurzame activiteiten (niet op taxonomie afgestemde activiteiten) (A.2)</b>		<b>1.830.279</b>	<b>0,7%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>								<b>0,2%</b>		
<b>A. OpEx voor de taxonomie in aanmerking komende activiteiten (A.1+A.2)</b>		<b>188.462.566</b>	<b>76,4%</b>	<b>85,6%</b>	<b>85,6%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>								<b>77,1%</b>		
<b>B. NIET VOOR DE TAXONOMIE IN AANMERKING KOMENDE ACTIVITEITEN</b>																			
OpEx van niet voor de taxonomie in aanmerking komende activiteiten		58.154.475	23,6%																
<b>Totaal</b>		<b>246.617.042</b>	<b>100,0%</b>																

## 8 Important events after the end of the financial year 2023

After the close of the 2023 financial year on 31 December 2023, the following significant facts and evolutions occurred.

### 8.1 Loan from EIB

On 22 January 2024, Fluvius drew €198 million under a current loan facility with the European Investment Bank (EIB). A term of 13 years with annual capital repayments and an interest rate of 3.103% was agreed upon. This is the third tranche of a total loan facility of €425 million, of which €200 million had already been drawn in 2020 and 2021. Fluvius can use these loans to finance the rollout of digital electricity meters. As such, an outstanding balance of €27 million remains under this facility.

### 8.2 Collective decree of the Government of Flanders

On 19 January 2024, the Government of Flanders once again approved the so-called collective decree. Among other things, the decree defines which networks distribution system operators can own and operate. Specifically, it stipulates that distribution system operators and their operating companies may own, develop, manage and operate, directly or indirectly, in addition to electricity and natural gas networks, the following networks: electronic communications networks, public lighting, public sanitation, thermal networks, hydrogen networks, CO<sub>2</sub> networks. Water distribution networks they may develop, manage and operate.

### 8.3 Interests in Publi-T

The creation of a company by Fluvius Antwerp, Gaselwest, Imewo, Intergem and Iverlek (with a minimum incorporation capital), which could eventually function as a holding company, is being looked into. In this company, the founders could contribute their stakes in Publi-T and/or Publigas, depending on the concrete capital needs of Publi-T and Elia in the context of energy transition, for example. In doing so, external partners investors can be attracted without financially burdening the Flemish municipalities or Fluvius and without giving up the strategic anchoring of Elia (through Publi-T) and Fluxys (through Publigas).

Also in the context of maintaining the Flemish (local) anchoring of Elia (through Publi-T) and the financing of energy transition, the transfer of the participations in Publi-T of Fluvius Limburg, Fluvius West and PBE to the regional financing structures of the municipalities involved and the Vlaamse Energieholding bv (already participating in Publi-T) is being considered.

### 8.4 Sewerage legislation

The Flemish government made several decisions in February 2024 that will impact Fluvius' sewerage activity. As such, sewer operators will have to prepare a multi-year plan outlining how they will achieve mandated remediation goals. There will be a decree requirement to have municipal stormwater and drought plans in place from 2025, which will also be a condition for awarding grants for municipal sewerage projects. Nor should such projects conflict with the local stormwater and drought plan.

## 8.5 Administrative fine

On 20 December 2023, the Flemish energy regulator VREG imposed an administrative fine totalling €51,027.35 on distribution system operators for the late installation of digital meters with end customers who registered a PV installation in the period from 1 January 2022 to 31 January 2023. Fluvius argued to the regulator that the delay was a result of difficult external circumstances (problems in the supply chain of materials, refusals by the end customers themselves, covid-19, the effects of the Constitutional Court's ruling on the bi-directional meter, etc.). Nevertheless, VREG upheld the fine. Fluvius meanwhile decided - with the agreement of the Boards of Directors of all distribution system operators concerned - to challenge the VREG decision before the Council of State on the basis of several legal arguments concerning the procedure followed by VREG.

The Board of Directors,  
Brussels, 27 March 2024

## 9 Activity Report Fluvius System Operator

### 9.1 Focus on employees

We are working on creating a company that is pleasant for everyone to work in, now and in the future. Trust between employee and management is crucial. Also important: being proud of individual and collective accomplishments, and fun and camaraderie in the workplace.

In 2023, we continued to work on the four themes that we believe are crucial to make Fluvius an even better employer:

- Great Place to Work: investing in a quality work environment.
- Trust and shared leadership: a culture of trust, shared leadership and continuous improvement.
- Safety first: working safely is a permanent focus.
- Keep working towards well-being: continually working towards the well-being of all.

#### 9.1.1 Great Place to Work

At Fluvius, we make a conscious choice to be a 'Great Place to Work' for all our employees. This fits in with our Focus 2025 strategy: we want to put our customers and our employees first. Via the annual Great Place to Work survey, we want to hear from our employees how they actually experience working here. The survey results tell us objectively what areas we can be satisfied about, or even very satisfied.

We want to be and remain an organisation with a culture that stands out in terms of:

- Trust: between colleagues, and between the management and employees.
- Pride: employees are proud of their job, their team and their company.
- Fun and camaraderie: among colleagues in the workplace.

In 2023, we achieved the internationally recognised Great Place to Work certification based on an employee survey which was completed by a record number of Fluvius employees. This employee survey gauged the extent to which employees trust management, the extent to which they take pride in what they do and what the company means to society, and the extent to which they also have fun among themselves and consider each other friends.

87% of Fluvius employees completed the survey, meaning that the results are particularly representative. They gave us a final score of 74% (compared to 66% in 2022). Nearly 9 out of 10 Fluvius employees also conclude that they find Fluvius a very good organisation to work for, and that they would recommend Fluvius to others as an employer.

Satisfaction increased on all surveyed topics. A conspicuously strong increase is the trust Fluvius employees place in management. In this regard, they confirm that they find Fluvius management credible, fair and extremely respectful. Fluvius employees see themselves as very proud ambassadors, and excel in mutual camaraderie. They also appreciate the non-discriminatory attitude, the care and support they receive, the hospitality shown to new employees, the working from home policy, the atmosphere in teams and throughout the company and the focus on culture. They are very satisfied with the remuneration policy, and the physical and other working conditions.

**"I am very proud to see that there is a lot of trust between colleagues and their supervisors, and that there is a huge pride in working for Fluvius and helping build the networks for tomorrow. We see a lot of fun, camaraderie and collegiality every day. Of course, there are areas for improvement. We will analyse these in order to take the right actions, so that we further underpin this score and perhaps even grow."**

Ilse Van Belle, Fluvius HR director

## 9.1.2 Trust and shared leadership

We are creating a Fluvius culture in which trust, shared leadership and the **Fluvius values** are central. Our values go back five years, from Fluvius' inception. But the world doesn't stand still, and we have also evolved as a company. Among other things, from the GPTW survey and from dialogue sessions with colleagues, we could clearly see where our strengths and our challenges lie in terms of values. With this input, we fleshed out our values in 2023 and made them more future-proof:

### Together

We reinforce each other, to achieve our goal together and as one team.

1. We reinforce the US feeling.
2. We work well together, even across team boundaries.
3. We exchange ideas and experiences inside and outside of Fluvius.
4. We come up with the best idea together and go for it!

### Proud

We put safety and quality first and we are proud of that. We seize new opportunities and ideas with both hands.

1. We work safely and hold each other to account.
2. We take pride in the quality of our work.
3. We see change as an opportunity.
4. We test out new ideas and learn from them.

### Engagement

As true Fluvius ambassadors, we take full responsibility.

1. We take full responsibility.
2. We work as if it were for ourselves.
3. We put our shoulders to the wheel in our social role.
4. We are veritable Fluvius ambassadors.

### Respect

We value each other's opinions and feedback and draw on these to grow together.

1. We appreciate everyone here as they actually are.
2. We listen to each other to understand, and do not judge in the process.
3. We have open conversations and give each other constructive feedback.
4. We put opposing views on the table and apply them.

### Customer first

Satisfied customers are our biggest driver.

1. We know our customers and their needs.
2. We give our customers understandable information and offer them personalised advice.

3. We provide correct and feasible solutions for our customers.
4. We keep our customers informed proactively and in good time.

For each value, we link a few practical phrases to it so that the meaning and purpose are clear to everyone. This update of our values helps us to be ready for all the challenges ahead. Every employee helps radiate the values of Fluvius, and every employee is therefore a Strong pillar. By radiating and embodying our values together, we make each other stronger and more open to the challenges of putting our customer first

We further embed shared leadership by guiding teams at their request according to the challenges they face:

- In the perception of the values;
- From the results of the Great Place to Work survey
- In their daily team operations, such as working together effectively remotely, dealing with tensions in the team in a positive way, having open conversations where opposing views are encouraged, creating clarity in roles and responsibilities, etc.

We continue to focus on four themes:

- trust
- enhancing psychological security
- learning to engage in constructive conflict
- focusing the culture and shared leadership and bridging the widening gap.

Going forward, these four themes are contained in the practical phrases of the values that we launched internally at the end of 2023 and which we will continue to focus on in the coming years.

### Focus on the New Way of Working

In the New Way of Working, we are committed to working independent of location. That means you can work from any location, whether home or office. Digital tools and resources (such as MS Teams and SharePoint) make this possible. In addition, we must be able to work based on trust and autonomy, fully in line with our policy of shared leadership.

If we are all working more independent of location, then our office environment needs to be adapted accordingly. We primarily still come to the office to work together with and consult with our colleagues. Those who wish can do individual tasks more from home. That's why we're moving from fixed individual workstations in the office to flex workstations and collaborative spaces.

The following sites have already been adapted to the New Way of Working:

- Campus Melle, Mechelen, Torhout
- The regions of Deurne, Zenne-Dender, Scheldt-Lieve

In 2024, the regions of Bruges-Middenkust and IJzer-Mandel will also be added.

### Being and remaining versatile in a flexible organisation

In a rapidly changing professional environment, we want to keep evolving all the time and keep on training everyone. We are therefore working to help our employees to develop the right skills.

In 2023, our very own Fluvius Academy – our internal training centres as a whole – was able to present the following impressive figures:

- Attended training days 23,000, of which 27% were contractor personnel
- Training courses: 882, of which:
  - 608 in classroom sessions
  - 87 online

- 183 e-learning sessions
- 4 via virtual (VR glasses)
- Teacher Corps:
  - 40 instructors
  - 12 experts
  - < 100 hands-on experts
- Locations
  - 4 in-house sites: Melle, Mechelen, Torhout and Hasselt
  - External centres
  - 22 practical classrooms, 18 theory classrooms, 4 hybrid classrooms

### 9.1.3 Safety first

Working safely is at the top of Fluvius' priority list. Especially in our industry, it is a permanent focal point, training and motivation, both for our own employees and for our contractors.

#### Safety = top priority

Everyone is responsible for their own safety and that of colleagues and third parties. Safe work begins with strict compliance with our safety regulations. But there's more to it than that: all Fluvius employees think along, take extra safety precautions or decide not to carry out tasks if they cannot be done safely. This way of working is called the **STOP principle**.

At Fluvius we aim for ZERO accidents: we want everyone who leaves for work in the morning to return home safe and sound in the evening. In 2023, our safety campaign (started in 2022) "**Stay alert with the workplace check. Stop-Think-Do,**" continued. In this regard, we offer a clear step-by-step plan for working safely that everyone is familiar with and always has to hand.

A crucial aspect of this is that staff must have the confidence to call not only each other to account, but **also to third parties** about unsafe behaviour. Employees become familiar with this through e-learning courses and training. An app shows our technicians a handy checklist of safety measures for each type of site visit.

Finally, we also involve our contractors' and partners' prevention advisers in our 'safety immersion'.

#### Accidents at work

Key parameters for workplace accidents are the frequency and severity. These figures indicate the number of accidents at work involving absence and the number of days of absence, respectively, in proportion to the number of hours worked per year.

In 2023, we recorded a **frequency rate** of 4.09, thereby achieving the goal of staying below 4.5. The majority of accidents are due to falling, tripping, and slipping. Our technicians and meter readers often work in unfamiliar territory, in customers' homes, or on sites where we are not the main contractor.

Our **severity rate**, was 0.07 in 2023, which is a better result than in 2022 (0.09). The objective was a maximum of 0.09, so we scored well here too.

We have a policy of zero tolerance for **accidents involving either of our basic products** (electricity and natural gas). Unfortunately, we recorded 4 accidents involving electricity and natural gas, resulting in absence from work, in 2023.



### 9.1.4 Keeping working on well-being

Fluvius goes all-out to ensure employees feel good in their skin. For example, the Well-being team has further guided Fluvius employees toward well-being with an accessible, confidential and people-oriented approach.

#### Individual guidance

Employees can turn to the team of social assistants when their work/life balance is under pressure, or if they are suffering from health problems. In 2023, one in 14 staff members knocked on the door of one of the social assistants. Professional problems were mainly in the area of excessive workload, lack of perspective, and new struggles in working with a colleague.

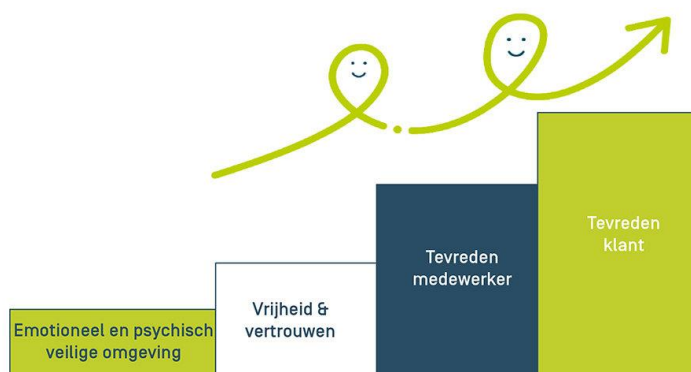
In addition, the Well-being team also got in touch with 128 employees with long-term illness. The importance of these contacts is to keep their connection with Fluvius fresh, and coach and guide employees on sick leave where possible, thereby making it easy for them as possible to return to work.

#### Prevention before all else

In addition to coaching and guiding employees who already have work/life balance issues, or are off work due to illness, we believe strongly in prevention. Through structural actions, we work on the health and happiness of every Fluvius employee.

#### Tailored approach to gathering knowledge on well-being

The Well-being team's internal well-being webinars, and well-being training courses organised by an external partner, still attracted participants, but we noticed that a tailored approach was more often the chosen solution. At safety days in five different regions and departments, the organisers prominently chose the theme of well-being. The knowledge on well-being themes was honed, and skills were practiced during keynotes and workshops.



Emotionally and psychologically  
safe environment

Freedom & trust

Satisfied employee

Satisfied customer

#### Digital well-being support through Mindlab

We continued our collaboration with Mindlab. This digital platform provides participants with info and tips on various well-being topics. Colleagues can work on these themes when and where it suits them best.

### Physical well-being as the foundation

Together with our partner Energy Lab, we are getting as many employees as possible active, with sporty challenges, while highlighting the importance of healthy eating and good sleep. This was organised in 2023, with three successful digital keynotes by experts in these fields. 20 employees subsequently received personal coaching by a health coach for each topic.

We also offer our employees free fitness tests, cardiac tests and energy scans.

### Elaboration of the suicide prevention policy

In recent years, several colleagues have tragically ended their lives. In order to provide professional support even in these difficult circumstances, the Well-being team is working on a suicide prevention policy. Together with a partner from the Centre for Mental Health, they are drafting a guide that ensures that communication and support are provided correctly and efficiently.

## 9.2 Focus on customers

No matter what job we are doing, at Fluvius we always provide the best possible service. That means: a service that fully lives up to the customer's needs and expectations. Among other things, this means quick and clear answers, rapid execution with minimal waiting times and disruption, and clear communication. We strive to achieve this for the 6.5 million Flemish residents who put their trust in us, and for our shareholders, all 300 Flemish cities and municipalities.

### 9.2.1 Close to the customer

At Fluvius, we always start from our customers' expectations. The aim is to make the **Customer Experience (CX)** as consistent and positive as possible in every customer contact, regardless of the process, channel or employee.

#### Customer first

Putting the customer centre stage is therefore crucial and is also a key pillar in our strategy. Every action we take in this context is an expression of our strategic commitment: 'By the end of 2025, every Fluvius employee will work, act and think customer-centric.' This is translated into the following three objectives:

New initiatives, products and services are launched and developed according to/together with the customer. All our products and processes are continuously monitored and updated according to customer needs and expectations, so that these are Customer-Centric. Every employee works, acts and thinks customer-centric.

Customer expectations in the area of new applications and processes are evolving rapidly under the influence of commercial actors in the energy market. To capitalise on this, we set up **the CX team** within customer services. This team of five experts collects customer insights, engages with customers, identifies opportunities and continues to work with colleagues across the company to fine-tune the daily operations, in order to achieve the optimal customer experience.

To meet the needs of our customers more effectively, we focus on **4 service promises** for our customers. We want all employees to be familiar with these promises and apply them every day.



Every staff member is there for you

We know you and your situation

We provide you with understandable information

We offer you personalised advice

### Customer survey - Overall customer satisfaction

The result is in line with last year: 79% of our customers are satisfied. For some processes we see a slight increase, for others a slight drop. Customers are most satisfied with taking or communicating meter readings. The Prepaid process gets the lowest score in terms of satisfaction.

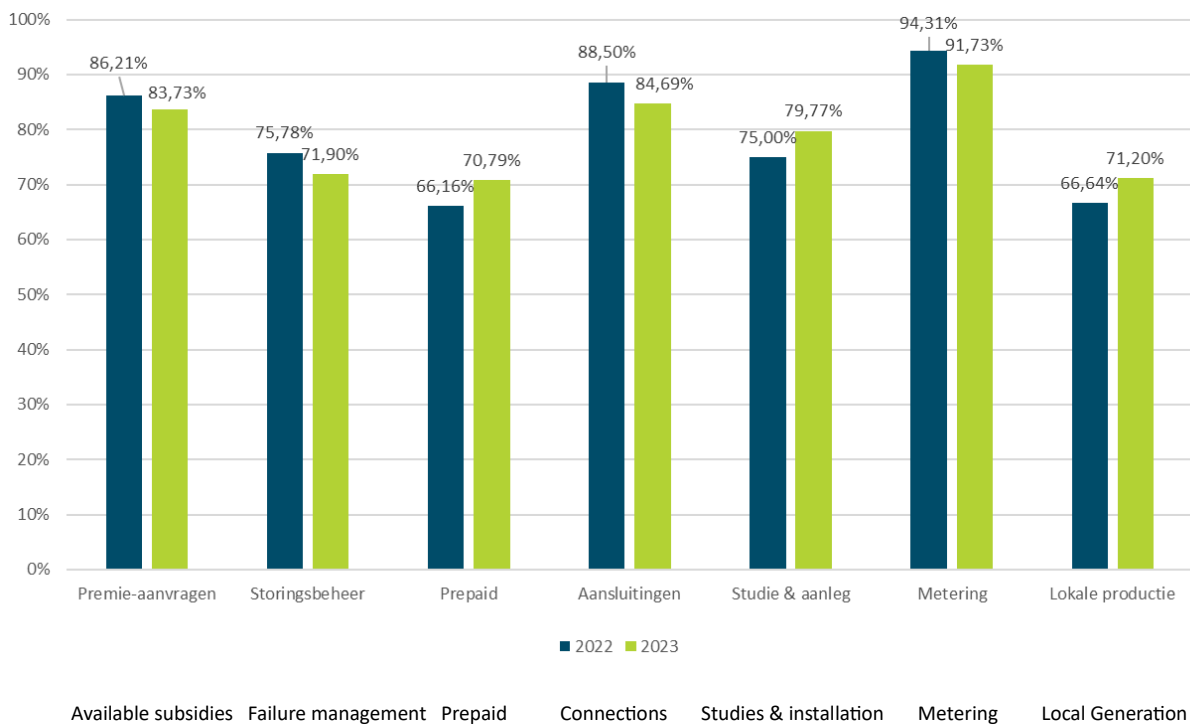
In addition to satisfaction, three other KPIs (critical performance indicators) are measured:

- NPS or Net Promoter Score: how likely it is that a customer would recommend Fluvius. Compared to 2022, the NPS has risen (from 7 to 12). In other words, more customers would recommend Fluvius.
- CES or Company Effort Score: the degree to which the customer feels that Fluvius makes an effort for him/her. This is down from 2022 (from 18.5 to 13), but is still positive.
- CoES or CustOmer Effort Score: the degree to which the customer believes they should make an effort on their own. This score was still negative (-3) in 2022, but has now increased to 6.5.

Service type	2022	2023
Available subsidies	86.21%	83.73%
Failure management	75.78%	71.90%
Prepaid	66.16%	70.79%
Connections	88.50%	84.69%
Studies & installation	75.00%	79.77%
Metering	94.31%	91.73%
Local Generation	66.64%	71.20%
<b>Total</b>	<b>78.94%</b>	<b>79.11%</b>

### Customer survey

Via our customer satisfaction survey, we learned in 2023 that our customers were most satisfied with the processes 'meter reading' (91.73%) and 'connections' (84.69%). For 'subsidies' we also see a high satisfaction score (83.73%). Below, we will briefly go over the identified areas of concern going into 2024, process by process.



### Available subsidies:

Satisfaction has fallen slightly, and is due to slightly longer lead times. We aim to approve a subsidy application within a maximum of three months. We continue to work on simplifying the process.

### Failure management:

Satisfaction dropped due to the large number of voltage complaints with decentralised generation, i.e., due to outage problems with inverters. For all other types of failure, 81% of customers are satisfied. Above all, the Fluvius employees with whom our customers come into contact are rated very positively.

### Prepaid

In June 2023, we introduced My Fluvius Prepaid and the Fluvius Prepaid App. These have been very well received with new customers. Among existing customers, the switch led to some confusion. We are putting the emphasis on offering sufficient information and clear instructions. And we take customer suggestions into account whenever possible, such as offering additional payment options and/or a way to more proactively follow up on an outstanding balance.

### Connections:

The number of customers requesting a connection themselves has increased. The process appears to be slightly less complex. However, overall satisfaction has fallen slightly. The period between the signed quote and the start of the works could be shorter. And we continue to focus on clear communication.

### Studies and installation:

There has been a significant rise in satisfaction. Although communication is evaluated more positively, there is still room for improvement in this area. The same goes for finishing works and limiting the inconvenience.

**Metering:**

There has once again been a very high satisfaction score for the Metering process. Customers are highly appreciative of the friendliness and helpfulness of the staff coming to read meters. Communicating meter readings digitally generally goes OK. Does the customer have to make an appointment him or herself? Then they would like to have more flexibility and communication.

**Local generation:**

Satisfaction rose significantly, thanks to shorter times for processing notifications. Nevertheless, we continue to work towards even shorter lead times. The registration process is still quite complex. We are looking to simplify it.

Across all processes, we see a number of areas that we will focus on in 2024:

Both in the development of new digital applications, and in optimising existing ones, we need to take ease of use on the part of customers more into consideration. As such, we will involve customers in evaluating existing digital applications and developing new ones. Furthermore, we continue to work on improving lead times. What if the customer has to wait? Then we provide clear communication and keep them informed of the status of the dossier. And we continue to work towards simplifying our customer processes.

**Dealing with complaints**

At Fluvius, we define a complaint as an expression of dissatisfaction by an external party about Fluvius, our services and/or products. We see every complaint as an opportunity to optimise our products, our services or our processes. At Fluvius, we strive to increase customer satisfaction and customer loyalty by making the complaint handling process more customer-centric. The goal is not only to act proactively to avoid complaints, but also to ensure a customer-centric approach to a complaint. That way, we can turn the negative experience for the customer into a satisfied customer. That means that we want to further embed the 'customer-centric' approach in our complaints handling and in the DNA of every complaints handler, in order to increase customer satisfaction, reduce the number of complaints and make our operations more efficient and effective.

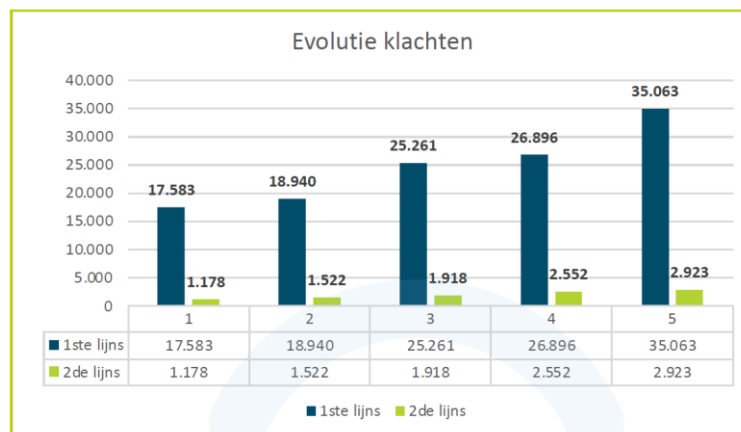
In 2023, Fluvius got closer than ever to our customers. Among other things, we physically took 1.4 million meter readings, carried out 150,000 connection or meter works, installed 3 million digital meters, dug more than 1.1 million meters of trenches, received 180,000 notifications for local generation, and processed 100,000 subsidy requests. More customer contacts also means more risk of complaints, especially in today's digital society.

Our customers can file a complaint through any of our customer channels. We call these 'first-line complaints'. 52.10% of initial complaints reach us by telephone at our customer contact centre. We receive 39.8% of complaints via the complaint tool on the website. We receive 6.5% of complaints via email. A second-line complaint is when a customer informs us that they are not satisfied with how their original complaint was handled.

In 2023, we received a total of 35,063 effective first-line complaints and 2,923 second-line complaints. This is an increase of 30.4% (8,167 first-line complaints) and 15% (371 second-line complaints), respectively. The number of complaints increases year after year. In 2023, we witnessed another increase: 46% more first-line complaints and 24% more second-line complaints.

The increase in absolute numbers was primarily in the areas of 'Market Operations', 'Connections', 'Works in the street', and 'Outages/Defects'. In our role as suppliers, we have seen a big fall. In 2022, the number of complaints we received increased due to the fact that several commercial suppliers had gone bankrupt, leaving Fluvius as an emergency supplier. The number of escalated complaints, and complaints received through government agencies such as the Flemish Ombudsman, the Federal Ombudsman and VREG, increased by 15%. In absolute numbers, this increase is primarily in the 'market operations' domain. Customers contest their consumption or the functioning of their meters, and do not agree with the response or resolution of the first-line complaint handler.

#### Evolution of complaints



#### Customer-focused communication

In 2023, we took further steps toward even more customer-centric communication. As such, we worked on pro-activity, relevance, and accessibility.

#### Self-service and digital

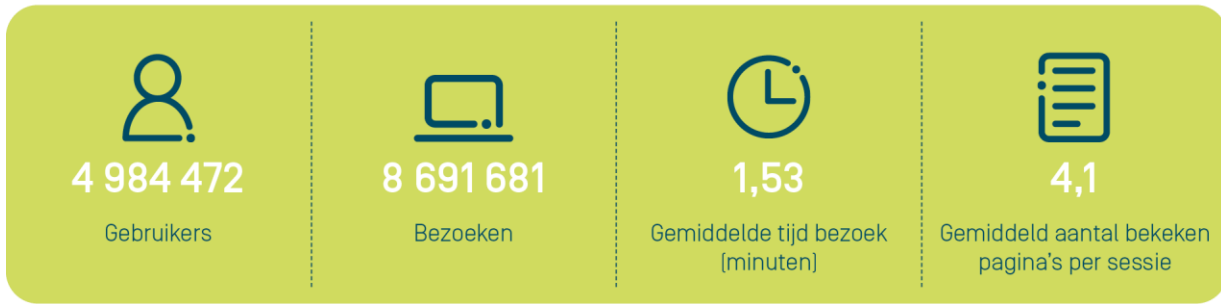
We communicate our information and services via an 'omnichannel policy' to a broad target group of customers. **Self-service** and **digitisation** are central: for example, a large proportion of our customers can contact us 24/7.

At the same time, we also continue to provide optimal support to non-digital customers. Our approach is the 'Avoid-Click-Call-Face' customer channel strategy. In this regard, a live customer contact is ideally not necessary, for example, because things are clear for the customer, the customer is assisted online or contacts our call centre. In this way, we want to use the available resources as efficiently as possible.

#### Customer channels

[Fluvius' website](#) received 8,691,681 visitors in 2023. The [mini-site for prepaid](#) received 1,084,799 visitors in 2023, with a total of 174,632.

Visitor information website:



More and more customers are finding their way to [My Fluvius](#). This online app enables customers to track their own usage, open and close their smart meter data ports, and [apply for premiums](#). The total number of customers who registered a new account rose to 2,640,461 in 2023 (up from 1,967,750 in 2022). Moreover, these customers regularly visit My Fluvius: in total we recorded 9,732,698 sessions (compared to 5,834,296 in 2022), of which 3,316,394 were unique sessions. In this regard, they click the 'Consumption' icon most often (1.35 million times).

We handled 209,000 **contact forms** through the website.

Through our '**direct messaging**' channels (WhatsApp, Facebook Messenger, Web chat, Twitter), we recorded a total of 31,000 customer chats in 2023.

Fluvius is active in 'social listening': when customers publicly ask questions about Fluvius on **social media**, a team of customer advisors publishes a response.

Customers contacted us by **phone** more than 2,417,000 times in the past year. This is a fall of around 139,000 calls compared to 2022.

We recorded 57,500 customer visits in the 14 **customer service centres**. A rise of around 10,000 visits compared to 2022. Our customer offices have extensive opening hours and customers can visit without an appointment.

	as of 31/12/2021	as of 31/12/2022	as of 31/12/2023
<b>Customer contacts</b>			
Number of visits to customer service centre (per year)	37,189	47,641	57,517
Number of contact centre contacts received	2,564,892	2,555,833	2,416,828
- <i>by phone</i>	2,258,366	2,287,618	2,177,048
- <i>via contact form</i>	208,469	235,906	208,838
- <i>via direct messaging (chat, whatsapp)</i>	98,057	32,309	30,942
Average number of visitors to the website per month	661,460	806,692	732,846

### Number of visitors per application



## 9.2.2 Looking after networks

Fluvius is a network business. We build public networks for electricity, natural gas, public lighting, sewerage, and heating. We then give customers access to these public networks. And finally, we provide services relating to these utilities day and night. Our focus in this regard is on reliability and affordability.

### Reliability

In 2023, the average Fluvius low-voltage customer was without an electricity supply for just 22 minutes and 25 seconds due to interruptions to the low-voltage and medium-voltage network. Thanks to that, Flanders has been at the top of the European table for years. And it is proof that we contribute to the comfort of our customers.

### Affordability

Since 1 January, 2023, network tariffs for electricity have been charged differently, via the 'capacity tariff'. Part of the network fee is no longer calculated solely on the kilowatt hours taken off per year, but largely based on the load on the network. This is calculated via the average highest monthly quarterly power, or the 'peaks' a customer takes off. We call this the capacity tariff.

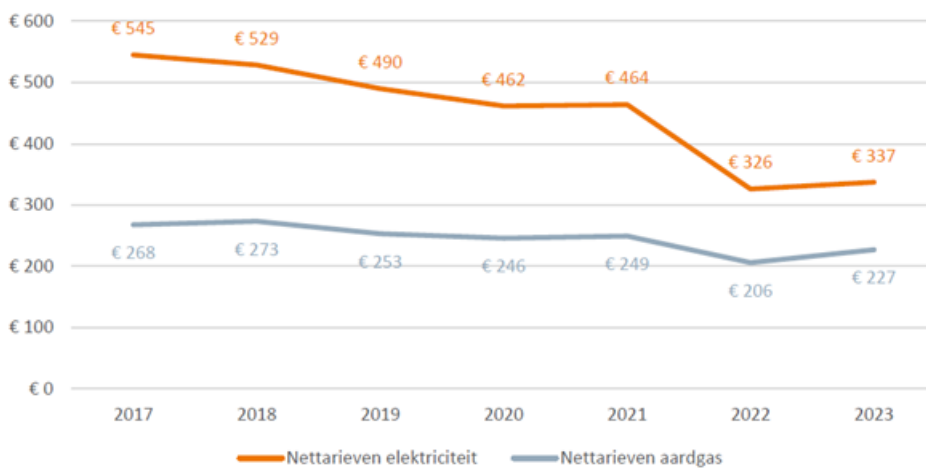
Also for customers who do not yet have a digital meter (the traditional meter cannot measure peak loads), the calculation for the network fee will change.

Large companies have been paying part of their network tariffs for electricity with a capacity tariff for some time. They will now need to make an estimate of their highest peak capacity in advance.

A 'typical family' with a dual digital meter, electricity consumption of 3,500 kWh per year and an average monthly peak of 4.26 kW, paid an average of €337 (including VAT) network tariff in 2023. That is 11 euros or 3% more than in 2022. A typical family with natural gas consumption of 17,000 kWh per year paid an average of 227 euros (including VAT) in 2023. That is 21 euros or 10% more than in 2022.

Thanks to Fluvius' efforts to keep network tariffs under control, they have fallen sharply on average over the past five years, especially in electricity.





Figuur 1. Evolutie nettarieven gezin (elektriciteitsverbruik = 3.500 kWh en gemiddelde maandpiek = 4,26 kW; aardgasverbruik = 17.000 kWh – incl. btw)

Network tariffs for electricity   Network tariffs for natural gas

Figure 1: Evolution of network tariffs for households (electricity consumption = 3,500 kWh and average monthly peak = 4.26 kW; natural gas consumption = 17,000 kWh - incl. VAT)

### Additional efforts for the energy and climate transition

The energy and climate transition is pushing inexorably forward, and Fluvius is committed to supporting it to the maximum extent possible. On 31 March 2023, the VREG [approved our 2023-2032 Investment Plan](#). For the next edition of the Investment Plan, the VREG nevertheless asks that a number of issues be further clarified, including the specific impact of digitalisation on network management and a clearer timing for the rollout of the 400V networks.

For the period 2024-2033, Fluvius envisages €4 billion of additional investment in electricity distribution networks, on top of the €7 billion already planned. These additional funds are necessary to make modifications, extensions and reinforcements to 30,000 kilometres of low-voltage network, 6,000 kilometres of medium-voltage network and 22,450 distribution cabins. The plan is essential to prepare the distribution network for the energy transition as effectively as possible, and the increasing electrification of our mobility, heating, industry and the further growth of renewable energy through solar panels and wind turbines, among other things. The Investment Plan presents the criteria used by Fluvius to arrive at these numbers and calculations.

### Smart network management

We continue to invest in technically advanced methods of monitoring our networks in real time and controlling them as flexibly as possible. Thanks to these systems, we can allow much more green energy on our existing networks, keep our network reliability high, and avoid a number of substantial network investments. This digitisation is crucial to the energy transition.

In late 2021, we already completed the rollout of the Distribution Management System (DMS), our central smart network management system for all of Flanders. With this system, we can already monitor and control our entire medium-voltage network, as well as our natural gas and heat networks, and sewage pumping stations. We want to capitalise on the energy transition as much as possible, and the related rising electricity consumption and increasing injection. As such, we are also making all new distribution and

customer cabins readable and controllable by default through our DMS, and use the anonymous and aggregated network data from the digital meters.

### Local generation rising: a record for solar panels

Although Fluvius does not generate electricity itself, we play a crucial role in the transition to more sustainable, low-carbon energy. We take care of the connection of decentralised (= local) energy sources, which are often renewable. We also distribute this electricity that is generated via our networks.

The locally installed capacity on our grids is steadily increasing. In 2023, [19 wind turbines were added on land](#) and 1,047 MW of solar panels were installed on Flemish rooftops. The latter is a rise of 20%, a record.

#### Installed decentralised capacity 2022 - 2023

	% 2022	kVA 2022	% 2023	kVA 2023
Solar panels ≤ 10 kVA	39.9	3,155,303	43.1	3,958,785
Solar panels > 10 kVA	20.0	1,580,097	21.4	1,964,348
Wind turbines	18.7	1,476,472	16.9	1,556,416
Combined heat & power (CHP)	14.2	1,124,725	12.2	1,122,495
bio-CHP	3.3	259,832	3	276,179
Biomass	1.4	114,397	1.2	114,397
Other	2.6	202,319	2.2	201,483
<b>TOTAL</b>	<b>100</b>	<b>7,913,145</b>	<b>100</b>	<b>9,194,103</b>

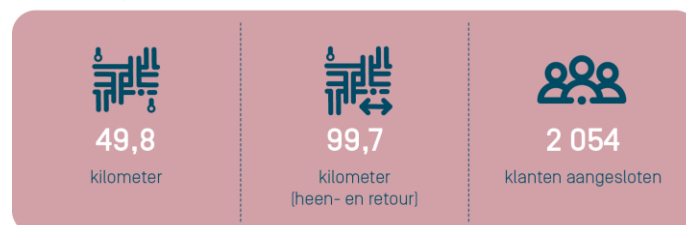
### Notable Fluvius network projects in 2023

- [Fluvius ready for the largest injection of green gas at BioBlue in Ypres.](#)**  
Fluvius has completed all the preparation work for the largest injection of biomethane in Flanders. The company BioBlue has built a digester in Ypres that converts organic waste into sustainable biomethane, which is then injected directly into the gas network. Since last summer, the installation has been able to supply 2,000 m<sup>3</sup> of biomethane per hour at full capacity.
- [Fluvius boosts electricity supply for Heuvelland and Messines.](#)**  
Fluvius has adapted the transformer substation (TS) at Bas-Warneton - on the Walloon-Flemish border - to boost the electricity supply to Heuvelland and Messines, thereby supporting the wider region in its energy transition.
- [Important step toward new heat network for 1,000 families in Wielsbeke.](#)**  
During the second half of the year, Fluvius looked into the feasibility of the first heat network for Wielsbeke. Residents of Wielsbeke could therefore save substantially on their energy bills and emit much less CO<sub>2</sub>. Watch this space.

- Fluvius prepares electricity network in North Kempen for energy transition.**  
Fluvius is getting the North Kempen region ready for the energy transition and protecting the power network against possible overload. The network company laid a new power cable in Hoogstraten that transports green power from a new wind turbine on the east side of the E19, to the transformer substation along Sint-Lenaartseweg, about 7 km away. Fluvius is also supplying additional power to a thermoelectric power plant in Meer and fast-charging stations along the E19, among other projects.
- Fluvius connects the largest solar roof to the network at WDPort of Ghent in Evergem.**  
In the Ghent North Sea port, logistical real estate specialist WDP has built a giant solar roof with fully 37,000 solar panels over 150,000 square metres: the largest solar field on a single roof in Europe. To supply the 25 megawatt peak of solar power into the network the right way, Fluvius significantly expanded its medium-voltage network.
- Smart renovation creates 63 sustainable social housing units in Bilzen.**  
An energy first in Bilzen. Housing company Wonen in Limburg took the decision to comprehensively renovate 63 social housing units, instead of total demolition and reconstruction. Thanks to exhaustive insulation, solar panels, smart energy techniques and green gas from the Kempen region, all the homes were made 100% sustainable much faster, without the tenants having to leave their homes.
- Autumn storm Ciarán results in 2,400 urgent interventions at Fluvius.**  
On 2 and 3 November 2023, autumn storm Ciarán passed over Flanders. The storm caused a lot of damage, including fallen trees and torn down power lines. On 2 November and the following night, Fluvius was called out 2,400 times in total. 300 technicians were on standby. Fortunately, there were no major blackouts or incidents.
- The installation of digital water meters is gradually getting up to cruising speed.**  
In the coming years, the three Flemish water companies Farys, De Watergroep and Pidpa will join forces with Fluvius to install the digital water meter. Installing digital meters simultaneously (electricity, gas and water) will mean less inconvenience for customers. Moreover, the cooperation with Fluvius will also ensure smooth data exchange. The ambition is for 2.8 million households in Flanders to have a digital water meter by 2030.
- 1 street light out of 4 is interactive.**  
Of the 1.2 million streetlights on our territory, 500,000 had already been replaced with LED lights by October 2023, of which 300,000 are interactive (or one in four of all lights). We are now only installing interactive public LED lighting, not only to save more energy, but also to reduce light pollution.

### Heating networks: on the rise

More and more local authorities are using heat as an energy source. For example, by the end of 2023, there were a total of 15 active heat network projects spread across 11 Flemish cities and municipalities. Good for 49.8 km (99.7 km flow and return) of heat network, with 2,054 connected customers.



## Fluvius's role: heat networks in the public domain

We are working hard to realise the available potential for heat networks in Flanders as much as possible. We advocate regulation for the construction and management of heat networks in the Flemish public domain, under the supervision of a Flemish regulator. In that scenario, the network would be owned by the municipality (or a group of municipalities). This approach would solve a number of risks and social issues.

Wherever possible, we want to leave as much as possible to the free market, such as for generating and supplying heat and building heating networks on private land.

## Our most notable heating projects in 2023:

- **Antwerp North heat network: the port**

On 20 December 2022, the [first pipe of the Antwerp North Heat Network was symbolically laid](#), which will be connected to residual heat from the rotary kilns of Indaver. The first industrial heat consumer will be connected to it in 2024. The transmission network heat consumer is already in place (realised in 2023), up to Luithagen. The official 'start' is on 28 February 2024. From this transmission network, Fluvius will then start construction of a residential network that will provide heat to around 3,200 social housing units of Woonhaven in the Luchtbal and Rozemaai districts, among others. In addition to residential customers, we will also connect non-residential customers, including in Luithagen.

- **Aalst heat network: residual heat from Tereos**

The new apartments and residential complexes being built on the quays in Aalst will be heated with residual heat from glucose and starch manufacturer Tereos. [In cooperation with the City of Aalst, Fluvius and Tereos have signed a 30-year agreement to this end](#). Fluvius has also entered into a cooperation agreement with project developers Odebrecht and Groep Huyzentruyt for the supply of heat purchased from Tereos. The first phase of the development (by project developer Odebrecht) on the quays has been completed. All work relating to the construction of the heat network and the necessary connections for this phase has also already been completed. A temporary heat plant on the site is already providing heat to the first residents. In consultation with the city of Aalst, construction of the backbone towards Tereos will begin during 2024.

- **Suikerpark heat network in Veurne: crisps manufacturer PepsiCo**

The Pepsicolink will enter service during February 2024. Waste heat will come from PepsiCo's crisp oven to heat the new Suikerpark residential area. The heat network is a joint project between the West Flanders Intermunicipal company (WVI), Fluvius and Noven.

- In **Antwerp**, work has continued apace on the **Roadmap 2030**: within the various heat clusters, specific heat network routes are being drawn up and planning for construction is taking shape.

- **Roeselare Roobaert Park**

During February 2024, residual heat from the MIROM incinerator will provide heat to homes already connected to the heat network in the Roobaert Park subdivision. Ultimately, 1,000 homes in the subdivision will be able to benefit from this residual heat.

- **Menen**

Following a favourable internal study, we have applied for subsidies for the first phase of the heat project in Menen. We expect to refine this project with all partners and get the go-ahead in 2024.

- **Kuurne/Harelbeke**

The works in Kuurne and Harelbeke are in full swing. Last year we laid a lot of additional metres of network, and started works at several crucial points along the route. In 2024, we will also take a big step toward realising the complete project with waste heat from IMOG for all customers.

- **Wielsbeke**

A declaration of intent for the new heat network has been signed in Wielsbeke, and the network operator Fluvius, the municipality of Wielsbeke, Groep Huyzentryut and the green power plant A&U Energie have hereby undertaken to extensively investigating and realising the possibility of a heat network.

In addition to the many new heat projects, we will of course continue to focus on running [heat networks that are already operational](#).

### Water management: Flanders' biggest sewer system operator

We want to play a strategic role in Flemish water management. Joining forces with municipalities enables [sewage to be processed even better](#).



86 Flemish cities and municipalities have chosen to entrust management of their sewerage to us.

11,900 kilometres of sewers are managed by us in total. That makes us the biggest sewer system operator in Flanders.

### Investment in the sewerage network

We want to increase our budget for sewerage by more than half over the next decade. We are increasing the current average budget of €80 million from 2024 to €130 million, guaranteed up until 2033. This should give us the necessary financial heft to achieve our ambitious goals. We are linking these funds to a clear roadmap that lists the most important steps. In addition, Fluvius has set up a new department in the Network Operations Directorate to realise all necessary investments and operational tasks.

### Blue Deal

We suffer from alternating water shortages and flooding in Flanders. It is both too wet and too dry. Our natural environment is highly fragmented, which also puts pressure on ecosystems.

The Flemish Government launched the Blue Deal in 2020 to structurally tackle these problems. This is the collective name for [various projects and initiatives](#) supported by Fluvius, and which focus among other things on depaving, rewetting, circular water use, cooling and greening, among others.

### 9.2.3 All lights LED

Today, nearly 1 in 2 streetlights (46%) in Flanders is already an LED lighting fixture. Together with our shareholders, the local authorities, we are working hard on the modernisation of public lighting.

#### Systematically replacing with LEDs

By the end of 2028, we will have systematically replaced all analogue public lighting with LED lights, as stated in the Flemish coalition agreement. In this regard, we have signed a memorandum of intent with the Association of Flemish Cities and Municipalities (VVSG) and the Agoria technology federation.

#### Light-as-a-service: accelerated investment in LED conversion

Since 2019, local authorities can sign up for our "[light-as-a-service](#)" offering, where they can call on their distribution system operator to finance this switch to LEDs, and make the process even smoother. In 2023, another 3 local authorities opted for the 'OV 2.0' (public lighting 2.0) light-as-a-service plan. That brings the total to 274.

This means that 91% of all Flemish cities and municipalities have decided to take up the offer, which meets their demand for financial and technical support with the LED switchover. We are also responding to local authorities' need for interactive, flexible control over their lighting and for energy savings and CO2 reductions.

**"Today, nearly 1 in 2 streetlights in Flanders is already an LED lamp".**

### 9.2.4 Data management

As an independent data manager, we make a lot of data available to various parties in the energy landscape. In this way, we continue to build an open, active and reliable relationship with all our customers, suppliers and third parties, local governments and other authorities, and our regulators. In the process, we always respect privacy laws and focus on data quality. We offer various datasets on [our website](#) as open data, and we are systematically expanding this offering. In 2023, we started working towards the vision for data that we want to achieve by 2025. Below we briefly explain the pillars of this vision.



We make data available that helps customers use energy more efficiently



We help customers take maximum control of their energy costs



We ensure that all customers can participate in the trading of renewable energy



We are helping to build the energy market of tomorrow

For 2023, pillar 1 refers to the data we unlock through the digital meter to My.Fluvius.be and to the increased number of consumers of our data (APIs, service providers, etc.).

In 2023, the capacity tariff was introduced under pillar 2. In addition, all suppliers are now also obliged to offer monthly billing. As a result, we are seeing a rise in requests for monthly billing. Customers who would like dynamic rates need SMR3, which they can activate with us. And the evolution in the Flex market in 2023 can also be accommodated under this pillar.

There was also rising interest in energy sharing in 2023. This is part of Vision Data 2025 under pillar 3.

As explained above, we place a lot of importance on data quality, as well as information management when it comes to unlocking open data. These initiatives fall under the 4th pillar.

All processes in the market - such as new connections, supplier changes and meter regimes - are described in the MIG (Message Implementation Guide). These are the rules of the game, which all market players and their IT systems follow closely. We currently work with the latest version, MIG-6, to meet the changing expectations of the energy transition.

The go-live of MIG-6 and CMS have had quite a few after-effects. One of these is the issue of blocked EANs. At the end of 2023, we were still confronted with just under 4,000 EANs that were long-term blocked (compared to 6,000,000 EANs where it runs smoothly). Together with Atrias and the suppliers, we are working towards a solution in which we put the customer centre stage.

MIG6, combined with new processes, is a major step toward the market functioning of the future of the energy market. But there are also new possibilities for our customers:

- Customers can opt for monthly billing for electricity and gas. As such, there were already 115,766 contracts at the end of 2023. This is a sharp increase from 2022, when the figure was 31,086.
- Customers can request a 'meter regime 3' from energy suppliers, whereby quarterly figures are exchanged and dynamic supply contracts are possible. As of 31 December 2023, 41,167 customers benefited from this meter regime, up from 11,555 in 2022.
- Customers can share or sell energy to other connection points (EANs). At the end of 2023, we registered more than 7,700 customers participating in some form of energy sharing. A sharp increase compared to 2022, when this was only around 600 customers.

### Accelerated roll-out of digital meters

As of 10 November 2023, we had notched up [3 million digital meters installed in Flanders](#), an increase of nearly 1 million meters year on year. We also reached an important milestone in terms of market share at the end of 2023, as these meters have since been installed in at least half of all households in Flanders.

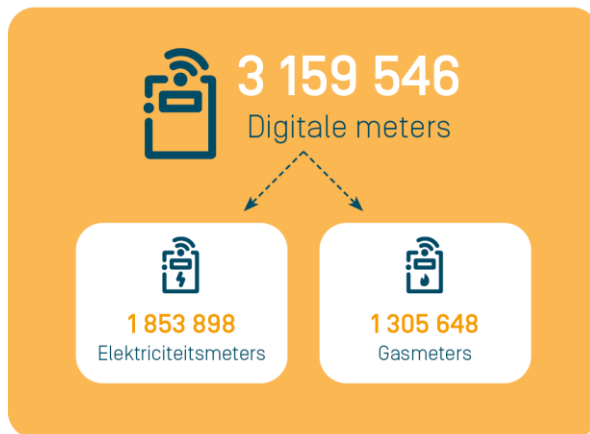
Digital meters were clearly gaining in popularity and acceptance in 2023. More and more people in Flanders look for detailed information about their energy consumption. And many find out about the new possibilities, such as buying solar power, as well as monthly billing and energy sharing.

Another important project in 2023 was digital water meters. Following a successful pilot phase, the [large-scale rollout of digital water meters in Flanders](#) began in cooperation with water companies Farys, Pidpa and De Watergroep.

Thanks to close cooperation between the utility companies, digital meters for electricity, gas and water are installed simultaneously, through the same contractor. In addition, the existing communication technology

is reused as much as possible: the digital water meters - like the gas meters - are connected to our digital electricity meter and can therefore communicate with the outside world.

### How many digital meters were there in Flanders at the end of 2023?



3,159,546 Digital meters - 1,853,898 Electricity meters - 1,305,648 Gas meters

### My Fluvius: get started for free online with digital consumption info

Thanks to My Fluvius, every household can check their consumption details for free via their smart meter, thereby benefiting from a better overview of their energy consumption. The digital meter sends the consumption data to My Fluvius.

By default, the digital meter sends My Fluvius the consumption history per day, both for electricity and gas. Customers can also request detailed data per hour for gas, and per 15 minutes for electricity. Providing this information for free is an important step in making everyone in Flanders more aware and conscious of the more economical, smarter, and greener use of energy.

More and more households with a digital meter are also actively getting on board by activating their free access to My Fluvius. 653,000 households had done this by the end of 2023, accounting for 35% of all households with a digital electricity meter. Fully 141,189 households connected a device with a smart app ([maakjemeterslim.be](https://maakjemeterslim.be)) to the user port of their digital meter. That way, they can monitor their energy consumption almost in real time (per second for electricity and per 15 minutes for gas).

### 9.2.5 Working collectively for a sustainable world

We work with a large number of different partners to put our expertise to use for society as a whole and help create a sustainable world. We use our knowledge and capabilities as a lever to help use the natural resources of our planet (water, energy, etc.) in a rational way. Our goal is to produce more renewable energy, reduce CO<sub>2</sub> emissions in Flanders, and encourage people to use energy and water rationally.

#### 99,000 premiums

In 2021, the Government of Flanders decided to merge the income-related renovation premiums of Wonen Vlaanderen and the energy premiums of Fluvius into one premium: 'My Rebuilding Premium'. Customers have been able to apply for this premiums at the single counter at [www.mijnverbouwpremie.be](https://www.mijnverbouwpremie.be) since 1 October 2022. Investing in energy efficiency for a home or building is the best long-term solution against



soaring energy prices. Now that building materials have become a lot more expensive, premiums are more than ever a welcome support for a lot of people in Flanders who plan to renovate.

The My Rebuilding Premium targets eight categories of works. These range from renovations of roofs, exterior walls, exterior joinery, floors, foundations and interior areas, to technical installations and renewable energy systems such as heat pumps, heat pump boilers, or solar water heaters. The remaining energy premiums, for example for solar panels, the EPC label premium, electric heat control, do-it-yourself roof insulation, relighting, asbestos removal in combination with PV, or the retroactive investment premium, are still with Fluvius and customers can still apply for them through 'My Fluvius'.

Fluvius received a total of 99,126 premium applications in 2023. This is a small increase of 2,932 applications (or 3% compared to 2022).

- 95,370 premium applications for residential buildings, of which 95,249 were online and only 121 on paper.
- 2,316 premium applications for non-residential buildings, of which 2,298 were online and only 18 on paper.
- 1,440 premiums for retroactive investment support to compensate for the phase-out of the bi-directional meter at existing generation installations.
- Retroactive investment (RAI) premiums (= RA for PV installations): 1,300 applications for residential buildings and 20 applications for non-residential buildings
- RAE premiums (= RA for other generation installations): only one application for residential buildings
- RAW premiums (= RA for heat pumps in combination with a generation installation): 118 applications for residential buildings and 1 application for non-residential buildings

### New campaign about BENOveren

Since 1 January 2023, there has been a renovation obligation for people who buy, inherit or are donated an energy-inefficient house or apartment with EPC label E or F. Within 5 years, the new owner must renovate their new home to at least energy performance label D. To inform our customers, we launched a new campaign on social media about [BENOveren](#) in the autumn of 2023.

### Free online info session 'Save on your energy bills'

[Local authorities can organise free "Energy fit sessions"](#) on various topics: from energy savings to renovation works. We organise these sessions for residents at the request of the city or municipality.

### Energy-saving plan for public buildings

We are helping cities and municipalities to achieve the 2030 and 2050 climate targets by making their buildings energy-efficient:

- 36% of local authorities solicited our services.
- 13 cities and municipalities received a new energy-saving plan from us in 2023.
- 2,692 unique users have since visited our E-lyse energy management platform.
- 24% of all Flemish cities and municipalities have received our support for their energy-saving projects.

These figures are lower, or have not risen as much, in 2023 than in 2022 due to the phase-out of ESCO.

## 9.2.6 Tackling energy poverty

If customers cannot obtain an energy supply contract from their commercial supplier due to payment difficulties, they can come straight to us. As the social supplier, we offer a broad monitoring and support service and try to ensure that these customers become and remain debt-free. The idea is that they will ultimately be able to switch back to a commercial supplier.

But we are going further, and taking action to reduce energy poverty. Thanks to our expertise, and with a large group of partners, we can make a contribution in this area. We are also targeting energy efficiency for more vulnerable target groups, by promoting energy-conscious reflexes and encouraging energy-saving investments.

### Energy scans for disadvantaged households

In 2023, we carried out 26,554 [energy scans](#), enabling vulnerable households to receive specific tips on how to reduce their energy bills. At the same time, we also made several small-scale energy-saving interventions: LED bulbs, water-saving shower heads, draught excluders etc. If we compare this number to 2022, we see an increase. This is mainly due to the energy crisis.

In 2023, this customer group used 20,435 discount coupons worth €150, €200 or €250 to purchase an energy-efficient refrigerator, freezer, washing machine or dryer. Here we see a decrease compared to 2022, when there was a big rush.

### Fluvius Prepaid

As a social supplier, in 2023 we helped around 132,000 customers who are struggling financially and can no longer turn to their commercial supplier. We supply them with energy until they have signed a new energy contract with another supplier. We also offer them insight into their consumption, and thus prevent their debts from rising further.

With the introduction of Prepaid in early 2021, we only contacted customers to install a digital meter if they did not pay their energy bills with us either. Since 1 July 2022, we are authorised to activate Prepaid for electricity immediately as soon as the customer contacts us. With this new scheme, we are helping individuals who are already struggling financially avoid taking on more debt. As of the end of 2023, we registered nearly 100,000 active Prepaid meters.

### Tackling fraud

Detecting fraud is one of our 'public service obligations', as stipulated by the government. We have been focused on fraud detection for years, and this work continued in 2023. It is important work from a social perspective: fraud is effectively stealing money from other customers. It is also crucial for the safety of the electricity network.

We published our 2022 fraud report in 2023. The following are the most salient issues:

- In 2022, we recovered €9,121,102 in minimum support. Around €7.13 million of this amount was reclaimed from two customers. We estimate that by handling these 157 files, we have avoided future payouts of €14,670,000. We also charged a total fraud cost of €105,620.
- Based on analysis of the EPB database with our installation data, we identified a total of 277 cases in 2021 where solar panel installations were most likely to have violated EPB regulations. 30 cases were started up in 2021. A further 8 cases were handled in 2022, after VEKA had offered the

possibility for regularisation. This low number is explained by a reduced priority given to these cases to prioritise other cases with a higher risk of fraud.

- In the context of PV installations declared late, or not declared at all, we identified and handled a total of 352 cases in 2022, claiming €97,344 in overdue prosumer fees. An administrative cost of €11,700 was also billed with these claims. Fluvius differentiates between very late declarations and standard cases, where certain deadlines are exceeded only slightly by customers. The latter cases are not included in the figures and amounts.
- During 2022, we simplified the cooperation between the back office and the Energy Inspectorate in the context of checks on premiums. Inspections by the Energy Inspectorate are now no longer referred to as fraud cases as standard, and detecting and rectifying fraud is part of the standard process. Several screenings were made on the dates of the premiums, but there was no proven no energy fraud.
- In 2022, 283 cases of meter fraud were concluded, for a total estimated amount of €7.25 million. €1.31 million was actually recovered. This amount includes judicial cases involving cannabis plantations and meter fraud. In the context of the current economic situation, we have seen a fall in the recovery rate granted compared to the amount received.

### 9.3 Focus on connecting

Our role as a network operator means Fluvius has close contact with society in Flanders. We make efforts to treat those around us with care and in a socially responsible way. In this regard, we consider the environment and the many sectors, companies and organisations that are involved in our activities, from contractors through to the education sector.

Corporate social responsibility (CSR) is woven into our policy. It means that we can make an ecological and social contribution to society in general and to various interest groups in particular.

- Ecological project
- Fluvius' good causes
- Education and training

#### 9.3.1 Ecological project

Our environmentally focused activities are mainly in sustainable mobility and various [Green Deals](#). These are voluntary agreements between (private-sector) partners and the Flemish government to achieve specific environmental objectives together. In the area of sustainable mobility, we are focusing intensively on electric driving, according to the principle of Electric First.

##### Electric First: the choice for sustainable mobility

We have been pursuing an [Electric First policy](#) for our company vehicles for some years now. We are replacing existing petrol and diesel vehicles with the most environmentally friendly alternative available at the time. If a fully electric model meets the needs in terms of range or load capacity, then it's our first choice.

In recent years, we have replaced several hundred petrol and diesel-powered company vehicles – including leased vehicles – with fully electric, plug-in hybrid or compressed natural gas (CNG) models. Over the coming years, we will be renewing around 800 company vehicles in total in this way. The decision to go 'as green as possible' and 'electric as much as possible' means that we will eventually save more than 1 million litres of fossil fuels a year.

For our company cars, we have made the switch to fully electric cars. Since 1 July 2023, only electric company cars can be ordered. In addition, we now offer our executives the possibility to participate in the mobility budget.

We have also taken the first steps for our service vehicles. Our goal is to emit 25% less CO<sub>2</sub> from our vans and trucks by 2030 and to offer an electric alternative whenever possible. In this regard, we take into account the function and tasks of our directors and the market supply. We are working towards a roadmap 2030, and electrifying a portion of our service vehicles.

*Figure in the spotlight: 1,000,000, this is how so many litres of fossil fuel we want to save by opting for sustainable mobility.*

From the renewed model of waste & circular materials management, a selection of projects have been started to selectively collect (waste) material streams for further disassembly, and more reuse as a material or raw material. In collaboration with contractors and social integration companies, this was continued in 2023, based on the success of 2022.

### Processing public lighting (OV) fixtures via a social integration company

Circular materials can be reused multiple times and eventually broken down in an environmentally friendly way. One example is obsolete public lighting fixtures. Via our contract, we were authorised to gradually process the waste stream of obsolete lighting fixtures ourselves, applying the principle of circular economy.

Back in 2021, the local social integration company W-Technics in Zele conducted several pilot tests dismantling these lighting fixtures. Thanks to improved sorting at the source, the company ensures a purer recycling and waste stream. Both in financial and socio-ecological terms, this pilot project was evaluated as positive, and is now continuing.

In 2023, 168 tons of fixtures were dismantled using this process.

### Dismantling of composite materials

For other composite materials, such as low-voltage cabinets and meter and battery assemblies, this process is also being started up across the board.

### Circular processing of safety shoes and boots

The circular processing of safety shoes and boots is organised via our partner Circular Footwear Alliance.

In 2023, 1,800 shoes were collected for further processing.

### Sustainability Competence Centre

Our organisation has signed a Corporate Social Responsibility (CSR) charter. This means that we are guided, among other things, by the principles of socially responsible procurement (SRP) when purchasing work materials, goods, services and ICT. Examples of these principles include sustainability and social justice. We screen and assess (prospective) suppliers in terms of ecological and social considerations. When selecting and awarding companies in procurement contracts, we take these criteria into account whenever possible.

To put this procurement policy into practice, we set up a **Sustainability Competence Centre (CCD)**. This is where we collect and share as much expertise as possible in the area of sustainability and how to integrate it into a procurement contract. For example, we drafted a **practical guide** that provides useful tips and tricks

for each phase of the procurement procedure to be even more sustainably. The CCD also advises colleagues on specific procurement issues and organises brainstorming sessions on the subject.

The CCD takes five focus areas into account:

- Positive ecological footprint
- Local growth
- Respect for working conditions
- Social economy
- Circular purchasing

In 2022, the CCD welcomed Fluvius' CSR coordinator as a new member. In addition to additional knowledge sharing, there is now a stronger link with the Fluvius CSR Board. Based on this broader cooperation, the CCD has also collaborated on projects related to, for example, EU Taxonomy and the European Investment Bank.

In the coming years, we will focus even more on these themes as well as on [the UN Sustainable Development Goals \(SDGs\)](#), namely sustainable procurement and our own CO<sub>2</sub> footprint.

In 2023, we embedded our CSR commitment even more 'upstream' in the Fluvius procurement policy. For example, the CCD actively participates in the Procurement Planning Forum, identifying procurement dossiers that may have a substantial impact on our CSR ambitions. In those pilot dossiers, for example, we can impose CSR selection and award criteria in the sourcing process, or incorporate Ecovadis scores in the implementation phase.

### Double materiality assessment CSRD

The new European Corporate Sustainability Reporting Directive (CSRD) requires organisations to conduct a double materiality assessment as an important first step.

Through this approach, sustainability is looked at from two perspectives: the 'impact' materiality, or how does a company impact the environment and society; and the 'financial' materiality, which looks at what financial impact sustainability topics have on a company.

Fluvius will prepare its annual report in accordance with the new CSRD guidelines starting in financial year 2024. You can already find out about the results of our [2023 double materiality assessment](#) as we continue our commitment to a sustainable future.

### 9.3.2 Fluvius' good causes

Back in the day, Fluvius selected two good causes with whom it could set up long-term structural cooperation. We will continue this positive cooperation in 2023. Actions were once again organised for Food Banks and 'Kom op tegen Kanker' (Action against Cancer). The commitment of our employees and the synergies this creates internally and with the good causes play a key role.

#### Food Banks: Fluvius goes heart

In 2023, we organised our internal year-end campaign under the name 'Fluvius gaat hart' (Fluvius goes heart). This time the idea was to donate meals to the people using the Food Banks. As such, the physical and online collection of food and produce by colleagues was met with great approval. Furthermore, Fluvius staff testified to their big hearts with generous donations. We could also

count on an impressive donation from the furniture auction. These initiatives generated a total of 16,587 meals for the Food Banks.

### 'Kom op tegen Kanker' (Action against Cancer)

During the Ascension Day weekend, the tenth '1000 km for Action against Cancer' took place. Thanks to the Fluvius colleagues who cycled their hearts out, our contribution came to €77,000. The 20 Fluvius runners added another €12,500 in March. In total, all Fluvius employees together donated €89,500 to Action against Cancer.

**"We are delighted that Fluvius could donate 16,587 meals to the Food Banks, plus a total of €89,500 to Action against Cancer."**

Guy De Munck, Manager of Fluvius' Good Causes

### 9.3.3 Education and training

Because we believe training and development are very important, we cooperate closely with the education sector. As well as internships, we also offer dual learning for students from specific disciplines. At the annual 'Spitsdagen' (Top Days), the various education-sector players get to know our organisation and each other better. Additionally, we make our internal training offering available to partners and contractors.

#### Dual learning

We organise a combination of education and work experience in the form of a dual learning course. We have had students from the 'Logistics' course with us since the 2018-2019 academic year. For the 2021-2022 academic year, we started a new 'Utilities Installer' course, with 21 students. We also offer this course for the 2022-2023 academic year, with 9 students from Fluvius itself and 3 students from one of our contractors.

For the 2023-2024 academic year, we started with 9 students, 5 of whom found a workplace at Fluvius and 4 were accommodated by our contractors. For information: 3 students have unfortunately since stopped with the training (1 from Fluvius and 2 from the contractor).

At our Fluvius Academy, we prepare all our technicians to build, repair and maintain distribution networks and connect customers to these networks. The students on this dual course attend the Fluvius Academy to learn the ins and outs of the trade, step by step. They then use the knowledge they have acquired in practice, with supervision from experienced technicians.

#### Traineeships

In the 2022-2023 academic year, 25 students from the technical education route (TSO) took part in traineeships along with 2 students from technical undergraduate programmes. For engineering undergraduates, we therefore saw a decline in 2022, even though this was a very interesting recruitment channel. Indeed, 2 out of 3 undergraduate trainees have been hired over the past 5 years.

So for the 2023-2024 school year, we set out to increase the number of internships in technical graduate and undergraduate programs, and we succeeded! There are 10 technical graduate and undergraduate traineeships running this year, the highest number in 5 years. The number of TSO traineeships remained roughly stable, with 22 trainees in 2023-2024.

## 10 GRI table

Code'21	Description	2021	2022	2023	Remarks / References
2-1	Organizational details	Fluvius System Operator Brusselsesteenweg 199, B-9090 Melle (Belgium) Commonly known as Fluvius, or abbreviated to Fluvius SO. Cooperative society - 100% of the share capital in each of 11 intermunicipal mission entrusted associations is held by the Flemish cities and municipalities. Fluvius is active in all Flemish cities and municipalities.			
2-2	Entities included in the organization's sustainability reporting	Fluvius System Operator is the consolidating entity. Are being consolidated: De Stroomlijn, Atrias, Synductis. The consolidated entities are not included in the CSR reporting.		Starting July 1st, 2023, Wyre Holding is included in the consolidation scope (applying equity method, participation of 33,2%).	see the Report by the Board of Directors for more details
2-3	Reporting period and frequency	01.01.2021-31.12.2021 per calendar year	01.01.2022-31.12.2022 per calendar year	01.01.2023-31.12.2023 per calendar year	
	Publication date	31.3.2022	31.3.2023	31.3.2024	
	Contact for questions	e-mail: investors@fluvius.be			
2-4	Restatements of information	none			
2-5	External assurance	Assurance by the external auditor on the presence of the non-financial information, as imposed by the law of September 3rd, 2017. The auditor's findings are included in the Auditor's Report.			
2-6	Activities, value chain and other business relationships	Distribution of electricity and gas; sewerage; cable TV infrastructure; data management; district heating; public lighting  Our customers are households, SMEs, large enterprises and public authorities, exclusively within the Flemish Region.  Fluvius integrates sustainability and CSR criteria in its terms of reference as exclusion and awarding criteria. Fluvius has joined the Ecovadis platform to better and more deeply integrate sustainability criteria into its supply chain.		On July 1st, 2023, Fluvius transferred the activity 'cable TV infrastructure' to Wyre. In exchange, Fluvius received a financial participation of 33,2% in the capital of Wyre Holding (100% owner of Wyre).	also see 308-1
	Scale of activities	revenues 1,84 billion € / balance sheet total 6,50 billion € / equity 1,62 million €	revenues 2,01 billion € / balance sheet total 6,89 billion € / equity 1,62 million €	revenues 2,51 billion € / balance sheet total 8,80 billion € / equity 1,00 billion €	from IFRS
	Significant changes	none		see above about Wyre	see Report by the Board of Directors
2-7	Employees	4.780 employees (including Fluvius OV: 5.497) contract unlimited duration: 4.509 - limited duration: 246 - focus groups & apprenticeship contracts: 25 M: 3.359 - F: 1.421 full-time: 3.851 - part-time: 929	4.770 employees (including Fluvius OV: 5.422) contract unlimited duration: 4.576 - limited duration: 182 - focus groups & apprenticeship contracts: 12 M: 3.351 - F: 1.419 full-time: 3.828 - part-time: 942	5.024 employees (including Fluvius OV: 5.667) contract unlimited duration: 4.815 - limited duration: 218 - focus groups & apprenticeship contracts: 9 M: 3.467 - F: 1.575 full-time: 4.097 - part-time: 945	figures about Fluvius System Operator / Fluvius engages subcontractors for part of its activities
2-8	Workers who are not employees	Fluvius engages other companies for part of its activities, in the form of service contract with agreed service levels. These companies deploy the necessary employees, but their numbers are not required or known by Fluvius. These employees are not controlled by Fluvius.			
2-9	Governance structure and composition	All shareholders are represented in the General Assembly. The highest governing body is the Board of Directors. The Board is assisted by the Audit Committee, the HR Committee and the Strategic committee. Day-to-day management of the company is entrusted to the Management Committee. On specific CSR topics, the Management Committee is assisted by the internal CSR Board.			also see the Report by the Board of Directors for detailed information
2-10	Nomination and selection of the highest governance body	The General Assembly appoints the members of the Board of Directors on nomination by the shareholders. A compulsory rule of 2/3-1/3 is applied on gender diversity of the directors.			
2-11	Chair of the highest governance body	The Chair of the Board of Directors and the CEO are separate functions			

2-12	Role of the highest governance body in overseeing the management of impacts	<p>The Board of Directors establishes the mission, vision, strategy and the performance indicators. Management is to implement these.</p> <p>See the materiality and urgency analysis based on a stakeholder dialogue (end 2018, partly repeated in 2020)</p> <p>Risk management is part of the integral risk management monitored by the Board of Directors and the Audit Committee. Fluvius has its own independent Internal Audit department, which reports its findings and recommendations directly to the CEO and the Audit Committee/Board of Directors.</p>	In 2023 a double materiality analysis (DMA) was performed, in collaboration with relevant stakeholders and compliant with requirements from the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS). This DMA was approved by the CSR-board on Aug. 30th. It was presented to the Management Committee and the Board of Directors on Nov. 21st and 22nd respectively.	<a href="#">Executive summary: double materiality analysis 2023</a>
2-13	Delegation of responsibility for managing impacts	<p>Sustainability policy is part of the general operational duty of the management; the CSR Board coordinates and advises the CSR and sustainability policies.</p> <p>A dedicated CSR coordinator has been appointed.</p> <p>The general responsibility is with the Management Committee. The CSR Board is chaired by the Secretary-General (member of the Management Committee).</p>	<p>Sustainability policy is part of the general operational duty of the management; the CSR Board coordinates and advises the CSR and sustainability policies.</p> <p>A dedicated CSR coordinator has been appointed.</p> <p>The general responsibility is with the Management Committee. The CSR Board is chaired by the head of Corporate Finance, reporting to the CFO.</p>	also consult the CSR Charter and the Report by the Board of Directors
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors - on proposal of the Management Committee - approves the annual Activity Report/CSR Report.		
2-15	Conflicts of interest	The Corporate Governance Charter includes relevant stipulations. The energy regulator, as an external party, is closely monitoring on a permanent basis.		
2-16	Communication of critical concerns	The Management Committee reports to the Audit Committee and the Board of Directors. No critical concerns were signalled to the Board of Directors during the reporting period.		
2-17	Collective knowledge of the highest governance body	After the complete renewal of the Board of Directors, following the municipal elections every 6 years, the directors receive an extensive training.		
2-18	Evaluation of the performance of the highest governance body	No formal evaluation takes place		
2-19	Remuneration policies	See Remuneration Report in the Report by the Board of Directors. Variable remuneration for Management Committee members is based on a number of LT KPIs.		
2-20	Process to determine remuneration	The general remuneration policy is based on sectoral collective bargaining agreements, with annual detailed reporting to the HR Committee. Collective Bargaining Agreement 90 for executive staff and employees allows for a bonus on condition that some predefined targets are met. No other stakeholders are involved in remuneration policies.		
2-21	Annual total compensation ratio	Data not available		
2-22	Statement on sustainable development strategy	see Preface by the Chairman of the Board		
2-23	Policy commitments	<p>Fluvius has implemented an integral risk management policy</p> <p>Mission, vision, strategy and values are laid down in documents. Norms of behaviour are included in the Corporate Governance Charter and the Ethical Charter, both updated in June 2021</p>	Additionally the Code of Conduct for suppliers was published in December 2023.	see company website <a href="https://over.fluvius.be/en/investor-relations/company-profile/charters">https://over.fluvius.be/en/investor-relations/company-profile/charters</a>



2-24	Embedding policy commitments	Policy commitments (strategic commitments) are assigned to a responsible person (member of MC or senior manager) for implementation by project or regular organisation, and monitored by three strategic steering committees for respective domains Net&System, Customer&Marketplace and Corporate&Employee.			
2-25	Processes to remediate negative impacts	Complaints can be registered at the Fluvius customer contact center or the Flemish ombudsperson service for energy. Complaints are treated to satisfaction in 1st line, or escalated to an independent 2nd line.			
2-26	Mechanisms for seeking advice and raising concerns	The Ethical Charter is used as a guide for ethical behaviour. Unethical behaviour can be signalled. Art. 25 of the Labour regulation guarantees an independent and objective treatment of reported infringements. A whistleblower procedure and deontological team for handling reports was established as part of the implementation of the new Ethical Charter during 2021.			
2-27	Compliance with laws and regulations	10 environment-related incidents reported.	12 environment-related incidents reported.	12 environment-related incidents reported.	Count for 2023 effectively equal to 2022.
2-28	Membership associations	Fluvius is a member of a.o. (1) the federal sector organisation Synergrid, (2) E.DSO, the European association of distribution grid operators, (3) The Shift, Belgian network for the transition towards a sustainable society and economy			
2-29	Approach to stakeholder engagement	Identification and selection of stakeholders took place prior to the materiality analysis. The stakeholder inquiry (end 2018) was an online questionnaire.	In 2023 a DMA was performed, in collaboration with relevant stakeholders and compliant with requirements from the CSRD/ESRS. This DMA was approved by the CSR-board on Aug. 30th. It was presented to the Management Committee and the Board of Directors on Nov. 21st and 22nd respectively.		<a href="#">Executive summary: double materiality analysis 2023</a>
2-30	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.			
3-1	Process to determine material topics	The selection and definition of topics are primarily determined by the corporate strategy laid out and the elements indicated by the materiality analysis.	Material topics were defined through the DMA, as required by CSRD/ESRS. The procedure is documented in the final report of the DMA (only available in Dutch).		<a href="#">Eindrapport: dubbele materialiteitsanalyse 2023</a>
3-2	List of material topics	Identification and selection of material topics was the object of the materiality analysis.	The DMA concluded all ESRS-topics material, except for E4 Biodiversity and ecosystems. Additionally two entity-specific topics proved material: - ES1 Grid reliability - ES2 Smart infrastructure and data		<a href="#">Executive summary: double materiality analysis 2023</a>
3-3	Management of material topics	A materiality analysis was performed in 2018 by Sustainalize. A double materiality analysis is planned in 2023, in order to comply with the Corporate Sustainability Reporting Directive.	The DMA will be reviewed periodically, as required by CSRD.		
201-1	Direct economic value generated and distributed	Turnover: 1,84 billion € / materials & services: 1,20 billion € / wages: 596 million € / financial costs: 125 million €	Turnover: 2,01 billion € / materials & services: 1,34 billion € / wages: 646 million € / financial costs: 124 million €	Turnover: 2,51 billion € / materials & services: 1,73 billion € / wages: 657 million € / financial costs: 191 million €	from IFRS; more details are to be found in the financial statements
201-2	Financial implications and other risks and opportunities due to climate change	Fluvius has decided in principle to fully align the investment policy of the Fluvius Economic Group with the Flemish Energy & Climate Plan			
201-3	Defined benefit plan obligations and other retirement plans				see financial reporting
201-4	Financial assistance received from government	no assistance of financially material scope			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	data not available			

202-2	Proportion of senior management hired from the local community	100% (local community = Flemish Region)			
203-1	Infrastructure investments and services supported	The company invests on behalf of its shareholders in maintenance, development, safety and reliability of the grid infrastructure for several utility services.			For more financial details on investments, see financial reporting and Report by the Board of Directors
	Infrastructure investments and services supported	Gross investments 2021 in infrastructure and related items: 1.109,9 million €.	Gross investments 2022 in infrastructure and related items: 1.198,2 million €.	Gross investments 2022 in infrastructure and related items: 1.411,6 million €.	
203-2	Significant indirect economic impacts	Fluvius's value propositions describe how and in which areas the company wants to bring about a positive impact on Flemish society. The Flemish local authorities are being supported by Fluvius in their efforts towards energy savings, energy efficiency and realizing their climate objectives.			
204-1	Proportion of spending on local suppliers	no data available			local market = Belgium
205-1	Operations assessed for risks related to corruption	100%, through the terms of reference in procurement procedures			
205-2	Communication and training about anti-corruption policies and procedures	The Ethical Charter was introduced to all employees. The Purchasing Dept. offers specific training for its employees.	Explanations to the Ethical Charter, with dialogue starters supporting discussions in teams, were distributed among employees.		see company website <a href="https://over.fluvius.be/en/investor-relations/company-profile/charters">https://over.fluvius.be/en/investor-relations/company-profile/charters</a>
205-3	Confirmed incidents of corruption and actions taken	no known cases	no known cases	no known cases	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	none	none	none	
301-1	Materials used by weight or volume	not applicable			
301-2	Recycled materials used	not applicable			
301-3	Reclaimed products and their packaging materials	not applicable			
302-1	Energy consumption within the organisation	4.765 TJ	4.457 TJ	No data available yet	A first consolidation of information following the merger Eandis-Infrac resulted in 4.678 TJ as result for 2020.
302-2	Energy consumption outside of the organisation	data not available			
302-3	Energy intensity	data not available			
302-4	Reduction of energy consumption	due to the merger into Fluvius and as a consequence of different methods of measuring at the former companies, no reliable data are available at this moment			
302-5	Reductions in energy requirements of products and services	not applicable			
303-1	Interactions with water as a shared resource	not applicable			
303-2	Management of water discharge-related impacts	not applicable			
304-1	Operational sites owned, leases, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	not applicable		Fluvius has no operational sites in or adjacent to these areas.	

304-2	Significant impacts of activities, products, and services on biodiversity	Public lighting may have an impact on nocturnal fauna. Fluvius investigates new technology to reduce this impact to a minimum level. The general roll-out of led in public lighting creates more opportunities for dimming and active switching-off, which positively impacts the surroundings.		The DMA concluded Fluvius impact on biodiversity as not material. Any construction of infrastructure in or near protected areas or areas of high biodiversity value is preceded by a relevant analysis. When necessary, additional measures are implemented.	
304-3	Habitats protected or restored	not applicable			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	not applicable			
305-1	Direct (scope 1) GHG emissions	237.665 tons CO <sub>2</sub> eq	234.646 tons CO <sub>2</sub> eq	No data available yet	Reference year 2020 was recalculated using the same method as for 2021 and 2022, resulting in 235.576 ton CO <sub>2</sub> -eq. In previous years Fluvius reported 237.403 tons for 2020. These emissions consist mainly of natural gas, and to a lesser extent SF <sub>6</sub> and CO <sub>2</sub> .
305-2	Energy indirect (scope 2) GHG emissions	167.495 tons CO <sub>2</sub> eq, with emissionfactor 136 g CO <sub>2</sub> /kWh electricity	168.481 tons CO <sub>2</sub> eq, with emissionfactor 146 g CO <sub>2</sub> /kWh electricity	No data available yet	Reference year 2020 was recalculated using the same method as for 2021 and 2022, with emissionfactor 162 g CO <sub>2</sub> /kWh electricity, resulting in 197.993 ton CO <sub>2</sub> -eq. In previous years Fluvius reported 155.314 tons for 2020. The electrical mix for Belgium, as reported by the International Energy Agency (IEA), is our source for the yearly emission factors.
305-3	Other indirect (scope 3) GHG emissions	No data available.			
305-4	GHG emissions intensity	No data available			
305-5	Reduction of GHG emissions	No data available			
305-6	Emissions of ozone-depleting substances (ODS)	not applicable			
305-7	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions	not applicable			
306-1	Waste generation and significant waste-related impacts	Fluvius maximises the use of separate waste streams and recycling.			
306-2	Management of significant waste-related impacts	Fluvius actively raises awareness for correct waste management with employees and subcontractors, by regularly inspecting waste streams and reporting on them. Excavated soil is analysed, cleaned if necessary and then reused by certified companies, known by their Dutch abbreviation TOP, which translates to "interim repository of excavated soil". PCB-contaminated transformers are incinerated in a controlled manner with recovery of chlorine. Residue after incineration is recycled. No data are available on volume or weight of these separate fractions.			
306-3	Waste generated	Total of 306-4 and 306-5			
306-4	Waste diverted from disposal	Soil: 551.000 ton Transformers and related equipment, non-PCB-contaminated: 1.978 ton Other fractions: 2.985 ton + 2.076 m <sup>3</sup>	Soil: 463.000 ton Transformers and related equipment, non-PCB-contaminated: 552 ton Other fractions: 2.414 ton + 2.911 m <sup>3</sup>	Soil: 593.000 ton Transformers and related equipment, non-PCB-contaminated: 501 ton Other fractions: 3.067 ton + 1.351 m <sup>3</sup>	In 2022 and 2023, more transformers have been converted and reused, rather than scrapped.
306-5	Waste directed to disposal	Transformers, PCB-contaminated: 58 ton Other fractions: 1.169 ton + 785 m <sup>3</sup>	Transformers, PCB-contaminated: 45 ton Other fractions: 983 ton + 1.033 m <sup>3</sup>	Transformers, PCB-contaminated: 59 ton Other fractions: 851 ton + 109 m <sup>3</sup>	

308-1	New suppliers that were screened using environmental criteria	compulsory exclusion grounds: fraud, child labour, illegal labour / facultative exclusion grounds: infringements on environmental, labour and social laws / similar clauses in terms of reference / collaboration with social inspection authorities / major suppliers of products (80 suppliers and 136 production sites): check of CSR policies and frequent onsite audits (2021: approx 28 site visits, a lower amount due to covid-related restrictions). Digital supplier screenings have taken place as well.	compulsory exclusion grounds: fraud, child labour, illegal labour / facultative exclusion grounds: infringements on environmental, labour and social laws / similar clauses in terms of reference / collaboration with social inspection authorities / major suppliers of products (80 suppliers and 136 production sites): check of CSR policies and frequent onsite audits (2022: approx 55 site visits). Digital supplier screenings have taken place as well.	compulsory exclusion grounds: fraud, child labour, illegal labour / facultative exclusion grounds: infringements on environmental, labour and social laws / similar clauses in terms of reference / collaboration with social inspection authorities / major suppliers of products (80 suppliers and 136 production sites): check of CSR policies and frequent onsite audits (2022: approx 70 site visits). Digital supplier screenings have taken place as well.	
308-2	Negative environmental impacts in the supply chain and actions taken	Since 2019, Fluvius is affiliated with the Ecovadis platform for the screening of suppliers.			
		45 key suppliers and contractors have been surveyed in Ecovadis campaign 2021, of which 38 with positive results. The campaign consisted of evaluation of new suppliers and re-evaluation of the existing portfolio (from campaign 2020).	20 suppliers and contractors have been surveyed in Ecovadis campaign 2022, of which 13 with positive results. The campaign consisted of evaluation of additional suppliers and re-evaluation of the existing portfolio.	52 suppliers obtained an Ecovadis scorecard, or had their score reevaluated. 66% of reevaluations in our existing portfolio proved improvements.	
401-1	New employee hires and employee turnover	279 hires (275 full-time) / 252 exits (206 full-time, 46 part-time)	275 hires (270 full-time) / 273 exits (230 full-time, 43 part-time)	535 hires (522 full-time) / 27 exits (222 full-time, 48 part-time)	also see Social Balance Sheet in financial reporting
401-2	Benefits provided to full-time employees that are not provided temporary or part-time employees	All pay-outs and benefits for full-time employees are also available, on a pro rata basis, for part-time employees			
401-3	Parental leave	3.640 days of parental leave (= 0,30% of total number of labour days)	3.069 days of parental leave (= 0,25% of total number of labour days)	2.827 days of parental leave (= 0,22% of total number of labour days)	all employees in parenting leave remain employed, so a 100% retention rate
402-1	Minimum notice periods regarding operational changes	fully conforming to Belgian labour legislation - when jobs disappear as a result of operational changes, all employees are redeployed to other jobs in Fluvius.			
403-1	Occupational health and safety management system	Occupational health and safety management is implemented as required by Belgian labour legislation and Collective Bargaining Agreements for the sector of gas and electricity companies in Belgium. All workers, activities and workplaces are covered.			
403-2	Hazard identification, risk assessment, and incident investigation	<p>The dynamic welfare care system forms the basis for managing welfare risks within the company. This care system seeks continuous improvement so that all employees take care of the health and safety of themselves, internal and external colleagues, customers and other people involved.</p> <p>An internal guideline describes the approach for hazard identification, risk analysis and risk management, enabling the organisation to identify, evaluate and manage its welfare risks on an ongoing basis.</p> <p>All accidents and incidents are reported and investigated. The investigation always takes place in cooperation between the internal prevention department and the organisation's line management, with an advisory role by the Committee for Prevention and Protection at Work. Accidents and incidents involving contractors are also reported and investigated, in consultation between the Fluvius prevention services and the contractor.</p>			

403-3	Occupational health services	<p>Fluvius has an Internal service for Prevention and Protection at the Workplace (IPPW). Besides fulfilling its legal missions, the IPPW supports management and employees in the elaboration, programming, implementation and evaluation of the welfare policy and the application of regulatory provisions. The IPPW's identification document describes in detail the structure and operation of the prevention service.</p> <p>For assignments that the IPPW cannot perform itself, it calls on an approved External service for Prevention and Protection at the Workplace (EPPW). These assignments include:</p> <ul style="list-style-type: none"> <li>* specific advice, risk analysis and support on health, hygiene, ergonomics, toxicology and psychosocial aspects.</li> <li>* Provide health monitoring of Fluvius employees.</li> </ul> <p>In the framework of psychosocial aspects, internal follow-up is provided by, among others, social assistants and confidential counsellors; these are assisted by an external prevention advisor on psychosocial aspects.</p>			
403-4	Worker participation, consultation, and communication on occupational health and safety	100% of employees is represented through elected Committees for Prevention & Protection at the Workplace, conforming to Belgian labour legislation. Most recent social elections took place on November 19th, 2020.			
403-5	Worker training on occupational health and safety	Discussion of safety performance and issues is part of monthly meetings in all teams.			
403-6	Promotion of worker health				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
403-8	Workers covered by an occupational health and safety management system	All employees are covered. Contractors present at Fluvius workplaces and construction sites are covered by Belgian labour legislation and contractual agreements.			
403-9	Work-related injuries	Occupational accidents: frequency: 4,79 / severity: 0,13 / number of lost labour days: 1.052 / number of occupational accidents with labour days lost: 39 / no work-related fatalities  Illness: 64.522 days of illness	Occupational accidents: frequency: 6,33 / severity: 0,16 / number of lost labour days: 1.297 / number of occupational accidents with labour days lost: 50 / no work-related fatalities  Illness: 71.162 days of illness	Occupational accidents: frequency: 4,09 / severity: 0,07 / number of lost labour days: 600 / number of occupational accidents with labour days lost: 33 / no work-related fatalities  Illness: 73.475 days of illness	
403-10	Work-related ill health	Fluvius registers employees with risk of possible exposure to lead or asbestos, but the company is of the opinion that this does not involve a high risk of occupational disease. Fluvius implements an active policy of maximum risk reduction.			
404-1	Average hours of training per year per employee	25,64 hours/employee	25,96 hours/employee	25,94 hours/employee	also see Social Balance Sheet in financial reporting
404-2	Programmes for upgrading employee skills and transition assistance programmes	are part of the entire scale of training programmes on offer			
404-3	Percentage of employees receiving regular performance and career development reviews	All employees (management, executives, others) are involved in performance evaluation. There is a wide offer of career development available for all our employees			
405-1	Diversity of governance bodies and employees	as to diversity, we ensure that diversity in society is also being reflected in the company itself. For the composition of the Board of Directors, Fluvius complies with the legal rule of 'at least 1/3 of directors is of a different sex than the majority of directors'.			
405-2	Ratio of basic salary and remuneration of women to men	(Results available only after publication of the annual report on 2022) Wages at every level are completely independent of the employee's gender. the bi-annual Wage Gap Report (2021-2022) has shown that (1) gender neutrality is guaranteed (2) that salary is only determined by the nature of the executed job ('method of qualification') and (3) no action plan is needed. The Wage Gap Report was extensively discussed by the Works Council on 28/3/2023 and 25/4/2023.			

406-1	Incidents of discrimination and corrective actions taken	none	none	none	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	no operations with such risk			
408-1	Operations and suppliers at significant risk for incidents of child labour	no operations with such risk			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	no operations with such risk			
410-1	Security personnel trained in human rights policies or procedures	not applicable			
411-1	Incidents of violations involving rights of indigenous peoples	not applicable			
412-1	Operations that have been screened to human rights reviews or impact assessments	not applicable			
412-2	Employee training on human rights policies or procedures	not applicable			
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	In administrative terms of reference, conditions are included in line with the norms of the International Labour Organisation (ILO). Potential suppliers underwrite a Code of Conduct, which also involves their own (sub)contractors, suppliers and holders of licences.	In administrative terms of reference, conditions are included in line with the norms of the International Labour Organisation (ILO). Potential suppliers underwrite a Code of Conduct, which also involves their own (sub)contractors, suppliers and holders of licences. At the end of 2023 an updated code of conduct was published on our website, with explicit reference to relevant international conventions.	<a href="#">Supplier Code of Conduct</a>	
413-1	Operations with local community engagement, impact assessment, and development programmes	Fluvius is an active partner for the Flemish local authorities (all cities and municipalities).			
413-2	Operations with significant actual and potential impact on local communities	not applicable	The DMA (final report only available in Dutch) identified 1 real and 1 potential negative impact, but neither is material. 5 positive impacts were identified as well, 3 of which are material.	<a href="#">Eindrapport: dubbele materialiteitsanalyse 2023</a>	
414-1	New suppliers that were screened using social criteria	Fluvius integrates social criteria in its terms of reference to a maximum degree and within the boundaries set by the public procurement legislation.			
414-2	Negative social impacts in the supply chain and actions taken	See 308-2 for actions in the supply chain. Fluvius has no operations with risks as described under 407-1, 408-1 and 409-1.			
415-1	Political contributions	none			
416-1	Assessment of the health and safety impacts of product and service categories	Fluvius is well aware of the potential hazards of electricity and gas. Therefore, the company strives to create a fully-fledged safety culture internally. Externally, all necessary safety precautions are implemented.			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	none	none	none	

417-1	Requirements for product and service information and labeling	not applicable			
417-2	Incidents of non-compliance concerning product and service information and labeling	not applicable			
417-3	Incidents of non-compliance concerning marketing communications	no incidents reported	no incidents reported	no incidents reported	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	none	2 (last year erroneously reported as "none")	1	



# **FLUVIUS SYSTEM OPERATOR Group**

## **Consolidated Financial Statements IFRS**

**Year end 31 December 2023**

**Translation - Dutch Version is binding**





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# Financial Statements

## Consolidated statement of profit or loss

(In thousands of EUR)	Notes	2023	2022
<b>Operating revenue</b>	<b>3</b>	<b>2.505.752</b>	<b>2.011.644</b>
Revenue from contracts with customers		2.373.350	1.943.672
Other operating income		132.381	67.972
Own construction, capitalized		21	0
<b>Operating expenses</b>		<b>-2.407.287</b>	<b>-1.999.662</b>
Cost of trade goods	4	-324.198	-253.907
Cost for services and other consumables	5	-1.410.200	-1.083.894
Employee benefit expenses	6	-656.913	-645.989
Depreciation, amortization, impairments and changes in provisions	7	-12.595	-14.032
Other operational expenses		-3.381	-1.840
<b>Result from operations</b>		<b>98.465</b>	<b>11.982</b>
Finance income	8	160.121	119.430
Finance costs	8	-191.345	-124.182
Share of profit (loss) of associates and joint ventures	13	10.178	0
<b>Profit before tax</b>		<b>77.419</b>	<b>7.230</b>
Income tax expenses	9	-8.916	-7.230
<b>Profit for the period</b>		<b>68.503</b>	<b>0</b>



## Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2023	2022
<b>Profit for the period</b>		<b>68.503</b>	<b>0</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods</b>			
Actuarial gains (losses) on long-term employee benefits	23	-1.713	51.815
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	23	1.713	-51.815
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>68.503</b>	<b>0</b>



## Consolidated statement of financial position

(In thousands of EUR)	Notes	2023	2022
<b>Non-current assets</b>		<b>7.860.695</b>	<b>5.324.371</b>
Intangible assets	10	97	429
Property, plant and equipment	11	1.529	1.928
Right-of-use assets	12	34.739	24.774
Investment in joint ventures and associates	13	960.110	17
Other investments	14, 25	889	863
Rights to reimbursement on post-employment employee benefits	15	153.342	154.869
Derivative financial instruments	16, 25	0	704
Long-term receivables, other	17, 25	6.709.989	5.140.787
<b>Current assets</b>		<b>943.691</b>	<b>1.565.396</b>
Inventories	18	190.475	163.720
Short-term receivables, other	17, 25	18.107	700.000
Trade and other receivables	18, 25	416.744	333.702
Receivables cash pool activities	19, 25	256.740	277.027
Current tax assets	9, 25	20	0
Cash and cash equivalents	20, 25	61.605	79.144
Assets held for sale	18	0	11.803
<b>TOTAL ASSETS</b>		<b>8.804.386</b>	<b>6.889.767</b>
<b>EQUITY</b>	<b>21</b>	<b>1.002.482</b>	<b>1.617</b>
<b>Total equity attributable to owners of the parent</b>		<b>1.002.382</b>	<b>1.517</b>
Contributions excluding capital, reserves and retained earnings		1.002.382	1.517
<b>Non-controlling interest</b>		<b>100</b>	<b>100</b>
<b>LIABILITIES</b>		<b>7.801.904</b>	<b>6.888.150</b>
<b>Non-current liabilities</b>		<b>6.744.442</b>	<b>5.277.248</b>
Interest bearing loans and borrowings	22, 25	6.564.501	5.105.241
Lease liabilities	12, 25	26.498	17.138
Employee benefit liabilities	23	153.342	154.869
Derivative financial instruments	16, 25	101	0
<b>Current liabilities</b>		<b>1.057.462</b>	<b>1.610.902</b>
Interest bearing loans and borrowings	22, 25	528.500	1.053.036
Lease liabilities	12, 25	9.164	8.601
Trade payables and other current liabilities	24, 25	429.532	399.994
Liabilities cash pool activities	19, 25	86.647	146.235
Current tax liabilities	9, 25	3.619	3.036
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8.804.386</b>	<b>6.889.767</b>



## Consolidated statement of changes in equity

(In thousands of EUR)	Contributions excluding capital	Reserves	Retained earnings	Equity attributable to owners of the parent	Non- controlling interest	Total
<b>Balance at 1 January 2022</b>	<b>1.284</b>	<b>213</b>	<b>20</b>	<b>1.517</b>	<b>100</b>	<b>1.617</b>
Result for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 31 December 2022</b>	<b>1.284</b>	<b>213</b>	<b>20</b>	<b>1.517</b>	<b>100</b>	<b>1.617</b>
<b>Balance at 1 January 2023</b>	<b>1.284</b>	<b>213</b>	<b>20</b>	<b>1.517</b>	<b>100</b>	<b>1.617</b>
Result for the period	0	0	68.503	<b>68.503</b>	0	<b>68.503</b>
Other comprehensive income	0	0	0	0	0	0
Issue of Equity	496.483	526.625	0	<b>1.023.108</b>	0	<b>1.023.108</b>
Addition (decrease) reserves	127	-22.370	22.243	0	0	0
Dividends	0	0	-90.746	<b>-90.746</b>	0	<b>-90.746</b>
<b>Changes in Equity</b>	<b>496.610</b>	<b>504.255</b>	<b>0</b>	<b>1.000.865</b>	<b>0</b>	<b>1.000.865</b>
<b>Balance at 31 December 2023</b>	<b>497.894</b>	<b>504.468</b>	<b>20</b>	<b>1.002.382</b>	<b>100</b>	<b>1.002.482</b>

\*Further information is disclosed in the note 'Equity'.



## Consolidated statement of cash flows

(In thousands of EUR)	Notes	2023	2022
Profit for the period		68.503	0
Amortization of intangible assets	7, 10	332	629
Depreciation on property, plant and equipment and right-of-use assets	7, 11	11.246	12.490
Change in provisions (Reversal -; Recognition +)	7	0	-1.321
Impairment current assets (Reversal -; Recognition +)	7, 25	1.017	2.234
Gains or losses on realization receivables		1.600	1.185
Net finance costs		30.420	9.588
Share of profit (loss) of associates and joint ventures	13	-10.178	0
Change in fair value of derivative financial instruments	16	804	-4.836
Gains or losses on non-current assets	3, 13	-59.573	-7
Income tax expense	9	8.916	7.230
Change in inventories	18	-28.620	-34.407
Change in trade and other receivables		-67.144	27.843
Change in trade payables and other current liabilities		5.996	56.638
Change in employee benefits		0	1.321
Interest paid		-148.572	-106.674
Interest received		133.476	101.444
Financial discount on debts		314	183
Income tax paid (received)	9	-8.379	-6.499
<b>Net cash flow from operating activities</b>		<b>-59.842</b>	<b>67.041</b>
Proceeds from sale of property, plant and equipment		9	7
Purchase of intangible assets		0	-70
Purchase of property, plant and equipment		-476	-380
Net investments in long-term receivables		-99	11
<b>Net cash flow used in investing activities</b>		<b>-566</b>	<b>-432</b>
Repayment of borrowings	22	-753.500	-503.500
Proceeds from borrowings	22	32.000	349.650
Proceeds from bonds/borrowings	22	1.427.225	695.381
Payment of finance lease liabilities	12	-11.676	-12.884
Change in current financial liabilities	22	225.000	-160.120
Change in cash pool	19	-13.434	132.496
Provide long-term loans	17	-1.472.000	-1.051.392
Repayment long-term loans	17	700.000	500.000
Dividends paid	21	-90.746	0
<b>Net cash flow from/used in financing activities</b>		<b>42.869</b>	<b>-50.369</b>
<b>Net increase/decrease in cash</b>		<b>-17.539</b>	<b>16.240</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>20</b>	<b>79.144</b>	<b>62.904</b>
<b>Cash and cash equivalents at the end of period</b>	<b>20</b>	<b>61.605</b>	<b>79.144</b>

\* In 2023, the item 'Gains and losses on non-current assets' mainly concerns the sale of 2,1% of shares in Wyre bv



# Notes to the consolidated financial statements

## 1 Corporate information

Fluvius System Operator cv, abbreviated Fluvius, a partnership ('coöperatieve vennootschap'/'société coopérative') under Belgian law, is registered in Belgium, at Brusselsesteenweg 199, 9090 Melle. It is registered under number 0477.445.084 in the central enterprise register of Ghent (section Ghent).

Fluvius System Operator Group's consolidated financial statements for the year ended 31 December 2023 contain the information of the parent company Fluvius System Operator cv and its subsidiary, investments in joint ventures and associates - De Stroomlijn cv, Wyre Holding bv (see note 'Investments in other companies'), Atrias cv and Synductis cv - and together they form the 'Group'.

Fluvius System Operator is the **independent multi-utility company** responsible for operating the distribution grids for electricity and natural gas; developing, operating, using and maintaining other pipeline-related utilities such as sewerage, water, public lighting; public electronic communication networks; heat; data traffic; the management of heat and cold storage; exercising ancillary activities including the management of (strategic) participations; management and recording of metering data and managing the access register; carrying out tasks as a social energy supplier; and providing support to its shareholders, the local authorities in Flanders.

Fluvius carries out these tasks on behalf of and for the account of its shareholders, eleven intermunicipal associations or '**Mission Entrusted Associations**' (MEAs): Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas.

The grid assets themselves remain owned by the MEAs. The MEAs, active in the distribution of electricity and gas are also the holders of the licences to distribute electricity and gas granted by the Flemish energy regulatory authority, VREG.

**Fluvius operates in all cities and municipalities in the Flemish Region (Belgium).**

The company carries out its operational activities **at cost price** without charging any commercial margin to the Mission Entrusted Associations. This means that all costs incurred are passed through to the MEAs according to fixed allocation rules. On a monthly basis, Fluvius System Operator invoices each of the MEAs for the operational services rendered. The result of the Group is without profit or loss, with the exception of the participation in Wyre Holding bv for the public electronic communications networks activities.

Fluvius System Operator's shareholders, together with this 'Group', Fluvius OV and Interkabel Vlaanderen cv (until June 2023) form the '**Economic Group Fluvius**', which also publishes its IFRS financial statements.

The Flemish energy regulator VREG has granted permission to the distribution system operators for energy Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE and Sibelgas to call on the services of the **operating company** Fluvius System Operator for electricity and gas. These authorisations shall apply until 25 September 2026 (electricity) and 14 October 2027 (gas) respectively. The term 'distribution system operator' (DSO) refers to MEAs that provide the regulated activities for the distribution of electricity and/or gas, under the supervision of VREG.



The Flemish Energy Decree stipulates that each MEA can call on only one operating company. All MEAs of the 'Economic Group Fluvius' have chosen Fluvius System Operator cv for this purpose. The latter can carry out its tasks with its own staff and can call upon statutory (permanent) staff via secondment.

On 1 April 2019, all contractual staff of the ex-Infrac MEAs and ex-Integan were taken over by Fluvius System Operator cv. In order to have the secondment take place via one company, all statutory staff of the ex-Infrac MEAs and ex-Integan were transferred to Fluvius OV.

The Group **employed** on average 5.167 persons during 2023 and called on 664 persons on average that are employed in Fluvius OV.

Fluvius has chosen to obtain **a rating** from the rating agency 'Moody's Investor Services Ltd.' (Moody's) and decided to no longer actively pursue a rating with 'Creditreform Rating AG' (Creditreform). Further information was included in the note 'Financial instruments: policy'.

For more information, visit our website [www.fluvius.be](http://www.fluvius.be)

This financial report for the financial year ended 31 December 2023 was approved on 27 March 2024 by the Board of Directors.

## 2 Summary of significant accounting policies

### 2.1 Statement of compliance and basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB) and endorsed by the European Union. The Group has not early adopted any new IFRS standard that is effective after 2023.

The consolidated financial statements are expressed in thousands of euro, which is the functional currency and presentation currency of the Group. They have been prepared with the assumption that business activities will be continued and under the historical cost convention method unless otherwise stated.

### 2.2 Principles of consolidation

The consolidated financial statements comprise all subsidiaries over which the Group has control. There is control when the Group has the power to direct the financial and operating policies of the entity so as to obtain benefits from its activities. Such a form of control is supposed to exist if the parent, directly or indirectly, holds more than half of the voting rights in the entity. The existence and impact of potential voting rights that were exercisable or convertible at that time, are being taken into consideration when judging whether the Group has the control to determine the financial and operating policies of another entity.

Subsidiaries are fully consolidated from the date on which the Group obtains control until the date on which control ends.

Investments in associates are companies in which a significant influence is exercised over the financial and operational policy, but over which there is no control. There is a rebuttable presumption of significant influence when 20% or more of the voting shares are held directly or indirectly.





Joint ventures are companies over which joint control is exercised. These investments are accounted for in the consolidation using the equity method as from the date on which that significant influence or joint control is obtained until the date on which the significant control or joint control ceases.

The financial reporting of the subsidiaries, investments in joint ventures and associates is prepared for the same reporting year as that of the parent company, using consistent accounting principles. All intercompany transactions, balances and unrealized gains and losses between group companies are eliminated.

Non-controlling interest in the net assets of the consolidated subsidiaries has been individually reported in equity of the parent company. Non-controlling interest consists of the amount of that interest at the acquisition date and the non-controlling share in the equity changes since the date of the business combination. Realised and unrealised results are allocated to group and minority interests even if this would result in negative minority interests.

An overview of the Group's subsidiaries is set out in note 'List of group entities included in the consolidation'.

### **2.3 Significant accounting policies**

The accounting policies are applied consistently compared to last year's accounting.

#### **a) Revenue recognition**

##### *Revenue from contracts with customers*

The main revenue stream of the Group results from the *passing on of costs to mission entrusted associations* in the context of its role.

The revenue generated by the passing through of these costs on to the mission entrusted associations is recognised when the costs are incurred. The costs incurred are charged on a monthly basis to the mission entrusted associations, being the shareholders.

The revenue stream from *construction works for third parties* includes various works performed for third parties for investment works and operating works.

The proceeds from construction works for third parties are valued on the basis of the remuneration which the Group expects to be entitled to as a result of the contract. The Group recognizes revenue once the performance obligations have been met, namely when the control is transferred to the customer. Revenue recognition follows the specific five-step model. Step 1 in this model is the identification of the contracts with the client; step 2 the identification of the obligations in the performance contracts; step 3 the determination the transaction price; step 4 the allocation of the transaction price to the performance obligations and revenue recognition and step 5 when the performance obligations have been fulfilled.

##### *Other operating income*

Other operating income includes various service recoveries and recovery of general expenses. For the recovery of services, revenue is recognised when the products are delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

##### *Finance income*

*Finance income* includes mainly interest realized from lending on funds from the bond issuances, European Investment Bank loans and from the cash pool activities. This interest is recognized when acquired and for the period to which it refers (taking into account the asset's effective interest rate), unless collectability is doubtful.



## b) Expenses

Expenses are recognized in the statement of profit or loss in the year in which they occur.

*The finance costs* include interests on loans, calculated using the effective interest rate method, and bank charges. All interest and other costs incurred in connection with financial transactions such as hedging options are recognized as financial expenses when they occur.

## c) Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses. The historical cost comprises the initial purchase price and any costs directly attributable to bringing the asset to the condition necessary for it to be operational in the manner intended by management.

### *Depreciation*

Depreciation is recognized on a monthly basis in the statement of profit or loss on a straight-line basis as of the month following the date of bringing into use. Depreciation is calculated over the estimated useful life of each component of an item of property, plant and equipment and depreciation is assessed for reasonableness each year.

The expected useful life and depreciation method are reviewed every financial year and adjusted prospectively if necessary.

The annual depreciation rates of property, plant and equipment based on the expected useful life are as follows:

<u>Installation, machinery and equipment</u>	
Equipment and machinery	10,00%
<u>Furniture and vehicles</u>	
Furniture	10,00%
Office equipment	20,00%
Hardware	20,00% and 33,33%
<u>Others</u>	
Leasehold improvement	11,12%

*Repair and maintenance costs* that do not increase the future economic benefits, are recognized in the statement of profit or loss as expenses incurred.

### *Impairment*

For each of the Group's property, plant and equipment it is assessed on each statement of financial position date whether there are any indications of impairment for a particular asset. If any such indications exist, the recoverable amount of the asset has to be estimated.

Impairment has been recognized if an asset's carrying amount exceeds its recoverable value. Impairment has been charged directly to the statement of profit or loss.

## d) Leasing

### *Right-of-use asset*

The annual depreciation rates of leasing are as follows:

Buildings	11,11% up to 33,33%
Installations, machinery and equipment	20,00%
Furniture and vehicles	20,00%



#### *Lease liabilities*

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases with a lease term of 12 months or less from the commencement date and which do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases with a value below 5.000 euro.

Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

##### e) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted for using the equity method and are initially recognised at cost. The carrying amounts of the investments are adjusted to reflect changes in the Group's share of the net assets of the joint venture or associate since the acquisition date. The Group's share in the results of a joint venture and associate is recognised in the Group's income statement and will be reported on "Share of profit (loss) of associates and joint ventures". This share in the results is not part of the operating profit and represents the profit/loss for the reporting period of the joint venture and associate.

##### f) Other investments

Investments are accounted for at trade date.

Investments in equity securities are undertakings in which the Group does not have significant influence or control. This is the case for companies where the Group holds less than 20% of the voting rights. Those investments are classified as financial assets and are measured at fair value. The effects of remeasurement are accounted for in the statement of profit or loss.

##### g) Inventories

Inventories include only raw materials and consumables.

The cost of inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at purchase cost. Their value is determined using the moving weighted average method.

An impairment is carried out for consumption goods or necessities that, due to their obsolescence, are no longer usable for operational purposes or of which the estimated sale price is below the net realizable value. If items of inventory have not been used for more than a year, an impairment loss of 100,00 % is recorded. This impairment loss is recognized as an expense in the statement of profit or loss.

##### h) Trade and other receivables

Trade and other receivables are measured at their amortized cost.

The Group has a relatively low risk regarding invoices to Mission Entrusted Associations due to the support they receive from the Flemish Government. These receivables do not contain a financing component. For these receivables and the long-term and short-term receivables from the Mission Entrusted Associations, an alternative approach is used to calculate a possible write-down. This involves evaluating the probability of default of the counterparty - to which the receivable relates - multiplied by the potential non-recoverable loss. This percentage is applied to the outstanding receivables to determine a possible write-down.

For the external customer group, a provision for doubtful debts is accrued based on the expected future losses and from the moment the receivable arises. The Group applies the simplified approach (simplified approach, expected lifetime of credit losses) for calculating the expected credit loss (ECL). Receivables for which the risk of non-recovery is higher are analysed at their full maturity.

The impairment losses are recognized in the statement of profit or loss.



i) Assets held for sale

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for the classification 'held for sale' is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as 'held for sale' are presented separately as current items in the statement of financial position.

j) Loans and borrowings

Interest bearing loans are recognized initially at their fair value less related transaction expenses. Subsequent to initial recognition, interest bearing loans are valued at amortized cost, in which any difference between the proceeds and the reimbursement is charged to the statement of profit or loss using the effective interest method over the maturity of the loans.

k) Employee benefit liability

*Pension plans and other post-employment benefits*

The contributions for defined contribution plans have been recognized as an expense at the moment when incurred. The provision for defined contribution pension plans is valued according to the 'Projected Unit Credit' method (PUC) without projection of the future premiums with a variable yield. The employer's portion of the pension plan Enerbel is calculated according to the PUC method with projection of the future premiums. The contribution by the employee is still calculated via the PUC method without projection of the future premiums as the employees' contributions do not depend on seniority.

The amount recognized in the statement of financial position is the difference between this provision and the fair value of plan assets.

The Group's liabilities for the defined benefit plans, as well as for the subsequent costs, have been valued on the basis of the 'Projected Unit Credit' method. The amount recognized in the statement of financial position represents the present value of the pension liabilities (Defined Benefit Obligation) mentioned, less the fair value of plan assets.

Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding interest) which is reflected in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. They are included in the statement of comprehensive income as items not to be reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

The amounts recognized in the statement of profit or loss comprise service costs (including current service costs, past service costs, gains and losses on other long-term employee benefits as well as curtailments and settlements), net interest expense.

The Group presents the first two components of the defined benefit costs in the statement of profit or loss on the line item 'Employee benefit expenses' and 'Financial expenses'.



*Other long-term employee benefits contain provisions for retirement and jubilee bonuses, deferred leave and overtime.*

These benefits are treated in the same manner as pension plans. However, past service costs and actuarial gains and losses have immediately been recognized in the statement of profit or loss.

All pension liabilities are annually valued by a qualified actuary.

*Right to reimbursement on post-employment employee benefits*

A right of reimbursement on post-employment employee benefits is recognized as an asset, since it is absolutely certain that another party (the shareholders, Mission Entrusted Associations) will take over all obligations relating to the personnel rights of the company's employees or retired employees.

The reimbursement rights are therefore recognized at the same value as the recognized employee benefit liabilities (fair value). The adjustments in the period as a result of changes in the assumptions or experience adjustments are all recognized as other comprehensive income as well as these adjustments for the reimbursement rights.

**l) Derivative financial instruments**

The Group uses derivative financial instruments (Interest Rate Swaps - IRS) to hedge the exposure to interest rate risks that arise from its financing activities. Derivative financial instruments are initially recognized at fair value. The gain or loss resulting from fluctuations in the fair value is immediately accounted for through the statement of profit or loss. The fair value of the interest rate swap was the estimated amount the Group would receive or pay to end the swap at the balance sheet date, taking into account the actual interest rate and the creditworthiness of the counterparty. The Group does not qualify for hedge accounting.

**m) Trade and other liabilities**

Trade and other liabilities are initially measured at their fair value and after initial recognition at amortized cost.

**n) Taxes**

*Taxes payable* include the expected tax liability on the year's taxable income and adjustments to tax liabilities of previous years. For the calculation of the taxes on the taxable income of the year, the tax rates used were those enacted (or substantially enacted) by the end of the reporting period.

*Taxes* on the result of the financial year comprise the tax expense payable. Income tax is recognized in the income statement. Current tax expense is the expected tax payable on the taxable income for the year, based on tax rates prevailing on the balance sheet date, and any adjustment to tax payable in prior years.

## **2.4 Summary of changes in accounting policies applicable as from 2023**

The new standards and interpretations that are applicable from 1 January 2023 and do **not affect** the consolidated financial statements of the Group were the following:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules



- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- IFRS 17 Insurance Contracts

## 2.5 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the amounts of revenue and expenses.

The estimates and the underlying assumptions have been based on past experience and several other factors that are believed to be reasonable given the circumstances. The results thereof form the basis for the judgment on the carrying amount of assets and liabilities that could not be deduced in a simple way from other sources. The actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or the period of the revision and future periods, if the revision affects both current and future periods.

### **Pensions and other post-employment benefit plans**

The cost of the pension plans and other long-term employee benefits and the present value of the pension obligation are determined using actuarial valuations. This involves making various assumptions that may differ from actual developments in the future. Due to the complexity of the actuarial calculations and the long-term nature of the obligation, the defined benefit obligation is highly sensitive to changes in the assumptions. The major assumptions and the sensitivity analysis are disclosed in the note 'Pensions and other post-employment benefit plans'.

**Right-of-use assets and lease liabilities:** defining the lease period of contracts with renewal options.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised.

The Group has the option, under some of its leases (rent of buildings), to lease the assets for additional terms of three to five years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. If the renewal option is reasonably certain to be exercised, this lease term is included.

### **Fair value of financial instruments**

The following methods and assumptions have been used to estimate the fair values (see note 'Financial instruments: risks and fair value'):

Cash and short-term deposits, trade receivables (after deduction of provisions), trade payables and other current liabilities approximate the carrying amounts as to the short-term maturity of these instruments.

The fair value of the unquoted other investments is based on the latest available financial information.

The derivative financial instruments are interest rate swaps. The valuation techniques are swap models that use fair value calculations. The models include various kinds of input including forward



prices, yield curves that are obtained on the basis of market interest rates and derivatives from market prices of various financial products that are requested with various market participants. The fair value of the quoted bond loans is based on the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. It delivers world economic news, quotes for stock futures, stocks and other) at the reporting date.

### **Conflict in Ukraine**

The Group has no operations in Ukraine or Russia, so there are no direct financial consequences. As a result of the war in Ukraine, the energy transition was accelerated, increasing the demand for materials and equipment and decreasing the supply of materials and equipment. Fluvius makes every effort to make good agreements with suppliers and contractors and strives for a long-term perspective.

### **Energy transition and climate objectives**

During the international climate summit (late 2019), a 'European Green Deal plan' was developed by the European Commission. This plan has the ambition to make Europe climate neutral by 2050. This plan is therefore 'the' great challenge of the future.

In order to meet these ambitious targets, Europe wants to take the following steps: developing a climate law, adjusting the climate target to at least 50% carbon dioxide emission reduction by 2030, revising the climate directives and energy taxes, developing a circular economy and introducing a carbon tax.

In Belgium, the federal decision was reached to limit the tax deductibility of company cars to electric cars as from 2026. In Flanders, two policy frameworks have been developed to achieve the climate objectives: the Climate Strategy 2050 with a vision to evolve towards a climate-neutral society and the Flemish Energy and Climate Plan as it was developed by the Flemish Government at the end of 2021 with concrete sectoral measures (related to mobility, heating, industry, etc.) to reduce greenhouse gases by 2030. The Flemish government is focusing mainly on electrification.

In this context, Fluvius has evaluated its activities and developed an investment plan 2023-2032 on **8 June 2022**, based on the societal context outlined above. The additional investments in the electricity grid are estimated at four billion EUR for the period 2023-2032 on top of the planned investments that are necessary without the energy transition.

As far as gas distribution is concerned, the distribution network will hardly expand and customers will eventually have to switch to alternatives (green gases – biomethane, green hydrogen – and power-to-gas). Investments in gas will therefore be limited to almost halve to 88 million EUR on an annual basis by 2032.

Following a public consultation in 2022, the Flemish energy regulator VREG approved Fluvius' investment plan 2023-2032 on 31 March 2023, with some clarifications for the next edition of the investment plan.

On **7 June 2023**, the annual update of the investment plan 2024-2033 was published for consultation. Principles such as the expectation of 1,5 million electric vehicles in Flanders by 2030 and an acceleration in the growth of solar and wind energy are still valid a year later. To this end, the plan still provides for an adjustment of 40 percent of the low-voltage grid and 13 percent of the medium-voltage grid by 2032. In addition, it is expected that by 2030 there will be many more wind turbines and solar panels than was predicted a year ago. The impact on the investment plan (of Fluvius) can be limited by the clear innovation shown by the business community, by optimising its own energy consumption and by using self-produced solar and wind energy from in combination with batteries.

Fluvius emphasizes three crucial elements for the impact of the energy transition on the distribution grids: close consultation with all stakeholders, digitization and timely reinforcement of the electricity grids in light of the evolution of renewable energy.

For the gas networks, this investment plan 2024-2033 also does not foresee any major expansions. Of course, it remains very important that the existing infrastructure remains safe and of good quality.



Fluvius expects a further decline in annual investments in gas infrastructure to 63 million EUR in 2033 due to the halting of construction in subdivisions, among other things.

The Flemish government has already taken a number of policy measures that will lead to a decrease in natural gas consumption, but there are no legal indications towards a complete phase-out of natural gas. The future of the gas network depends on future policy choices. Fluvius is investigating various scenarios in order to map out the technical and financial consequences for the gas activity and to consult with stakeholders. Fluvius will also continue to reserve a budget for research and participation in pilot projects in the field of new CO<sub>2</sub>-neutral gases, such as biomethane and green hydrogen.

After the public consultation that ran until 23 July 2023, this investment plan 2024-2033 was submitted for approval to the Flemish energy regulator VREG in October 2023 (In Dutch: ['Consultatie Investeringsplan 2024-2033'](#)).

### **Economic volatility**

Economic conditions, with high inflation and interest rate increases in 2022, have an impact on interest rates for (re)financing. The impact on interest rate swaps entered into in the past has a positive effect in 2022 and stabilised in 2023.

The Group has taken into account the effects of high inflation and high interest rates on the provision for employee benefits, among others.

## **2.6 Standards issued but not yet effective**

The standards, amendments to standards and interpretations that were issued but not yet effective on the publication date of the Group's consolidated financial statements are not expected to have a significant impact on the Group's consolidated financial statements. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments), effective 1 January 2024\*
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, effective 1 January 2024\*
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective 1 January 2025\*
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, effective 1 January 2024

\* Not yet endorsed by the EU at 20 December 2023

## **2.7 Segment reporting**

The Management Committee, responsible for the day-to-day management and operational operation of Fluvius System Operator (Fluvius SO) and its subsidiary, joint ventures and associates, is informed of the financial data on the basis of reporting in accordance with Belgian accounting principles. This reporting includes all costs generated by the operating company for the Flemish Mission Entrusted Associations.

Through an allocation system these costs, passed on to the Flemish MEAs and invoiced to third parties, can be broken down by product type such as electricity, gas and other (including sewerage, public electronic communications networks, telecom, public lighting). The segmentation of the revenue from contracts with customers as shown below, is based on Belgian accounting principles.





<b>(In thousands of EUR)</b>	<b>Electricity</b>	<b>Gas</b>	<b>Other</b>	<b>BEGAAP consolidated</b>	<b>IFRS</b>
31 December 2023	1.557.378	404.639	402.181	2.364.198	2.373.350
31 December 2022	1.200.411	397.556	340.333	1.938.300	1.943.672

All the Group's transactions take place in Flanders, Belgium.



## Performance of the year

### 3 Operating revenue

(In thousands of EUR)	2023	2022
Recharge of costs to the distribution system operators	2.212.427	1.785.915
Construction works for third parties	160.923	157.757
<b>Revenue from contracts with customers</b>	<b>2.373.350</b>	<b>1.943.672</b>
<b>Other operating revenue</b>	<b>132.381</b>	<b>67.972</b>
<b>Total</b>	<b>2.505.752</b>	<b>2.011.644</b>

Operating revenue amounts to 2.505.752 k EUR at 31 December 2023 and 2.011.644 k EUR at 31 December 2022, an increase of 494.108 k EUR.

#### Revenue from contracts with customers

The income from recharging costs to the MEAs amounted to 2.212.427 k EUR at the end of 2023 and 1.785.915 k EUR at the end of 2022, an increase of 426.512 k EUR. This increase is the result of the increased costs (see notes 4 to 7), which are passed on in full to mainly the MEAs. Indeed, within the framework of the main assignment of Fluvius System Operator, tasks are performed for its shareholding MEAs and the associated costs are passed on to these shareholders at cost. Revenues therefore reflect the costs resulting from this transaction (see note 'Related parties').

The billing of '**Construction works for third parties**' amounts to 160.923 k EUR (2022: 157.757 k EUR) and contain mainly the interventions for investment works for third parties and various works executed by De Stroomlijn for its shareholders.

Below is the detail of the pass-through to the major customers (mainly MEAs) generating more than 10% during the period:

Company	2023		2022	
	Revenue in k EUR	% relative to revenue	Revenue in k EUR	% relative to revenue
Gaselwest	269.682	11,4%	206.201	10,6%
Imewo	387.439	16,3%	300.896	15,5%
Iverlek	299.412	12,6%	261.147	13,4%
Fluvius Limburg	394.779	16,6%	318.405	16,4%
Fluvius Antwerpen	315.093	13,3%	271.863	14,0%
Other	706.945	29,8%	585.160	30,1%
<b>Total</b>	<b>2.373.350</b>	<b>100,0%</b>	<b>1.943.672</b>	<b>100,0%</b>

The '**Other operating revenue**' mainly comprises recoveries (2023: 56.504 k EUR; 2022: 50.537 k EUR) from operating activities, including connections (2023: 21.641 k EUR; 2022: 24.037 k EUR), the recovery of general costs such as the installation of the digital meter, groundworks in synergy



and supervision whereby the other utility companies are charged for their respective share (2023: 20.509 k EUR; 2022: 15.481 k EUR) as well as recoveries from employees (2023: 11.091 k EUR; 2022: 11.493 k EUR). In addition, a result of 59.915 k EUR in 2023 as a result of the Wyre transaction (see note 'Investments in joint ventures and associates') is also included.

#### 4 Cost of trade goods

Trade goods, raw materials and consumables amount to 324.198 k EUR on 31 December 2023 and 253.907 k EUR on 31 December 2022, an increase of 70.291 k EUR.

(In thousands of EUR)	2023	2022
Purchase of consumables	354.419	291.504
Inventory movements	-30.813	-37.867
Other	592	270
<b>Total</b>	<b>324.198</b>	<b>253.907</b>

Purchases of consumables increased by 62.915 k EUR or +21,6%. This increase is mainly due to the increasing activities related to the energy transition and the price increases in 2023 (rising inflation).

#### 5 Cost for services and other consumables

(In thousands of EUR)	2023	2022
Cost contractors for grid construction and maintenance	688.627	598.612
Cost for direct purchases	91.328	70.433
Fee for usage of installations including charges	101.830	87.555
Advertising, information, documentation, receptions a.o.	10.439	8.048
Subsidy for rational use of energy (RUE)	268.910	94.269
Contracts and administration costs	41.700	34.428
Consultancy and other services	148.016	127.463
Other	59.350	63.086
<b>Total</b>	<b>1.410.200</b>	<b>1.083.894</b>

Cost for services and other consumables amount to 1.410.200 k EUR at 31 December 2023 and 1.083.894 k EUR at 31 December 2022, an increase of 326.306 k EUR.

Subsidies for rational use of energy (RUE) amount to 268.910 k EUR on 31 December 2023 and 94.269 k EUR on 31 December 2022, an increase of 174.641k EUR. Furthermore, the increase in this item is mainly due to the increase of 90.015k EUR in the item 'Cost contractor for grid construction and maintenance', 'Cost for direct purchases' (+20.895 k EUR), 'Consultancy and other services' (+20.553 k EUR), 'Fee for usage of installations including charges' (+14.275 k EUR).

The 'Cost ontractors for grid construction and maintenance' increases due to the accelerated roll-out of digital meters, as well as investments in sewerage and energy transition.



The item 'Cost for direct purchases' increases due to the decrease in grid-related purchases (2023: 33.994k EUR; 2022: 29.318 k EUR). and higher purchases of non-grid related materials (2023: 49.119 k EUR; 2022: 32.523 k EUR) such as purchase of mobile equipment, IT materials, fixtures and other.

The item 'Fees including the use of installations and charges' amounts to 101.830 k EUR in 2023 and 87.555 k EUR for 2022. The nature of these costs is as follows:

- recharged costs of office equipment, warehouses, distribution installations and various fixed assets, including short term leases (2023: 47.449 EUR; 2022: 34.231 k EUR);
- contractual fees for support, service fee, maintenance and IT costs (2023: 13.532 k EUR; 2022: 10.843 k EUR);
- IT-related fees related to platform management by third parties and licence fees to be considered as service costs (2023: 22.479 k EUR; 2022: 23.100 k EUR) and
- fees (retributions) paid for the use of the public domain in the context of works carried out (2023: 18.370 k EUR; 2022: 19.381 k EUR).

The item '*Subsidy for Rational Use of Energy (RUE)*' paid to private individuals and companies is recognized as an expense in the statement of profit or loss. These premiums are granted to individuals and companies that invest in energy-efficient applications and renewable energy. Since 1 October 2022, a new website has been made available for the energy grants and the renovation premium: [www.Mijnverbouwpremie.be](http://www.Mijnverbouwpremie.be). A number of the former Fluvius energy premiums (insulation premiums, solar water heater, heat pump, heat pump boiler) can be applied for here. In addition, there are also premiums that must be applied for directly via 'My Fluvius' (solar panels, EPC label premium, electric heat control, asbestos removal, relighting,...). These premiums are laid down in the Energy Decree and are subject to regular changes.

Subsidy for rational use of energy (RUE) amounts to 268.910 k EUR at 31 December 2023 and 94.269 k EUR at 31 December 2022, an increase of 174.641 k EUR. These costs reflect the payment of the premiums for REG requested by individuals and companies. The increase is mainly due to the enormous success of the installation of solar panels and the great success of the various energy subsidies applied for via the 'Mijn Verbouw Premie' desk.

The item 'Other' mainly comprises utility costs (2023: 14.191 k EUR; 2022: 18.662 k EUR), costs for communication (2023: 10.621 k EUR; 2022: 11.310 k EUR), transportation (2023: 5.617 k EUR; 2022: 5.372 k EUR), insurance (2023: 4.388 k EUR; 2022: 4.896 k EUR); costs for studies and analyses (2023: 5.096 k EUR; 2022: 5.893 k EUR) and other.

All of these costs have been recharged mainly to the Mission Entrusted Associations.

## 6 Employee benefit expenses

(In thousands of EUR)	2023	2022
Remunerations	405.690	375.731
Social security contributions	97.453	90.578
Contributions to defined benefit plans and other insurances	19.960	51.182
Other personnel costs	133.810	128.498
<b>Total</b>	<b>656.913</b>	<b>645.989</b>



Employee benefit expenses amount to 656.913 k EUR at 31 December 2023 and 645.989 k EUR at 31 December 2022, an increase of 10.924 k EUR

The items 'Remunerations' and 'Social security contributions' see an increase of 29.959 k EUR and 6.875 k EUR respectively or an increase of 8%. Salaries evolve on a monthly basis in line with inflation. In 2023, the increase is mainly due to an increase in the number of employees.

The 'Contributions to defined benefit plans and other insurances' decrease with 31.222 k EUR to an amount of 19.960 k EUR. In 2022 there was an increase due to additional contributions in the pension plans as a result of the redetermination of the financing rates.

The Energy Decree stipulates that every MEA can rely on only one operating company. All MEAs, shareholders of the Group, have selected Fluvius System Operator cv to carry out their assignments with its own personnel. Fluvius System Operator can appeal to statutory (permanent) staff via secondment. In order for the secondment to take place via a single company, all statutory staff of the ex-Infrac MEAs and ex-Integan have been transferred to Fluvius OV. This company passes on its costs to Fluvius System Operator cv. The item 'Other personnel costs' includes these personnel costs as well as costs charged through by third parties.

The average number of employees amounted to 5.167 persons in 2023.

## 7 Depreciation, amortization, impairment and changes in provisions

(In thousands of EUR)	2023	2022
Amortization of intangible assets	332	629
Depreciation of property, plant and equipment and right-of-use assets	11.246	12.490
<b>Total amortization and depreciation</b>	<b>11.578</b>	<b>13.119</b>
<b>Impairment of trade receivables</b>	<b>1.017</b>	<b>2.234</b>
<b>Changes in provisions</b>	<b>0</b>	<b>-1.321</b>
<b>Total</b>	<b>12.595</b>	<b>14.032</b>

The depreciation contains the depreciations of intangible assets (2023: 332 k EUR; 2022: 629 k EUR), property, plant and equipment (2023: 524 k EUR; 2022: 925 k EUR) and also of the right of use assets (2023: 10.722 k EUR; 2022: 11.565 k EUR).

The impairment losses on trade receivables include both additions and reversals of impairment losses. See notes 'Trade and other receivables' and 'Financial instruments: policy'.

The item 'Changes in provisions' includes in 2022 the write back of the provision, other (see note 'Employee benefit provisions') regarding pension benefits that do not qualify for recognition under IAS19.



## 8 Financial results

(In thousands of EUR)	2023	2022
Interest income Mission Entrusted Associations	153.924	112.942
Interest income	1.606	161
Interest income, derivative financial instruments	0	4.836
Other financial income	4.591	1.491
<b>Total financial income</b>	<b>160.121</b>	<b>119.430</b>
Interest expenses Mission Entrusted Associations	6.330	1.309
Interest expenses banks	19.705	4.669
Interest expenses bond loans	138.218	110.082
Interest expenses, derivative financial instruments	804	0
Other financial expenses	26.288	8.122
<b>Total financial expenses</b>	<b>191.345</b>	<b>124.182</b>

The interest income was principally realized from the interest on the loans to the Mission Entrusted Associations, as well as the interest on the cash pool activities with the Mission Entrusted Associations.

Other financial income mainly comprises financial discounts (183 k EUR in 2023; 176 k EUR in 2022), interest on receivables from Atrias (1.465 k EUR in 2023; 696 k EUR in 2022) and Telenet (1.861 k EUR in 2023) and interest on the loan to Wyre (516 k EUR in 2023).

The interest expenses were the result of the interest on the bond loans, loans with the banks and partly from the cash pool activities with the Mission Entrusted Associations.

Bank interest expenses rise from 4.669 k EUR at the end of 2022 to 19.705 k EUR following rising interest rates in the financial markets and borrowings and higher utilization during the year of short-term financing.

The other financial expenses mainly comprise costs for issuing loans (4.628 k EUR in 2023; 3.235 k EUR in 2022), interest on leasing (912 k EUR in 2023; 1.463 k EUR in 2022), interest costs on defined benefits liabilities (6.959 k EUR in 2023; 3.096 k EUR in 2022) and 13.516 k EUR interests in 2023 as a result of the discounted long-term receivables vis-à-vis Telenet (see note 'Long-term and short-term receivables, other') and another tax claim at the end of 2023 of 20 k EUR.



## 9 Income tax expenses

(In thousands of EUR)	2023	2022
Current income tax expenses	-8.179	-6.891
Current income tax expenses on previous year result	-737	-339
<b>Total income tax expenses</b>	<b>-8.916</b>	<b>-7.230</b>

Income tax expenses on the result amount to 8.916 k EUR on 31 December 2023 and 7.230 k EUR on 31 December 2022, an increase of 1.686 k EUR.

The current tax liabilities amount to 3.619 k EUR at the end of 2023 (2022: 3.036 k EUR) and a tax asset at the end of 2023 amount to 20 k EUR.

The statutory Belgian corporate tax rate is 25,00% and is calculated on the taxable base. This includes the result of the financial year as well as costs that, according to taxation, cannot be deducted from the result. These non-deductible costs thus include rejected expenses mainly related to car expenses (2023: 2.495 k EUR; 2022: 1.619 k EUR) and social and employee benefits (2023: 17.356 k EUR; 2022: 17.482 k EUR).

The Pillar two legislation (Act of December 19, 2023, on the implementation of a minimum tax for multinational enterprises and substantial domestic groups) has been adopted in the jurisdiction where Fluvius System Operator and its subsidiaries ("the Group") operate. This legislation applies to the Group's fiscal year starting on 1 January 2024, as well as the impact of the amendments to IAS 12, which have been introduced in response to the OECD's Pillar two model rules.

The Group has conducted an analysis of the potential impact of the Pillar two legislation. This assessment is based on the most recent available historical financial data of the Group's constituent members and on the aforementioned legislation. Based on the analysis conducted, the members of the Group can currently rely on the transition rules provided in the Pillar two regulations. Therefore, based on its current profile, the Group does not expect any additional taxes arising from the Pillar two legislation in 2024.

These income tax expenses consist of prepaid taxes and withholding taxes for the financial year (2023 6.627 k EUR; 2022: 5.569 k EUR), the estimated income taxes for 1.552 k EUR (2021: 1.322 k EUR) and a regularisation for the previous financial years for 737 k EUR (2022: 339 k EUR).

In total, 8.379 k EUR of taxes were paid during 2023 (2022: 6.499 k EUR) relating on the one hand to previous financial years (2023: 1.752 k EUR; 2022: 930 k EUR) and on the other hand to prepaid taxes (2023: 6.627 k EUR; 2022: 5.569 k EUR).



## Assets

### 10 Intangible assets

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2023	1.992	5.908	<b>7.900</b>
Acquisitions	0	0	<b>0</b>
Other	0	0	<b>0</b>
<b>Acquisition value at 31 December 2023</b>	<b>1.992</b>	<b>5.908</b>	<b>7.900</b>
Amortization and impairment at 1 January 2023	1.849	5.622	<b>7.471</b>
Amortization	47	285	<b>332</b>
Other	0	0	<b>0</b>
<b>Amortization and impairment at 31 December 2023</b>	<b>1.896</b>	<b>5.907</b>	<b>7.803</b>
<b>Net book value at 31 December 2023</b>	<b>96</b>	<b>1</b>	<b>97</b>

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2022	5.024	2.806	<b>7.830</b>
Acquisitions	70	0	<b>70</b>
Other	-3.102	3.102	<b>0</b>
<b>Acquisition value at 31 December 2022</b>	<b>1.992</b>	<b>5.908</b>	<b>7.900</b>
Amortization and impairment at 1 January 2022	4.884	1.958	<b>6.842</b>
Amortization	67	562	<b>629</b>
Other	-3.102	3.102	<b>0</b>
<b>Amortization and impairment at 31 December 2022</b>	<b>1.849</b>	<b>5.622</b>	<b>7.471</b>
<b>Net book value at 31 December 2022</b>	<b>143</b>	<b>286</b>	<b>429</b>





## 11 Property, plant and equipment

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2023	198	94.994	2.849	<b>98.041</b>
Acquisitions	20	197	259	<b>476</b>
Sales	0	-46	0	<b>-46</b>
Disposals	0	-525	-1.021	<b>-1.546</b>
<b>Acquisition value at 31 December 2023</b>	<b>218</b>	<b>94.620</b>	<b>2.087</b>	<b>96.925</b>
Depreciation and impairment at 1 January 2023	134	93.894	2.085	<b>96.113</b>
Depreciation	16	324	184	<b>524</b>
Sales	0	-46	0	<b>-46</b>
Disposals	0	-363	-832	<b>-1.195</b>
<b>Depreciation and impairment at 31 December 2023</b>	<b>150</b>	<b>93.809</b>	<b>1.437</b>	<b>95.396</b>
<b>Net book value at 31 December 2023</b>	<b>68</b>	<b>811</b>	<b>650</b>	<b>1.529</b>

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2022	199	94.616	2.996	<b>97.811</b>
Acquisitions	0	379	1	<b>380</b>
Sales	0	0	-90	<b>-90</b>
Disposals	-1	-1	-58	<b>-60</b>
<b>Acquisition value at 31 December 2022</b>	<b>198</b>	<b>94.994</b>	<b>2.849</b>	<b>98.041</b>
Depreciation and impairment at 1 January 2022	114	93.300	1.924	<b>95.338</b>
Depreciation	20	594	311	<b>925</b>
Sales	0	0	-90	<b>-90</b>
Disposals	0	0	-60	<b>-60</b>
<b>Depreciation and impairment at 31 December 2022</b>	<b>134</b>	<b>93.894</b>	<b>2.085</b>	<b>96.113</b>
<b>Net book value at 31 December 2022</b>	<b>64</b>	<b>1.100</b>	<b>764</b>	<b>1.928</b>

During the years 2023 and 2022, no impairment had to be taken.



As of 31 December 2023 and 2022, there were no limitations on ownership of property, plant and equipment which serve as guarantee for obligations.

There were no commitments for the acquisition of property, plant and equipment at the end of 2023 and 2022.

## 12 Right-of-use assets and lease liabilities

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2023	20.366	1.503	36.393	58.262
Acquisitions	9.729	651	11.157	21.537
Disposals	-6.623	-827	-7.300	-14.750
Other	0	0	-88	-88
<b>Acquisition value at 31 December 2023</b>	<b>23.472</b>	<b>1.327</b>	<b>40.162</b>	<b>64.961</b>
Depreciation and impairment at 1 January 2023	10.873	1.214	21.401	33.488
Depreciation	3.023	280	7.419	10.722
Sales and disposals	-6.623	-797	-6.568	-13.988
<b>Depreciation and impairment at 31 December 2023</b>	<b>7.273</b>	<b>697</b>	<b>22.252</b>	<b>30.222</b>
<b>Net book value at 31 December 2023</b>	<b>16.199</b>	<b>630</b>	<b>17.910</b>	<b>34.739</b>

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2022	24.280	1.705	35.599	61.584
Acquisitions	2.305	0	6.321	8.626
Disposals	-641	-202	-5.073	-5.916
Other	-5.578	0	-454	-6.032
<b>Acquisition value at 31 December 2022</b>	<b>20.366</b>	<b>1.503</b>	<b>36.393</b>	<b>58.262</b>
Depreciation and impairment at 1 January 2022	7.014	1.215	19.219	27.448
Depreciation	4.500	202	6.864	11.566
Sales and disposals	-641	-203	-4.682	-5.526
<b>Depreciation and impairment at 31 December 2022</b>	<b>10.873</b>	<b>1.214</b>	<b>21.401</b>	<b>33.488</b>
<b>Net book value at 31 December 2022</b>	<b>9.493</b>	<b>289</b>	<b>14.992</b>	<b>24.774</b>



Below are the lease commitments and the movements during 2023 and 2022:

(In thousands EUR)	2023	2022
<b>Lease liabilities at 1 January</b>	<b>25.739</b>	<b>34.959</b>
Additions	20.686	2.206
Accretion of interest	912	1.463
Payments	-11.675	-12.889
<b>Lease liabilities at 31 December</b>	<b>35.662</b>	<b>25.739</b>
Non-current lease liabilities	26.498	17.138
Current lease liabilities	9.164	8.601

The lease liabilities as at 31 December 2023 related to land and buildings amounted to 16.539 k EUR (2022: 9.778 k EUR, installations, machinery and equipment for 638 k EUR (2022: 293 k EUR) and furniture and vehicles for 18.485 k EUR (2022: 15.688 k EUR).

No lease agreements were entered into that have not yet started as of 2023.

The following discount rates have been used to determine the lease liability:

- For buildings: 2,00% and 3,08%
- For IT equipment: 2,00%
- For vehicles: between 3,00% and 6,00%

### 13 Investments in joint ventures and associates

Investments in joint ventures and associates amount to 960.110 k EUR at the end of 2023 and 17 k EUR at the end of 2022. They are held in Wyre Holding bv, Atrias cv and Synductis cv.

#### Atrias cv

On 9 May 2011, Atrias cv was established as a joint initiative of Belgium's largest energy distribution operators Fluvius, Ores, Sibelga and RESA.

Atrias is a central clearing house for the Distribution System Operators and is charged with the development of a Message Implementation Guide (MIG), the development of a clearing house application, and the management and maintenance of this application. MIG describes how the communication flow between the various players of the energy market should happen.

The Group has acquired 50% (2022: 50%) of the shares representing an amount of 9 k EUR (2022: 9 k EUR).

Atrias is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Atrias. But the Group also grants services and funding (see note 'Related parties').



### **Synductis cv**

Synductis cv was founded on 21 December 2012 and aims to coordinate the infrastructure works by various utility companies in the Flemish cities and municipalities and so reduce nuisance caused by the works.

Fluvius System Operator participates in Synductis for an amount of 8 k EUR and the share percentage amounts to 34,38% at the end of 2023 and 34,48% at the end of 2022.

Synductis is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Synductis. But the Group also grants services and funding (see note 'Related parties').

### **Wyre holding bv**

On 1 July 2023, the Wyre transaction between Fluvius and Telenet, concerning the partnership around the 'data network of the future' in Flanders, was completed. Wyre bv is an independent self-financing infrastructure company, in which the fixed data network assets of Fluvius and Telenet have been brought together. Wyre bv's goal is to implement a hybrid network strategy to offer speeds of up to 10 Gbps to all its customers and ensure they enjoy the best possible network experience. The fiber optic network is expected to cover up to 78% of all homes in Flanders and parts of Brussels. Wyre will operate a network with fully open access and without discriminatory conditions and provide wholesale access to other interested telecom operators, including Telenet and Orange.

This carve-out took place by means of a number of legal steps which entered into force simultaneously, but with a legal chronology.

Initially, the commissioning associations contributed their HFC networks, leasehold rights and other assets related to cable infrastructure activities (including the participation in Interkabel Vlaanderen cv) to Fluvius System Operator. This contribution was remunerated on the basis of IFRS 2 'Share-based payments' at fair value and recognised as an issue of equity (see note 'Equity'). The remuneration to the public transport companies is based on the share of 1.010.000 k EUR acquired by Fluvius in the equity of Wyre Holding bv. less Fluvius SO's own contribution to Wyre, i.e. the stock of trade goods for 13.668 k EUR.

Immediately following this contribution, a silent merger took place between Fluvius System Operator cv and Interkabel Vlaanderen cv (see note 'Equity' as a result of the movement in equity amounting to 26.776 k EUR).

Subsequently, Fluvius contributed the stock, assets, leasehold rights related to cable infrastructure activities as well as a loan of 32.000 k EUR (see note 'Long-term and short-term receivables, other') to Wyre bv, for which a transfer of shares of 35,3% of the total number of shares, with a value of 1.010.000 k EUR, took place. Fluvius itself has taken out a long-term loan of 32.000 k EUR from two affiliated companies (see note 'Long-term and short-term loans').

Immediately after this contribution, Fluvius sold 2,1% of its shares in Wyre bv to Telenet for 120.000 k EUR in the context of a 'synthetic dividend', which reflects a deferred payment over 6 years (see notes 'Equity' and 'Long- and short-term receivables, other'). As a result of this sale, the Group realised a gain on the sale of fixed assets of 59.915 k EUR.

In a final phase, both Fluvius and Telenet BV contributed their shares in Wyre bv to Wyre Holding bv. In this joint holding company, Telenet bv and Fluvius System Operator cv will hold 66,8% and 33,2% of the shares respectively. This holding company in turn owns 100% of Wyre bv.

The Group's stake in Wyre Holding bv amounts to 960.093 k EUR with a share percentage of 33,2% at the end of 2023.



The Group's interest in Wyre Holding bv is accounted for using the equity method in the consolidated financial statements.

Summarised preliminary financial information of the associate is based on its IFRS financial statements. These statements will be further refined over the next 12 months following the final accounting treatment of the business combination. Reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

(In thousands of EUR)	31 December 2023	1 July 2023
Current assets	276.021	39.294
Non-current assets	5.667.101	5.706.817
Current liabilities	210.474	20.468
Non-current liabilities	2.840.246	2.863.858
<b>EQUITY</b>	<b>2.892.402</b>	<b>2.861.785</b>
of which non-controlling interests	557	594
of which equity attributable to owners of the parent	2.891.845	2.861.191
<b>Group's share in equity - 33,2%</b>	<b>960.093</b>	<b>949.915</b>
Operating revenue	346.776	0
Operating expenses	-243.549	0
Finance income	2.289	0
Finance costs	-60.806	0
<b>Profit before tax</b>	<b>44.710</b>	<b>0</b>
Income tax expenses	-13.465	0
<b>Profit for the period</b>	<b>31.245</b>	<b>0</b>
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	-628	0
<b>Total comprehensive income for the period</b>	<b>30.617</b>	<b>0</b>
of which attributable to non-controlling interests	-37	0
of which attributable to owners of the parent	30.654	0
<b>Group's share of profit for the year - 33,2%</b>	<b>10.178</b>	<b>0</b>

Wyre Holding bv needs the consent of both shareholders to distribute its profits. The Group does not foresee any distribution on the reporting date.

Wyre Holding bv has no contingent liabilities as at 31 December 2023.

With a view to the operational migration to Wyre bv, the Group will continue to provide transition services to Wyre from 1 July 2023 regarding:

- HFC works for a period of up to one year, on the basis of a migration schedule per area of operation. In 2023, the area of operation of Fluvius Antwerp was transferred to Wyre;
- Fibre optic works were carried out by the Group from 1 July 2023 to 16 October 2023, with aftercare until the end of 2023;
- Electronic communications services offered under the name 'FluviusNet' will be performed by the Group for a period of one year;
- IT migration of the data related to the telecom activities that have been transferred to Wyre.

(See note 'Related parties').



## **14 Other investments**

Other investments amount to 889 k EUR at 31 December 2023 and 863 k EUR at 31 December 2022, an increase of 26 k EUR.

The other investments comprise the participations held by the Group in the business centres situated in the distribution area of Gaselwest (business centres Kortrijk, Flemish Ardennes and Waregem) and Imewo (business centres Bruges and Ghent).

Also, the Group has a participation in the company Duwolim cv, which aims to reduce energy consumption at home.

## **15 Rights to reimbursement on post-employment employee benefits**

The costs related to the employee benefit liabilities are recoverable from the Mission Entrusted Associations. Rights to reimbursement on post-employment employee benefits amount to 153.342 k EUR at 31 December 2023 and 154.869 k EUR at 31 December 2022, a decrease of 1.527 k EUR (see note 'Pensions and other post-employment benefit plans').

## **16 Derivative financial assets**

The Group has entered into an interest rate swap in order to convert the variable interest rate on long-term loans into a fixed interest rate.

Derivative financial instruments amount to 101 k EUR at 31 December 2023 and were recognized as a liability, while at 31 December 2022 a receivable was recorded amounting to 704 k EUR.

The changes in the fair value are recognized in the income statement (see note 'Financial results').

The fair value of derivative financial instruments entered into for hedging the interest rate risk is calculated on the basis of the discounted expected future cash flows taking into account current market interest rates and the yield curve for the instrument's remaining maturity.

*Overview of the derivative financial instruments as per 31 December 2023 and 31 December 2022.* An interest rate swap within the framework of the original 70.000 k EUR loan with a maturity of 20 years concluded in September 2011 entered into force in September 2011.



## 17 Short- and long-term receivables, other

(In thousands of EUR)	2023	2022
Receivable from MEA following lending-on funds from issuance bonds with European institutional investors (EMTN programme*)	0	700.000
Receivable from Telenet following the sale of 2,1% shares in Wyre bv	18.107	0
<b>Total short-term receivables</b>	<b>18.107</b>	<b>700.000</b>
Receivable from MEA following lending-on funds from issuance bonds with private investors (retail)	440.000	200.000
Receivable from MEA following lending-on funds from issuance bonds with European institutional investors (EMTN programme*)	5.110.500	3.910.500
Receivable from MEA following lending-on funds from issuance bonds with institutional investors (stand alone)	440.000	440.000
Receivable from MEA following lending-on funds from bank loan with fixed interest rate)	550.000	550.000
Receivable from Wyre bv following providing a loan	32.000	0
Receivable from Telenet following the sale of 2,1% shares in Wyre bv	90.237	0
Other	47.252	40.287
<b>Total long-term receivables</b>	<b>6.709.989</b>	<b>5.140.787</b>

\*Euro Medium Term Note (EMTN) programme – see note 'Financial instruments'

The item 'Short-term and long-term receivables' includes the receivables to the MEAs following lending on the funds received from the issuance of the bond loans by the operating company since 2012.

The terms of the long-term loans to the Mission Entrusted Associations were identical to those of the respective bond loans (see note 'Interest bearing loans and borrowings').

The long-term receivables from the MEAs increase with 1.569.202 k EUR. In 2023 new bond loans of 1.440.000 k EUR were on-lent to the MEAs, increasing the receivables. The short-term receivable was reduced to zero because there will be no on-loan funds maturing in 2024.

The receivable as a result of the contribution of the cable activities and assets to Wyre bv amounts to 32.000 k EUR.

The receivable from Telenet, arising from the sale of 2,1% of Fluvius' share in Wyre bv, amounts to 108.344 k EUR. This claim will be repaid in annual instalments of 20.000 k EUR over a period of 6 years, with a maturity date of 30 June 2029.

Furthermore, the item 'Other' of the long-term receivables includes previously charged financing to Atrias cv (see note 'Related parties'), as well as receivables arising from recharged revenues and costs to the MEAs and guarantees.



## 18 Inventories

(In thousands of EUR)	2023	2022
Raw materials and consumables	200.127	171.347
Accumulated impairment on inventories	-9.652	-7.627
<b>Total</b>	<b>190.475</b>	<b>163.720</b>

The inventory increased as a result of the build-up of materials following the roll-out of digital meters, the installation of led for public lighting and the inventory of grid-related goods. The energy transition was anticipated by building up sufficient stocks.

The net write-back on impairment losses amounted to 2.025 k EUR in 2023 (2022: 2.412 k EUR net write-back). These amounts have been included in the profit or loss account.

At the end of 2022, the part of the inventory relating to the Wyre transaction (11.803 k EUR) was included in the item 'Assets held for sale'.

## 19 Trade and other receivables, receivables cash pool activities

(In thousands of EUR)	2023	2022
Trade receivables - gross	322.555	296.384
Impairments on trade receivables	-41.671	-40.654
<b>Trade receivables - net</b>	<b>280.884</b>	<b>255.730</b>
<b>Other receivables</b>	<b>135.860</b>	<b>77.972</b>
<b>Total trade and other receivables</b>	<b>416.744</b>	<b>333.702</b>
<b>Receivables cash pool activities</b>	<b>256.740</b>	<b>277.027</b>

The '**gross trade receivables**' amount to 322.555 k EUR at the end of 2023 and 296.384 k EUR at the end of 2022, an increase of 26.171 k EUR.

The trade receivables mainly consist of receivables with the Mission Entrusted Associations and energy suppliers. These trade receivables amounted to 210.588 k EUR at the end of 2023 and 193.690 k EUR at the end of 2022. The receivables from the MEAs are the result of passing on the costs of the operating company to the MEAs for which no settlement had yet taken place.

Besides, receivables are recorded relating to an external customer group. These receivables arise from the invoicing for work carried out (connections, installation of electricity and gas pipelines), damage claims, invoicing for Energy Services to Local Authorities and Energy Service Companies (EDLB/ESCO), maintenance of public lighting and invoicing to Ministries. These receivables remain at the same level as last year. It was necessary to recognise additional impairments (2023: 41.671 k EUR; 2022: 40.654 k EUR) (see note 'Depreciation, amortization, impairment and changes in provisions' and 'Financial instruments: risks and fair value').





The '**Other receivables**' amount to 135.860 k EUR at the end of 2023 and 77.972 k EUR at the end of 2022. These receivables mainly include the amount of VAT for an amount of 3.666 k EUR at the end of 2023 (2022: 17.104 k EUR), the accrued interest to be received from the MEAs in relation to the on-lending of the bonds for an amount of 68.477 k EUR (2022: 44.825 k EUR), a claim on 'Wonen in Vlaanderen' in the context of 'mijn verbouwpremies', premiums paid out for 41.552 k EUR at the end of 2023 and deferred costs for 14.361 k EUR at the end of 2023 (2022: 10.659 k EUR), mainly relating to cost of trade goods, cost for services and other consumables and interest payable.

The item '**Receivables cash pool activities**' comprises the positive balances on the accounts of the Mission Entrusted Associations related to the cash pool and should be evaluated together with the item 'Liabilities cash pool activities' where the negative balances are included.

The information regarding outstanding balances with the associate was included in note 'Related parties'.

#### Payment terms

The payment terms for private and professional customers are 30 days, for municipalities 60 days and Ministries 90 days.

## 20 Cash and cash equivalents

Cash and cash equivalents amount to 61.605 k EUR at 31 December 2023 and 79.144 k EUR at 31 December 2022, a decrease of 17.539 k EUR. These comprise bank deposits, cash resources and fund investments that are readily exchangeable into cash.

Due to the borrowing during the year 2023 and 2022, these 'surpluses' of cash were temporarily held as cash.

All resources are reported in EUR.



## Liabilities

### 21 Equity

The separate components of shareholders' equity and the movements therein from 1 January 2022 until 31 December 2023 are included in the 'Statement of changes in equity'.

**Contributions excluding capital** amounts to 497.894 k EUR at 31 December 2023 and 1.284 k EUR at 31 December 2022. This capital is represented by A and K shares without nominal value. These A and K shares carry voting rights and are entitled to dividends. For K shares, the voting rights only apply to matters relating to the management of the participation in Wyre Holding bv. Within the K shares, there are 'non-K-syn' shares and 'K-syn' shares; the shares in K-syn entitle them to a 'synthetic dividend'. Synthetic dividend is understood to mean the cash resources accruing to the ex-cable companies (Fluvius Antwerp, Fluvius Limburg, Fluvius West and PBE) in connection with the continuity of their dividend flow during at least the first 6 years of the operational existence of Wyre bv.

The contribution outside capital, other was fully issued and paid.

The A-shares are based on the general organization of Fluvius System Operator as the operating company of the affiliated MEAs and are distributed based on the number of (multi-utility) EANs/connection points in Flanders and according to the number of EANs/connection points per shareholder on its territory.

The contribution made by MEAs for the Wyre transaction was remunerated through the issue of equity (1.023.108 k EUR) (see note 'Investments in joint ventures and associates'), split into 'Contributions excluding capital' for 496.483 k EUR (1.010.000 K shares) and 526.625 k EUR 'Available reserves'.

For the new issuance of the 1.010.000 K shares in 2023, the Board of Directors of Fluvius SO applied the following principles for the distribution among the MEAs based on their respective contributions:

- Allocation of 830.000 K-syn shares to the 4 MEAs Fluvius Antwerp, Fluvius Limburg, Fluvius West and PBE as compensation for their contribution of the bare ownership of the HFC networks and the leasehold rights.
- Allocation of 180.000 non-K-syn shares to compensate for their contribution of the other assets related to the cable infrastructure activities.

The shares are nominative in the name of the Flemish Mission Entrusted Associations.



Below is the breakdown of the Contribution excluding capital, other per MEA.

Mission entrusted associations	Amount in	Amount of	Amount in	Amount of
	euro of voting A and K shares	voting A and K shares	euro of voting A shares	voting A shares
	2023	2023	2022	2022
Gaselwest	12.004.580	2.711.673	133.227	2.687.523
Fluvius Antwerpen	118.116.656	4.927.882	222.546	4.688.069
Fluvius Limburg	187.166.554	5.046.808	231.332	4.666.524
Imewo	15.468.592	3.798.172	186.744	3.767.084
Fluvius West	108.768.071	1.578.274	67.277	1.357.143
Intergem	6.506.704	1.853.953	91.258	1.840.902
Iveka	5.047.582	1.580.224	87.688	1.570.114
Iverlek	11.040.425	3.508.983	172.853	3.486.875
PBE	32.409.196	1.011.018	46.855	945.183
Riobra	19.551	394.394	19.551	394.394
Sibelgas	1.219.153	499.554	24.644	497.124
<b>Total</b>	<b>497.767.064</b>	<b>26.910.935</b>	<b>1.283.975</b>	<b>25.900.935</b>

Below is the breakdown of the A and K-shares as per 31 December 2023.

Mission entrusted associations	Amount in	Amount of	Amount in	Amount of
	euro of voting A shares	voting A shares	euro of voting K shares	voting K shares
Gaselwest	133.227	2.687.523	11.871.353	24.150
Fluvius Antwerpen	232.400	4.688.069	117.884.256	239.813
Fluvius Limburg	231.332	4.666.524	186.935.222	380.284
Imewo	186.744	3.767.084	15.281.848	31.088
Infrac West*	67.277	1.357.143	108.700.794	221.131
Intergem	91.258	1.840.902	6.415.446	13.051
Iveka	77.835	1.570.114	4.969.747	10.110
Iverlek	172.853	3.486.875	10.867.572	22.108
PBE	46.855	945.183	32.362.341	65.835
Riobra	19.551	394.394	0	0
Sibelgas	24.644	497.124	1.194.509	2.430
<b>Total</b>	<b>1.283.976</b>	<b>25.900.935</b>	<b>496.483.088</b>	<b>1.010.000</b>



Below is the breakdown of the A and K-shares as per 31 December 2023.

Mission entrusted associations	Amount in euro of voting non-K-syn shares	Amount of voting non-K-syn shares	Amount in euro of voting K-syn shares	Amount of voting K-syn shares
Gaselwest	17.421.876	24.150	0	0
Fluvius Antwerpen	17.164.335	23.793	95.421.134	216.020
Fluvius Limburg	21.233.768	29.434	154.978.729	350.850
Imewo	22.426.968	31.088	0	0
Infrac West*	13.058.111	18.101	89.683.145	203.030
Intergem	9.415.027	13.051	0	0
Iveka	7.293.382	10.110	0	0
Iverlek	15.948.772	22.108	0	0
PBE	4.137.245	5.735	26.547.589	60.100
Riobra	0	0	0	0
Sibelgas	1.753.009	2.430	0	0
<b>Total</b>	<b>129.852.493</b>	<b>180.000</b>	<b>366.630.597</b>	<b>830.000</b>

The **available contribution, issuance premium** remains unchanged and amount to 127 k EUR at 31 December 2023 and 31 December 2022.

The Group's **results** are in all cases without profits or losses, since all operational costs can be billed through to mainly the Mission Entrusted Associations, with the exception of the participation in Wyre Holding bv for the public electronic communications networks activities.

The **reserves** amount to 504.468 k EUR at the end of 31 December 2023 and 86 k EUR at the end of 31 December 2022. This increase is due to the issue of equity, resulting from the contribution of the MEAs in the context of the Wyre transaction (526.625 k EUR) (see note 'Investments in joint ventures and associates'). An additional amount was also withdrawn for the purpose of profit distribution (-22.343 k EUR).

Non-controlling interest amounts to 100 k EUR at 31 December 2023 and 100 k EUR at 31 December 2022.

The non-controlling interest comprises the participation held by Farys/TMVW in De Stroomlijn cv and the participation of De Watergroep in De Stroomlijn cv (7 k EUR).

- **Dividend**

In accordance with the articles of association, the profit (according to Belgian accounting principles) from the public electronic communication activities is distributed to each participant in proportion based on their ownership stake in K shares. An exception to this is the allocation of the result in the context of the 'synthetic dividend', which is exclusively attributed to the former cable companies Fluvius Antwerp, Fluvius Limburg, Fluvius West, and PBE."

In 2023, an interim dividend of 90.746 k EUR was approved for the K-Syn shares.



## 22 Interest-bearing loans and borrowings

(In thousands of EUR)	2023	2022
<b>Long-term loans</b>	<b>6.564.501</b>	<b>5.105.241</b>
Current portion of long-term loans	3.500	753.036
Short-term loans	525.000	300.000
<b>Short-term loans</b>	<b>528.500</b>	<b>1.053.036</b>
<b>Total</b>	<b>7.093.001</b>	<b>6.158.277</b>

Long and short-term loans amount to 7.093.001 k EUR at 31 December 2023 and 6.158.277 k EUR at 31 December 2022, an increase of 934.724 k EUR.

This increase is primarily due to new long-term financing for a total nominal value of 1.472.000 k EUR, the repayment of long-term financing for 753.500 k EUR, the borrowing of short-term financing for 525.000 k EUR and the repayment of short-term financing for 300.000 k EUR. The cash and cash equivalents that had not yet been allocated at 31 December were held provisionally as cash.

The **movements of the long- and short-term loans** can be analyzed as follows:

(In thousands of EUR)	2023		2022	
	Cash	Non-cash	Cash	Non-cash
<b>Total as at 1 January</b>	<b>6.158.277</b>		<b>5.773.572</b>	
<b>Movements on non-current loans (LT)</b>				
Proceeds of non-current loans	1.459.225	0	1.045.031	0
Change in non-current loans	0	3.535	0	2.648
Transfer of short-term portion of LT loan to ST	0	-3.500	0	-752.932
<b>Movements on current loans (ST)</b>				
Proceeds of current loans	525.000	0	300.000	0
Transfer of short-term portion from LT loan to ST	0	3.500	0	752.932
Change in current loans	0	464	0	646
Repayment of short-term portion of long-term loan	-753.500	0	-503.500	0
Repayment current loans	-300.000	0	-460.120	0
<b>Total movements</b>	<b>930.725</b>	<b>3.999</b>	<b>381.411</b>	<b>3.294</b>
<b>Total at end of reporting period</b>	<b>7.093.001</b>		<b>6.158.277</b>	

The description 'Change in non-current and current loans' includes the recognition/derecognition of the premium/discount of various loans.



### Loans on long-term

This item **contains** the debts relating to the issue of private placements, bond loans since 2010 and the borrowing of bank loans.

The following additional loans were taken during 2022 and 2023:

(In thousands of EUR)	2023	2022	Initial amount	Interest rate %	Maturity
Bond issue - EMTN* - May 2023	694.933		700.000	3,88	2033
Bond issue - EMTN* - Retail (Green) - June 2023	239.866		240.000	4,00	2027
Bond issue - EMTN* - September 2023	493.073		500.000	3,88	2031
Loan related parties	32.000		32.000	3,17	2028
<b>Total 31 December 2023</b>	<b>1.459.872</b>		<b>1.472.000</b>		
Bankloans - Fixed interest rate - June 2022	149.898	149.868	150.000	1,57	2027
Bond issue - EMTN* - July 2022	496.553	496.148	500.000	4,00	2032
Bond issue - EMTN* - July 2022	49.919	49.911	50.000	4,28	2034
Bond issue - EMTN* - October 2022	49.809	49.799	50.000	4,78	2044
Bond issue - EMTN* - November 2022	49.916	49.908	50.000	4,63	2034
Bond issue - EMTN* - November 2022	14.965	14.961	15.000	4,61	2034
Bankloans - Fixed interest rate - December 2022	199.845	199.805	200.000	3,25	2027
Bond issue - EMTN* - December 2022	34.865	34.858	35.000	4,25	2042
<b>Total 31 December 2022</b>	<b>1.045.768</b>	<b>1.045.258</b>	<b>1.050.000</b>		

\*EMTN = Euro Medium Term Note-programme

During 2023, long-term financing for a nominal amount of 1.472.000 k EUR was raised. Two institutional bond loans and one retail bond loan were issued under the EMTN programme of Fluvius. Two institutional bonds for respectively 700.000 k EUR and 500.000 k EUR and a retail bond of 240.000 k EUR. These funds were used to refinance 750.000 k EUR bond loans that came to maturity in 2023 and to enable new investments.

Furthermore, a loan of 32.000 k euro was disbursed, by Fluvius West and PBE, to Fluvius SO as result of the deposit of the cable network in Wyre and related network assets and activities. As such it concerns a loan between related parties.

For all other bond loans, the **principle** applies that each of the MEAs is **guarantor** on a several but non-joint basis, limited to its proportional share in the contribution of its former working company (ex-Eandis or ex-Infrac). The portion in the contribution was set fixed at the moment of issuance and remains fixed over the remaining term of the bond loans.

As a result of the merger (ex-Eandis and ex-Infrac to Fluvius System Operator) dated 1 July 2018 the acquired EMTN bond loans registered on the name of Infrac cv only have the MEAs of ex-Infrac as guarantor. Similarly, for the bonds issued by Eandis System Operator cv, only the MEAs that belonged to the former Economic Group Eandis act as guarantors.



For the issues under the 2020 EMTN-programme, the principle is that all MEAs belonging to the 'Fluvius Economic Group' will each act as guarantor on a non-committed and non-solidary basis but limited to the proportional share in the 'contribution excluding capital' of the operating company.

At the end of 2023 the composition of the loans on long-term was as follows:

(In thousands of EUR)	2023	Initial amount	Current interest rate %	Maturity
Bond issue - retail	439.817	440.000	2,00 - 4,00	2025 - 2027
Bond issue - EMTN*	5.082.730	5.860.500	0,25 - 4,78	2026 - 2044
Bond issue - private**	436.710	440.000	2,60 - 3,55	2027 - 2044
Bank loans - with derivative instrument	27.125	70.000	3,31 - 3,31	2031 - 2031
Bank loans - with fixed interest rate	549.619	550.000	0,14 - 3,25	2027 - 2028
Loan related parties	32.000	32.000	3,17 - 3,17	2028 - 2028
<b>Total</b>	<b>6.568.001</b>	<b>7.392.500</b>		
Current portion of long-term debt	-3.500	0		
<b>Total long-term loans</b>	<b>6.564.501</b>	<b>7.392.500</b>		

At the end of 2022

(In thousands of EUR)	2022	Initial amount	Current interest rate %	Maturity
Bond issue - retail	199.919	200.000	2,00 - 2,00	2025 - 2025
Bond issue - EMTN*	4.641.740	4.660.500	0,25 - 4,78	2023 - 2042
Bond issue - private**	436.471	440.000	2,60 - 3,55	2027 - 2044
Bank loans - with derivative instrument	30.626	70.000	3,31 - 3,31	2031 - 2031
Bank loans - with fixed interest rate	549.521	550.000	0,14 - 3,25	2027 - 2028
<b>Total</b>	<b>5.858.277</b>	<b>5.920.500</b>		
Current portion of long-term debt	-753.036	0		
<b>Total long-term loans</b>	<b>5.105.241</b>	<b>5.920.500</b>		

\* EMTN: Euro Medium Term Note (is a programme to provide to the Group the flexibility to issue bond loans with different maturities)

\*\* Private: bond issues according to German law: Schuldschein and Namensschuldverschreibung as well as private issues to institutionals (stand alone)

The return at issue price represents the gross actuarial yield at issue.

The bonds are **listed** on the regulated market of the Luxembourg Stock Exchange and the issues have been listed on the Euronext Brussel, Euronext Growth Brussels and the Freiverkehr of Frankfurt markets since November 2012.



All outstanding loans are expressed in EUR and have a fixed interest rate.

All amounts of the bond loans were **on-lent to the MEAs** under the same conditions as the issued bond loans. The resulting receivables for the Group are included in the item 'Long-term receivables, other'.

One bank loan (with derivative structure) was not on-lent and the EIB loans are not on-lent to Riobra.

The capital of the debenture and the green loans is repayable at maturity.

The bank loan (with derivative structure) has monthly maturities, whereby the variable interest rate was converted into a fixed interest rate via an **Interest Rate Swap**. This derivative was included in a separate item on the balance sheet and expressed at fair value amounting to a liability of 101 k EUR at 31 December 2023 and an asset of 704 k EUR at 31 December 2022.

### Loans on short-term

The loans on short-term contain the portion of the long-term loans which are repayable within one year (3.500 k EUR of a bank loan at the end of 2023; 749.536 k EUR of bond loans and 3.500 k EUR of a bank loan at the end of 2022) and the loans drawn with financial institutions (525.000 k EUR at 31 December 2023 and 300.000 k EUR at 31 December 2022).

The Group has the following credit facilities:

(In thousands of EUR)	Maturity	Available amounts	Amounts used	Amounts not used	Average interest rate*
Commercial paper	(1)	500.000	425.000	75.000	4,16%
Fixed advances	(2)	300.000	100.000	200.000	4,20%
Fixed loans/Bank overdraft	Daily	200.000	0	200.000	NA
Fixed loans	NA	25.000	0	25.000	NA
<b>Total at 31 December 2023</b>		<b>1.025.000</b>	<b>525.000</b>	<b>500.000</b>	
Commercial paper	(1)	500.000	300.000	200.000	2,09%
Fixed advances	NA	200.000	0	200.000	NA
Fixed loans/Bank overdraft	Daily	200.000	0	200.000	NA
Fixed loans	NA	25.000	0	25.000	NA
<b>Total at 31 December 2022</b>		<b>925.000</b>	<b>300.000</b>	<b>625.000</b>	

\* The average interest rate of the used amounts at the end of the period

(1) At 31 December 2023: maturity between 4 January 2024 and 12 February 2024; at 31 December 2022: maturity between 30 January 2023 and 28 February 2023

(2) Maturity 4 January 2024

NA Not applicable

All short-term loans are subscribed by Fluvius System Operator cv in the name and on behalf of the Mission Entrusted Associations who stand surety for their part and act as joint co-debtor except for the bank overdrafts.

The fair value of the loans is included in the note 'Financial instruments: policy'.





## 23 Employee benefit liabilities

### Defined contribution plans

Employees hired after 1 January 2002 and the executive staff hired after 1 May 1999 are entitled to defined contribution plans: these pension plans provide a lump sum on retirement resulting from the contributions paid and the return granted by the pension institutions, as well as a lump sum and orphan interests in case of decease before retirement. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (Powerbel and Enerbel) and group insurances.

The assets are managed within a Luxembourg Fund (Esperides), divided in 4 investment zones, each representing a different risk profile (low risk, medium risk, high risk and dynamic asset allocation). The risk level also has to be managed taking into account the age of the members. This is why the trustees of Powerbel have proposed to the members a new option (2015) to manage their assets. This option, called 'Life-Cycle', offers an evolution of the risk exposure from growth to more defensive throughout the member's career. Each year the participant has the opportunity to change his investment strategy, for the future allowances of the employer or for the totality of the accumulated sums in his account.

As of 2018, the employer contributions with respect to O.F.P. Enerbel are calculated according to the PUC method with projection of future contributions. The employee contributions are still valued according to the PUC method without projection of future contributions because those are independent to seniority.

The guaranteed interest is variable and each year aligned to 85% of the average return over the last 24 months of linear bonds of the Belgian State (OLOs) with a duration of 10 years (at least 1,75% and maximum 3,75%).

The applied interest rate starting from 2016 is 1,75% and is applied, according to the vertical method, for all contributions paid to the pension funds and in the insurance company (products of TAK 21 with interest guarantee).

The pension funds are not subject to the Solvency II regulation of insurance companies and can obtain better expected returns by diversification of their investments. Hence, the reserves and a compensation of the group insurance was transferred during 2016 to a pension fund (OFP Powerbel/OFP Enerbel) as a cash-balance plan with a minimum guaranteed return of 3,25%.

As from 2018, executives were offered the opportunity to move from pension fund Powerbel to the cash balanced plan Powerbel New. For the accumulated rights a "Cash Balance" system applies, meaning that the regulated formula determines the employer contributions and the return is fixed at 3,25%. No employee contributions are foreseen. Allowances in case of decease and incapacity are defined benefit, meaning that those different allowances are determined by a formula. The contributions to be paid will be adjusted to this target.

On April 1, 2019, the entire contractual staff of the ex-Infrac MEAs and of ex-Integan were taken over by Fluvius System Operator. The employees of ex-Infrac and ex-Integan retain their fixed contribution scheme at Ethias. The pension obligations of ex-Infrac executives, who have switched to the Fluvius SO status, and ex-Integan executives have been included in the existing structure Cash Balance Plan Powerbel New. The executives who have not switched to the Fluvius SO status, retain their fixed contribution scheme at Ethias. Ex-Infrac executives will each year be given the option to switch to Fluvius SO status. In that case they will be affiliated to the Cash Balance Powerbel New Plan. Employees who will be promoted to executives in the future will also be affiliated to the Cash Balance Powerbel New Plan.

The fixed contribution plan at Ethias is managed horizontally, as a result of which a return guarantee of 1,75% is applied to the premiums from 2016 and a return guarantee of 3,25% for the 2016



premiums. The plan is evaluated according to the PUC method but without projection of future premiums.

### **Defined benefit plans**

The Collective Labour Agreement of 2 May 1952 stipulated an additional pension equal to 75 % of the last annual salary after deduction of the legal pension at the end of a complete career, as well as a survival pension and an orphan allowance. This defined benefit plan has been fully paid up by the employer and the pensions have been paid out directly to the beneficiaries. The remaining subsequent obligations are for the largest part related to current pensions.

The majority of the employees hired before 1 January 2002 and the executive staff hired before 1 May 1999 are entitled to defined benefit plans which provide in the payment of a lump sum on retirement, and a lump sum and orphan interest in case of decease before retirement. These benefits are calculated taking into account the last annual salary and past service. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (OFP Elgabel and OFP Pensiobel) and group insurances.

Due to changes to the pension regulation in Belgium, the members of the pension plan Pensiobel have been offered the opportunity to move as from 1 January 2015 to the defined contribution plan Powerbel. The accumulated and improved acquired rights (in Pensiobel) are capitalized at market returns but with a minimum return equal to 3,25% (the guaranteed return in a cash-balance Best-off plan is the maximum between 3.25% and the average return of the fund).

Following negotiations on sector level, an agreement was reached in 2020 on a "renewed" pension plan - the Master Plan. On 1 October 2020, the conditions of the Master Plan were fixed in a Collective Labour Agreement: as of 1 January 2022, changes will be effective to the defined benefit plan Elgabel for baremised employees with old employment conditions. Also as of 1 January 2022 the solidarity fund within the O.F.P. Elgabel was abolished and became part of the O.F.P. Elgabel; the possibility was included to transfer possible surpluses of the O.F.P. Elgabel, under certain conditions, to another pension fund and improvements were also made to the fixed contribution plan-Enerbel.

The Group also grants **post-retirement allowances** being the reimbursement of healthcare costs and tariff benefits.

The **other long-term employee benefits** contain provisions for retirement and jubilee bonuses and holidays carried over or overtime.

The current defined benefit plans are financed through pension funds in which the assets, dedicated to specific plans, are identified. Belgian legislation and the pension regulations provide that the dedicated assets should only finance the relevant benefits. This results in determining an **asset ceiling**. The determination of the asset ceiling takes into consideration the projected total benefit payable under the assumptions and as per the pension plan rules.

### **Right of reimbursement**

Since the expenses related to the employee benefits are reclaimable from the Mission Entrusted Associations, rights of reimbursement, equal to the employee benefit liability reported in the balance sheet, are recognized.



The major actuarial assumptions used at balance sheet date to determine the provision for employee benefits and other allowances are summarized below. Depending on the status of the staff members, the pension plans and the related discount rates differ, as do the expected salary increases and staff turnover.

	2023	2022
Discount rate - pensions DB, cash balance, other contributions	3,06%	3,64%
Discount rate - pensions DC, health benefits, tariff advantages, leave	3,25%	3,75%
Expected average salary increase (inflation excluded) - old*	0,45%, 0,67%	0,40%, 0,70%
Expected average salary increase (inflation excluded) - new**	2,02%, 2,42%	2,08%, 2,35%
Expected average salary increase (inflation excluded) - additional	0,00%	0,40%
Expected inflation	2,10%	1,90%
Expected increase of health benefits (inflation included)	3,10%	2,90%
Expected increase of tariff advantages	2,10%	1,90%
Average assumed retirement age	63	63
	IA BE	IA BE
Mortality table used	Prospective Tables	Prospective Tables
Turnover - old*	0,41%, 0,40%	0,45%, 0,35%
Turnover - new**	1,73%, 3,91%	1,78%, 3,07%
Life expectancy in years of a pensioner retiring at age 65:		
For a Person aged 65 at closing date:		
- Male	20	20
- Female	24	24
For a Person aged 65 in 20 years:		
- Male	22	20
- Female	26	24

\* Old: relates to executive staff recruited before 1 January 2002 and management staff recruited before 1 May 1999

\*\* New: relates to executive staff hired after 1 January 2002 and management staff hired after 1 May 1999

### Accounting treatment

The notes below include for 2023 and 2022 only the provision for employee benefits according to IAS19.



## Amounts recognized in the statement of comprehensive income

(In thousands of EUR)	2023	2022
Current Service cost (employer only) - tax on service cost included	-28.208	-37.561
Interest expense	-29.432	-7.243
Interest income - interest income from asset ceiling excluded	22.473	4.147
Past service cost	-1.844	-5.318
Actuarial gains and (losses) recognised immediately in profit or loss	-13.866	8.308
<b>Total costs included in profit or loss</b>	<b>-50.877</b>	<b>-37.667</b>
Actuarial (gains) losses on liabilities:		
changes in financial assumptions	16.113	-225.693
changes in demographic assumptions	-849	1.632
effect of experience adjustments	8.103	76.830
Actuarial (gains) losses on assets	-14.268	96.879
Effect of variation of the asset ceiling	-7.386	-1.463
<b>Total costs included in other comprehensive income</b>	<b>1.713</b>	<b>-51.815</b>

## Amounts recognized in the balance sheet

(In thousands of EUR)	Present value of funded defined benefit obligation	Fair value of plan assets	Total
Pensions - funded status	552.240	-676.025	-123.785
Pensions - unfunded status	30.286	0	30.286
Healthcare costs, tariff benefits - unfunded status	113.359	0	113.359
Other long-term employee benefits - funded status	21.566	-23.822	-2.256
Other long-term employee benefits - unfunded status	106.912	0	106.912
Impact on minimum funding requirement/effect of asset ceiling	0	28.826	28.826
<b>Total defined benefit obligation and long-term employee benefits at 31 December 2023</b>	<b>824.363</b>	<b>-671.021</b>	<b>153.342</b>
Pensions - funded status	543.039	-648.972	-105.933
Pensions - unfunded status	28.779	0	28.779
Healthcare costs, tariff benefits - unfunded status	109.489	0	109.489
Other long-term employee benefits - funded status	20.612	-25.057	-4.445
Other long-term employee benefits - unfunded status	92.038	0	92.038
Other	0	34.941	34.941
<b>Total defined benefit obligation and long-term employee benefits at 31 December 2022</b>	<b>793.957</b>	<b>-639.088</b>	<b>154.869</b>



## Changes in the present value of the obligation

(In thousands of EUR)	2023	2022
Total at 1 January	-793.956	-953.922
Actuarial gains (losses) - financial assumptions	-20.730	258.088
Actuarial gains (losses) - demographic assumptions	2.614	-1.152
Actuarial gains (losses) - experience adjustments	-19.117	-101.395
Acquisitions/disposals	0	0
Current service cost & taxes included	-28.208	-37.561
Participant contributions	-2.160	-2.088
Interest cost	-29.432	-7.243
Benefit payments & taxes included	68.470	56.635
Past service cost	-1.844	-5.318
<b>Total at 31 December before tax on unfunded obligations</b>	<b>-824.363</b>	<b>-793.956</b>
Taxes on unfunded obligations	0	0
<b>Total at 31 December</b>	<b>-824.363</b>	<b>-793.956</b>

## Changes in the fair value of the plan assets

(In thousands of EUR)	2023	2022
Total at 1 January	674.029	794.891
Actuarial gains (losses) - correction on assets at 1 January	-17.291	-4.486
Return on plan assets (excluding interest income)	31.559	-92.393
Acquisitions/disposals	0	0
Interest income	23.745	4.317
Employer contributions & taxes included	37.633	12.107
Participant contributions	2.160	2.088
Benefit payments & taxes included	-51.988	-42.496
<b>Total at 31 December</b>	<b>699.847</b>	<b>674.029</b>
Irrecoverable surplus (effect of asset ceiling)	-28.826	-34.941
<b>Total at 31 December</b>	<b>671.021</b>	<b>639.088</b>



### Changes in the asset ceiling

(In thousands EUR)	2023	2022
Total at 1 January	34.941	36.234
Interest income	1.271	170
Changes in asset ceiling	-7.386	-1.463
<b>Total at 31 December</b>	<b>28.826</b>	<b>34.941</b>

### Changes in other comprehensive income

(In thousands EUR)	2023	2022
Total at 1 January	54.024	105.839
Other comprehensive loss (gain)	1.713	-51.815
<b>Total at 31 December</b>	<b>55.737</b>	<b>54.024</b>

### Classification of the plan investments on the balance sheet date

The classification of the plan investments in function of the major category at the end of 2023:

Category	Elgabel %	Other %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
<b>Investments quoted in an active market</b>	<b>94,57</b>	<b>94,31</b>	<b>93,73</b>	<b>100,00</b>	<b>90,87</b>	<b>93,44</b>
Shares (Eurozone)	11,18	11,48	7,44	0,00	9,71	10,00
Shares (Outside eurozone)	23,91	21,01	20,26	0,00	18,88	21,33
Government bonds (Eurozone)	0,00	0,00	0,00	50,00	6,71	2,35
Other bonds (Eurozone)	25,41	26,41	28,90	50,00	24,67	26,21
Other bonds (Outside eurozone)	34,08	35,40	37,14	0,00	30,90	33,55
<b>Unquoted investments</b>	<b>5,43</b>	<b>5,69</b>	<b>6,27</b>	<b>0,00</b>	<b>9,13</b>	<b>6,56</b>
Real estate	2,24	2,31	1,46	0,00	2,77	2,22
Cash and cash equivalents	2,35	3,23	2,58	0,00	2,62	2,53
Other	0,83	0,16	2,23	0,00	3,74	1,80
<b>Total in %</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
<b>Total (In thousands of EUR)</b>	<b>303.285</b>	<b>70.348</b>	<b>128.601</b>	<b>7.425</b>	<b>190.189</b>	<b>699.848</b>



The classification of the plan investments in function of the major category at the end 2022.

Category	Elgabel %	Other %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
<b>Investments quoted in an active market</b>	<b>92,02</b>	<b>93,20</b>	<b>92,15</b>	<b>85,19</b>	<b>92,39</b>	<b>92,16</b>
Shares (Eurozone)	14,67	14,75	14,48	5,17	12,70	14,03
Shares (Outside eurozone)	19,17	19,28	13,44	0,00	17,15	17,29
Government bonds (Eurozone)	0,00	0,00	0,00	15,52	6,55	1,83
Other bonds (Eurozone)	24,49	24,92	27,83	60,37	24,86	25,68
Other bonds (Outside eurozone)	33,69	34,25	36,40	4,13	31,13	33,32
<b>Unquoted investments</b>	<b>7,98</b>	<b>6,80</b>	<b>7,85</b>	<b>14,81</b>	<b>7,61</b>	<b>7,84</b>
Real estate	2,04	2,05	1,29	0,83	2,16	1,91
Cash and cash equivalents	5,42	4,91	4,44	4,31	4,94	5,04
Other	0,52	-0,16	2,12	9,67	0,51	0,89
<b>Total in %</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
<b>Total (In thousands of EUR)</b>	<b>306.823</b>	<b>50.303</b>	<b>137.859</b>	<b>7.056</b>	<b>171.988</b>	<b>674.029</b>

#### Breakdown of the defined benefit obligation by type of plan participants and by type of benefits

(In thousands of EUR)	2023	2022
<b>Breakdown of defined benefit obligation by type of plan participants</b>	<b>-824.363</b>	<b>-793.956</b>
Active plan participants	-593.139	-569.451
Terminated plan participants with deferred benefit entitlements	-111.209	-107.824
Retired plan participants and beneficiaries	-120.015	-116.682
<b>Breakdown of defined benefit obligation by type of benefits</b>	<b>-824.363</b>	<b>-793.957</b>
Retirement and death benefits	-604.092	-592.430
Other post-employment benefits (medical and tariff reductions)	-113.359	-109.489
Jubilee bonuses (Seniority payments)	-106.912	-92.038



The results of the **sensitivity analysis** are included below to explain the impact of the assumptions.

(In thousands of EUR)	Effect: increase (-) / decrease (+)
Discount rate (+0,25%)	11.300
Inflation (+0,25%)	-11.229
Salary increase (+0,10%)	-4.518
Healthcare increase (+0,10%)	-101
Tariff advantages (+0,50%)	-1.999
Employee turnover (+0,50%)	10.415
Life expectancy of pensioners (+1 year)	-6.949

The annual balance of the defined benefit lump sum is financed by the Group through a recurrent allocation expressed as a percentage of the total payroll. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing is used to smooth out future costs over the remaining period of the plan. The costs are estimated on projected bases (salary growth and inflation taken into account).

The assumptions related to salary increase, inflation, employee turnover and age-term are defined on the basis of historical statistics of the Group. The mortality tables used are the ones corresponding to the observed experience within the financing vehicle. The discount rate is established with regard to the investment strategy of the companies.

These assumptions are challenged on a regular basis.

Exceptional events (such as modification of the plan, change of assumptions, too short degree of coverage...) can eventually lead to additional payments by the Group.

The **average duration** of the defined benefit obligation at 31 December 2023 is 6 years (2022: 8 years) and 15 years at 31 December 2023 for the defined contribution obligations (2022: 18 years).

The Group estimates to contribute 7.522 k EUR to the defined benefit pension plans in 2023 and 12.931 k EUR to the defined contribution plans.

### Actuarial risks

The defined benefit plans expose the Group to various actuarial risks:

#### *Investment risk*

The present value of the defined benefit plan liability is calculated using a discount rate determined to high quality corporate bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment which is reported in the table below 'Classification of the plan investments on the balance sheet date'.

Due to the long-term nature of the plan liabilities, the pension fund's board considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the funds.

#### *Interest rate risk*

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.





#### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

From 2015 onwards, new prospective mortality tables are being used to reflect the improved life expectations in the future as proposed by the Institute of Actuaries in Belgium (IA|BE).

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## 24 Trade payables and other liabilities, liabilities cash pool activities, current tax liabilities

(In thousands of EUR)	2023	2022
Trade debts	142.318	131.037
Invoices to be received	60.935	57.399
<b>Subtotal</b>	<b>203.253</b>	<b>188.436</b>
VAT	151	42
Taxes payable on remuneration	12.078	24.537
Remuneration and social security	100.193	97.771
Other current liabilities	113.857	89.208
<b>Other current liabilities</b>	<b>226.279</b>	<b>211.558</b>
<b>Total trade payables and other current liabilities</b>	<b>429.532</b>	<b>399.994</b>
<b>Liabilities cash pool activities</b>	<b>86.647</b>	<b>146.235</b>
<b>Current tax liabilities</b>	<b>3.619</b>	<b>3.036</b>

Trade payables and other current liabilities amount to 429.532 k EUR at 31 December 2023 and 399.994 k EUR at 31 December 2022, an increase of 29.538 k EUR.

The items trade debts and invoices to be received remain increases (2023: 203.253 k EUR; 2022: 188.436 k EUR).

The trade payables on the MEAs amounted to 13.027 k EUR at the end of 2023 and 13.569 k EUR at the end of 2022.

The 'other current liabilities' for an amount of 113.857 k EUR at the end of 2023 (2022: 89.208 k EUR) contain mainly accrued costs relating to the finance costs for issuing bonds, the car fleet and Information & Communication Technology projects (2023: 86.914 k EUR; 2022: 75.727 k EUR), the increase is mainly due to the attributable costs for the loans (2023: 67.850 k EUR; 2022: 44.312 k EUR).



Taxes payable on remuneration decrease (2023: 12.078 k EUR; 2022: 24.537 k EUR) due to a payment deferral due to the energy crisis in 2022.

Liabilities related to employee benefits remain almost the same (2023: 100.193 k EUR; 2022: 97.771 k EUR).

The **payable cash pool activities** amount to 86.647 k EUR at the end of 2023 and 146.235 k EUR at year end of 2022 (see note 'Trade and other receivables').

The **payment term and conditions for these payables** are as follows:

For the standard trade contracts, the average payment term was 30 days. The Value Added Tax payable and the withholding tax payable were due 20 and 15 days respectively after the end of the month. All amounts were paid on their expiry date.



## Financial instruments

### 25 Financial instruments: policy

#### *Risks*

It is the Group's intention to understand all risks separately, as well as their mutual connections, and to define strategies in order to manage the economic impact on the Group's results. The Audit Committee is responsible for reviewing the risk analysis, for the approval of the recommended risk management strategies, for compliance with the guidelines on risk management and reporting.

The Group's functioning as the operating company for the Mission Entrusted Associations limits to a large degree the risks and their possible negative impact.

#### *Equity structure*

The Group's equity structure consists of equity and the financial liabilities.

Apart from the legally required minimum levels for equity that are applicable for Fluvius System Operator and its subsidiaries, investments in joint ventures and associates, the Group is not subject to any externally required qualifications for its capital structure.

Within the Group short-term financing has been called upon to support the working capital. The long-term loans are contracted by Fluvius System Operator to finance the MEAs and are lent through at the same conditions as the contracted loans.

#### *Credit risk*

The credit risk comprises the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum credit risk is each financial asset's balance sheet value.

The Group recharges its costs mainly to its shareholders, its non-controlling interests and the associates.

As regards the on-lending of funds from the issuance of bond loans – and the recognition as short- and long-term receivables from the Mission Entrusted Associations - the principle applies that each MEA guarantees on a non-principal and non-solidary basis but limited to the proportional share of its contribution (see note 'Long-term and short-term loans').

The credit risk for this category of customers is limited and the calculations did not give rise to a recognition of impairment losses. These calculations also took into account the Flemish government's support that can be called upon in case of credit problems.

Impairments are recognised for receivables from external customers. These receivables include receivables recognised as a result of invoices to private and professional customers for work carried out (construction of cable infrastructure, gas pipelines, connections, etc.); damage claims; invoicing for work in connection with maintenance of public lighting for municipalities (which have not joined the 'renewed' public lighting offer); and invoicing for work carried out for Ministries.



## Movements in accumulated impairments on trade receivables

(In thousands of EUR)	2023	2022
Total at 1 January	-40.654	-38.420
Charge of impaired receivables	-4.457	-9.486
Write-back of impaired receivables	3.440	7.252
<b>Total at 31 December</b>	<b>-41.671</b>	<b>-40.654</b>

The outstanding receivables for the external customer group for which no impairment was recorded amount to 59.916 k EUR at the end of 2023. They have the following maturities: 37.242 k EUR are not past due; 12.311 k EUR are past due for more than one day and maximum two months; 3.183 k EUR are past due for more than two months and less than six months and 7.180 k EUR are past due for more than six months.

### *Currency risk*

The Group is not substantially exposed to currency risk since transactions in currencies other than the euro are limited.

### *Liquidity risk*

The liquidity risk implies the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities. The Group limits this risk by continually scrutinizing cash flows and by taking care that a sufficient number of credit facilities are available.

The Group calls upon several banks to attract resources on short term. Commercial paper was issued within the framework of a treasury bill programme. Fixed advances and commercial papers can be called on with a maturity of one week up to twelve months, as well as fixed loans (straight loans) with a maturity of one day or one month up to one year whereby the minimum maturity depends on the borrowing bank. Fixed advances can be requested with a maturity from one week to twelve months. All loans have a fixed interest rate during the term of the loan except for the bank overdraft which has a variable interest rate.

These funds are mainly drawn to finance a negative cash pool balance (see note 'Interest-bearing borrowings and loans').

The Group enters into long-term loans to finance the MEAs. These long-term loans were fully lent on at the same conditions as the contracted loans.

The MEAs use these resources to finance the investments in the distribution grids including the roll-out of the digital meter, the acquisition and replacement of the public lighting infrastructure, financing investments in other companies, to refinance loans and to pay interest as well as working capital.

In 2010, the first bond loans were issued for private investors in Belgium and the Grand Duchy of Luxembourg. To further diversify and broaden its funding resources, so that a safe, reliable, efficient and innovative distribution of energy to the customers can be assured, a rating was requested. In order to be able to easily address the market of institutional investors, a credit rating was requested. In October 2011, 'Moody's Investors Service Ltd.' ("Moody's") granted Eandis System Operator a rating. Later, a rating was also obtained from 'Creditreform Rating AG' (Creditreform). To determine the creditworthiness of Fluvius, the accounts of the distribution system operators were also taken



into account, given its close connection with its shareholders. As a result, the rating is made on the basis of the financial statements of the 'Fluvius Economic Group'.

Since October 2021, **Moody's confirmed the A3 rating** for Fluvius with a **stable outlook**. This assessment was based on the fact that Fluvius was able to take measures to counter the lower allowed income of the MEAs for the regulatory period 2021-2024, implement a change in dividend policy as from 2022 and obtain an allocation of advances from the Flemish energy regulator for the investments in smart meters. The assessment of the overall credit risk of Fluvius also took into account the fact that the Flemish Community (Aa3 stable as of 9 December 2021) has a strong interest in maintaining a solid financial strength of the MEAs, given their essential role in the Flemish economy.

On 19 September 2022 and 9 August 2023, this rating was **confirmed** by Moody's. Moody's also assigned an ESG (Environmental, Social and Governance) Credit Impact Score (CIS) of 3 (on a scale of 1 to 5). Fluvius's CIS-3 reflects a moderately negative exposure to social and environmental risks and a neutral to low risk for governance. The impact of those considerations on the rating is mitigated by the Group's supportive regulatory framework.

Since 16 August 2022, the rating with **Creditreform is 'A' with stable outlook**. This decision was based on the combined effect of the stricter 2021-2024 tariff methodology (from the MEAs, shareholders of Fluvius System Operator) and a more volatile economic context with rapidly rising inflation and rising interest rates. According to Creditreform, this could cause the tension between the authorised income and financing costs to have a negative impact on the company's short-term results.

**In mid-2023, Fluvius decided to cease its active participation in the rating procedure at Creditreform.** From that date onwards, all rating information published by Creditreform is therefore on a non-solicited basis.

Fluvius System Operator, via Eandis System Operator, successfully issued bonds in the framework of its 5.000.000 k EUR Euro Medium Term Note (**EMTN**) programme launched in 2011 and which runs through 2021. At the end of 2019, an amount of 2.980.500 k EUR or 59,61% had been issued. Since year end 2014 no more bonds were issued under this programme.

On top of this, Fluvius, via Infracore, issued bonds in the framework of its 500.000 k EUR EMTN programme launched in 2013. A first bond part was issued for 250.000 k EUR in 2013 (to mature in 2023) and a second one of 250.000 k EUR was launched in 2014 (to mature in 2029). This EMTN programme was therefore fully utilised. The bond maturing on 30 October 2023 has since been repaid to bondholders.

On 1 July 2020, a **new** 5.000.000 k EUR EMTN programme was launched by Fluvius System Operator cv that has a maturity of 10 years, extendable by Fluvius for 24 months. The current bond loans are issued within this programme. The issues are guaranteed by the Group's eleven MEAs and will have a minimum maturity of one year.

At the end of 2023, an amount of 3.940.000 k EUR or 78,80% of the programme's total amount had already been issued.

The EMTN Base Prospectus also provides for the possibility to issue green bonds, whereby the net proceeds of an issue are used to finance (or refinance) eligible Green Projects. For this purpose, Fluvius has prepared a Green Financing Framework which contains a description of investment projects that are eligible for green financing, how the climate and sustainability benefits will be measured, and how verification and reporting will be undertaken.

All funds from the bond loans, except for 50.000 k EUR, were fully lent on to the MEAs at the same conditions as the bond loans. The resulting receivables for the Group are included in notes 'Short-term receivables, other' and 'Long-term receivables, other'.

An overview of the loans is included in the note 'Interest-bearing loans and borrowings'. The bank loan (2023: 27.125 k EUR; 2022: 30.625 k EUR) was not lent on.



The following schedule shows the maturity schedule (at nominal value) of the different loans.

At the end of 2023

(In thousands of EUR)	2023	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	440.000	0	200.000	240.000	0
Bond issue - EMTN	5.110.500	0	400.000	554.500	4.156.000
Bond issue - private	440.000	0	0	50.000	390.000
Bank loans - with derivative structure	27.125	3.500	7.000	7.000	9.625
Bank loans - fixed interest rate	550.000	0	0	550.000	0
Loans from third parties	32.000	0	0	32.000	0
<b>Total</b>	<b>6.599.625</b>	<b>3.500</b>	<b>607.000</b>	<b>1.433.500</b>	<b>4.555.625</b>

At the end of 2022

(In thousands of EUR)	2022	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	200.000	0	200.000	0	0
Bond issue - EMTN	4.660.500	750.000	0	400.000	3.510.500
Bond issue - private	440.000	0	0	50.000	390.000
Bank loans - with derivative structure	30.625	3.500	7.000	7.000	13.125
Bank loans - fixed interest rate	550.000	0	0	350.000	200.000
<b>Total</b>	<b>5.881.125</b>	<b>753.500</b>	<b>207.000</b>	<b>807.000</b>	<b>4.113.625</b>

Information regarding the repayment schedule of the lease obligations of the undiscounted payments of the lease liabilities.

(In thousands of EUR)	Lease Liabilities total	1 year or less	1-3 year	3-5 year	More than 5 year
2023	38.409	10.116	18.958	6.795	2.540
2022	27.590	9.356	13.238	3.716	1.280

Long-term receivables and short-term receivables, other

- From the DSOs  
The Group has long-term receivables and short-term receivables at 31 December 2023 totaling 6.709.989 k EUR (2022: 5.840.787 k EUR). Of these, 0 k EUR (2022: 700.000 k EUR) is receivable within one year, 600.000 k EUR (2022: 200.000 k EUR) is receivable within more than one to three years, 1.426.500 k EUR (2022: 800.000 k EUR) is receivable within more than three to five years and 4.546.000 k EUR (2022: 4.100.500 k EUR) is receivable after five years.
- Related to Wyre bv



As of 31 December 2023, the Group has a long-term receivable for 32.000 k EUR recoverable on 18 July 2028.

- Related to Telenet  
As at 31 December 2023, the Group has a discounted long-term and short-term receivable for a total of 108.344 k EUR, of which 20.000 k EUR are collectible over 6 years with a maturity date of 30 June 2029 (see note 'Investments in joint ventures and associates').

#### *Interest rate risk*

The Group has entered into long-term loans with a fixed and variable interest rate. The loans with a variable interest rate have been swapped to a fixed interest rate (see note 'Derivative financial instruments').

The resulting financial costs for Fluvius System Operator are all passed on to the MEAs and are reported as a financial income, except for the financial costs related to a bank loan of 27.125 k EUR, which is not lent through.

The interest payment for the following years, calculated on the basis of the current interest rate is as follows:

(In thousands of EUR)	2023	2022
In 2023	0	127.249
In 2024	148.870	101.484
In 2025	158.488	101.360
In 2026	154.371	97.242
In 2027	147.253	90.125
In 2028	126.927	79.387
In 2029 and beyond	584.089	390.339
<b>Total</b>	<b>1.319.996</b>	<b>987.185</b>

#### *Other*

More information about the risks of the Group and its shareholders is included in the base prospectus 2023 edition regarding the bond issue programme, as supplemented by the Fluvius EMTN 2023 supplement no. 1 (dated 20 December 2023) and the investor presentation. These documents can be consulted on our website [www.fluvius.be](http://www.fluvius.be).

#### **Fair value**

The fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties that are independent in a transaction at arm's length and not in a forced sale or liquidation sale.

#### Fair value hierarchy

The Group uses the following fair value hierarchy classification to determine and classify the fair value of the financial instruments by a valuation technique:

Level 1: valuation is based on quoted (unadjusted) prices in an active market for identical assets or liabilities

Level 2: other techniques for which all input with a significant impact on the recorded fair value can be observed either directly or indirectly

Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data



The fair value of the outstanding listed bonds, issued for a total amount of 5.550,5 million EUR varies according to the market interest rate. The fair value at 31 December 2023 amounts to 5.283,7 million EUR and differs from the amount that will be reimbursed and the carrying value.

The fair values at 31 December 2023 are as follows:

(In thousands of EUR)	Fair value Level 1	Fair value Level 2	Fair value Level 3	Book value
Other investments	0	0	889	889
Derivative financial instruments	0	0	0	0
Long-term receivables, other	6.443.210	0	0	6.709.989
Short-term receivables, other	18.107	0	0	18.107
Cash and cash equivalents	61.605	0	0	61.605
Total receivables	416.764	0	0	416.764
Receivables cash pool activities	256.740	0	0	256.740
<b>Total</b>	<b>7.196.426</b>	<b>0</b>	<b>889</b>	<b>7.464.094</b>
Loans on long-term	6.329.346	0	0	6.564.501
Loans on short-term	528.500	0	0	528.500
Lease liabilities	35.662	0	0	35.662
Derivative financial instruments	0	101	0	101
Liabilities cash pool activities	86.647	0	0	86.647
<b>Total</b>	<b>7.413.306</b>	<b>101</b>	<b>0</b>	<b>7.648.562</b>





The fair values at 31 December 2022 are as follows:

(In thousands of EUR)	Fair value Level 1	Fair value Level 2	Fair value Level 3	Book value
Other investments	0	0	863	863
Derivative financial instruments	0	704	0	704
Short-term deposits	5.140.787	0	0	5.140.787
Long-term receivables, other	700.000	0	0	700.000
Cash and cash equivalents	79.144	0	0	79.144
Receivables cash pool activities	333.702	0	0	333.702
Receivables cash pool activities	277.027	0	0	277.027
<b>Total</b>	<b>6.530.660</b>	<b>704</b>	<b>863</b>	<b>6.532.227</b>
Loans on long-term	4.675.959	0	0	5.105.241
Loans on short-term	1.053.932	0	0	1.053.036
Lease liabilities	25.739	0	0	25.739
Total current liabilities, other	403.030	0	0	403.030
Liabilities cash pool activities	146.235	0	0	146.235
<b>Total</b>	<b>6.304.895</b>	<b>0</b>	<b>0</b>	<b>6.733.281</b>



## Other information

### 26 Related parties

Transactions between Fluvius System Operator and its subsidiaries have been eliminated in the consolidation process and are therefore not included in the present note.

The total remunerations paid to the management committee and the directors for 2023 amounted to 4.071.960 EUR and 4.167.718 EUR for 2022. The post-employment benefits included in the total remuneration mentioned amounted to 234.816 EUR for 2023 and 211.540 EUR for 2022. There are no other benefits in kind, share options, credits or advances in favour of the directors.

Transactions of the Group with companies with a non-controlling interest (Farys/TMVW and De Watergroep) were as follows:

(In thousands of EUR)	2023	2022
<b>Amount of the transactions</b>		
Recharge of costs to non-controlling interest companies	86.798	81.674
Recharge of costs from non-controlling interest companies	3.389	5.066
<b>Amount of outstanding balances</b>		
Trade receivables	9.748	9.968
Trade payables	969	3.831

Transactions of the Group with other companies (Atrias, Synductis and Wyre Holding) were as follows:

(In thousands of EUR)	2023	2022
<b>Amount of the transactions</b>		
Recharge of costs to associates	8.331	2.546
Recharge of costs from associates	40.554	33.520
<b>Amount of outstanding balances</b>		
Trade receivables	41.950	42.032
Trade payables	4.437	3.543



Transactions of the Group with its shareholders (Mission Entrusted Associations) were as follows:

(In thousands of EUR)	2023	2022
<b>Amount of the transactions</b>		
Recharge of costs to the Mission Entrusted Associations	2.212.427	1.785.915
Recharge of costs from the Mission Entrusted Associations	47.070	33.317
Interest income Mission Entrusted Associations	153.924	112.942
Interest expenses Mission Entrusted Associations	-5.898	-1.271
<b>Amount of outstanding balances</b>		
Non-current assets, employee benefits	153.342	154.869
Non-current assets, other	6.550.045	5.099.504
Short-term receivable, other	0	700.000
Trade receivables, invoices to be issued	212.477	193.690
Other receivables, cash pool	179.893	163.177
Other receivables, accrued financial income bond loan	68.477	44.530
Non-current assets, other	32.000	0
Other current liabilities	25.196	0
Trade payables	13.030	13.597
<b>Guarantees and securities received</b>		
Concerning financial obligations	825.000	725.000

All invoices to and from the Mission Entrusted Associations are payable within 30 days after invoice date.

*Membership of professional organisations*

- Fluvius System Operator is a member of various professional organisations, including:
- AquaFlanders, a non-profit organisation with the objective of supporting the Flemish water companies and sewer managers
- The Association of European Smart Grid Distribution System Operators (EDSO for Smart Grids ivzw)
- Vzw Flux50, the member organisation for innovation in energy transition and energy renovation in Flanders
- ODE Vlaanderen vzw (Organisation for Sustainable Energy Flanders)
- Synergrid vzw, a joint interest group of the operators of networks in Belgium of transmission of electricity, of transport of natural gas and of the distribution of electricity and natural gas
- VLARIO vzw, acting as a consultation platform and knowledge centre for the sewerage and wastewater treatment sector in Flanders
- Vzw VVSG (Association of Flemish Cities and Municipalities) that represents the interests of the local authorities, sharing knowledge and creating network opportunities.

During 2023, the parent company Fluvius System Operator paid fees of 149 k EUR to the statutory auditor supplemented with additional (legal) assignments as an extension of the mandate as auditor and with other assignments amounting to a total of 426 k EUR as well as with other assignments carried out by related persons amounting to 136 k EUR. The other assignments were approved by the Audit Committee.



## 27 Commitments and contingencies

(In thousands of EUR)	2023	2022
Rent deposits, buildings	1.508	1.442
<b>Total guarantees given</b>	<b>1.508</b>	<b>1.442</b>
<b>Guarantees obtained from contractors and suppliers</b>	<b>63.042</b>	<b>72.171</b>

Committed orders at 31 December 2023 amounted to 93.374 k EUR (31 December 2022: 70.611 k EUR).

The Group is involved in legal disputes for which the risk of loss is possible but not likely. Currently, the possible timing of the settlements cannot be estimated reliably.

Also a dispute between Telenet and Proximus should be reported:

Following the acquisition of the customer base of cable television and the establishment of a ground lease on the cable network by Telenet, Proximus claimed in the Court of First Instance of Antwerp to have the contracts annulled. This claim was rejected at first instance (judgment of 6 April 2009). Proximus then appealed to the Court of Appeal of Antwerp. Proximus claimed the disclosure of the full documents relating to the agreement between Telenet, Interkabel and the cable companies. They also claimed to have these agreements annulled and on the basis of a report, drafted by experts claimed damages of 1,4 billion EUR.

The aforementioned agreements contain a safeguard mechanism chargeable to Telenet, thus limiting the liability for the cable companies. On the basis of the agreements with Telenet, the Group is - in the case of a negative outcome - only liable for a maximum amount of 20.000 k EUR.

As at 18 December 2017, the Court of Appeal of Antwerp rejected the claim of Proximus entirely.

At the end of June 2019, Proximus filed an appeal in cassation against this judgment.

On 22 January 2021, the Court of Cassation ruled on this appeal and decided that the judgment of the Court of Appeal of Antwerp should be partially annulled.

The partial annulment only relates to the point that the Court of Appeal of Antwerp did not sufficiently justify the annulment of the agreement between Telenet and the MEAs but does not express an opinion on this point. In order to examine and rule on this, the case is sent to the Court of Appeal of Brussels.

On 16 June 2021, Proximus sued Telenet and the cable operators in appeal after cassation. By means of these proceedings, Proximus claimed the nullity of the agreements between Telenet and the cable companies. In addition, Proximus again claims damages (provisionally estimated at 1 euro) for the erroneous conclusion and maintenance of the agreements. Furthermore, Proximus seeks the cessation of the execution of the agreements and asks for a preliminary ruling in the event that it is considered that no legal remedy/indemnity would be possible for Proximus due to the violation of the principles of equality and transparency. In the first notice of appeal filed by Proximus after the appeal in cassation, its provisional claim for damages had not yet been estimated. Also in Proximus' latest claim filed in December 2022, its claimed damages have still not been quantified and its claim remains limited to EUR 1 provisional. Proximus requests that the debate on the exact extent of the damages be left to a second stage, following an interlocutory judgment by the Court on the liability of Telenet and/or the cable operators. Subordinately, Proximus requested the appointment of a court expert with the task of giving an opinion on the damages. The Fluvius DSOs had to file their final conclusion by 27 February 2023 at the latest, which they did in good time.



Due to the merger that has now intervened through the acquisition of Interkabel Vlaanderen by Fluvius System Operator in the context of the Wyre operation, a resumption of proceedings by Fluvius System Operator may have to take place prior to the hearing. The hearing date has not yet been announced.

On 3 September 2019, a gas explosion occurred in Wilrijk, Ridderveld. One fatality is regretted. At the hearing before the Antwerp Correctional Court on 17 March 2021, the Public Prosecutor asked for the acquittal of both managers (CEO and Director 'Grid operations'), because the Public Prosecutor believes that they cannot be held responsible for the events. For Fluvius System Operator itself, the Prosecutor demanded a simple declaration of guilt. Fluvius itself argued extensively to show that the company, its managers and employees were not at fault in these tragic events. The court judged on 27 April 2021, acquitting both managers criminally. Criminal suspension of sentence was pronounced for Fluvius System Operator and Fluvius was convicted of all civil claims. This conviction has been appealed and the appeal hearing took place on 18 May 2022. Following this hearing, the Court of Appeal decided on 1 June 2022 to also appoint an expert from the civil proceedings for the criminal aspect. The expert had to submit his report to the Court by 31 January 2023. The debates were supposed to be reopened at the hearing on 29 March 2023, but were postponed as the expert report was not yet available. An additional expertise took place on 9 August 2023; the final report is expected early 2024. The court has set the hearing at 13 November 2024.

## **28 Events after the reporting date**

After the close of the 2023 fiscal year on 31 December 2023, the following significant facts and evolutions have occurred.

### *Loan with EIB*

On 22 January 2024, Fluvius drew 198 million EUR under a current loan facility with the European Investment Bank (EIB). A maturity of 13 years with annual capital repayments and an interest rate of 3,103% was agreed. This is the third tranche of a total loan facility of 425 million EUR, of which 200 million EUR had already been drawn in 2020 and 2021. Fluvius can use these loans to finance the roll-out of digital electricity meters. Thus, an outstanding balance of 27 million EUR remains under this facility.

### *Decision of the Flemish Government on compilation decree*

On 19 January 2024, the Flemish Government once again approved the so-called compilation decree. This decree determines, among other things, which networks distribution system operators can own and operate. Specifically, it stipulates that, in addition to electricity and natural gas networks, distribution system operators and their operating companies may own, develop, manage and operate, directly or indirectly, the following networks: electronic communication networks, public lighting, public sanitation, thermal networks, hydrogen networks, CO2 networks. They may also develop, manage and operate water distribution networks.



## 29 List of group entities included in the consolidation

At 31 December 2023

Subsidiary	Office	Number of shares owned %	voting rights %
<b>Parent</b>			
Fluvius System Operator cv	Brusselsesteenweg 199, B-9090 Melle		
<b>Subsidiary</b>			
De Stroomlijn cv	Brusselsesteenweg 199, B-9090 Melle	62,17	62,17
<b>Investment in joint ventures and associates</b>			
Synductis cv	Brusselsesteenweg 199, B-9090 Melle	34,38	34,38
Atrias cv	Koning Albert II-laan 37, B-1030 Brussel	50,00	50,00
Wyre Holding bv	Liersesteenweg 4, B-2800 Mechelen	33,20	33,20

At 31 December 2022

Subsidiary	Office	Number of shares owned %	voting rights %
<b>Parent</b>			
Fluvius System Operator cv	Brusselsesteenweg 199, B-9090 Melle		
<b>Subsidiary</b>			
De Stroomlijn cv	Brusselsesteenweg 199, B-9090 Melle	62,17	62,17
<b>Investment in joint ventures and associates</b>			
Synductis cv	Brusselsesteenweg 199, B-9090 Melle	34,38	34,38
Atrias cv	Kanselarijstraat 17a, B-1000 Brussel	50,00	50,00



## Information concerning the parent company

The following information is extracted from the statutory Belgian GAAP financial statements of the parent company, Fluvius System Operator cv and is presented in abridged form.

These statutory financial statements, together with the report of the Board of Directors to the General Assembly of Shareholders as well as the auditor's report, will be filed with the National Bank of Belgium within the legally foreseen time limits according to the Belgian company code. These documents are also available as from 28 March 2024 on the website [www.fluvius.be](http://www.fluvius.be) or on request at the following address: Brusselsesteenweg 199, 9090 Melle.

The statutory auditor's report is unqualified and certifies that the financial statements of Fluvius System Operator cv are prepared in accordance with Belgian GAAP.

<b>Condensed balance sheet</b>		
<b>In thousands of EUR</b>	<b>2023</b>	<b>2022</b>
<b>Fixed assets</b>	<b>951.888</b>	<b>2.488</b>
Intangible fixed assets	1	285
Tangible fixed assets	187	496
Financial fixed assets	951.700	1.707
<b>Current assets</b>	<b>7.806.809</b>	<b>6.862.176</b>
Amounts receivable after more than one year	6.709.125	5.140.800
Stocks and contracts in progress	190.475	175.523
Amounts receivable within one year	604.219	1.253.204
Cash at bank and in hand	66.348	82.411
Deferred charges and accrued income	236.642	210.238
<b>Total assets</b>	<b>8.758.697</b>	<b>6.864.664</b>
<b>Equity</b>	<b>993.794</b>	<b>1.517</b>
Contributions, other	497.767	1.284
Other equity components: reserves, share premiums, retained earnings	496.027	233
<b>Provisions for liabilities and charges</b>	<b>153.342</b>	<b>154.869</b>
<b>Amounts payable</b>	<b>7.611.561</b>	<b>6.708.278</b>
Amounts payable after more than one year	6.564.501	5.105.240
Amounts payable within one year	960.145	1.527.441
Accrued charges and deferred income	86.915	75.597
<b>Total liabilities</b>	<b>8.758.697</b>	<b>6.864.664</b>

<b>Condensed income statement</b>		
<b>In thousands of EUR</b>	<b>2023</b>	<b>2022</b>
Turnover	2.360.388	1.934.712
Operating profit (loss)	20.608	13.097
Financial result	566.636	-6.022
Income taxes	-8.744	-7.075
<b>Profit for the period</b>	<b>578.500</b>	<b>0</b>



# Auditor's report



## **Independent auditor's report to the general meeting of Fluvius System Operator CV for the year ended 31 December 2023**

In the context of the statutory audit of the Consolidated Financial Statements) of Fluvius System Operator CV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income as at 31 December 2023, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2023 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 24 May 2023, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2025. We performed the audit of the Consolidated Financial Statements of the Group during 13 consecutive years.

### **Report on the audit of the Consolidated Financial Statements**

#### **Unqualified opinion**

We have audited the Consolidated Financial Statements of Fluvius System Operator CV, that comprise of the consolidated statement of the financial position on 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income as at 31 December 2023, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 8.804.386 thousands and of which the consolidated income statement shows a profit for the year of € 68.503 thousands.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

#### **Basis for the unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

### Employee benefit liability

#### Description of the key audit matter

The employee benefit net liability amounts to € 153,3 million as at 31 December 2023. The Group recognizes the provision for the long-term employee benefits based on the requirements of IAS19. The plans of the Group are described in note 23 of the Consolidated Financial Statements.

The valuation of this provision is complex and requires judgments of management. Due to its complexity, the Company is assisted by an external actuary for the calculation of the provision. The valuation of the provision is based on the personnel data included in the pension plans and to which certain actuarial assumptions are applied such as expected inflation, discount rates, projected average salary increases and personnel turnover. A change in these assumptions or the use of incorrect personnel data would have a material impact on the Consolidated Financial Statements. Therefore, the valuation of the employee benefit liability is a key audit matter in our audit.

#### Summary of the procedures performed

Our audit procedures included, amongst others:

- ▶ An analysis of the existing plans within the Group and discussion with management of potential changes to these plans.
- ▶ Testing of the underlying personnel data by means of an analytical review compared to prior year and by a reconciliation (of s.a. gender, salary, age and gender) of a sample of personnel data to underlying documentation.
- ▶ Assessing the competence and independence of the external actuary.

- ▶ Involving our internal actuarial specialists to assess the appropriateness of the actuarial models used in accordance with IAS19 and to assess the reasonableness of the significant assumptions used to value the provision (expected inflation, discount rates, projected average salary increases, mortality tables and personnel turnover).
- ▶ Assessment of the adequacy and completeness of the Group's disclosures in note 23 of the Consolidated Financial Statements.

### Financing activities

#### Description of the key audit matter

The balance sheet of the Group is significantly affected by the Group's financing activity. As at 31 December 2023, the long term interest bearing loans and borrowings of the Group amount to € 6.564,5 million (74,56% of total equity and liabilities) and the short term interest bearing loans and borrowings to € 528,5 million (6,00% of total equity and liabilities), as described in note 22 of the Consolidated Financial Statements.

These interest bearing loans and borrowings are subsequently used to grant interest bearing loans mainly to the Distribution System Operators ("DSO's"), for a total amount of € 6.540,5 million classified as long term receivable outstanding and of € nil million classified as short term receivable, as described in note 17 of the Consolidated Financial Statements. Given the magnitude of these amounts compared to total assets and total liabilities on the one hand and the follow-up and the assessment of management regarding the repayment capacity of the DSO's on the other hand, this is considered as a key audit matter for our audit.

#### Summary of the procedures performed

We performed following procedures:

- ▶ Assessing the accounting treatment of the interest bearing loans and receivables and corresponding transaction costs.
- ▶ Reconciling the nominal amounts of the loans with underlying contracts, confirmations and payments.

- ▶ Reviewing the long term financing plan for the Group, including those of the Distribution System Operators in order to determine the repayment capacities of the latter based on the underlying long term financing targets of the DSO's as well as discussions with management and those charged with governance.
- ▶ Assessing the adequacy and completeness of notes 17 and 22 of the Consolidated Financial Statements.
- ▶ the reconciliation with relevant underlying transaction documents.
- ▶ Reviewing the documentation and tax treatment of this transaction with the assistance of our internal specialists.
- ▶ Communication of clear audit instructions to the auditor of Wyre Holding BV indicating the specific audit risks and the materiality limits to be applied in the procedures to be performed.

#### **Transaction Wyre Holding BV**

##### **Description of the key audit matter**

On 1 July 2023, following the implementation of a legal roadmap, the Group and the company Telenet BV contributed their respective cable infrastructure activities to the joint venture company Wyre Holding BV. The balance sheet and income statement of the Group are significantly impacted by this transaction, with the Group ultimately holding 33.2% of the shares in Wyre Holding BV.

In the Group's balance sheet as at 31 December 2023, this transaction results in an investment in the joint venture Wyre Holding BV amounting to € 960.1 million (10.90% of the balance sheet total) and a significant increase in equity. In the income statement, this transaction results in other operating income of € 59.9 million and a share in the profit of associates and joint ventures of € 10.2 million.

This is a key audit matter of our audit due to the size and complexity of this transaction, and the resulting significant accounting impacts on the Consolidated Financial Statements.

##### **Summary of the procedures performed**

We performed following procedures:

- ▶ Analyzing relevant underlying transaction documents.
- ▶ Reviewing the accounting treatment of the different steps of this transaction, including
  - ▶ the reconciliation with relevant underlying transaction documents.
  - ▶ Reviewing the documentation and tax treatment of this transaction with the assistance of our internal specialists.
  - ▶ Communication of clear audit instructions to the auditor of Wyre Holding BV indicating the specific audit risks and the materiality limits to be applied in the procedures to be performed.
  - ▶ Critical assessment of the audit approach used by the auditor of Wyre Holding BV in accordance with the applicable international audit standards.
  - ▶ Review and discussion of the reporting deliverables provided by the auditor of Wyre Holding BV.
  - ▶ Assessing the adequacy and completeness of notes 13 and 21 of the Consolidated Financial Statements.

#### **Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

## **Our responsibilities for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- ▶ identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- ▶ conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- ▶ evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

## **Report on other legal and regulatory requirements**

### **Responsibilities of the Board of Directors**

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements.

### **Responsibilities of the auditor**

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

### **Aspects relating to Board of Directors' report**

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- ▶ Information concerning the parent company contain any material inconsistencies or contains information that is inaccurate or otherwise

misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on the Global Reporting Initiative ("GRI") Standards. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the GRI Standards.

### **Independence matters**

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

### **European single electronic format ("ESEF")**

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF

requirements, of the consolidated financial statements in the form of an electronic file in ESEF format in the official Dutch language (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/nl/stori>) in the official Dutch language.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Fluvius System Operator CV per 31 December 2023 included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/nl/stori>) in the official Dutch language are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Due to technical limitations inherent in the tagging of Consolidated Financial Statements

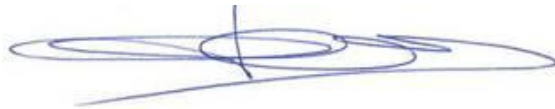
using the ESEF format, it is possible that the content of certain tags in the accompanying notes is not reproduced in an identical manner as in the Consolidated Financial Statements attached to this report.

#### **Other communications**

- ▶ This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Gent, 27 March 2024

EY Bedrijfsrevisoren BV  
Statutory auditor  
Represented by



Marnix Van Dooren \*  
Partner  
\*Acting on behalf of a BV  
24MVD0113