

Group Management Report for the fiscal year 2024 **and Consolidated financial statements**

Key Highlights

Finances



3.6 bn. €

Investment
Amount



99.8 %

EU Taxonomy
aligned Capex



310 Mio. €

Result
(IFRS after taxes)



14.4 bn. €

Balance sheet
total



6.6 bn. € (3 bn. €)

Funds raised,
thereof green financing

Surroundings/ Environment



10,838 km

Circuit length



731,163 tCO₂eq

Scope 1 and 2 emissions
(-12,3% compared to 2019)



97 %

Share of grid losses in
Scope 1 and 2 emissions



98 %

Ecological
line management



73 %

Share of
renewables

Social



ca. 2.100

Number of employees



343

New colleagues



25 %

Women in leadership
positions



2

TRIRR
(own employees)



97 %

Attendance
Rate

Group Management Report

for the fiscal year 2024

Background of the Group

Purpose of the Company

The Eurogrid GmbH Group (hereinafter referred to as the group or Eurogrid group) consists of Eurogrid GmbH (Eurogrid) as well as 50Hertz Transmission GmbH (50Hertz Transmission), 50Hertz Offshore GmbH (50Hertz Offshore) and 50Hertz Connectors GmbH (50Hertz Connectors; together with 50Hertz Transmission and 50Hertz Offshore also referred to as 50Hertz) as affiliated companies of Eurogrid and additionally from investments of 50Hertz Transmission. Among others, there is an investment in Elia Grid International NV/SA, which is accounted for as an associated company using the equity method. The four affiliated companies are based in Berlin, while Elia Grid International NV/SA, in which 50Hertz Transmission holds a direct interest, is based in Brussels.

The Eurogrid Group management report is expanded to include a non-financial Group statement in a separate section. Although reporting in accordance with the EU Sustainability Reporting Directive (CSRD) along the required standards is not yet mandatory under German law, Eurogrid has decided to prepare the non-financial statement on the basis of the European Sustainability Reporting Standards (ESRS). A voluntary Group statement on corporate governance is also included.

Elia Group

Elia Group NV/SA (Elia Group), as the listed holding company and ultimate controlling company, holds all shares in Elia Transmission Belgium NV/SA as well as in Eurogrid International NV/SA (Eurogrid International) and thus indirectly in Eurogrid and 50Hertz Transmission and in Elia Grid International NV/SA.

Under the name Elia Group, Elia Transmission Belgium NV/SA and 50Hertz Transmission work together intensively as two strong European transmission system operators (TSOs) as well as all other Group companies. The cooperation is also strengthened organizationally within the Group, in particular through the establishment of joint Group functions for IT, purchasing, strategy, Group controlling and EU affairs. About their financing activities and their refinancing on the capital market, the two national parts of the Group act independently of each other, partly due to the regulatory framework; there are no cross-border financing relationships.

Eurogrid

Elia Group NV/SA holds 100 percent of the shares in Eurogrid International, which in turn holds 80 percent of the shares in Eurogrid. KfW holds the remaining 20 percent of Eurogrid indirectly through its wholly owned subsidiary Selent Netzbetreiber GmbH (Selent), based in Frankfurt am Main.

Eurogrid holds 100 percent of the shares in 50Hertz Transmission, which in turn holds 100 percent of the shares in 50Hertz Offshore. Profit and loss transfer agreements and control and profit and loss transfer agreements exist between the companies along the investment chain. 50Hertz Transmission also has other shareholdings, such as in Elia Grid

International SA, European Energy Exchange AG (EEX), Joint Allocation Office S.A. (JAO), TSCNET Services GmbH (TSCNET), Coreso SA (Coreso) and LINK digital GmbH.

Both Eurogrid and its subsidiaries 50Hertz Transmission, 50Hertz Offshore and 50Hertz Connectors are included in the consolidated financial statements of the Elia Group as affiliated companies. Due to their capital market orientation, the consolidated financial statements of the Elia Group NV/SA do not have any exempting effect on the consolidated financial statements and Group management report to be prepared by Eurogrid. Eurogrid therefore prepares its own consolidated financial statements and group management report.

The business purpose of Eurogrid is to acquire, hold and operate investment activities, primarily the investment in 50Hertz Transmission. In the financial year, Eurogrid essentially arranged and secured the financing for 50Hertz's construction and operating activities.

As part of the uniform financial management, there is a cash pooling agreement that includes the current business accounts of Eurogrid, 50Hertz Transmission, 50Hertz Offshore and 50Hertz Connectors. In accordance with legal requirements, 50Hertz Transmission maintains separate accounts for the EEG and KWK processes and for handling the electricity price brake, which are not included in the cash pool.

50Hertz

As the TSO, 50Hertz Transmission operates the extra-high voltage grid in northern and eastern Germany over a circuit length of approx. 10,838 km. 50Hertz is continuously involved in the successful shaping of the energy transition - as grid owner, system leader, market developer and trustee. As grid owner, 50Hertz expands and upgrades the transmission grid in the control area in line with demand, continuously optimizes it and carries out maintenance and repair of damage. As system leader, 50Hertz Transmission is responsible for maintaining the balance between generation and consumption within the entire electricity supply system of the control area, ensuring an optimal flow of electricity and a smooth transition to the neighboring transmission grids and to the distribution grids. 50Hertz Transmission is committed to the market development of a common European electricity market - and is not only part of the overall German electricity grid, but also of the European electricity grid with interconnectors to Denmark, Poland and the Czech Republic. In its role as trustee, 50Hertz also carries out billing in accordance with the legal requirements of the German Energy Transition Financing Act (EnFC), the Renewable Energy Sources Act (EEG), the Combined Heat and Power Generation Act (KWKG) and certain levies under the Energy Industry Act (EnWG), the Electricity Grid Charges Ordinance (StromNEV) and the Electricity Price Control Act (StromPBG). These transactions have no impact on the TSO's earnings; however, their effects on liquidity can have a significant impact on the Group's balance sheet.

The business activities of 50Hertz Offshore include the planning, construction and provision of lines for electrical power as well as the associated systems and equipment for connecting offshore wind turbines and offshore wind farms (OWP) that are being built in the Baltic Sea and in the North Sea. 50Hertz Connectors was founded for the purpose of

planning, constructing, acquiring, maintaining, operating, transferring and selling lines and facilities in connection with electrical grids, in particular interconnectors (including offshore interconnectors and interconnectors with hybrid functions). 50Hertz Offshore and 50Hertz Connectors serve the transparent presentation within the regulated framework with regard to the planning, production and provision of grid connections. The companies do not employ their own personnel but use the personnel of 50Hertz Transmission based on general contracts and service agreements.

Management system

The supervision of the German Group activities is the responsibility of the Supervisory Board of Eurogrid and the Supervisory Board of 50Hertz Transmission, which is co-determined on a parity basis. The operational management of the Group is carried out by the management of 50Hertz Transmission as the leading company in the Group.

For the purposes of managing the Group, the management has set the following objectives for the 2024 reporting year and the previous years: a competitive and sustainable result, high efficiency and acceleration, digital transformation and a value-based corporate culture, needs-based network expansion (sustainable and secure network including occupational safety). Key performance indicators have been derived from these objectives. In order to support the Group's ambitions, particularly in terms of sustainable grid expansion, the Management Board restructured the Group targets in the financial year 2024 on this basis and defined Group targets consisting of the following three pillars for the reporting year 2024 and the following financial year 2025: Sustainable Growth, Economic Performance and Sustainable Operations. Further key performance indicators for Group management were derived from these Group targets. The performance indicators contain both financial and non-financial elements and are recorded and continuously analyzed using a system of key figures.

Sustainable growth is assessed based on the progress of the grid expansion and the project milestones. The financial assessment is based on the investment volume in accordance with IFRS for the transmission grid. In addition, the route kilometers achieved in the construction and approval of line projects, as well as the expansion of transformer and reactive power capacity and the specific project milestones achieved, are evaluated as new non-financial performance indicators.

The Group's economic performance is assessed based on the earnings after tax in accordance with IFRS and the onshore OPEX value, which is made up of personnel-related and other non-energy-related expenses. From the financial year 2025, the diversification of financing will be introduced as a supplementary financial performance indicator.

The aim of sustainable operation is to ensure stable grid availability and a high level of occupational health and safety. When assessing grid availability, both the absolute number of grid incidents (unforeseen deviations from normal operation) in relation to the system circuit length and the ratio of avoidable (preventable) grid faults to all grid incidents are taken into account. The Group continuously implements measures to ensure a high level of quality and a low "failure rate". Occupational health and safety is assessed based on the accident frequency among own employees and external companies. Until the end of the reporting year 2024, electrical accidents at work that are characterized as injuries caused by the effects of electric current on humans or animals, and fatal accidents at work, were reported separately. In future, they will also be included in the Total Recorded Injury Rate

(TRIR), which represents the ratio between the number of accidents and productive hours. Furthermore, the health rate will be calculated as the ratio between target working days minus days lost and target working days.

In the financial year 2024, progress in personnel development was introduced as a supporting indicator for sustainable operations, taking into account the pursuit of diversity targets and the progress of the digital transformation, which is measured according to qualitative targets that are set annually. The success of personnel development is measured via the net increase in the number of employees. Diversity is assessed based on the women's quota, which represents the ratio of women employed in the Group to the total workforce. From the financial year 2025 onwards, the performance indicator progress in personnel expansion and diversity will be assigned to the "Sustainable growth" target category.

High quality standards are set for the non-financial performance indicators and ongoing efforts are made to achieve sustainable improvements.

The Group's financial situation is assessed and managed by means of rolling liquidity planning, considering the status of the capital expenditure accounts in particular.

Eurogrid has a Funding and Dividend Policy, which sets out the key points of a separate financing strategy for the Group. This policy requires in particular an accumulative payout ratio over the regulatory period of up to 70 percent of the net earning to ensure sufficient internal funding within the Eurogrid group. The aim is to secure a stable rating initially for the duration of the third regulatory period via a sustainable financing structure.

Economic and industry-specific environment

Energy transition and climate change are taking on an increasingly central role in the political and social debate. Europe aims to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels and then become climate neutral by 2050, while Germany has set the goal of achieving climate neutrality by 2045 and aims to cover 80% of its electricity consumption with renewable energies by 2030. Furthermore, strengthening energy sovereignty is becoming more important in order to become more resilient to external influences, particularly in light of the experiences gained from the ongoing Russian war of aggression against Ukraine and the Middle East conflict. Key foundations for achieving both climate goals and increasing energy sovereignty include the decarbonization of the electricity sector through adding of large capacities of renewable energy and further expanding of network infrastructure to integrate these into the power system. Ensuring that the energy transition can be financed while keeping energy prices affordable is a major challenge. In line with this overall economic objective, 50Hertz Transmission aligns its strategy with the aim of "100% by 2032: Affordable energy for a strong economy", as described in more detail in the "Business Performance" section.

As the share of renewable energies continues to increase, Germany is entering a new phase of the energy transition for the electricity system. In this new phase, there is possibly a growing need to adapt the existing electricity market design. It is crucial to further develop the rules while ensuring cost efficiency, security of supply, and sustainability. Collaborating with other stakeholders in the industry, 50Hertz, as the responsible TSO, plays a vital role in addressing this important societal task. The focus of 50Hertz's activities in 2024 included advancing the provision of system services by renewable energies, integrating new technologies, and shaping future processes together with TSOs and other partners. The year 2024 was also characterized by unusually frequent generation surpluses in Germany and other European countries, primarily due to inflexible renewable energy generation. The strong expansion of photovoltaics in 2023 (approx. 15 GW) and 2024 (approx. 14 GW) intensified this effect. 50Hertz identified this situation at an early stage, proactively addressed it within the industry, and is therefore playing a leading role in shaping the regulatory and procedural framework conditions. These conditions affect, among other things, the controllability and increased market responsiveness of renewable energies. The focus here is on both the energy efficiency of the expansion and system security.

Another focus of 50Hertz and the industry for both 2024 and 2025 is designing incentive mechanisms for the construction of urgently needed controllable capacity. This includes both the Power Plant Guarantee Act and the introduction of a capacity market to ensure sufficient controllable generation capacity in the long term.

As the system leader, 50Hertz is continuing to work on ensuring system security with a steadily increasing share of renewable energies and less controllable conventional generation. The aim is to keep the system in a stable state in the event of disruptions in the

future. To achieve this goal, 50Hertz, together with the other German TSOs and numerous other companies and associations, has participated in the initiative of the Federal Ministry of Economics and Climate Protection (BMWK) to develop the "System Stability Roadmap" and will drive forward and support its implementation. A digital transformation is required for a more efficient and intelligent grid infrastructure.

The energy transition is leading to a change in the dynamic behavior of the system. The stability limits must be regularly checked by the system management. 50Hertz is planning to introduce a dynamic security analysis (DSA) and is exploring current market solutions for this purpose. To avoid stability bottlenecks and develop new sources for ancillary services - in accordance with the requirements of the Federal Network Agency (BNetzA) - 50Hertz is working on the design of the ancillary services markets for reactive power and redispatch determination servers. In 2024, 50Hertz put the "black start capability" ancillary service out to tender for the first time. With the commissioning of the redispatch determination server last year, 50Hertz has already assumed responsibility for optimizing the entire German redispatch for remaining grid congestion. In addition, 50Hertz is developing a new grid control system. The Modular Control Center System (MCCS) is designed to set new standards for control centers and optimize business processes.

In order to achieve climate neutrality by 2045, the scenario framework of the Electricity Network Development Plan (NDP) 2037/2045 (2023) envisages a significant increase in the installed capacity of renewable energies of around 700 GW by 2045. According to the BDEW Annual Report 2024, gross electricity consumption in Germany in 2024 remained at the same low level as in 2023, which was influenced by the after-effects of the coronavirus pandemic and the energy crisis resulting from the Russian war of aggression against Ukraine. One of the main reasons for this was the economic development in Germany in 2024, which was characterized by a decline in gross domestic product, as in 2023. However, the assumptions of the NDP foresee a significant trend reversal in this context as part of the decarbonization efforts and that electricity demand in Germany will more than double to up to 1,300 TWh by 2045. A key component of this ambitious target path will be the further expansion of renewable energies, which at 255 TWh in 2024 could already cover more than half of the electricity consumption in Germany (on balance). In the grid area of 50Hertz, this share will already be 73 percent in 2024.

In order to achieve the European Union's (EU) climate targets, a total of 60 GW of renewable offshore wind energy is to be installed across all EU sea basins by 2030, increasing to 340 GW by 2050. 50Hertz supports the ambitious European and national expansion targets for offshore wind energy and is the only German TSO active in both the Baltic Sea and the North Sea. Offshore hybrid connections such as the current Kriegers Flak - Combined Grid Solution or Bornholm Energy Island, both implemented in cooperation with Energinet, as well as the planned Baltic Wind Connector between Germany, Estonia and Latvia are examples of cross-border projects whose significance and

impact extend far beyond the Baltic Sea. Together with other TSOs, 50Hertz supports the implementation of the commitment made by the governments of the countries bordering the North Sea as part of the Esbjerg and Ostend Declarations and, building on the Vilnius Declaration, supports a similar process for the countries bordering the Baltic Sea. The vision paper "Going like the wind", published by the Elia Group in October 2024, illustrates how offshore wind energy in Europe can have an even greater impact through international cooperation. To this end, the study takes a broad approach examining the key challenges and opportunities in achieving Europe's political offshore wind ambitions, including maritime spatial planning, financing and the supply chain issues.

The early general election means that some laws that the industry had expected to be passed will no longer be enacted during this legislative period. These include, in particular, the Federal Requirements Plan Act, the Power Plant Safety Act and various amendments to energy industry law.

Regulatory framework of the energy industry

European law

In 2024, legislation at the European level was largely shaped by the transition to a climate-neutral energy union.

With the adoption of the directive on the resilience of critical facilities, the EU has transferred the protection of critical infrastructure to a new regulatory system. Member states are supposed to transpose the requirements into national law by October 2024, but this has not yet happened in Germany. As critical facilities, the TSOs will be directly affected by the new law (Kritis-DachG).

The EU Data Regulation (EU Data Ordinance) came into force in January 2024. This regulation aims to regulate access to and use of usage data generated by a wide range of connected products. The Data Act facilitates users access to data generated by their connected devices and promotes the data sharing with third parties.

The amended F-Gas Ordinance, which came into force in March 2024, establishes requirements for the use of fluorinated gases to be used in electrical switchgear once the transitional periods have expired.

In September 2024, a decision by the European Court of Justice restricted the powers of the Agency for the Cooperation of Energy Regulators (ACER) in favor of the TSOs. Although ACER is responsible for approving methodologies in accordance with European law, it may not exceed its granted power in each case it may not exceed its granted powers or mandate content changes that are not explicitly set out in the relevant regulation.

National law

At the national level, the legal framework for 50Hertz was again determined by supreme court rulings and the entry into force of various planning and environmental regulations.

At the beginning of 2024 and on October 29, 2024, the Federal Court of Justice (BGH) issued decisions against 50Hertz regarding the general sectoral productivity factor "Xgen" for the third regulatory period of electricity grid operators (2019-2023), following similar court proceedings in the previous year. The BGH upheld its case law by confirming the BNetzA's position and granting it broad regulatory discretion.

A key ruling for the expansion of HVDC lines by TSOs came from the Federal Administrative Court in January 2024. The court equated the converter stations required for HVDC transmission with substations under immission control law, thereby confirming the TSOs' assessment.

In December 2024, the BGH ruled in a test case concerning the nationwide complaints of grid operators regarding the determination of the equity interest rate for the fourth

regulatory period. As a result, the BGH ruled in favor of the BNetzA and confirmed the interest rate set by the BNetzA.

The Renewable Energy Sources Act EEG was amended in April 2024 to increase the share of renewable energies in electricity consumption to 80% by 2030 and achieve a largely climate-neutral electricity supply by 2035. The amendment includes regulations to accelerate approval process for the expansion of electricity grids and wind energy, which are based on European requirements. The changes for grid operators primarily relate to approval procedures, grid connection and the storage of renewable energies. In addition, the provisions of the EU Emergency Regulation (Regulation (EU) 2022/2577), which also provide for simplified procedures, were extended in national law and applied to onshore wind energy, offshore wind energy and photovoltaic systems.

The rights of the grid operator were strengthened by two decisions of the Federal Administrative Court (BVerwG) in March 2024, which rejected urgent legal protection against a planning approval decision for the construction of a 380 kV overhead line.

Two rulings by the BVerwG from September 2024 interpret the requirements of nature conservation law on replacement measures more broadly than the approach sometimes taken by authorities: Interventions in the landscape should only be restored to the same value, but not in the same way.

In July 2024, the legislator passed an amendment to the Federal Immission Control Act (BImSchG) to accelerate approval processes. The amendments include the expansion of digital procedures, streamlining the process through requirements for completeness checks, decision deadlines for authorities, a standard obligation for project managers and only optional discussion meetings.

Some of the amendments to the EnWG, EnFG and EEG envisaged by the federal government, which were intended to regulate power plant capacity, have not made it into the legislative process due to the dissolution of the Bundestag. For 50Hertz, this means the continuation of an inadequate legal situation.

Network development plans

Grid planning is the main basis of the strong growth program for the Group's investments. This is based on the Electricity Network Development Plan (NDP), which is drawn up by the TSOs and confirmed by the Federal Network Agency. It is based on the scenario framework, which covers the range of probable developments within the framework of the German government's climate and energy policy goals and, for offshore wind energy, takes up the specifications of the area development plan (FEP).

The second draft of the currently valid NDP 2037/2045 (2023) was published by the TSOs on June 12, 2023. In this process, the determination of demand was based on the target years

2037 and 2045. In the approval of the scenario framework of the NDP 2037/2045 (2023), which was granted by the BNetzA on 8 July 2022, the current legal framework and the medium and long-term goals of the Federal Government were taken into account, so that a climate-neutral energy system in Germany is a planning subject for the first time in 2045 in accordance with the climate protection goals of the Climate Protection Act.

The scenario framework of the NDP 2037/2045 (2023) depicts three development paths, each with a scenario for 2037 and 2045. These depict A. decarbonization through a higher share of domestic hydrogen, B. decarbonization through intensive electrification and C. decarbonization despite lower energy efficiency. This leads to a significant increase in expected gross electricity consumption in all scenarios and is due to the increasing electrification of the heating, transport and industrial sectors. With the higher gross electricity consumption, the assumed installed capacities of renewable energies increase significantly. A particularly strong increase in photovoltaics (400-445 GW in 2045) is planned. Just as today, onshore wind energy remains the most important source of renewable electricity generation in terms of electricity generation in the scenarios shown, at around 160 GW. In addition, a capacity of 70 GW is planned for offshore wind energy by 2045 based on the WindSeeG 2023. In total, the scenario framework of the NDP 2037/2045 (2023) results in an installed capacity of renewable energies of up to 700 GW. For comparison: In the 2021-2035 NDP, the maximum installed capacity of renewable energies was 270 GW.

In order to integrate this increase in renewable energies into the German transmission grid, a significantly larger grid expansion is required nationwide in addition to the projects already included in the Federal Requirements Plan Act. The TSOs have therefore identified five additional direct current (DC) connections. 50Hertz is directly involved in three of the five DC connections: DC32: Pöschendorf search area - Klein Rogahn search area (NordOstLink - NOL), DC40: Nüstermoor - Streumen search area (OstWestLink - OWL) and DC42: Sahms/Nord - southern Böblingen district (SüdWestLink - SWL). The OWL project will establish a direct west-east connection between Lower Saxony and Saxony for the first time. In combination with the new north-south DC connections, DC41 and SWL (DC42) create intersections that enables the DC connections to be linked with each other and could form the starting point for a meshed direct current network in the future. In addition to the additional DC connections, there is also a need for further AC grid expansion and grid reinforcement measures in the AC grid (AC) with a route length of approx. 1,350 km for the 50Hertz control area, so that together with the DC connections, 50Hertz is the project sponsor for approx. 2,000 km of new onshore projects.

To achieve the target of at least 70 GW of realized offshore wind energy capacity by 2045, the Area Development Plan (FEP) must be continuously updated. The provisions of the FEP serve the construction of wind turbines at sea and offshore connection lines in accordance with Section 1 (3) WindSeeG 2023, which is in the overriding public interest and serves public safety. For this reason, the Federal Maritime and Hydrographic Agency (BSH) is currently preparing the FEP 2025. On September 1, 2023, the Federal Maritime and Hydrographic Agency initiated the procedure for amending and updating the currently valid FEP 2023. The draft published on June 7, 2024 has already been consulted and discussed on September 4, 2024. The Federal Maritime and Hydrographic Agency published the FEP 2025 on January 30, 2025.

The draft FEP is based on the German government's draft law for an "Act on the implementation of the EU Renewable Energy Directive in the field of offshore wind energy

and electricity grids to amend the Offshore Wind Energy Act and other regulations" (BT Drs. 20/11226 of April 29, 2024). As the draft law is highly unlikely to be passed by the time the FEP is published, the final FEP 2025 will possibly contain significant reductions in the area definition compared to the draft version. In all likelihood, the FEP 2025 will only define areas in the North Sea in Zone 3 on the eastern edge of the SN10 shipping route. No new zones or areas are currently planned in the Baltic Sea.

The FEP 2025 is expected to include the additional North Sea areas from the draft version in an informative annex for the upcoming NDP 2037/2045 (2023). Despite fewer spatial specifications, it still contains the necessary time specifications for the commissioning of areas and offshore connection lines for the upcoming NDP 2037/2045 (2023). As a result, the current area map is still on track to achieve the 70 GW target, even if the preliminary draft FEP does not, as expected, show this capacity in full.

For 50Hertz, these stipulations mean an increase in grid expansion activities in the North Sea. 50Hertz already assumed responsibility for the first offshore grid connection system in the North Sea in the 2021-2035 NDP. With the NDP 2037/2045 (2023), 50Hertz is adding four more offshore grid connection systems, meaning that 50Hertz is responsible for connecting 10 GW of offshore wind energy in the North Sea. The Bornholm Energy Island project, which comprises a hybrid interconnector between Denmark and Germany, is new to the NDP. The aim of the project is to transport electricity from offshore wind farms off the coast of Bornholm on the one hand and to strengthen cross-border trade between Denmark and Germany on the other.

The confirmation of the NDP 2037/2045 (2023) by the BNetzA took place on March 1, 2024. For 50Hertz, this shows that all projects already identified in the Federal Requirements Plan Act continue to be classified as necessary and urgent from an energy industry perspective. In addition, the majority of the new projects were confirmed. These include, in particular, the new DC projects, the offshore grid connection systems, Bornholm Energy Island and the majority of the AC projects. Of particular relevance is the BNetzA's decision to confirm the DC projects 40 and 42 with 4 GW instead of 2 GW, which means that 50Hertz would probably take over the project sponsorship for two further DC projects. These two additional DC projects are to be bundled with the original DC40 and DC42 projects in a common line, but have slightly different grid connection points. The OWL will therefore be supplemented by the DC project DC40plus (Dörpen/West - Klostermansfeld) and the SWL by the DC project DC42plus (Sahms/North - Trennfeld).

In preparation for the NDP 2037/2045 (2025), the TSOs published the draft scenario framework on July 2, 2024. The new draft scenario framework again presents three scenarios for the years 2037 and 2045, which show different transformation paths and different transformation speeds on the way to greenhouse gas neutrality. Compared to the previous scenario framework, the TSO draft contains some changes: The amendment to the Energy Industry Act (EnWG) synchronizes the processes for the Electricity Network Development Plan and the Gas/Hydrogen Network Development Plan in terms of timing. For the first time, this provides the opportunity to coordinate the respective scenarios in terms of sector coupling. The BMWK's system development strategy provides the framework for this.

The scenario framework most recently approved by the BNetzA for the NDP 2037/2045 (2023) was comparatively narrow in terms of possible transformation paths towards climate neutrality and only showed a possible climate neutrality grid in 2045. In the current draft scenario framework for the NDP 2037/2045 (2025), the scenarios are broader than in

the previous scenario framework, regarding the expansion of renewable energies and electricity consumption. This means that they show more options for possible developments.

The approval of the scenario framework for the NDP 2037/2045 (2025) by the Federal Network Agency is expected in spring 2025. Based on this, the NDP will be prepared and is expected to be published in the first draft by the TSOs by the end of 2025.

The integration of renewable energies has a significant impact on system stability. As part of the grid development plan, the supporting document on system stability was last published in 2023, which, among other things, identifies the need for a total of 21 GVar reactive power plants and 29 GWs of instantaneous reserve in the form of STATCOM with energy storage or rotating phase shifters with flywheels specifically for the 50Hertz control area. Since then, the TSOs have been obliged pursuant to Section 12i EnWG to provide information every two years in a separate stability report on the security, reliability, stability and performance of their energy supply grid and the electricity supply system as well as to implement necessary measures. The first draft of the Stability Report 2025 was submitted to the BNetzA on January 1, 2025.

Business performance

Strategic goal "100 percent by 2032: Affordable energy for a strong economy"

As a group of companies with a high level of social responsibility for the success of the energy transition, 50Hertz has set itself the strategic goal of covering the entire electricity consumption in the 50Hertz control area from renewable energies by 2032. In addition to an energy policy dimension, as well as the clear and unambiguous commitment to a rapid energy transition, this also includes an economic policy dimension, as the availability of renewable energies is increasingly seen as a competitive advantage for a location and is increasingly being seen as a key factor in industrial location decisions. At the same time, the costs of current and future electricity supply are becoming increasingly important. This is why 50Hertz has included the aspect of affordability into its strategy. Only if we succeed in ensuring that energy remains affordable in the future will there continue to be broad acceptance among citizens and companies of the energy transition project. Providing the electricity grid infrastructure required for this is one of the main challenges facing 50Hertz in the coming decades and goes far beyond the mere grid expansion. In addition to this massive expansion and conversion of the electricity grid, driven among other things by the connection of renewable energies onshore and offshore on a new scale and the connection of large industrial consumers, further fields of action are being actively addressed.

As the generation structure continues to change away from conventional generators towards renewable energies, the identification and realization of flexibility potential will be of system-relevant importance in the future, both on the generation and consumption side. This also applies to the provision of system services such as the provision of reactive power and instantaneous reserve or the integration of new market players into the redispatch process. In this context, 50Hertz sees itself as a designer of the necessary market design and as a sparring and cooperation partner for new market players such as electrolysis and large-scale batteries as well as energy-intensive industry. This goes hand in hand with the continuous modernization of measurement and control technology to ensure the necessary transparency and availability of measurement data for the control capability of the electricity grid and with the expansion of the grid to include active components such as phase shifters. Digital solutions are an important part of this modernization.

This is done in compliance with the requirements of non-discriminatory and transparent grid access in the regulatory environment. In 2024, the share of renewable energies in relation to electricity consumption in the 50Hertz grid area was approx. 73% (previous year: 72%).

The Elia Group has set up the ActNow programme to systematically integrate sustainability and corporate activities, which is also being implemented by Eurogrid as a subgroup of the Elia Group.

ActNow - 50Hertz Transmission sustainability program

The ActNow sustainability program embeds sustainability into the core strategy and business activities of the Eurogrid Group by setting transparent and quantifiable targets for the entire Elia Group, which are implemented through company-specific measures and tracked at the Eurogrid Group level. ActNow comprises five dimensions, which are listed below. Dimension 1 "Climate Change" focuses in particular on achieving climate neutrality, a carbon-neutral supply chain and strengthening climate resilience, while Dimension 2 "Environment and Circular Economy" focuses on ecosystems, biodiversity and meeting environmental performance standards. The expansion of the safety culture and the well-being of employees is described in dimension 3 "Health and safety at work", while dimension 4 "Diversity, equal opportunities & inclusion" includes an inclusive corporate culture and inclusive application processes. Responsible rules, compliance with external requirements and effective stakeholder dialogs are described in dimension 5 "Governance, ethics & compliance". A detailed list of the respective dimension objectives can be found in section 1.3 Strategy of the non-financial Group statement in this report.

Grid expansion Onshore

A total of 4,073-line kilometers of urgent grid expansion projects defined in the Federal Requirements Plan Act (BBIP) and specified in the Energy Line Expansion Act (EnLAG) affect the 50Hertz control area. Of these, 938-line kilometers had already been completed by the end of 2024, 863 line kilometers are under construction and projects for a total of 1,803 line kilometers are in the approval phase.

Infrastructure measures at several substation locations as well as the cable diagonal in Berlin and the Südostlink were continued as planned. The measures of the pylon reinforcement program in the control area, for weather-dependent overhead line operation and to increase the current carrying capacity, which contribute to the intended higher utilization of the existing grid, were also continued.

The north and south sections of the Uckermark pipeline project were commissioned.

Furthermore, the east and west sections of the Röhrsdorf - Weida - Remptendorf pipeline were completed during the financial year.

Numerous important line expansion projects have already been approved (Mecklar-Vieselbach and Güstrow-Parchim Süd), are about to be approved (Südharz grid connection, southern section) or are in the approval phase (such as Helmstedt-Wolmirstedt; Perleberg-Stendal West; Southern Harz grid connection, northern section; Hamburg East BBS offices; Rostock region grid reinforcement; Pasewalk-Güstrow grid reinforcement; Teltow-Fläming grid reinforcement; Central Germany energy triangle and Elbe-Oberlausitz line).

The dynamics of grid development and the high expansion targets from the NEP require accelerated approval procedures and faster project implementation; this is reflected in the following progress, among other things: For the SüdOstLink (SOL) project, the documents for carrying out the application procedure (Section 21 of the Transmission System

Expansion Acceleration Act (NABEG)) were submitted to the BNetzA for all three approval sections. In addition, initial applications for an early start of construction (Section 44c EnWG) were submitted to the BNetzA for selected construction measures in approval section B of the SOL and approved. The planning approval decision for this section was issued on December 19, 2024. The approval process for the NordOstLink (NOL) project began with the submission of the applications for planning approval (Section 19 NABEG), waiving the need for prior Federal Sector Planning (Section 5a NABEG). The basis for this is the preference area determined by the BNetzA. The project also benefits from the procedural simplifications of the EU Emergency Ordinance (Section 43m NABEG). For the OstWestLink (OWL) and SüdWestLink (SWL) projects, a consultation on the preference areas already took place before confirmation of the NDP 2037/2045 (2023), in which these projects were mentioned for the first time as DC40 (OWL) and DC42 (SWL). The projects in the preference area procedure will be realized in close coordination with TenneT TSO GmbH and TransnetBW GmbH.

Interconnector projects

With the lines from Vierraden to Krajnik (PL), Hagenwerder to Mikulowa (PL), Röhrsdorf to Hradec (CZ) and the cable connections KONTEK (DK) and Kriegers Flak - Combined Grid Solution (DK), 50Hertz has five interconnectors in regular operation. The Hansa PowerBridge project involves the construction of an interconnector between Sweden and Germany. The Swedish government withdrew from the project in 2024. Nevertheless, the planning approval decision for the land lines and the German territorial sea from 2023 remains valid.

In the Bornholm Energy Island project, 50Hertz is continuing its cooperation with the Danish TSO Energinet and is planning to connect Denmark to the Danish main island of Zealand by linking the island of Bornholm to the 50Hertz control area using a hybrid interconnector.

50Hertz has signed a joint letter of intent with the involved TSOs regarding the further development of another potential interconnector project between Germany, Estonia and Latvia. The Baltic Wind Connector is a planned hybrid interconnector that has been included in the European TYNDP process. It is intended to integrate offshore wind in the Baltic countries and to provide additional cross-border trading capacities of 2 GW.

Grid expansion offshore

Following the successful commissioning of the Baltic Eagle offshore transformer platform, the two offshore grid connection lines OST-2-2 and OST-2-3 and the expansion of the onshore transformer station at the grid connection point in Lubmin, all components of the Ostwind 2 project are operating continuously as planned.

For the offshore grid connections OST-1-4 (Ostwind 3 project - offshore wind farm Windanker) and OST-6-1 (Gennaker project - offshore wind farm Gennaker), 50Hertz is constructing the offshore transformer platforms that will serve as grid connections for the offshore wind farms, among other things. Both the offshore transformer platforms and the grid connection cables have been contractually secured. The implementation work for the two offshore grid connections is proceeding according to plan.

The Ostwind 4 (OST-2-4) project to connect the O-2.2 area will be 50Hertz's first offshore grid connection in the German Baltic Sea using direct current technology.

With the LanWin3 (NOR-11-1) project, 50Hertz is building the first offshore grid connection in the North Sea. Together with TenneT, an innovative electricity hub (multi-terminal hub) is also to be built in Schleswig-Holstein, along with a DC connection to Mecklenburg-Western Pomerania.

Financing

In total, Eurogrid has secured new funding of EUR 6.6 billion for the Group in 2024, which is primarily be used to finance the investment program. In addition to an equity strengthening by the shareholders of EUR 600m, green bonds totaling EUR 3,000m were issued in 2024. These funds were made available within the Group for the business operations of 50Hertz and to finance the investment program. Eurogrid's debt issuance program has a total volume of EUR 15,000m. Under this program, Eurogrid raised funds of EUR 8,190m by the end of 2024. In February 2024, a new revolving credit facility (RCF) in the amount of EUR 3,000m was syndicated with 15 banks. The agreement has a term of three years until February 2027. In addition, the RCF from 2021 in the amount of EUR 750m remains in place. In February 2025, a further green loan in the amount of EUR 1,000m was syndicated. In addition, an existing bond was increased by EUR 200m.

The objectives of financial management include ensuring the solvency of the Group companies at all times and minimizing the potentially negative effects of developments on the financial markets. In the medium and long term, the financing capability of the extensive investment activities and a good credit rating should be ensured. Ongoing monitoring serves to achieve these goals.

Both Standard & Poors and Moody's have confirmed their ratings for Eurogrid GmbH in December 2024. Standard & Poor's with a BBB rating and a stable outlook, and Moody's with a Baa2 rating and a stable outlook. This means that there has been no change in the assessment of the two rating agencies compared to the previous year. Both rating agencies continue to emphasize that Eurogrid will have to finance a very high investment volume of 50Hertz in the foreseeable future, along with increasing debt. Furthermore, the corresponding generation of funds from revenues will not increase to the required extent.

50Hertz has secured the supply and installation of essential equipment for the planned grid expansion measures through long-term contracts with a total volume of EUR 15.1 billion. This is an early response to the increasingly tight supplier market.

Grid charges and regulatory framework

Due to the Grid Fee Modernization Act, the transmission grid fees have been charged uniformly across Germany since 2023. The average grid fees¹ amounts to 6.65 cents (previous year: 6.43 cents) per kilowatt hour in 2025. These were officially published in the 50Hertz Transmission price sheet on December 16, 2024. The methodology for determining grid fees, as well as the balancing of volume and cost deviations via the regulatory account, lead to earnings effects and corresponding liquidity impacts in subsequent periods.

¹ Calculated using the average grid charges for the extra-high voltage/high voltage level with high-voltage level with 1,000, 3,000 and 5,000 hours of use.

As part of the amendment to the ARegV as of July 31, 2021, the regulatory treatment of distribution system operators and transmission system operators was aligned. As a result of the new regulations, transmission system operators are also subject to the capital cost reconciliation system for financing investments in the grid, which will replace the previous system of investment measures (expansion and restructuring investments) and replacement investments from the fourth regulatory period in 2024. The capital cost adjustment provides for an annual consideration of the capital costs of new investments regardless of the type of investment (expansion, restructuring or replacement). The annual capital cost mark-up is offset by the capital cost deduction determined by the BNetzA as part of the cost review for the fourth regulatory period, which reflects the reduction in existing fixed assets.

On January 24, 2024, the equity interest rate was adjusted for investments from 2024 in the capital cost surcharge for the years 2024 to 2028. The applicable equity interest rate for new investments depends on the actual risk-free base interest rate and a risk premium of 3.0%. For the entire year of 2024, the final annual value of the base interest rate is 2.65%. The resulting final equity interest rate for new investments in 2024 is therefore 5.65% after tax. For investments made before December 31, 2023 (existing assets), the interest rate for the fourth regulatory period was set at 4.13% after tax. An appeal against this determination was filed with the Higher Regional Court of Düsseldorf. An identical determination was made for offshore investments on October 2, 2024.

In accordance with Section 22 (2) ARegV, the relative reference grid analysis was carried out to determine the efficiency value in the fourth regulatory period (2024 to 2028). 50Hertz received an efficiency value of 100 percent from the BNetzA. In addition, the controllable cost base for the fourth regulatory period was determined by the BNetzA in 2024. In the context of incentive regulation, the controllable cost base represents the annual budget and thus the potential revenue for 50Hertz for certain cost items from 2024 to 2028. The controllable cost base is determined taking into account the actual costs of the base year. The base year relevant for the fourth regulatory period was 2021.

The BNetzA has set the general sectoral productivity factor "Xgen" for the 4th regulatory period (years 2024 to 2028) at a value of 0.86% per year. The Xgen was thus set at a slightly lower level compared to the value of the 3rd regulatory period (0.90 percent).

Various voluntary commitments were renegotiated with the BNetzA for the 4th regulatory period. In particular, these include the FSV Grid Losses, the FSV ReDem (redispatch) and the definition of an effective process regulation for control power. In addition, there are new FSVs such as the FSV Nutzen statt Abregeln 13k, the FSV for dealing with additional expenses from the pre-financing of system service costs in 2022, the FSV system-relevant gas-fired power plants and the definition of effective procedural regulation for the market-based procurement of reactive power as volatile costs.

Energy Management

Balancing group management

50Hertz settles all balancing groups in its control area on a monthly basis. At the end of 2024, this included 2,550 balancing groups of 735 traders, electricity distributors, generators and grid operators operating in the control area.

System services

50Hertz procures ancillary services to balance the system, among other things. As a result of the decoupling of balancing energy procurement from the provision of balancing capacity in accordance with the Electricity Balancing Guideline, it is possible to change supply volumes and energy prices until shortly before real time. Since 2022, the national balancing reserve markets have been increasingly linked internationally. The MARI, PICASSO and IGCC activation cooperations as well as the procurement cooperation for FCR (known as the FCR cooperation) and the joint procurement cooperation for aFRR for Germany and Austria are to be highlighted here.

The challenges of the energy transition also require further developments in the processes for balancing the system. In order to give the market partners an overview of the planned changes to the balancing reserve markets by 2030, the four TSOs have prepared a green paper on balancing reserves, which is currently being presented to the market partners.

In the financial year 2024, the costs for the procurement of control power at 50Hertz fell from EUR 132.2m (2023) to EUR 107.8m (2024). The costs are passed on via the grid fees in accordance with the FSV Regelleistung.

The FSV "Utilization instead of curtailment - Power-to-Heat" was established on the basis of Section 13 (6a) EnWG to finance and cover the costs of power-to-heat plants in order to use them more efficiently and at the same time avoid bottleneck-related shutdowns of renewable generation plants. In 2023 and 2024, five plants with a capacity of 175 MW were put into operation. Seven further projects are currently being implemented. To date, contracts to finance power-to-heat plants have been concluded for a total of EUR 132m.

A new "Utilization instead of curtailment" instrument was introduced into the EnWG in December 2023. In accordance with Section 13k EnWG, the German TSOs are to forecast redispatch-related curtailments of renewable energy plants in the morning of the previous day and allocate the corresponding electricity volumes to additional consumers in regions with a surplus of renewable energy. This new instrument was implemented by the TSOs and introduced on time on October 1, 2024. The FSV "Utilization instead of curtailment 2.0" was agreed with the BNetzA in order to refinance the associated costs of the measures. The first participants in the 50Hertz control area are expected in Q1 2025.

EEG settlement

The volume of EEG electricity within the 50Hertz grid area increased by 23 percent in 2024 compared to the previous year, in particular due to the higher availability of onshore wind energy and solar energy. Of the total volume, 50Hertz marketed just under 9 percent of the EEG electricity generated in the 50Hertz control area.

Since January 1, 2023, EEG financing has been secured by federal subsidies to the TSOs. It is stated by law and contract that the EEG accounts of the TSOs must remain within a liquidity corridor. In 2024, the EEG accounts of the TSOs were therefore predominantly within this corridor; only in individual cases were they temporarily below it, in particular due to short-term market price declines. Accordingly, the EEG account balance of 50Hertz Transmission fell from EUR 0.256 billion as of December 31, 2023 to EUR 0.181 billion as of December 31, 2024. 50 Hertz Transmission received monthly subsidies totaling EUR 3.479 billion for 2024.

On October 25, 2024, the four German TSOs forecast an EEG financing requirement of EUR 16.530 billion for 2025, which is to be covered by the above-mentioned federal subsidy.

Other energy-related levies

In addition to settling the EEG process, the TSOs also handle the levies under the EnFG (KWKG and offshore grid levy). The conversion of the handling of the CHP levy and support from the forecast approach to an actual cost-based approach provided for in the EnFG was successfully implemented.

The third existing levy (previously the Section 19 StromNEV levy) will be expanded to include an additional cost component and will be referred to as the "surcharge for special grid usage" from 2025. In accordance with the BNetzA determination BK8-24-001-A, distribution system operators that are affected by the integration of renewable energy systems can receive financial compensation for the additional costs incurred through this surcharge. To this end, in 2024, in addition to the decreased revenue from individual grid fees, the additional costs for renewable energies were also requested from the DSOs for the first time and included in the calculation of the levy. As a result, the levy will increase by 140 percent to 1.558 ct/kWh in 2025.

Electricity price brake

The Electricity Price Brake Act passed in December 2022 provided for relief for companies and households through reduced electricity prices throughout 2023. The TSOs played a central role in the statutory equalization mechanism, as they settled both income and expenses via separate accounts set up for this purpose. The rolling mechanism regulated in the law and in the accompanying public-law contract of 13 February 2023 enabled the TSOs to pass on the payments and the costs of settlement.

As part of the relief, around EUR 3 billion was paid out to energy supply companies and other end consumers in the 50Hertz control area alone for 2023. This was offset by income of EUR 150.6m realized from the surplus revenue. Subsequent payments by system

operators in 2024 and compensation payments following the statutory correction process increased revenue from the excess revenue levy in 2024 by EUR 336.1m to a total of EUR 486.7m. Due to disputed proceedings with individual plant operators regarding the amount of the levy and outstanding determinations by the BNetzA, the excess revenue levy may still change subsequently and will be passed on in the respective financial year via the cost allocation mechanism.

Network operation and system management

50Hertz ensures secure grid operation and the availability of the electricity grid in the entire control area. In addition to the ongoing management of the entire grid, taking into account new construction and maintenance projects, the grid operator regularly intervenes in power generation to ensure system stability. This concerns both interventions to maintain the current carrying capacity of operating equipment and measures to increase the voltage bands. The challenges of voltage stability in particular continue to increase. This is primarily due to the increasing reactive power requirements of the grid. Reactive power is necessary for voltage stability, which is why reactive power and voltage stability are closely linked. In addition to an increasing demand for reactive power, there is also a simultaneous shortage of reactive power sources. This is partly due to the declining availability of conventional power plants for the provision of reactive power (displacement from the market by renewable energies) and the highly volatile feed-in of renewable energies, which on the one hand influence the demand for reactive power; on the other hand, the provision of reactive power by renewable energy plants is also dependent on their active power feed-in. 50Hertz counters this imbalance on the one hand by building its own compensation systems (primarily compensation reactors and STATCOM) and on the other hand by tapping reactive power potential from directly and subordinately connected customer systems and, in future, through the newly introduced reactive power market.

In addition to the further development of various system and market-relevant processes in the Core and Hansa capacity calculation regions, extensive adjustments were made to the short-term and long-term markets in order to strengthen the integrated European electricity market. Particularly noteworthy are the load flow-related capacity calculation and allocation based on three pan-European intraday auctions, which were introduced in June 2024, as well as the changeover of system balancing from the current 60 to 15 minutes from Q1 2025. This also serves the sustainable and successful implementation of the European energy transition.

In the area of balancing capacity, the target market was introduced on 22 June 2022, which implements European requirements for harmonizing the billing of balancing energy (marginal pricing) and the calculation of balancing energy prices. With the connection of further TSOs to the PICASSO and MARI platforms in recent years, the use of balancing energy by the participating TSOs has been further optimized. Since 2024, Belgium, Denmark, the Netherlands, Portugal and Slovakia have also been participating in the optimization of balancing power deployment via MARI or PICASSO.

In 2024, there were two wind peaks with a feed-in capacity of more than 17 GW and four PV peaks with a feed-in capacity of more than 13 GW in the 50Hertz control area. A new all-time high for PV feed-in of 13.4 GW was reached on July 30, 2024. Redispatch measures amounting to 7.2 GWh were implemented on this day, 6.2 GWh of which involved renewable energy systems. The PV share of the grid load amounted to 119%, while the total RE share of the grid load was 135%. A new peak in total RE feed-in was reached on April 2,

2024 at 22.5 GW and a new theoretical peak in RE feed-in (taking into account the RE redispatch) was reached on May 15, 2024 at 26.6 GW. In the financial year, the RE share of the grid load was above 100% for more than 1,900 hours.

At 8.4%, avoidable grid disruptions in relation to all grid events are well below the planned value of less than 15%. The increase of 3.4% compared to the previous year is influenced by the weather event described below. Nevertheless, grid availability, as one of the key non-financial performance indicators, exceeded the target value overall, as in the previous year.

The interruption of four parallel line systems in the Gröditz area (between Riesa and Elsterwerda) due to an extraordinary storm event in June 2024 was successfully remedied for two systems within 12 weeks using existing emergency line rods, resources on the market and cooperation with the companies Amprion GmbH and TransnetBW GmbH. The costs incurred in the amount of around EUR17m. The complete and final repair through a new construction in the affected area is scheduled for 2025, once the necessary approvals have been obtained.

Grid loss energy

In 2024, grid losses amounted to 2.4 terawatt hours (TWh). 50Hertz covers its own demand for grid loss energy as part of a risk-averse procurement strategy based on the existing grid loss regulations of an FSV.

To minimize risk, futures with a volume of approx. 2.4 TWh have already been procured on the EEX electricity exchange for 2025. The newly defined reference period from October 1, t-2 to September 30, t-1 enables an improved long-term forecast of grid losses by approximating the fulfillment period in agreement with the BNetzA against the backdrop of highly volatile market movements. For the year 2026, 0.6 TWh had already been procured by the balance sheet date.

Employees

Compared to the previous year, the number of employees in the Group rose from 1,754 to 2,089 as of December 31, 2024, an increase of 19.1%.

The number of apprentices/dual students is 52. 18 employees are completing a trainee program with stations in various areas of 50Hertz as well as of European TSOs and non-governmental organizations.

This year, employees had the opportunity to subscribe for up to 20 discounted Elia Group shares in order to participate in the success of the last financial year. 51.50 percent of those eligible took up the offer.

Occupational health and safety

The primary objective is to create safe and healthy conditions in the workplace and working environment and to prevent accidents at work and work-related illnesses.

Occupational safety is understood as a continuous improvement process and is systematically developed further in order to consistently implement the high standards in occupational health and safety. The occupational health and safety management system in accordance with DIN ISO 45001 provides a suitable framework that enables occupational health and safety to be integrated into the organizational and operational structure, occupational health and safety performance to be continuously reviewed and targeted

improvement measures to be taken. In October 2024, the effectiveness of the existing occupational health and safety management system was reviewed by the external monitoring audit and conformity with the standard was confirmed without any major deviations.

Regularly carrying out and updating activity-related risk assessments for all work areas, identifying potential sources of danger and assessing the risks as well as implementing suitable protective measures are also part of the preventive measures to avoid accidents.

With a view to constructive cooperation and the avoidance of accidents at work, joint occupational health and safety issues were discussed critically with the external companies contracted by 50Hertz for the construction, overhead lines and electrical installation trades and solutions were developed, which were then put into practice.

Resilience measures are available for all employees to help them recover from potentially stressful and challenging situations, overcome them and emerge stronger.

Research and development

The integration of renewable energies and the necessary development of the electrical system continue to be reflected in a number of research and development projects and studies at 50Hertz. In the areas of energy markets, system security and new technologies, a total of around EUR 5.6m (previous year: EUR 5.2m) was spent on research and development projects in 2024. This mainly relates to personnel and other expenses.

As part of the 50Hertz Scientific Advisory & Project Board (SAPB), an interdisciplinary research project was realized in 2024 - mainly in form of a university cooperation - with the short study "Warmer Lichtsturm". The SAPB short study analyzed the challenge of generation peaks from PV and wind for system security - and which market, regulatory and technical measures can be used to counteract this. The SAPB is an ongoing dialog between practice and research: It gives 50Hertz direct access to research and at the same time offers academic institutes the opportunity to put their research results into practice very quickly.

In 2024, the Group developed and commissioned internally generated software in the amount of EUR 30.3m. A further EUR 38.3m was still under development as of December 31, 2024.

Net assets, financial position and results of operations of the Group

Instead of the minus sign, a bracket is placed around the negative amounts in the tables. In the number representations, rounding differences are disregarded.

Results of operations

The figures for the financial year 2024 and the prior year relate to the calendar year for all Group companies.

Income statement

(in EURm)	2024	2023
Revenue	7,727.3	10,027.8
Cost-matching income	(5,456.8)	(7,624.9)
Revenue from grid business and other revenue	2,270.5	2,402.9
Other income	249.6	175.3
Cost of materials and purchased services	(6,823.1)	(9,275.8)
Income-matching cost	5,456.8	7,624.9
Cost of materials and purchased services, grid business	(1,366.3)	(1,650.9)
Personnel expenses	(233.0)	(201.8)
Amortisation, depreciation and impairment	(374.4)	(332.2)
Other expenses	(14.4)	(14.5)
Result from equity investments accounted for using the equity method	1.9	1.9
Financial result	(81.8)	(59.8)
Income taxes	(142.3)	(100.4)
Group profit	309.8	220.5

In addition to the earnings from the core business, the "Grid business" segment, the Group's income and expenses are mainly characterized by the settlement of the EEG and grid fee-based levies as well as payments as part of the electricity price brake ("non-profit-business"). The income and expenses from the non-profit-business are included in the items "Cost-matching income" and "Income-matching cost".

The TSOs market the renewable electricity fed into the grid by downstream grid operators and generators directly connected to the transmission grid, insofar as this is not subject to direct marketing, on an electricity exchange. In addition, the levy mechanisms under the KWKG and under Section 19 StromNEV as well as the compensation mechanism under the Electricity Price Brake Act will be settled in the following amounts:

(in EURm)	2024	2023
EEG income	4,506.1	4,032.0
KWKG income	277.4	295.9
Sec. 19 StromNEV income	330.1	290.0
Energy price brake income	343.2	3,007.0
Total non-profit business of the group	5,456.8	7,624.9

The financing of the EEG under the EnFG using funds from the federal budget. Since 2023, the TSOs have been forecasting the financial requirements of the EEG for the following year, thereby ensuring counter-financing from budget funds.

In addition to the above-mentioned federal subsidies, the income from the EEG settlement results from the marketing of the continued high feed-in volume of renewable energies. Expenses from EEG settlement primarily include the increased market premiums, which must be paid due to the electricity price level—reflecting the difference between the fixed price and the volatile exchange price.

The compensation mechanism under the Electricity Price Control Act included absorption income of EUR 336.1m (previous year: EUR 150.6m) as well as interest and investment income of EUR 7.0m (previous year: EUR 4.2m). As the Electricity Price Control Act expired at the end of 2023, no further federal funds were drawn down in the 2024 financial year (previous year: EUR 2,852.2m).

The development of the CHP levy from 0.357 ct/kWh in 2023 to 0.275 ct/kWh led to a slight decline in revenue in 2024; in contrast, the levy pursuant to Section 19 StromNEV increased from 0.417 ct/kWh in 2023 to 0.643 ct/kWh in 2024; revenue also increased in this area due to higher inflows from the horizontal load balancing of the TSOs.

The income and expenses from the individual levy mechanisms have no overall impact on the Group's earnings.

The Group offers services to third parties, engaging in procurement and sales transactions on the electricity market. However, these transactions do not have an economic impact on the Group. Income and expenses are therefore not reported. This invoicing volume

amounted to EUR 1,475.4m in the financial year (previous year: EUR 1,912.1m). The decrease compared to 2023 reflects the fall in electricity market prices in the financial year.

The core segment "Network provision" with sales revenues from the network business provides the following picture:

(in EURm)	2024	2023
Revenue from incentive regulation	1,438.0	1,407.9
Revenue from offshore regulation	417.7	400.9
Revenue from ancillary services and balancing management	402.1	576.5
Construction cost subsidies	1.5	1.5
Other revenue	11.2	16.1
Revenue from contracts with customers	2,270.5	2,402.9

Revenues from incentive regulation include the grid usage fees of EUR 1,733.5m (previous year: EUR 1,558.0m) for the financial year 2024, determined through the revenue cap, to which the TSO is entitled. These grid usage fees are influenced by catch-up and compensation effects due to existing rolling mechanisms, which are recognized in the balance sheet as regulatory claims or obligations. In the financial year 2024, these period effects (excluding interest and taxes attributable to them) led to an overall reduction in grid usage fees and thus in the Group result for the period of EUR 295.6m (previous year: EUR 150.1m).

The income from offshore regulation includes income from the Germany-wide mechanism to offset the costs of compensation or disruptions as well as the costs of construction and operation of offshore connection lines. The income from offshore grid levy amounted to EUR 417.7m (previous year: EUR 400.9m), which increased due to the higher offshore grid levy of 0.656 ct/ kWh in 2024 (previous year: 0.591 ct/ kWh). The expenses from offshore regulation include chargeable grid connection costs of 50Hertz Offshore and 50Hertz Connectors in the amount of EUR 380.8m (previous year EUR 264.0m).

Revenue from ancillary services and balancing group management (EUR 402.1m; previous year: EUR 576.5m) continued to decline in line with the development of electricity prices.

In addition, the Group generated other income of EUR 249.6m (previous year: EUR 175.3m). This corresponds to the increased investment volume and the corresponding rise in own work capitalized.

Cost of materials and purchased services include expenses for electricity procurement and purchased services. The expenses for ancillary services, for measures in accordance with Section 13 EnWG and for balancing group management included in this item declined in 2024 and amounted to EUR 1,051.3m (previous year: EUR 1,296.2m). There was a year-on-year increase in expenses for grid loss procurement (EUR +90.0m) due to the long-term price hedging at the time, which still reflected the electricity market price effects from 2022.

Personnel expenses amounted to EUR 233.0m (previous year: EUR 201.8m). The increase is due to the continued expansion of the workforce.

Depreciation and amortization accounted for EUR 374.4m (previous year: EUR 332.2m). The development of depreciation and amortization corresponds to the steady progress of investment activity.

Other expenses of EUR 14.4m (previous year: EUR 14.5m) primarily included disposals of fixed assets.

Onshore OPEX amounted to EUR 243m in the financial year 2024 (previous year: EUR 228m). This figure reflects an aggregate of various items from personnel-related and other non-energy-related expenses. The actual costs were below the target corridor of EUR 255m to EUR 278m. This was due to the fact that the increase in personnel was not fully implemented.

The result from investments accounted for using the equity method is attributable in full to Elia Grid International NV/SA.

The financial result amounted to EUR -81.8m (previous year: EUR -59.8m). It includes financial income (EUR 60.6m; previous year EUR 37.5m) and financial expenses (EUR -142.4m; previous year EUR -97.3m). Rising interest rates and the increase in external financing led to a significant increase in financial expenses of debt, with compensatory effects from the capitalization of construction period interest (EUR 78.0m; previous year EUR 25.1m).

Earnings before taxes amounted to EUR 452.1m (previous year: EUR 320.9m). After deducting income taxes (EUR 142.3m, previous year EUR 100.4m), consolidated net profit amounted to EUR 309.8m (previous year EUR 220.5m). The IFRS after-tax result is above the target corridor of EUR 230 - 270m. This result is primarily due to high additions to finished assets as a result of commissioning, acceleration measures, various individual effects and higher own work capitalized, which is included in other income.

Net assets and financial position

(in EURm)	31.12.2024	31.12.2023
Assets		
Non-current assets	12,032.4	8,635.9
Current assets	2,378.6	2,412.2
	14,411.0	11,048.1
Equity and liabilities		
Equity	3,103.9	2,143.2
Non-current liabilities	8,438.6	5,815.9
Current liabilities	2,293.0	2,804.2
Regulatory items (net)	575.5	284.8
	14,411.0	11,048.1

Non-current assets mainly comprise property, plant and equipment, including assets under construction, and are covered to 25.8% (previous year: 24.8%) by equity. This clearly shows the impact of the increase in investment volume compared to previous years. The Group achieved an investment volume of EUR 3,627m (previous year: EUR 1,686m). This is

due to accelerated project implementation, procurement processes and commissioning as well as continued personnel growth in the supporting areas, and thus significantly exceeded the target corridor of EUR 3,215 to 3,365m.

Non-current liabilities mainly result from liabilities to bondholders. The increase is due to four further bond issues in the amount of EUR 3,000m for financing the investment measures. A flexible credit facility amounting to EUR 3,000m was contracted, which has not yet been utilized and is therefore still fully available.

Current assets mainly consist of trade receivables, other receivables and cash and cash equivalents. Current liabilities mainly comprise trade payables.

The high billing volumes from the grid business are reflected in current assets and liabilities. After the sharp increase in previous years, electricity prices and cost developments have stabilized again.

The Group uses hedge accounting to recognize derivative financial instruments that result from the equivalent value of the contractually contracted portfolio of futures traded on the EEX. On the balance date, derivative financial instruments (EUR 11.5m; previous year: EUR -224.8m) are recognized in other comprehensive income and reported in equity, considering deferred taxes at fair value. The measurement effects remain in equity until the financial realization for these contracts occurs in subsequent years. In the financial year 2024, the Group generated a result of EUR -233.6m (previous year: EUR -89.3m) from the long-term price hedging of grid loss procurement. The daily revaluation of the futures and the daily financial settlement of the security deposits with the electricity exchange result can lead to liquidity effects for the Group, depending on the dynamics of the electricity price development, due to incoming or outgoing payments by the EEX clearing house, the current balance of which of EUR -11.5m is included in current liabilities (previous year: current assets of EUR 224.5m).

The regulatory obligations show a continued increase of EUR 290.7m to EUR 575.5m (previous year: increase of EUR 153.5m to EUR 284.8m). In addition to the settlement of balances carried forward from previous periods, a significant portion is attributable to additions to the regulatory account (EUR +293.9m) and return obligations from congestion management (EUR +90.7m) for the past calendar year; this was offset in particular by returns for previous regulatory account periods (EUR -54.9m), for congestion management (EUR -25.2m) and for the involuntary exchange (EUR -14.2m). The changes in the regulatory account are attributable to various individual effects, the interest and compensation are carried out via the regulatory account and are reversed in the following fee periods in accordance with the regulatory requirements and offset via the grid fees.

Equity increased significantly by EUR 960.7m due to an equity injection of EUR 600m, the high group net profit of EUR 309.8m and the positive effects within other comprehensive income (OCI) resulting from the revaluation of the EEX shares and the price effects from hedge accounting. In 2024, there was also a profit distribution of EUR -180m to the shareholders.

Cash flow statement

(in EURm)	2024	2023
Cash flow from operating activities	609,8	(1,823.1)
Cash flow from investing activities	(3,492.8)	(1,580.6)
Cash flow from financing activities	3,404.0	796.8
Change in cash and cash equivalents	521.0	(2,606.9)
Cash and cash equivalents at the end of the period	1,282.4	761.4

In the previous year, cash flow from operating activities was significantly influenced by payment effects within the surcharge business and the associated negative effects on working capital. In the reporting year, however, the development was more balanced again.

Cash flows from investing activities mainly reflect payments in connection with the further network expansion, which is reflected in the additions to property, plant and equipment.

The cash flow from financing activities includes inflows from an equity injection of EUR 600m and from borrowing additional funds (EUR 2,992.6m). Cash outflows resulted from the profit distribution to shareholders of EUR 180m and the repayment of financial liabilities of EUR 8.6m.

Cash and cash equivalents rose sharply again compared to 2023. This was mainly due to the cash inflows from the additional payment into the capital reserve and borrowings, as well as a positive cash flow from operating activities, which was offset by the significant investments in property, plant and equipment.

In addition to the reported cash and cash equivalents, Eurogrid has undrawn credit facilities with several banks in the amount of EUR 3,904.4m.

Overall statement on the economic situation

Overall, the Group generated a very satisfactory earnings in the financial year 2024, significantly exceeding the planned IFRS earnings after taxes of EUR 230 - 270m to EUR 309.8m. The continued increase in investments in network expansion will continue to make a positive contribution to earnings through their effect on revenue. The financial obligations due in the financial year 2024 were covered at all times by the available liquidity.

Forecast, opportunity and risk report

Forecast report

The Group will continue to invest in the development of the transmission network, to be able to safely and efficiently absorb the growing share of electricity from renewable energies and transport it to the centers of consumption. The requirements of the current Network Development Plan are aimed at ensuring a large number of measures and their rapid implementation. This is also reflected in the fact that the planned investment volume for 2024 has been exceeded in comparison to the business plan: both accelerated award of contracts in the offshore sector and the accelerated construction work at the SOL demonstrate the high pace of project implementation.

The investment volume, which has already increased significantly compared to recent years, will initially remain at a similar level in next year and continue to grow significantly from 2026. This will also lead to a sustained high need for financing and resources in future financial years. As the Group's cash generation is still below the financial requirements, particularly from investing activities, further borrowing and equity injections are planned as strengthening measures by the shareholders. Financing on the capital market is secured via an investment grade rating for Eurogrid, providing its subsidiaries financial resources. In addition to listed bonds, other sources of financing, such as promotional loans from KfW, are supposed to be utilized. Active cash and financial performance management complements and supports the capital measures to raise capital. In order to handle the growing investment volume, further expansion in personnel and additional long-term supply and service partnerships with companies in the supplier industry are planned.

The Group is constantly making efforts to ensure efficiency in processes and cost structures in order to curb the overall cost increase caused by the energy transition. LINK digital GmbH was founded in the course of the TSOs' cooperation in the realization of joint DC projects and the necessity of accessing joint project and IT resources. It will now provide corresponding services to support the projects of the participating TSOs. The increase in personnel is primarily necessary to implement the investment projects and the system-related requirements for implementing the energy transition, which is associated with a high capitalization of personnel costs. A relatively smaller increase is planned in administrative areas, as digitalization and process simplifications should lead to efficiencies.

In 2024, the target for OPEX onshore was exceeded due to higher income and savings in the budgets. Overall, a continuous increase in operating expenses is expected. This is driven by the increasing investment volume as well as new regulations and requirements for system operation. The costs for system services such as redispatch measures and grid loss energy are significantly influenced by the development of electricity prices, weather conditions and the grid topology.

In line with the higher investments and the associated higher regulatory interest rate, combined with lower costs (exceeding OPEX targets), the IFRS earnings after tax are also significantly higher than planned.

The financial performance indicators show the following development:

(in EURm)	2023	2024	2025
Investment volume (actual)	1,686	3,627	
Target corridor (plan)	1,430 - 1,580	3,215 - 3,365	3,800
IFRS after-tax result (actual)	220	310	
Target corridor (plan)	144 - 216	230 - 270	380-420
OpEx value onshore	228	243	
Target corridor (plan)	262 - 289	255 - 278	254 - 280

From the financial year 2025, the diversification of financing will be introduced as a supplementary financial performance indicator. The aim is to raise more than 40% of new funding from sources other than listed bonds.

The above planning for the financial year 2025 is based on the following assumptions:

- Stability of the regulatory framework in line with the current legal situation,
- Largely stable interest rate environment,
- Implementation of the ambitious investment program as planned,
- Maintain a solid investment grade,
- 50Hertz's normal course of business with no unusual weather conditions and no major technical disruptions.

The key non-financial performance indicators show the following development:

Assessment of the grid expansion	2024 ²	2025
Line kilometers with newly received planning approval decision in km (actual)	176.0	
Target corridor (plan)		>212
Newly constructed lines in km (actual)	126.0	
Target corridor (plan)		>69
Commissioned transformer station capacity in MVA (actual)	1,000	
Target corridor (plan)		>5,600
Commissioned reactive power in Mvar (actual)	678.0	
Target corridor (plan)		>1,477
Number of achieved predefined priority project milestones (actual)	7.0	
Number of predefined priority project milestones (plan)	9.0	6.0

To evaluate the grid expansion, the progress of approvals for lines is also considered in addition to the resources constructed or commissioned. The target values for 2025 are based on the annual project and approval planning and can fluctuate from year to year. In 2025, the target line kilometers to be constructed will decrease, as changes to approval process for a line will be necessary. In term of transformer station and reactive power, a significantly higher addition of transformers, phase shifters and similar cases are planned.

Assessment of network availability	2023	2024	2025
Network events in relation to 100 km system circuit length (actual)	1.15	1.12	
Target corridor (plan)	1.2	1.2	1.2
Ratio of avoidable grid events to all grid events (actual)	4.96 percent	8.4 percent	
Target corridor (plan)	<15 percent	<15 percent	≤8 percent

Overall, there were only 1.12 grid incidents related to 100 km of system circuit length in the reporting year, which is lower than the target value of 1.2. At 8.4%, avoidable grid disruptions in relation to all grid incidents are well below the planned value of less than 15%. The increase of 3.4% compared to the previous year is due to an exceptional storm event. Nevertheless, overall grid availability exceeded the planned value, as in the previous year.

² New addition in the reporting year 2024. The financial year 2024 stated for reference purposes.

³ New addition in the reporting year 2024. The financial year 2024 stated for reference purposes.

Evaluation of occupational health and safety	2023	2024	2025
Accident frequency			
TRIR (Total Recorded Injury Rate) own employees (actual)	0.8	2.0	
Target corridor (plan)	<4.9	<4.2	
TRIR (Total Recorded Injury Rate) own employees and external company employees (actual)		4.6	
Target corridor (plan)			<4.7
Health rate			
Ratio of planned working days minus the number of days lost due to illness in relation to the planned working days (actual)	96.5 percent	96.7 percent	
Target value (plan)	>96.7 percent	>96.8 percent	>96.8 percent

For the assessment of accident frequency, electrical accidents at work and the occurrence of fatal accidents at work were reported separately for both own employees and employees of external companies up to and including the reporting year 2024. The target for each of these non-financial performance indicators was zero. These targets were achieved in the reporting year 2024. In the new structure, these performance indicators are also included in the TRIR incident frequency assessment, which represents the ratio between the number of accidents and productive hours. TRIR was therefore also introduced for our own employees and employees of external companies.

In the reporting period, there were 5 accidents at work with a total of 67 days lost and 1 further accident at work with an electrical connection with no days lost. None of the accidents resulted in serious injuries. The number of accidents involving external companies contracted by 50Hertz was 37, of which 4 were without days lost. This means that the accident frequency for 50Hertz employees, which is measured via TRIR and was 2.0 in 2024, remained well below the planned value of less than 4.2. This is considered a success of the occupational safety and accident prevention measures.

Diversity	2023	2024	2025
Increase in personnel (net) (actual) ³		343	
Target corridor (plan)			400
Women's quota	25.5 percent	26.4 percent	
Target corridor (plan)	-	>27 percent	>27 percent

The target values of the non-financial performance indicators reflect our high standards in terms of health and safety at work and diversity.

As the absolute avoidance of fatal and electrical accidents is the top priority, in addition to those listed above, the aim is still to ensure that these do not occur among the company's

own employees or those of external companies. From 2025, serious accidents will also be included in the measurement of target achievement. From 2025, the accident frequency measured via TRIR will also include external company employees in order to obtain a more accurate picture of the overall accident frequency. Although the high occupational health and safety standards also apply to external companies and are monitored both prospectively (quality assurance on construction sites) and retrospectively (evaluation of incidents), the accident frequency is higher in this group. Accordingly, the target level is slightly lower than TRIR, which only takes into account internal employees, but is still ambitious. Although the target health rate was narrowly undercut in 2024, the target level is being pursued again for 2025.

A net increase of 400 employees is planned for 2025 in order to continue driving forward grid expansion and the energy transition. A long-term target of 30% is being pursued for the share of women. Although the share of women continued to increase in 2024, it remain below the target of 27%. Therefore, the target remains in place for 2025.

Overall, the Group expects positive business development with a solidly financed balance sheet structure in 2025. The IFRS earning after tax significantly increases in line with the massive investment activity, which will lead to an increasing return on assets with lower associated expenses.

Risk management system

The goals of risk management are the fundamental avoidance of risks that endanger the existence of the Group, the reduction of existing risk positions, and the optimization of the risk-opportunity profile. Risks are recorded, evaluated and monitored in a standardized manner using the existing risk guidelines. Risk dimensions are derived based on the Group's objectives. Risks are categorized according to their main impact, which can be one of the following: protection of life and limb, security of supply, reputation, liquidity, profit and loss.

Risks are categorized into relevance classes from 1 to 5 in terms of their impact, with the relevance classes being graded in 5 levels. Depending on their severity, these range from "low" to "going concern". The assessment of potential damage and probability of occurrence is based on scenarios. The financial effects are calculated using the 95% confidence level, which includes the probability of occurrence and the extent of loss as value-at-risk or cash flow-at-risk. Relevance class 1 assumes a low level of cash flow at risk of between EUR 1m and EUR 5m and an earnings risk of up to EUR 1m; relevance class 5, on the other hand, assumes a level of cash flow at risk of over EUR 4,700m and an earnings risk of over EUR 1,200m.

Aggregation is used to determine the company's overall risk and risk-bearing capacity, which can arise in relation to risks to profit and loss or the Group's liquidity situation. The following section reports on the main risks in relevance class 3, which are within the ranges of EUR 50m to EUR 800m for cash flow at risk and EUR 5m to EUR 50m for earnings risk and are marked accordingly. In addition, the following section reports on existing material risks in relevance class 3, which are not quantified in monetary terms, and on material strategic risks. Serious risks (relevance class 4) or going concern risks (relevance class 5) were not identified either individually or in aggregate.

The Group continuously monitors the risk situation, in particular for the early identification of potential risks to the company as a going concern. As part of the strategic orientation of

risk management, the selection and implementation of countermeasures is ensured as required. The management of significant corporate risks is monitored as part of the systematic preparation and centralized tracking of action plans. Relevant individual risks and the overall risk situation are regularly reported to the Executive Board, the Supervisory Board and the shareholders of the Eurogrid Group. In the event of significant changes, the responsible decision-makers are informed on an ad hoc basis. The functionality and effectiveness of the risk management system are subject to regular reviews.

Opportunities and risks

Due to the regulatory framework, the Group's risk-opportunity ratio is fundamentally unbalanced, with predominating risks from developments subject to uncertainty. The risks mainly result from the development of regulatory interest rates as the basis for the long-term financing of grid expansion projects. The main Group's opportunity is to strengthen its regulated asset base (operating assets in the imputed sense) and realize organic growth while maintaining efficiency and ensuring that investments in the transmission grid and grid connections are made on time and in line with requirements. Further opportunities lie in actively shaping the changes and new requirements resulting from the energy transition with 50Hertz Transmission as an independent TSO in the European environment and in being a reliable and high-performance partner for the customers supplied in the grid area. The European positioning is to be further strengthened by joint activities of the Elia Group. In this way, the regulatory framework for the company's further development is to be positively shaped and the economic burdens limited. The Group's opportunities therefore lie in its operating segment "Network Provision". There are implicitly no significant opportunities in the "Profit-neutral business" segment, which primarily comprises the profit-neutral processing of the EEG, the StromPBG and grid fee-based levies in accordance with statutory requirements.

Opportunities and risks from political, regulatory and legislative matters

The Group's business activities are largely determined by regulation and the legal framework, which in turn are influenced by energy policy objectives. Changes in the regulatory and legal framework can have a sustained positive or negative impact on the Group's earnings and liquidity situation.

50Hertz's network usage charges are subject to regulation by the BNetzA. Decisions by the BNetzA within the current regulatory framework, as well as changes to the regulatory framework through amendments to the relevant regulations, may have material positive or negative effects on 50Hertz. Due to the dissolution of the German parliament, certain energy industry legislative projects could not be finalized in 2024. This may result in additional uncertainties and delays for approval procedures for the DC projects.

The investment costs for the large-scale grid expansion required for the energy transition will only lead to compensation through the reduction of redispatch costs with a time lag. This is quantified as significant in the context of risk management. The resulting increase in grid fees poses a risk of a decline in the acceptance of the energy transition among grid customers. The acceleration of approval procedures in the context of compliance with environmental regulations and the increasing number of grid expansion projects also entail further acceptance risks in society in society.

As part of its newly created determination powers, the BNetzA has begun reforming the existing regulatory system through an industry dialog in 2024. On 5th March 2025, the BNetzA published a key issues paper for the future regulatory framework of the TSOs. This may result in both opportunities and risks. 50Hertz will actively participate in the relevant discussions.

In the procedure of adjusting the regulatory equity interest rate for the 4th regulatory period starting in 2024, the BNetzA envisages an annual adjustment of the equity interest rate for new investments. This complicates the financing conditions for grid operators on the financial market due to the exclusion of investments until 2023 and the fact that the interest rate is only fixed at the end of a financial year. In the event of decreasing interest rates, the regulatory equity interest rate would decrease and thus the return on the investment. Both the variable interest rate and the varied handling of investments regarding investment timing entail the risk of unattractiveness to investors and worsening terms of capital provision.

Energy policy legislation and guidelines on renewable energies have a strong influence on 50Hertz Transmission's liquidity and allocation-related billing processes. Changes in the relevant legislation or the interpretation of this legislation can improve or worsen the liquidity situation. The implementation of the EEG may result in significant quantified financing risks if the promised federal funds are not sufficient and additional federal funds cannot be provided or cannot be provided in time. Thus, the TSOs could have to provide necessary interim financing.

Costs arising from the energy industry processes of control reserve provision, grid loss procurement and the elimination of grid congestion (congestion management costs), which were assessed as significant, are subject to incentive mechanisms. The incentive mechanisms can result in both opportunities and risks for 50Hertz through the achievement of bonuses or penalties. The amount of the achievable bonuses/penalties is capped.

In the course of accounting, planning data and estimates are processed on an ongoing basis, which are then replaced by the corresponding actual values in subsequent periods as they become available. As a result of these estimation processes, deviations and consequential effects with a liquidity and/or earnings impact may arise. Furthermore, these planning data may deviate significantly from the actual values due to unforeseeable circumstances or weather conditions, or because new standards are applied in connection with the regulatory rollover or the BNetzA issues new requirements. Deviations have a direct impact on the results for the year in which they are determined or on the results of the Group in subsequent years when they are offset against the revenue cap. The increased volatility in energy markets resulting from the energy crisis increases forecasting risks, particularly when determining the budget of energy costs. The refinancing of differences is mainly ensured via a plan/actual reconciliation in the regulatory account. However, any interim financing that may be necessary can lead to liquidity and interest rate effects.

The rapid development of renewable energies and the fact that grid expansion is not proceeding at the same pace may also make it necessary in the future for grid operators to intervene in power generation to a greater extent, resulting in correspondingly high cost burdens and thus possibly to significant interim financing requirements.

In addition to the effects on grid expansion due to the high volatility of generation, the increasing integration of renewable energies significantly affects system stability. 50Hertz is responsible for identifying the necessary system requirements to ensure safe and stable system operation and to take the necessary measures at all times. The necessary system interventions can result in significantly quantifiable risks from the recognition of cost allocation.

In terms of the international cooperation between European TSOs in the further development of the European electricity grids, opportunities arise from the realisation of additional investment potential. However, there are also possible legal uncertainties and, possibly, risks that arise from the realisation and refinancing in the German and European regulatory framework. A political dimension also arises from the need to create international treaty or legal regulations and the energy policy objectives of the participating countries.

Opportunities and risks from technology and infrastructure

50Hertz's assets are widely distributed geographically and can be a potential target for theft, acts of terrorism and sabotage. The KRITIS-Dachgesetz aims to regulate measures for the security and resilience of critical infrastructure. Furthermore, the assets are exposed to environmental influences, which can lead to sometimes significant damage in special weather conditions or to faster wear and tear.

As an infrastructure operator for a safe and reliable power supply for around 18m people, 50Hertz is also obliged to be well prepared for crisis situations. To this end, crisis tools have been further developed and crisis exercises conducted on a regular basis to train its own skills and uncover potential for improvement.

In the event of voltage fluctuations or interruptions, grid failure or failure to implement legally required emergency measures, 50Hertz may be held liable for damages to its customers and/or damages to third parties. This can lead to reputational risks and significantly quantifiable cost risks for the TSO, which must be appropriately mitigated.

The connection and operation of OWPs is a business field with additional technical and organizational challenges, as legislators have decided to allow wind farms to be built relatively far off the German coasts. Despite careful preparations and analyses, technical problems are often only discovered in the implementation and operation phase and must then be solved immediately. Delays and changes in the planning and construction phase as well as later unplanned changes in the operating phase are therefore possible. 50Hertz also commissions the independent construction of offshore platforms and enters into cooperation models with OWP operators. In addition to opportunities arising from the assumption of project responsibility and control, this also results in realisation risks and, in some cases, additional liability towards the OWP. If 50Hertz is held responsible for the delay or interruption in the establishment of an offshore grid connection, the company must essentially compensate the wind farm operator for the financial loss. The expenses associated with the compensation can be partially offset by compensation amounts through recourse to the suppliers. According to the EnWG, the risks for the TSO are limited: in the event of culpable, non-intentional delay or disruption of the connection, the TSO only has to bear part of the damages itself. Nevertheless, a significant assessed risks remain with the connecting TSO.

High-voltage systems and especially high-voltage cables increasingly represent a considerable value in the company's fixed assets, and the share of onshore direct-current cables will also increase significantly in the coming years on a project-related basis. As a result of the prospective increase in the use of direct current connections, complex converter systems will be installed both on land and at sea. As there is as yet no comprehensive long-term operating experience with these technologies, there is a risk of design errors that are only discovered during operations. As a preventive measure, various tests are carried out from the start of production to commissioning. However, it cannot be completely guaranteed that all, even combined, causes of faults can be identified. In extreme cases, this can lead to a complete cable system having to be replaced. This would result in high unscheduled depreciation, compensation payments, e.g. to offshore wind farm operators, and investment costs. The risk is mitigated, among other things, by close cooperation with suppliers, by extensive functional tests prior to commissioning, by insurance on a case-by-case basis, by warranty guarantees after commissioning, by monitoring the cables in operation and by the possibility of rolling over costs via the regulatory framework. The cost risks no longer necessarily and completely affect the grid operator, but there are still significant quantifiable risks that the BNetzA may not recognise certain costs as being covered by the regulation.

The construction of power lines is associated with acceptance risks among local stakeholders and with complex administrative procedures. Delays in line construction are therefore still possible despite the intensive efforts of 50Hertz's approval and participation experts and the application of legal regulations to accelerate grid expansion. In addition, the high number of parallel procedures harbors the risk of resource bottlenecks at the federal and state authorities concerned. The market for required services (experts, environmental planning and route planning offices, engineering offices, mapping experts) is also extremely tight throughout Germany due to the high demand for infrastructure. Timely access to suitable resources and suppliers who can provide services in line with requirements appears to be increasingly important in this context and, in addition to cost effects, can also entail time restrictions. In addition, due to the complexity of the projects, there are other possible causes for delays and additional costs, which can be reduced with professional project management, but not completely eliminated. Delays in network expansion can lead not only to an increase in operating costs to cope with grid bottlenecks, but also to an increase in critical situations in grid operations. The reason for this is that the new lines are essentially needed to transport the constantly growing variable feed-in of renewable energies in the 50Hertz control zone to areas with higher consumption and planned shutdowns of conventional power plants near the consumption centers in the south and west are approaching.

50Hertz uses a high-availability grid control system to ensure the secure operation of its transmission grid. The existing grid control system is currently being replaced by a new system in a complex project. The old system will continue to ensure operation until the project is fully completed.

The safe operation of grid systems, maintenance and the construction of new grid systems can be impaired by developments in the geopolitical situation (such as trade restrictions). This can result in risks in the supply chain and consequently in the timely and high-quality delivery of essential equipment and services. High standards for quality, delivery reliability, and long-term contractual relationships are applied when selecting suppliers and

awarding contracts. A consistent dual-vendor strategy is pursued for system-critical components in order to reduce dependencies and the risk of errors.

However, the construction of new plants also results in opportunities due to the accelerated completion and commissioning of plants. By transferring them to non-current assets at an earlier stage, higher returns are generated from these plants, which in turn free up capital for further investment activities. Otherwise, the opportunities are limited due to the regulatory framework in this area.

As an operator of so-called critical infrastructure, 50Hertz is exposed to the risk of targeted cyber-attacks. In order to prevent this and ensure information security, 50Hertz is obliged by the IT Security Act to organize the processing, storage and communication of information in such a way that the availability, confidentiality and integrity of the information and systems are sufficiently ensured. The regulatory requirements for this are set out in the IT security catalog for grid operators of the BNetzA in accordance with Section 11 (1a) EnWG. According to this specification, 50Hertz Transmission as a grid operator is obliged to maintain and have certified an information security management system in accordance with ISO 27001. The established security process systematically identifies and deals with IT risks. In particular, the security information and warnings provided by the BSI are recorded and evaluated. Where necessary, the necessary protective measures are derived and implemented. No targeted cyber-attacks on 50Hertz were registered in the reporting year or damage caused by information security incidents.

Risks from health, occupational safety and personnel

The prevention of accidents and work-related illnesses is a top priority at 50Hertz. Occupational health and safety are integrated into the corporate strategy. Despite all preventive measures, accidents at 50Hertz workplaces or in connection with the construction and use of 50Hertz facilities cannot be completely ruled out. Accidents can result in injuries or, in extreme cases, the loss of human life or cause financial or reputational damage to 50Hertz.

The high occupational safety standards also apply to external companies commissioned by 50Hertz. The "Regulations for ensuring occupational safety when using external companies in the transmission grid area of 50Hertz Transmission GmbH (OAFN)" and the "Agreement on quality assurance on construction sites" are fixed contractual components of the assignment. Within this framework, regular inspections are carried out on construction sites to ensure occupational health and safety, environmental protection and quality assurance.

Any incidents (near-accidents, accidents at work, accidents involving contractors) are systematically evaluated in a standardized process and measures are derived to eliminate the hazards. Safety instructions are drawn up for relevant incidents and communicated to employees. Quality assurance on construction sites, including inspections (prospective) and the process for evaluating incidents (retrospective), have become established as effective tools for improving occupational health and safety at external companies.

Risks from markets and finances

Despite the escalation in the Middle East conflict and other geopolitical crises, the energy and financial markets were less affected than in previous years. Considering the significant drop in inflation in the eurozone since 2023, the European Central Bank cut the key interest

rate several times in 2024. This has a dampening effect on the development of the Eurogrid Group's borrowing costs.

Market price movements on the electricity markets are assessed as significant and can lead to high fluctuations in the costs for control and grid loss energy as well as redispatch measures. Any effects on earnings are greatly reduced by the respective regulatory models. 50Hertz uses standard market electricity products to cover the demand for grid loss energy. Based on a risk-averse procurement strategy and taking into account the regulatory framework for cost compensation, 50Hertz actively manages its portfolios. Price and liquidity risks are monitored on an ongoing basis.

For 2025, the TSOs forecast a Germany-wide EEG financing requirements of EUR 16.5 billion, which must be covered by federal funds in this amount and is assessed as significant. Depending on how the electricity market develops, further financing requirements in the course of the year cannot be ruled out.

Price and liquidity risks are monitored on an ongoing basis. Due to the volatile market movements, the market valuation and realization of hedging transactions and the collateral to be deposited with the stock exchanges had a significant impact on the balance sheet.

The Group finances itself on the banking and capital markets. Financing requirements are determined on the basis of long-term planning and, if necessary, targeted capital market measures and the necessary capital market communication are implemented to secure a sustainable access to the financial markets. Risks arising from financing bottlenecks are countered by means of ongoing liquidity planning and the provision of suitable sources of financing.

A further downgrading of the rating could increase financing costs in the future and restrict access to financing. Potential risks in the context of follow-up financing for investments in the future may arise from unforeseeable bottlenecks in the context of government financing in Europe and the high volatility on the capital markets.

The interest rate risk is countered by means of continuous market monitoring and the phased capital procurement. Funds are generally borrowed on a long-term basis and at fixed interest rates.

Counterparty risks in the investment of time deposits are countered by a cautious, diversified investment strategy, constant market observation and strict compliance with investment guidelines.

Overall opportunities and overall risk situation

The overall opportunity situation is characterized by the regulatory framework, which can favor organic growth of the Group. Solid ratings support an optimal financing structure. In the 2024 financial year, neither individual risks nor the aggregated risk position posed a threat to the Group as a going concern. No risks to the Eurogrid Group's continued existence are expected for 2025 either.

Accounting-related internal control and risk management system

To enable Eurogrid group to operate successfully as a group in its complex business environment, it has created an effective and integrated internal control system that covers all relevant business processes in its entirety. It regulates the identification, recording, evaluation, documentation and reporting of risks and is integrated into the group's strategy, planning and budgeting processes as well as its management and reporting systems.

The internal control system forms an integral part of the risk management system. This system comprises reports for the Supervisory Board of 50Hertz Transmission GmbH, for the Supervisory Board and the Audit Committee of Eurogrid, as well as for the respective management teams, and is aligned with the company-specific requirements in terms of scope and structure.

Key elements of the internal control system in relation to accounting processes are the consistent application of the dual control principle, an audit-proof document system and the consistent separation of functions between and within departments and within the Group. The processing of data in the accounting system is organized uniformly for all companies included in the Eurogrid consolidated financial statements and is based on the same processes with regard to account assignment and the processing of invoices and receipts. Furthermore, there is uniform handling of the preparation of the financial statements with regard to the preparation processes and scheduling.

The standard business software used for accounting is subject to an annual audit with regard to the correctness of the IT procedures used, including the structural and procedural organizational environment of the system deployment, taking into account the requirements for an effective internal control system. An authorization concept adequate for the purposes of proper accounting and reducing the risk of fraudulent actions has been established. This is applied consistently. Since 2023, all Eurogrid group companies have been using the 'SAP S/4HANA' ERP software. The business transactions are processed centrally in the Accounting/Taxes department of 50Hertz Transmission for all Group companies.

Consolidation at Group level is based on guidelines for accounting and the preparation of financial statements in order to ensure uniform application of the recognition, measurement and disclosure of balance sheet and income statement items, in particular with regard to the correct presentation of regulatory issues for the TSO business in the appropriate period. Each monthly report is accompanied by plausibility checks between Financial Reporting, Controlling and Regulatory Management. These checks and compliance with all relevant commercial and tax law standards as well as the corresponding energy law requirements and IFRS regulations ensure that the accounting and reporting in the individual financial statements and the group financial statements are compliant.

Measures to limit accounting-related risks include, in particular, the clear allocation of responsibilities, graduated release strategies, access authorizations based on the principle of segregation of duties and the application of uniform rules on organization and scheduling as well as the valuation of business transactions. The effectiveness of the internal control system is reviewed by the internal audit department on an ad hoc basis or on the basis of an audit program in consultation with the shareholder bodies. Furthermore, the Supervisory Board of Eurogrid and the Supervisory Board of 50Hertz Transmission continuously monitor the proper conduct of business. All bodies base their assessment on regular reports and analyses by the management of the Group companies, on the results of the audit activities of Internal Audit and on the audits of the annual financial statements of the Group companies. In addition, the Group companies and their risk areas are recorded and assessed as part of the risk management system.

Corporate Governance Statement

The following declaration in accordance with Section 315d HGB in conjunction with Section 289f (4) HGB is made voluntarily by the company:

Increasing the share of women in leadership positions

50Hertz promotes diversity and equal opportunities. On December 1, 2020, the management therefore voluntarily agreed to increase the share of women in the overall workforce and in management to 30 percent by 2030. Compared to the previous year, the share of women in 2024 has already increased by 0.9 percentage points to a total of 26.4%. In a resolution passed on February 6, 2024, the Management Board set itself the goal of filling 30% of all management positions at the first and second level below the managing directors with women by June 30, 2027. As of December 31, 2024, the share of women at the first management level was 33% and 17% at the second management level.

On February 23, 2024, the Supervisory Board of 50Hertz passed a resolution that the share of women on the Supervisory Board and the share of women on the Management Board should be 30 percent by June 30, 2027.

On December 31, 2024, the share of women on the Supervisory Board of 50Hertz Transmission was 33 percent. The share of women on the Management Board of 50Hertz is currently 25 percent.

Group sustainability statement

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1. ESRS 2 - General disclosures

1.1. Basis for preparation

BP1 - General basis for preparation of the sustainability statements

Eurogrid GmbH and the Eurogrid Group are obliged to publish a non-financial statement in accordance with Section 315b and Section 289b of the German Commercial Code (HGB). These statements are summarised. Any differences between the statements in the two declarations are emphasised in the text. The summarised non-financial statement (hereinafter referred to as the 'sustainability report') is prepared in accordance with Section 315 c (3) in conjunction with Section 289 d of the German Commercial Code (HGB). § 289 d HGB on the basis of the European Sustainability Reporting Standards (ESRS).

This is Eurogrid GmbH's 9th annual Sustainability Report and the first sustainability statements in line with the ESRS, covering the period from 1 January 2024 to 31 December 2024. The initial reporting according to the ESRS is based on the consolidated reporting of the Elia Group and the Eurogrid Group.

The Eurogrid Group consists of Eurogrid GmbH (Eurogrid) as well as 50Hertz Transmission GmbH (50Hertz Transmission), 50Hertz Offshore GmbH (50Hertz Offshore) and 50Hertz Connectors GmbH (50Hertz Connectors; together with 50Hertz Transmission and 50Hertz Offshore also referred to as 50Hertz) as affiliated companies of Eurogrid and additionally from investments of 50Hertz Transmission.

Elia Group NV/SA (hereinafter: Elia Group) as the listed holding company and ultimate holding company holds all shares in Eurogrid International NV/SA (Eurogrid International) and thus Elia Group indirectly holds the majority of shares in Eurogrid and 50Hertz Transmission and in Elia Grid International NV/SA. Please see section ('[Background of the Group](#)') of the Management Report for a full overview of Eurogrid Group's legal structure.

Being part of the Elia Group has a material impact on the Eurogrid Group's sustainability activities and sustainability reporting. Material activities in the area of sustainability are developed, implemented and monitored at Elia Group level. As a rule, these activities are adapted to the specific circumstances of the country level of the Eurogrid Group, such as the German regulatory framework and German legislation, as well as the specific circumstances of the respective entity. Please see section [1.2 Governance](#) and [1.3 Strategy](#) for more information.

When these statements refer to the 'project team', this refers to the Elia Group's multidisciplinary, cross-divisional and cross-country team (team members from Group Accounting and Sustainability Reporting, Group Strategy and ActNow, Group and country internal control and risk management, other ESG experts, etc.) and its external consultants

who were responsible for preparing the double materiality assessment and the external disclosures in the 2024 Sustainability Statements.

The statement covers the Eurogrid Group's entire value chain: own operations and material upstream and downstream information. See the overview of the material impacts, risks and opportunities arising from the value chain in section ESRS2 General information [SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#).

Scope of consolidation

The Eurogrid Group's sustainability reporting was prepared on a consolidated basis and is aligned with the scope of the financial consolidated statements.

The correspondence with the financial consolidation and the exceptions to this can be seen in the table below.

Legal Entity	Financial statements	Sustainability statements
50Hertz Transmission GmbH	included	included
50Hertz Offshore GmbH	included	included
50Hertz Connectors GmbH	included	included
Eurogrid GmbH	included	included
Elia Grid International NV/SA	Included as investments accounted for using the equity method	Not included
Link digital GmbH	Included as investments accounted for using the equity method	Not included.
Other shareholdings	Included as investments accounted for using IFRS 9	Not included.

References to other chapters in this report

When disclosing metrics and values in tables across this report, references to this sustainability reporting segment are made to avoid repetitions. Any deviation from this structure is stated under the respective table, together with a brief explanation.

Phased-in metrics

See section [5.1. ESRS content index](#) for the overview of the disclosure requirements (DR) that are covered by these statements. For the 2024 sustainability statement, phased-in provisions described in ESRS 1 Appendix C are applied.

No omissions were made regarding material sustainability topics for reasons of confidentiality of intellectual property, expertise or results from innovation processes.

Targets

When providing forward-looking information in accordance with the ESRS, it's essential to acknowledge the inherent uncertainty involved. This type of information involves projections or expectations about future events and the potential actions a company might take. However, due to the unpredictable nature of the future, these anticipated events and actions may not occur as expected.

External assurance

The sustainability statement 2024 of the Eurogrid Group was voluntarily externally audited. The key figures for previous years 2023 and earlier were not audited. Note that the comparative numbers shown in the tables and the trends included in these statements have not been subject to any limited assurance procedures.

BP2 - Disclosures in relation to specific circumstances

Time horizons

Throughout these statements, time horizons (short, medium and long- term) are used based on their definitions from ESRS 1.

Double materiality process

Eurogrid Group will regularly challenge its double materiality assessment (DMA) process, which may change in time due to new insights, sector-specific discussions and developments. Note that thresholds and judgements were and will be used along this process.

Assumptions and sources of measurement uncertainty

Some data related to disclosure requirements are based on estimations and assumptions and may therefore be subject to measurement uncertainty.

Quantitative datapoints for which assumptions or estimation are used	Section	Level of measurement uncertainty	Resulting level of accuracy	Sources of measurement uncertainty
Scope 3	E1-6 - Gross Scopes 1,2,3 and Total GHG emissions	Low	High	Use of spend-base assumptions
Resource inflows	E5-4 - Resource inflows	High	Low	The same methodology as for Elia Group's subsidiary Elia Transmission Belgium was applied
Waste data	E5-5 - Resource outflows	Low	High	The data is based partially on estimations, not on actuals
Total Recordable Injury Rate (TRIR) for contractors	S2-5- Health and safety metrics	High	Low	The denominator of worked hours is calculated based on assumptions starting from types of work

A 'low' level of measurement uncertainty and a resulting 'high' level of accuracy means that there is no material impact over the data resulting from use of assumptions.

For the detailed description of the estimations made, application and calculation methods, see the methodology notes from the sections related to metrics and targets.

Incorporation by reference

ESRS Disclosure requirement	Datapoints incorporated by reference	Report and section for the incorporation by reference
ESRS 2 GOV 1 - The role of the administrative, management and supervisory bodies	21 a and 21 d -e	Eurogrid Management report - Background of the group // Notes Eurogrid Management report – Group declaration on corporate governance – Increasing the proportion of women in management positions
ESRS 2 SBM1 - Strategy, business model and value chain	40 a-i and ii	Eurogrid Management report - Background of the group
	42 a and b	Eurogrid Management report - Background of the group

Other certifications

Various standards published by the International Organization for Standardization (ISO) are used for 50Hertz Transmission. The 'environmental management' criterion is used by 50 Hertz Transmission, which is certified in accordance with ISO 14001. The 'occupational health and safety management' criterion is used by 50Hertz Transmission in accordance with ISO 45001. As the management systems apply to all locations, their effectiveness and scope is the Eurogrid Group. The corresponding management systems are implemented and recertified in accordance with the respective audit programmes.

Other sustainability reporting frameworks used

While Eurogrid Group started reporting its sustainability information in 2016 under the German Sustainability Codex (DNK) it changed in 2018 to Global Reporting Initiative (GRI), this was completely replaced by the ESRS starting with the 2024 financial year.

1.2. Governance

GOVI - The role of the administrative, management and supervisory bodies

Sustainability is embedded in Elia Group's business activities, as expressed in its vision: 'A successful energy transition for a sustainable world'. The Elia Group wide ActNow programme furthers this, explicitly embedding sustainability into the strategy and business activities.

To be able to fulfil this vision in the best possible way, Elia Group defined sustainability-related roles and responsibilities across the organisation.

The steering of the sustainability programme, ActNow, and the related ambitions are defined at Elia Group level by the Group Sustainability Office (GSO). The GSO ensures the consistency of the actions taken by Elia Group companies and ensures it continuously improves its sustainability performance.

The group-wide programme "ActNow" forms the framework within which sustainability management at Eurogrid and 50Hertz is embedded. Eurogrid has its own roles and structures that implement both its own and the group's objectives in close coordination with the Elia Group at the local level of the Eurogrid Group. The operational management company assumes a substantive leadership role for the implementation in Germany for the Eurogrid Group.

ActNow comprises five dimensions, each of which includes specific targets for Elia Group companies to reach. In addition to ActNow, 50Hertz has set itself the goal of driving forward the energy transition in its 2020 strategy '100 per cent by 2032: New energy for a strong economy', 50Hertz has set itself the task of driving forward the energy transition. The aim is to enable a stable electricity supply from 100 percent renewable energy in the 50Hertz grid area by 2032.

At the local level, the respective Sustainability departments and their Sustainability Boards are responsible for putting the programme ActNow into operation. These enable sustainability-related targets and activities to be managed and monitored across 50Hertz. Elia Group officers have been put in place at Elia Group level for a number of key areas, including Security and Safety, Risk Management, Talent, Procurement, Strategy and EU Affairs.

At 50Hertz, the Chairman of the Management Board (CEO - Stefan Kapferer) is responsible for the local implementation of the ActNow programme and the strategy '100 per cent by 2032: New energy for a strong economy'. The topics of environmental management, corporate governance and human rights are operationally anchored under the responsibility of the Labor Director (CCO - Sylvia Borchering).

The Management Board also consists of the Chief Financial Officer (CFO- Marco Nix), the Chief Markets and System Operations Officer (CMO - Dirk Biermann) and the Chief Digital Officer (CDO - Michael von Roeder).

The management of 50Hertz is controlled by the 6-member Supervisory Board. The Supervisory Board of 50Hertz has an equal number of employee and employer representatives (50%), exceeding the statutory requirements. In the reporting year, the 50Hertz Supervisory Board consisted of Catherine Vandenborre (Chairwoman - Interim Chief Executive Officer Elia Group), Konrad Klingenburg (Deputy Chairman - Federal Executive Board Secretary of the German Trade Union Confederation as employee representative), Markus Berger (Chief Infrastructure Development Officer Elia System Operator), Dr Lutz-Christian Funke (Secretary General KfW Bank Group), Andrea Ludwig (Chairwoman of the 50Hertz General Works Council as employee representative) and Ralf Schloms (Deputy Chairman of the 50Hertz General Works Council as employee representative).

Eurogrid GmbH also has a Supervisory Board. The Supervisory Board of Eurogrid GmbH had the following members in the reporting year: Catherine Vandenborre (Chairwoman - Chief Financial Officer, Elia Group NV/SA), Dr Lutz-Christian Funke (Deputy Chairman - Secretary General KfW Bank Group), Peter Michiels (Chief HR and Internal Communication Officer, Elia Group SA/NV, Elia Transmission Belgium NV/SA and Elia Asset NV/SA), Markus Berger (Chief Infrastructure Officer, Elia Transmission Belgium NV/SA and Elia Asset NV/SA), Bert Maes (from 1 January 2024, Head of Nemo Link & Eurogrid International).

The key decision-makers of the Eurogrid Group are the Supervisory Board and the shareholders' meeting of Eurogrid. The Supervisory Board and the shareholders' meeting have delegated most of the operational decisions to the management of 50Hertz Transmission and Eurogrid.

Elia Group's CEO is responsible for sustainability-related issues across the entire Elia Group.

An overview of the tasks and responsibilities of the different governance bodies and how the Group and the local levels interact is available in the following pages.

For information about the roles and diversity of the Board of Directors, see Management report - [Group declaration on corporate governance](#) - Increasing the proportion of women in management positions' and '[Background of the Group - Control System](#)'. More information about the representation of employees and other workers and ways of interacting with these governance bodies is available in '[S1-2 - Processes for engaging with own workforce and workers' representatives about impacts.](#)'



■ Group Level
■ Local Level



	Governance body	Main tasks	Sustainability-related responsibility	Frequency and topics addressed in 2024
Elia Group level	Board of Directors (BoD) - Audit Committee	<ul style="list-style-type: none"> The BoD Strategy and Audit Committees validate the strategy (including sustainability targets) on a yearly basis and issue general recommendations. The BoD endorses the strategic evolutions of Elia Group, including in terms of its sustainability dimensions. 	<ul style="list-style-type: none"> Endorses the sustainability aspects of the business strategy through validation of the Business Plan and the Integrated Annual Report, including the Sustainability statements of Elia Group 	<p>In 2024, the Audit Committee of Elia Group met 11 times.</p> <p>Topics discussed:</p> <ul style="list-style-type: none"> Follow-up of the risk management and internal audit action plan Debrief of the ESG 2023 audit recommendations Results of the Double Materiality Assessment
	Elia Group Management Board (EGMB)	<ul style="list-style-type: none"> Undertakes regular reviews of Elia Group's strategy to validate major changes in overall ambitions and targets Takes key decisions relevant for Elia Group Strategy Raises relevant topics with BoD Provides sponsorship for sustainability aspects <ul style="list-style-type: none"> Chief Financial Officer for Dimensions Climate Action, Environment & Circularity Chief Alignment Officer for Dimensions H&S, DEI, Governance/Ethics/Compliance 	<ul style="list-style-type: none"> Endorses the sustainability-related areas (such as top KPIs) of the business strategy Develops ambition levels for the sustainability programme over time 	<p>At least monthly meetings</p> <p>Topics discussed:</p> <ul style="list-style-type: none"> Review of the Sustainability report Setting of collective targets (including sustainability-related) Results of the Double Materiality Assessment The mentoring program for talents
	Group Sustainability Office (GSO)	<p>Defines ESG vision, mission and targets and adapts global strategy accordingly</p> <ul style="list-style-type: none"> Discusses conceptual topics and the development of respective positions (e.g. implications resulting from CSRD requirements, other anticipated legislative requirements) Proposes sustainability-related changes to the business strategy and targets to the EGMB Monitors sustainability-related risks linked to the implementation of the strategy Serves as a sounding board for sustainability communication Enriches discussion and fosters dialogue on sustainability topics <p>Drives strategic initiatives</p> <ul style="list-style-type: none"> Sets up working groups to make progress on sustainability-related topics If needed, steers Elia Group-level implementation projects <p>Reviews progress of overall sustainability ambitions</p> <ul style="list-style-type: none"> Monitors overall progress and alignment on Elia Group targets of the different dimensions (through the internal ActNow dashboard) and shares with the sponsors at least once a year Reviews Elia Group-level ambitions for Act Now 	<ul style="list-style-type: none"> Develops the sustainability dimension of the Elia Group strategy Ensures alignment between local ActNow roadmaps and the internal ActNow dashboards Reports on progress to external stakeholders Monitors developments in sustainability trends and regulations Coordinates Elia Group-wide projects Ensures final accountability for the achievement of targets by the various sustainability-linked activities 	<ul style="list-style-type: none"> Quarterly meetings <p>Topics discussed:</p> <ul style="list-style-type: none"> Regular updates on CSRD implementation Results of the Double Materiality Assessment Circularity strategy Targets for managing SF₆ Offsetting in the context of carbon neutrality Scope 3: accounting tool and developments Review of the ActNow dimensions

	Governance body	Main tasks	Sustainability-related responsibility	Frequency and topics addressed in 2024
Eurogrid Group level	Local Executive Management Committees (ExCo)	<ul style="list-style-type: none"> – Endorse action plans, implementation plans and roadmaps – Assures appropriate resources – Resolve local issues that cannot be decided by Local Sustainability Boards 	<ul style="list-style-type: none"> – Responsible for the local implementation of the sustainability strategy and the sustainability statement at local level – Local Sustainability Programme Sponsorship – Ensure appropriate resource availability – Endorses the sustainability aspects of the business strategy through validation of the Business Plan and the Integrated Annual Report, including the Sustainability statements of Eurogrid Group 	<p>At least weekly meetings</p> <p>Topics discussed:</p> <ul style="list-style-type: none"> – Sustainable grid development & operation – Sustainable procurement, procurement of green electricity, green bond financing – Occupational health and safety, environmental protection and data protection – Diversity, employee training – Transparency & compliance – CSRD reporting – Results of the double materiality assessment at Eurogrid Group level
	Local Sustainability Boards	<ul style="list-style-type: none"> – Validate local roadmap and targets once a year – Take all decisions on local sustainability matters that do not need to be decided by local ExCo according to the relevant rules/regulations/legislation – Give guidance and support on key sustainability matters (including local roadmaps) – Resolve local issues (key topics added to the agenda by the Sustainability Manager) – Trigger bottom-up engagement from local departments – Formulate positions on high-level sustainability issues 	<ul style="list-style-type: none"> – Review and approve the local roadmap – Report to local ExCo – Track and steer local projects and activities 	<p>Sustainability Board of 50Hertz met 3 times.</p> <p>Topics discussed:</p> <ul style="list-style-type: none"> – Concepts for green steel, green procurement and exhaust heat usage at 50Hertz – Next steps and further improvements for bird protection
	Local Sustainability Managers	<ul style="list-style-type: none"> – Chair the local Sustainability Board – Facilitate translation of ActNow ambitions into local activities (roadmap, milestones, etc) with Dimension Leaders – Track and report local progress with respect to ActNow ambitions – Facilitate and coordinate locally the implementation of projects by the action owners – Participate in and contribute to the Group Sustainability Office – Ensure internal and external communication of successes 	<ul style="list-style-type: none"> – Define local roadmaps (including KPIs, milestones and activities) based on proposals by the Dimension Leader – Coordinate local projects and activities – Monitor local ESG Ratings 	<p>Operational interactions take place regularly with the Dimension Leaders and with members of the GSO or the Local Sustainability Board.</p>
	Dimension leaders	<ul style="list-style-type: none"> – Develop the roadmap and milestones within their respective dimension on Group level, incl. proposal of new ambitions if needed – Participate in regular exchanges with Accounting counterparts in order to anticipate and consider adequately the CSRD logic and data collection – Raise concerns and topics from their dimension to discuss with the Sustainability Manager – Ensure alignment between the two local roadmaps – Measure performance and share progress in their respective dimension. 	<ul style="list-style-type: none"> – Define local roadmaps (including KPIs, milestones and activities) along with Sustainability Managers – Organise and ensure quality management of data collection (for ActNow internal and external dashboard) in alignment with CSRD reporting 	<p>Monthly exchanges take place between all Dimension Leaders and the Local Sustainability Managers.</p> <p>Topics discussed:</p> <ul style="list-style-type: none"> – Operational updates from the various dimensions – Focus areas for the year – Circularity – Communication for sustainability

Governance body	Main tasks	Sustainability-related responsibility	Frequency and topics addressed in 2024
Action owners	<ul style="list-style-type: none">– Identify and implement actions that were identified as a crucial part of the strategy– Together with the Dimension Leader set realistic yet ambitious enough targets for the respective activities.	<ul style="list-style-type: none">– Responsible for hitting the milestones and targets set– Provide data to ensure monitoring	

GOV2 - Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

For an overview of the sustainability-related matters that were addressed by the different Group and local administrative, management and supervisory bodies in 2024 see the last column in the table in section [GOV 1 . The role of the administrative, management and supervisory bodies](#). The frequency is dictated by the frequency of the meetings of the respective governance body.

GOV3 - Integration of sustainability-related performance in incentive schemes

The remuneration of the Management Board and senior management includes fixed and variable remuneration components that are linked to specific targets. At least 30% of the variable remuneration of the Management Board takes sustainability targets into account. This also applies to the variable remuneration of senior management.

Sustainable growth and sustainable grid operation are key components of the company's development and the management's variable remuneration. The variable components are calculated according to the degree of target achievement in the three strategic pillars

1. Sustainable growth (grid expansion progress 50%, project milestones 50%)
2. Financial performance (net profit 100%)
3. Sustainable operations (safety 33.3%, grid quality 33.3%)

and crosscutting

4. Transformation & culture (recruiting, diversity both 33.3%).

All four components are included in the calculation. The two pillars Sustainable Growth and Financial Performance each account for 33.3% and the pillars Sustainable Operation together with the pillar Transformation & Culture account for 33.3%. The decarbonisation of the grid and society through the increasing integration of renewable energies into the 50Hertz grid area is allocated to the Sustainable Operation and Sustainable Growth pillars. The remuneration of the management and senior executives is therefore orientated

towards Eurogrid's role as part of the development of the German energy supply towards a generation structure based on renewable energy sources.

These targets are used to manage the Eurogrid Group and are monitored by the Supervisory Board of Eurogrid and the Supervisory Board of 50Hertz Transmission. Further information can be found in the section 'Control system' in ['Background of the Group'](#) in the Eurogrid management report.

The remuneration of the Supervisory Board does not include any variable components related to sustainability.

GOV4 - Statement on sustainability due diligence

The guidance from ESRS 1, point 4 'Due diligence', 58 - 61, was taken into consideration for preparing this disclosure requirement. According to this, "due diligence is the process by which undertakings identify, prevent, mitigate and account for how they address the actual and potential negative impacts on the environment and people connected with their business."

Elia Group performs due diligence as an on-going practice and this is responsive to and may trigger changes in Elia Group's activities, business relationships, operating practices and sourcing.

The core elements of due diligence can be found across these statements. in line with the following table:

Core elements of due diligence	Section in the Sustainability statements
Embedding due diligence in governance, strategy and the business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3

Core elements of due diligence	Section in the Sustainability statements
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 S1-2 - Processes for engaging with own workforce and workers' representatives about impacts S2-2 - Processes for engaging with value chain workers about impacts S3-2 - Processes for engaging with affected communities about impacts ESRS 2 MDR-P reflected in: E1-2 Policies related to climate change mitigation and adaptation E4-2 - Policies related to biodiversity and ecosystems E5-1 - Policies related to resource use and circular economy S1-1 - Policies related to own workforce S2-2 - Policies related to value chain workers S3-1 - Policies related to affected communities G1-1 - Corporate culture and business conduct policies
Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
Taking actions to address those adverse impacts	ESRS 2 MDR-A reflected in: E1-3 - Actions and resources in relation to climate change policies E4-3 - Actions and resources in relation to biodiversity and ecosystems E5-2 - Actions and resources related to resource use and circular economy S1-4 - Taking action on material impacts, risks and opportunities related to own workforce S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers S3-4 - Taking action on material impacts, risks and opportunities related to affected communities
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M reflected in: E1 - 5 to E1-8; E4-5 - Impact metrics related to biodiversity and ecosystems change E5-4 and E5-5 S1-9 to S1-17 ESRS 2 MDR-T reflected in: E1-4 - Targets related to climate change mitigation and adaptation E4-4 - Targets related to biodiversity and ecosystems E5-3 - Targets related to resource use and circular economy S1-5 - Targets related to own workforce S2-5 - Targets related to value chain workers S3-5 - Targets related to affected communities

GOV5 - Risk management and internal control over sustainability reporting

Sustainability reporting for the Eurogrid Group is embedded in sustainability reporting and sustainability management through the Elia Group's ActNow sustainability programme. The table in section [1.2 Governance GOV1](#) lists the sustainability-related responsibilities.

The sustainability reporting of the Eurogrid Group is supported by an interdisciplinary project team of CSRD reporting specialists from the companies of the Elia Group, as well as the ActNow Dimension Leaders and the implementation managers at the operational level. The project team develops the framework for the collection of qualitative and quantitative sustainability information, which is collected and reported at the respective local level.

The Eurogrid Group's sustainability reporting is exposed to the risk of incorrect information being provided due to human error or incomplete data. Non-financial accounting manuals (NFAM) have been created for all metric data points as a central element for the reliable collection and transformation of data. They ensure the accuracy and consistency of data collection and transformation. The NFAMs specify the respective quantitative data point in terms of

- Definition of the key figure and its input parameters
- Collection and calculation methods
- Determining and mitigating the risk
- Responsibilities, controls and approvals

Feedback loops and a dual control principle with internal employees and external experts are key components of risk mitigation.

1.3. Strategy

SBM1 - Market position, strategy, business model and value chains

Business model and value chain

Eurogrid Group's business strategy and business model are explained in section [Background of the Group](#) in Eurogrid Management Report. It also describes the cooperation within the Elia Group and the various tasks of the Eurogrid Group companies.

"Deliver the infrastructure of the future and develop and operate a sustainable power system" (first pillar of Elia's Group Strategy) remains the core business of Elia Group and is carried out in Germany mainly by the transmission system operator 50Hertz. The transmission of electricity activities shape Eurogrid Group's business model and its key value chain (as outlined in the two diagrams below). Most sustainability matters are related

to those activities. Through the ActNow programme Elia Group ensures the commitment to embed sustainability across the operations and business areas of its companies (see section Eurogrid Group Management Report "[Business Performance - 50Hertz Sustainability Programme](#)").

The geographical and regulatory specificities of Germany, where Eurogrid Group operates, are analysed and operationalised via the local committees and local sustainability managers, as explained in section [GOV-1. The role of the administrative, management and supervisory bodies](#).

Eurogrid Group activities and associated revenue

Eurogrid Group is not active in operations related to chemical production, controversial weapons, or the cultivation or production of tobacco.

Less than 1% of the Eurogrid Group's total annual revenue is generated through the direct grid connection of fossil fuel-fired power plants. For revenue from Taxonomy-aligned economic activities, see [section 2.1. Disclosures pursuant to article 8 of regulation 2020/852 \(Taxonomy regulation\)](#).

Sustainability-related goals and geographical areas

The ActNow sustainability programme covers five dimensions and multiple objectives. These are described in the diagram below. The measures and targets for the ActNow sustainability program are decided at Elia Group level. The sustainability manager at 50Hertz adapts these to the German legal, regulatory and company-specific circumstances.

The sustainability-related targets and actuals are presented in the following sections of the Sustainability statements:

- [E1-4 - Targets related to climate change mitigation and adaptation](#)
- [E4-4 -Targets related to biodiversity and ecosystems](#)
- [S1-5 - Targets related to own workforce](#)
- [S2-5 - Targets related to value chain workers](#)

For the Eurogrid Group headcount, see section [S1-6. Characteristic of the undertaking's employees](#).

50Hertz Business model

Generation



Renewable energy



Conventional energy

Transmission



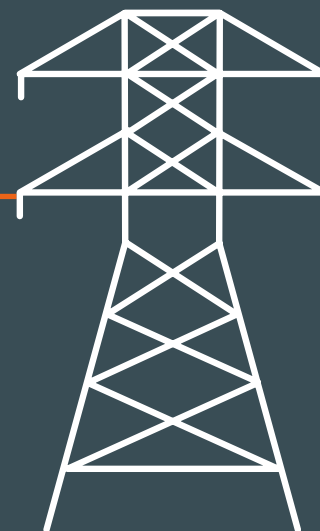
Connecting
offshore
wind energy



Developing
the grid



Cross-border
interconnection



4 societal tasks

Managing the
infrastructure

Balancing the
electricity
system

Facilitating
the market

Trusteeship

Consumption



**Distribution System
Operators DSO
(Consumers)**



Industrial clients

Stakeholders

Presence across the value chain

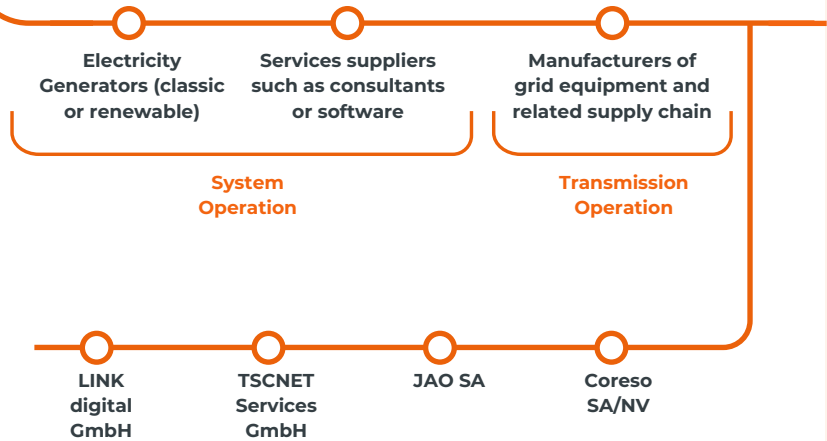
Governments & regulators
Shareholders/investors

Press/ general public
European system operator

Local Communities

Stakeholders

Upstream



Stakeholders

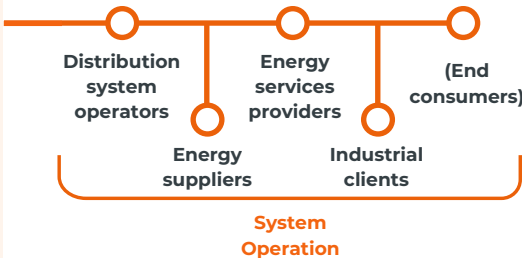
Own operations

Employees
(Engineers, technicians, data analysts, project managers, support staff...)

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

Stakeholders

Downstream



Upstream Activities

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

Own operations Activities

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

Downstream Activities

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

ActNow - Sustainability objectives



Climate Action

01



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

Environment & Circular Economy

02



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

Health & Safety

03



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

Diversity, Equity & Inclusion

04



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

Governance, Ethics & Compliance

05



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

SBM2 - Interests and views of stakeholders

Eurogrid Group interacts with its stakeholders on a regular basis, forming transparent and effective relationships with each relevant group. They inform its business activities in multiple ways: their feedback is incorporated into Eurogrid Group's daily work; their needs and interests are reflected in its activities.

The main categories of stakeholders with whom Eurogrid Group companies engage are reflected in this graph.

The different stakeholders provide crucial support, feedback, and resources along Eurogrid Group's entire value chain needed to operate efficiently, comply with regulations, innovate and meet the demands of a dynamic energy landscape.

Their involvement ensures that Eurogrid Group's strategy is aligned with broader economic, social and environmental goals, ultimately leading to a more secure and effective energy system.

Therefore, the feedback from the different stakeholder groups is continuously taken into account in Eurogrid Group's annual strategic planning process and operational processes in order to remain responsive, resilient and aligned with broader societal goals.

The strategy for further connecting the existing stakeholder's engagement processes and Eurogrid Group's double materiality assessment is part of future improvements.

Public and social stakeholders

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

Operating and business environment

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

Financial stakeholders

- Shareholders and investors

eurogrid
Group

The following table outlines a detailed description of the engagement methods for each category.

Stakeholder group	Why Eurogrid Group interacts	Key interaction along the value chain and the business activities	How Eurogrid Group interacts		
			Methods	Frequency	Results of engagement
Customers and consumers	<ul style="list-style-type: none"> – To ensure the reliable, efficient and affordable transmission of electricity and to facilitate the seamless integration of the energy needs of our directly connected customers – To ensure that our operating practices are open and transparent and meet consumers' and customers' needs – To unlock additional flexibility in the system coming from industry and households 	In own operations: <ul style="list-style-type: none"> – Services for electrification – Market facilitation Downstream	<ul style="list-style-type: none"> – Direct contact via system planning and consumer departments – Consumer surveys – Working groups – Project-specific meetings 	<ul style="list-style-type: none"> – On-demand with directly connected customers – 1-2 times per year during conferences and information sessions 	<ul style="list-style-type: none"> – Understanding consumers' and customers' needs means that business activities can meet these early on, thus contributing to efficient and effective grid planning, socioeconomic welfare and reputation enhancement – Unlocking flexibility in the system supports the balancing of the grid
Electricity system operators	<ul style="list-style-type: none"> – To safeguard system stability by aligning our activities with those of neighbouring DSOs and TSOs – To develop joint solutions for the (European) grid, system and market as electrification spreads 	In own operations: <ul style="list-style-type: none"> – System planning – Market facilitation – System operations – Grid operations and maintenance – Infrastructure design and construction Downstream	<ul style="list-style-type: none"> – Direct contact through control and regional centres – Membership in associations – Conferences and events 	<ul style="list-style-type: none"> – Daily through system operations staff – Regular interactions – 1-2 times per year during main events 	<ul style="list-style-type: none"> – Grid stability is maintained in real time around the clock – System operation activities are enhanced, particularly given the increasing amounts of RES
Energy producers	<ul style="list-style-type: none"> – To facilitate security of supply, maintain system reliability and coordinate the provision of system services – To connect them to the grid 	Upstream In own operations: <ul style="list-style-type: none"> – System planning – Infrastructure design and construction – Grid operations and maintenance – System operations – Market facilitation – Business facilitators – Trusteeship 	<ul style="list-style-type: none"> – Direct contact through control and regional centres – Working groups – Information sessions – Conferences and events 	<ul style="list-style-type: none"> – Daily through system operations staff – 1-2 times per year during main events 	<ul style="list-style-type: none"> – Grid stability is maintained in real time round the clock – Their needs are considered early on when planning the system and grid development – Better system and grid operations, e.g. ensuring reliability, reducing down-time during maintenance
Shareholders and investors	<ul style="list-style-type: none"> – To secure Eurogrid Group's future growth and expansion 	In own operations: <ul style="list-style-type: none"> – Business facilitators – Trusteeship 	<ul style="list-style-type: none"> – External publications – Investors' meetings and events 	<ul style="list-style-type: none"> – Regularly via Eurogrid's team and 50Hertz CFO – At regular intervals, in line with external publication dates – 1-2 times per year during main events 	<ul style="list-style-type: none"> – The financing needed to carry out the business activities and to secure the realisation of investment projects

Stakeholder group	Why Eurogrid Group interact	Key interaction along the value chain and the business activities	How Eurogrid Group interact		
			Methods	Frequency	Results of the engagement
Employees	<ul style="list-style-type: none"> – To strengthen cooperation and enhance effectiveness – To foster a shared sense of purpose and ensure that the importance of our role in the energy transition is understood 	Key stakeholders along all the business activities from own operations	<ul style="list-style-type: none"> – Performance management and training sessions – Internal communication campaigns – Internal events – Surveys ('Pulse', wellbeing etc.) 	<ul style="list-style-type: none"> – Daily 	<ul style="list-style-type: none"> – Eurogrid Group's employees share a strong sense of purpose, enhancing their work – They are committed and contribute to the Eurogrid Group's performance
Suppliers	<ul style="list-style-type: none"> – To ensure Eurogrid Group has access to high-quality materials, tools and services at affordable prices – To meet the future needs for new materials and tools 	Upstream In own operations: <ul style="list-style-type: none"> – Infrastructure design and construction – Grid operations and maintenance – Business facilitators – System operations 	<ul style="list-style-type: none"> – Direct interactions, including through tenders and contracts – Meetings 	<ul style="list-style-type: none"> – Regularly through procurement and project team 	<ul style="list-style-type: none"> – Access is obtained to the needed technology at the time when it is needed and at affordable prices – The sustainability of the upstream value chain is enhanced
Local communities	<ul style="list-style-type: none"> – To design projects with the needs and interests of local communities in mind – To keep local communities informed of the status of projects and their relevance to the energy transition 	In own operations: <ul style="list-style-type: none"> – Infrastructure design and construction – Grid operations and maintenance Downstream	<ul style="list-style-type: none"> – In-person and virtual information and consultation sessions during projects – Dedicated project websites and external publications 	<ul style="list-style-type: none"> – Regularly via the project communication teams 	<ul style="list-style-type: none"> – Feedback from communities impacted by 50Hertz's projects is taken into consideration as it carries out its activities – Regular interactions with local communities ensure they better understand the societal value of its activities
Governments and public authorities	<ul style="list-style-type: none"> – To align 50Hertz's activities with government policy and act as a trusted advisor to policymakers – To ensure regulatory frameworks deliver value for end consumers and a fair return for the investors 	In own operations: <ul style="list-style-type: none"> – System planning – Trusteeship – Market facilitation – System operations – Infrastructure design and construction 	<ul style="list-style-type: none"> – Meetings with regulatory authorities and policymakers – Publications and studies 	<ul style="list-style-type: none"> – Frequent through the departments Communication, Politics and Reputation Management as well as Nature Conservation and Permits 	<ul style="list-style-type: none"> – Governments and regulatory authorities are provided with trusted advice and research related to decarbonisation and the energy system – Their feedback is taken on board and integrated into the companies activities.
Press and the general public	<ul style="list-style-type: none"> – To maintain alignment with the interests of society and provide progress updates – To inform public debate about the best methods for reaching net zero 	In own operations: <ul style="list-style-type: none"> – Market facilitation – Infrastructure design and construction – Grid operations – System planning 	<ul style="list-style-type: none"> – Press conferences and site visits – External publications – Digital channels 	<ul style="list-style-type: none"> – Daily with the press via direct contact with external communications team or digital channels – Regular publications 	<ul style="list-style-type: none"> – The general public is kept informed of our work and its importance to the energy transition, thus securing their commitment to 50Hertz's activities.
Federations, NGOs and academics	<ul style="list-style-type: none"> – To ensure our research is as rigorous as possible and to test innovative technology and approaches – To explore solutions for minimising negative impacts of our activities 	In own operations <ul style="list-style-type: none"> – Services for electrification – Market facilitation – System planning – Infrastructure design and construction 	<ul style="list-style-type: none"> – Membership in organisations and associated meetings – Specific projects and studies 	<ul style="list-style-type: none"> – Daily contact during specific projects – Monthly or quarterly membership or partnership meetings 	<ul style="list-style-type: none"> – 50Hertz's activities are enhanced through innovation. Enriched expertise and perspective, due to co-creation and exchanges.

SBM3 - Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, the project team identified impacts, risks and opportunities (IROs) related to each of the ESRS.

The description of the methodology and process can be consulted in the section [IRO1 - Description of the processes to identify and assess material impacts, risks and opportunities](#). Furthermore, in the topical standards information is available about how these IROs relate to Elia Group's and Eurogrid Group's policies, targets, actions and metrics.

The result of Eurogrid Group's double materiality assessment is summarised in the matrix below. The correspondence table explains the connection between the ESRS and how these are integrated in the business material topics of Eurogrid Group.



E1 - Climate Change <ul style="list-style-type: none">Affordability, financeability and cost of the energy transitionSustainable corporate footprintSecurity of supplyGrid development and system operationsProcurement and supply chainSustainable system and net-zero society	S1 - Own Workforce <ul style="list-style-type: none">Grid development and system operationsTalent management and diverse workforceHealth and Safety
E2 - Pollution <ul style="list-style-type: none">Sustainable corporate footprint	S2 - Workers in the Value Chain <ul style="list-style-type: none">Procurement and supply chainHealth and Safety
E3 - Wasser- und Meeresressourcen <ul style="list-style-type: none">Keine Übereinstimmung mit geschäftsrelevanten Themen	S3 - Affected Communities <ul style="list-style-type: none">Security of supplyGrid development and system operationsEffective governance practices
E4 - Biodiversity and Ecosystems <ul style="list-style-type: none">Sustainable corporate footprint	S4 - Consumers and end-users <ul style="list-style-type: none">Affordability, financeability and cost of the energy transitionIT securityEffective governance practices
E5 - Resource use & Circular Economy <ul style="list-style-type: none">Sustainable corporate footprintProcurement and supply chain	G1 - Business Conduct <ul style="list-style-type: none">Procurement and Supply ChainEffective governance practices

Material standards Non-material standards

Current financial effect

The risks related to the ESRS E4, E5, S1, S2, S3 and G1, did not result in major adjustments in Eurogrid Group's financial position and performance of 2024.

However, mid-June 2024 , a total of 22 electricity pylons were severely damaged by hurricane-force winds . This incident affected the Eurogrid Group's financial position for 17 M€ (see chapter '[Business Perfomance - Grid Operation and System Management](#)' in the Eurogrid Group Management Report). Eurogrid Group consider that these exceptional weather conditions could be related to E1 Climate change risks.

Time horizons




During the double materiality assessment, the impacts, risks and opportunities detailed below resulted material in the short, medium and long term. The few exceptions to this are indicated in line in the table.

Terminology used in the following tables:

	Positive impact
	Negative impact
	Opportunity
	Risk

The result of Eurogrid Group's double materiality assessment is summarised in the matrix above. The correspondence table explains the connection between the ESRS and how these are integrated in the business material topics of Eurogrid Group.

EI Climate change-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Energy transition	The energy transition is imperative for fighting climate change, reducing GHG emissions and promoting sustainable development. Proactive measures to transition to renewable energy is of the utmost importance. Ensuring a successful energy transition for a sustainable world is at the core of Eurogrid Group's vision and mission.		In the electricity sector, the transmission grid has a critical role to play in harvesting the potential of renewable energy resources that are often located far away from consumption centres. This includes the need to go offshore but also to develop stronger interconnections with neighbouring countries to accommodate the intermittent nature of the major renewable energy sources to make the green supply cheaper and safer.	Upstream / Own operations / Downstream
		★	Showcase how to run a system dominated by variable RES (Demonstrate that regions with high RES penetration are attractive to future-proof businesses).*	Upstream / Own operations / Downstream
		○	*This opportunity is material starting with the medium term. Risk of delay in the development and delivery of several major projects (Bornholm Energy Island) related to infrastructure, market development and system operations to achieve climate targets.	Own operations
GHG Emissions	GHG emissions have a significant impact on climate change and it is therefore essential to Eurogrid Group to demonstrate the commitment to reducing its carbon footprint and mitigating the impact of climate change.		– Shifting from fossil fuel-based systems of energy production and consumption to renewable energy contributes to the reduction of CO ₂ emissions and helps to mitigate the effects of climate change.	Downstream
			– Greenhouse gas emissions arising directly from Eurogrid Group's own operations, i.e. cars, heating, SF ₆ leakages and backup systems (Scope 1) – Greenhouse gas emissions arising indirectly due to grid losses during electricity transmission linked to 50Hertz's system operation activities (Scope 2) – Indirect greenhouse gas emissions generated within Eurogrid Group's value chain (Scope 3) related to grid construction and maintenance activities.	Upstream / Own operations



Positive impact





Negative impact



Opportunity



Risk

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Transition to a low-carbon economy	The goal of achieving a net-zero society is driven by regulatory changes, market shifts, technological advancements and changing societal expectations. Eurogrid Group plays an important role for coping with the huge increase in the complexity and variability of the power system to make the green supply cheaper and safer.		<ul style="list-style-type: none"> Affordability: climate ambitions trigger a substantial investment programme to deliver the energy transition, including grid investments that have an immediate impact on the electricity bill via transmission tariffs. This is triggering legitimate concerns from the end users. Households are increasingly concerned about losing quality of life as the risk of fuel poverty increases, while the industry and businesses are afraid to lose competitiveness due to rising energy costs. The increased energy prices impact Eurogrid Group's financial situation since the financial liquidity needs to be high enough at all times to ensure the ability to buy energy on the market to operate the grid. 	Upstream / Own operations / Downstream
		★	<ul style="list-style-type: none"> Convince stakeholders to increase efficiencies and unlock more flexibility in the electricity system in order to lower overall transition costs. Develop innovative solutions, including proposals to lower overall grid costs. 	Upstream / Own operations / Downstream
		○	<ul style="list-style-type: none"> Financing risk: the ability of Eurogrid Group to access global sources of financing to cover its financing needs in order to fund its plans and refinance its existing debt is a key component of Eurogrid Group's business and strategic plan.* Costs for technical assets have significantly increased due to a tight supplier market, high inflation and a surge in interest rates and scarcity of raw materials. Climate ambitions trigger a substantial investment programme to deliver the energy transition, including grid investments that will be beneficial for society for several decades. Regulatory risk: allowed return on equity in order to achieve investment plans may not reflect or anticipate the macroeconomic environment. Electricity market distortions due to CBAM (e.g. Bornholm Energy Island) can affect offshore and cross-border projects. – 	Upstream / Own operations / Downstream
Climate change and physical adaptation	Climate change: risks arising from extreme weather, rising sea levels and other environmental changes can affect 50Hertz's operations and assets. The grid is built and reinforced to be climate resilient against these events		<ul style="list-style-type: none"> By proactively planning and building a grid that can withstand extreme weather events, 50Hertz helps ensure continued reliable power transmission and minimises potential disruptions caused by climate change. 	Upstream / Own operations / Downstream
		○	<ul style="list-style-type: none"> The occurrence of extreme weather events such as storms, cold snaps, heatwaves, flooding, drought and wildfires may lead to asset damage and activation of contingencies for business continuity. 	Upstream / Own operations / Downstream

Resilience of the business model

The resilience analysis was conducted in financial year 2024, utilising a robust climate scenario analysis framework to understand the potential impacts on 50Hertz' business model over the next decade. These scenarios guide our strategic planning and decision-making, ensuring that we remain resilient and prepared to mitigate risks across a range of possible climate futures. The outcome of the risk assessment - which takes into account the capacity to adapt to risks based on the mitigation measures applied - do not lead us to believe, based on the analysed climate scenarios, that climate adaptation, transition and physical risks would have a significant impact on the company's business activities.

The system for controlling and managing climate risks and the inclusion of its conclusions in the strategy (policies and action plans) enable the planning of potential impacts and the Group's capacity to adapt. This assessment is done on a continuous basis. In the event of

incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.



Positive impact



Negative impact



Opportunity



Risk

E4 Biodiversity and ecosystems-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
General	Biodiversity and ecosystems are vital to environmental health, posing material risks such as regulatory penalties and operational disruptions if degraded.		Partnerships and research for the improvement of biodiversity and landscapes: Through multiple investments with several partners in long-lasting projects on both land and sea (including research and studies into impacts on biodiversity and landscapes) 50Hertz can make a positive net contribution to both biodiversity and the ecosystems surrounding its infrastructure and can also contribute to the improvement of scientific knowledge for society.	Own operations
Climate change	Climate change is recognised as a material matter affecting all aspects of Eurogrid Group's business operations. It encompasses the risks and opportunities associated with the physical impacts of climate change and the transition to a low-carbon economy.	 	Eurogrid Group facilitates the integration of renewable energy and thus can contribute to mitigating climate change, benefiting biodiversity in the long term. Indirect greenhouse gas emissions generated within Eurogrid Group's value chain affect indirectly the biodiversity.	Own operations Upstream / Own operations / Downstream
Impact on the state of species	50Hertz's activities and infrastructure have an important effect on biodiversity, including the health, diversity and abundance of species.		Biodiversity and ecosystems are impacted by the presence of the grid's infrastructure, e.g. birds by overhead lines or marine life by offshore cables and platform installations.	Own operations
Land-use change, fresh water-use change and sea-use change	50Hertz's grid assets have effects on ecosystems, biodiversity, water resources and coastal environments. This includes the materials used for the assets, as well as their construction and maintenance.	 	Direct exploitation: mining activities to extract metals and minerals for grid components (e.g., copper, aluminium) can destroy natural habitats, impacting plant and animal life.* *This impact is material starting with mid-term. Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.	Upstream Upstream / Own operations / Downstream
Soil sealing	During construction works, 50Hertz covers the ground with impermeable materials, such as concrete and asphalt, which can impact environmental sustainability.		Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.	Own operations

Resilience of the business model

Building more infrastructure has an increasing impact on biodiversity and ecosystems in the areas crossed by the grid. In order to protect essential ecosystems, comply with regulations and foster sustainable development, ultimately contributing to global environment, all 50Hertz' projects require an environmental impact assessment in order to obtain the permit. Therefore, our impact on biodiversity and ecosystems, as well as their mitigations are approved by a government body. In addition, we implement state-of-the-art measures to reduce or mitigate our impact. This assessment is done on a continuous basis in the planning and approval processes. In the event of incidents, 50Hertz analyses potential changes as a priority in order to cope with them and ensure the resilience of the business model.



Positive impact



Negative impact








Opportunity



Risk




E5 Resource use and circular economy-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Resource inflows, including resource use	Resource inflows and use are critical factors in the sustainability performance of 50Hertz. They encompass the efficient and responsible use of natural resources and raw materials required for business operations. Ensuring sustainable resource inflow and use is vital for minimising environmental impacts.		Use of metals and other resources (sand, water, etc.) for construction of grid infrastructure.	Upstream / Own operations / Downstream
			Scarcity of materials: the limited availability of raw materials needed for building and maintaining energy infrastructure creates price pressure on equipment costs.*	Upstream
			*This risk is material starting with the medium term.	
Waste	Waste management involves the processes of minimising, handling, recycling and disposing of waste generated by business operations and dismantling assets..		Decommissioned grid assets are stored in a warehouse. Efforts are being made to determine whether they can be reused in other streams of the business, thus avoiding the acquisition of new materials.	Upstream / Own operations / Downstream
			50Hertz's construction and maintenance activities generate waste.	Upstream / Own operations / Downstream
			Recycling materials lowers decommissioning costs.	Own operations / Downstream

Resilience of the business model

The principles of circularity are embedded in the business practices of 50Hertz . Within Elia Group, circularity is regarded as a multitude of means and 'ways of doing' that support Elia Group's main business activities, rather than a goal in itself. In order to handle the upcoming challenges arising in the supply chain and within its business activities, the accurate level of ambitions regarding circularity is currently being assessed and a roadmap will be implemented to continuously improve our activities in a circular manner.





S1 Own workforce-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Working conditions	Working conditions encompass various aspects that influence the daily work environment of employees, including physical, social and organisational dimensions. Promoting positive working conditions that prioritise the well-being of its workforce is crucial for Eurogrid Group in fostering employee satisfaction, retention, productivity and so on.		Eurogrid Group is committed to attracting, developing and retaining top talent. Eurogrid Group devises optimal solutions matching people's aspirations with its needs while cultivating a culture of safety, wellbeing and innovation.	Upstream / Own operations
			The grid increasingly operates up to its limit as a higher number of outages is requested for grid projects. This requires greater flexibility and availability from 50Hertz's workforce.	Own operations
			If talents are not onboarded efficiently and do not find adequate working conditions to thrive, we risk slowing down ongoing activities and negatively impacting the mental wellbeing of Eurogrid Group's employees.	Upstream / Own operations
Health and safety	A safe and healthy working environment is crucial for maintaining employee well-being and fulfilling its social responsibly commitments.		Safety Culture: Eurogrid Group prioritises safety, aiming for zero accidents, which benefits both its own workforce and public trust.	Own operations
			Physical safety risks: working with high-voltage equipment, at heights and in offshore environments exposes 50Hertz's workforce to potential accidents and injuries	Own operations
			Health & Safety events may harm our own workforce.* *This risk is material starting with the medium term.	Own operations
Equal treatment and opportunities for all	Gender equality and training for skills development are important components of a fair and inclusive workplace and are essential for promoting a diverse and equitable work environment and for ensuring professional growth.		Due to its core activity, Eurogrid Group's workforce has a strong engineering focus and is predominantly male, making it a challenge to hit gender diversity targets.	Upstream / Own operations
			Eurogrid Group offers its workforce various upskilling opportunities to support them in their development, e.g. local Academy and external trainings.	Upstream / Own operations

Resilience of the business model

To manage the increasing complexity of the electricity system, Eurogrid Group is investing in continuous learning and development, fostering a supportive work environment and promoting a strong organisational culture, especially with regard to health and safety and equality. Ensuring the resilience of our workforce is critical to sustaining and growing our business in a dynamic environment, enabling us to quickly adapt to changes while maintaining high performance and employee satisfaction. In case of any incidents, Eurogrid Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.





S2 Workers in the value chain-related
material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Working conditions	Eurogrid Group aims to ensure high standards for its own workforce and also to extend these standards to all workers involved in the value chain, including contractors, suppliers and business partners.		50Hertz implemented a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct and health and safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions.*	Upstream
			*This impact is material starting with the medium term.	
Health and safety	Ensuring robust health and safety practices across the supply chain is vital to safeguarding workers' well-being and maintaining operational integrity. Contractors are key for Eurogrid Group, which is why the standards in place for its own workforce also apply to contractors.		Eurogrid Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.	Upstream
			Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.	Upstream
			Health and safety events may harm one of our suppliers.* Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.*	Upstream
			*These risks are material starting with the medium term.	

Resilience of the business model

As we work with many suppliers and contractors to carry out our grid infrastructure and business activities, Elia Group ensures that all individuals involved in our supply chain operations are protected and treated fairly. This includes implementing ethical labour practices, promoting safe working conditions and fostering strong partnerships with suppliers to ensure stability and sustainability through our policies. The Supplier Code of Conduct ensures our expectations and standards for ethical conduct, health and safety, and environmental and social aspects are met. The health and safety policies in place for Elia Group's own workforce equally apply to contractors working on sites. This promotes transparency and enhances our reputation. Elia Group assess these policies on a regular basis to ensure they are based on the latest standards. In case of any incidents, Elia Group assesses potential changes as a priority in order to cope with them and ensure the resilience of the business model.

S3 Affected communities-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Land-related impacts	50Hertz's infrastructure has impacts on local communities, biodiversity and ecosystems. Managing land-related impacts effectively is part of its commitment to sustainable development and environmental stewardship.		Development of a sustainable infrastructure benefits local value chain and economic growth.	Downstream
			Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns)	Own operations
Communities' civil and political rights - Freedom of expression	Early involvement of stakeholders impacted by our infrastructure projects is key for the success of the energy transition and for making the needed projects happen.		Stakeholder engagement: 50Hertz engages in an ongoing dialogue with communities to ensure that projects are accepted and that their voice is taken into consideration.	Own operations
			Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities.	Upstream / Own operations / Downstream

Resilience of the business model

50Hertz is entrusted by the government with building the electricity infrastructure and therefore driving the energy transition in the interest of society. The German Grid Development Plan is the basis for this mandate. In addition to the legal obligation to deliver on this task, 50Hertz establishes proactive means to engage with affected communities to ensure that their point of view is heard and taken into account. 50Hertz is committed to supporting and empowering the communities impacted by its operations by investing in local development and mitigating any adverse effects its business activities may have. This helps to ensure 50Hertz' operations are sustainable, ethically sound and capable of maintaining positive relationships with the communities we impact. This not only enhances our corporate responsibility but also fosters long-term support and trust from these communities. Eurogrid Group engages on a regular basis with all affected stakeholders in order to cope with any issues arising and ensure the resilience of the business model.

G1 Business conduct-related material impacts, risks and opportunities

Material sustainability topic	Description	IRO	Identified impacts, risks and opportunities	Value chain
Corporate culture	Good governance and compliance as part of Eurogrid Group's corporate culture are key to delivering the strategy in accordance with ethical standards and regulatory and legal compliance. This also safeguards the reputation.		Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources.	Upstream
Corruption and bribery - Prevention and detection, including training	The prevention and detection of corruption and bribery underscore the importance of maintaining ethical conduct, transparency and accountability in business practices.		Lack of strong preventive and detective measures (such as training, communication campaigns) can lead to corrupt practices within the organisation.	Upstream / Own operations / Downstream
Management of relationship with suppliers	Managing relationships with suppliers is a critical aspect of governance. For Eurogrid Group, this includes ensuring ethical conduct and transparency throughout the supply chain.		The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve Eurogrid Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.	Upstream / Own operations / Downstream
			The current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan.	Upstream / Own operations / Downstream
Political influence and lobbying activities	50Hertz is trusted advisor and contributes to political debates in Germany, as well as at European level.		Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk).	Upstream / Own operations / Downstream
Protection of whistle-blowers	Safeguarding whistleblowers is key for enabling transparency, ethical behaviour and a supportive workplace culture as it ensures that employees and stakeholders can report misconduct without fear of retaliation.		Lack of strong preventive measures and whistleblower protection can lead to corrupt practices within the organisation.	Upstream / Own operations / Downstream

Resilience of the business model

Elia Group's Board of Directors and 50Hertz Transmission's Board of Directors as well as other governance bodies provide oversight. Internal controls are in place alongside a solid approach to risk management. Internal and external audits are carried out regularly to ensure compliance with legal, regulatory and internal requirements while preventing and avoiding fraud. In addition, business conduct policies as well as mandatory trainings are in place to ensure awareness and maintain transparency, accountability and integrity across operations. Elia Group assess these policies on a regular basis to ensure they are based on the latest standards. At a local level, the Eurogrid Group ensures that the guidelines are up to date. Should negative incidents nevertheless occur, the Elia Group and the Eurogrid Group will make the necessary changes to resolve the associated problems and ensure the continued resilience of the business model.



Positive impact



Negative impact







Opportunity



Risk

Sector specific-related material impacts, risks and opportunities

Sector-specific impacts, risks and opportunities arise due to the business activities of Eurogrid Group. These IROs cannot be allocated to the sustainability topics defined by the ESRS.

IRO	Identified impacts, risks and opportunities	Value chain
	Volatility in the system increases with the growing number of renewables units at all levels, leading to a greater need for flexibility that can be partially served by contracting more balancing reserves.	Upstream / Own operations
	Increased exposure due to digitalisation and the decentralisation of power systems: grid operators are increasingly using digital technologies to better manage grid and business operations and the resulting push for a more decentralised energy system. Digital systems, IT/OT convergence and the growing number of devices and sensors relying on public Internet networks, throughout the grid and in homes, are increasing exposure, since each element provides an additional entry point for cyber criminal organisations. This may affect Eurogrid Group's own workforce and grid users in our grid areas. The growing number of threat vectors, state(-sponsored) actors and/or cyber criminals seeking to cause security and economic disruption may impact directly society.	Upstream / Own operations / Downstream
	Cyber: significant system hardware and software failures, compliance process failures, ICT failures, computer viruses, malware, cyber attacks, accidents and/or security breaches could occur. This can lead to an adverse impact on continuity of supply and could result in a breach of legal or contractual obligations. Public opposition to grid projects is putting pressure on our ability to deliver the energy transition as expected.	Own operations / Downstream
	Adequacy and flexibility are crucial elements for maintaining security of supply for the customers and society we serve and for ensuring that loss of load and energy not served remain within the relevant standards.	Downstream

Resilience of the business model

As managing the energy system becomes ever more complex, 50Hertz faces increasing challenges in terms of maintaining balance in the system. Working on innovative solutions like flexibility ensures the long-term resilience of 50Hertz' business model. Delivering on its societal mission to enable and drive the energy transition and addressing the need for electrification lead to new devises connected to the grid that need to be managed. As a result, 50Hertz is facing a growing need for digitalisation to cope with the complexity and to enable its employees to steer operations in a secure and efficient manner. 50Hertz must continuously evaluate risks of (cyber) attacks on its business activities and adopt its way of working to stay on top of these developments.

1.4. Impact, risks and opportunity management

IRO1 - Description of the processes to identify and assess material impacts, risks and opportunities

Scope

While Eurogrid Group is diversifying its activities, 50Hertz's core business remains the transmission of electricity in the north and east of Germany. Consequently, most material impacts, risks and opportunities (IROs) are related to the electricity transmission activity.

Each 50Hertz activity was described in a value chain encompassing upstream activities, own operations and downstream activities, with the relevant category of stakeholders. These value chains served as the basis for identifying the IROs.

Eurogrid Group's key value chain (transmission of electricity) is presented in section 'Strategy - SBM1 - Market position, strategy, business model and value chains' in this report.

The double materiality assessment was documented internally through a protocol that summarises the ESRS 2 guidelines and how these were followed by the project team.

Identification of the actual and potential impacts, risks and opportunities related to sustainability matters

The ranking process began with a list of relevant sustainability topics that were identified during previous materiality exercises in 2022 and 2023. Additional topics were added, mainly driven by the value chain analysis, the list of ESRS topics and subtopics retrieved from ESRS 1, internal assessments, industry and peers benchmarking, and input from internal experts.

The internal experts consisted of multidisciplinary teams that were selected based not only on their expertise in ESG, engineering, risk management and strategy, but also for their interaction with external stakeholders.

The project team assessed the relevance of each (sub-)sub-topic - as outlined in ESRS 1 AR 16 - against Eurogrid Group's core business activities and its value chain. When the relevance of a (sub-)sub-topic was uncertain, it was included as a precaution.

Identifying financial risks and opportunities was a collaborative effort involving risk management and controlling specialists.

Assessment of the potential and actual impacts, risks and opportunities

After narrowing down the relevant (sub-) sub-topics, the project team assessed the impact of each, as well as the associated risks and opportunities.

Eurogrid Group consistently engages with its external and internal stakeholders through various channels, gaining valuable insights into their concerns and needs. For more information about how Eurogrid Group interacts with stakeholders, see section [SBM 2 - Interests and views of stakeholders](#). Due to these natural processes of frequently engaging with external stakeholders and of onboarding their views through representatives of internal departments, the double materiality matrix reflected in this report is the result of only internal stakeholders' consultations. For reporting year 2024 the team of internal experts assessed the potential and actual impacts, risks and opportunities.

In line with the requirements of the ESRS, Eurogrid Group realised a high level check on interdependencies between the impacts and the related risks/opportunities. Nevertheless, a more clear overview and a deeper understanding of these interdependencies could provide valuable insights to the organisation. This will be part of future improvements of the double materiality assessment.

The potential and actual impacts were assessed and scored based on the following parameters:

Severity		X	Likelihood
Scale	Scope	Irremediability (only for negative impacts)	

The 'Severity' parameter was calculated as the average of 'Scale', 'Scope' and 'Irremediability'. Multiplying the 'Severity' and 'Likelihood' parameters yielded an impact dimension score for each (sub-)sub-topic.

Risks and opportunities were assessed and scored based on two parameters - financial effect and likelihood. Three parameters - Profit and Loss (P&L), Capital Expenditures (CAPEX) and Health and Safety (H&S) - were used to correctly estimate the potential financial impact. Depending on the nature of the risk or opportunity, the most appropriate scale was chosen.

Financial impact (P&L, CAPEX, H&S)	X	Likelihood
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Multiplying the above parameters yielded a financial materiality dimension score for each (sub-)sub-topic.

The materiality of each sustainability-related topic was determined based on the maximum scores among the impacts, risks and opportunities. These highest scores among the impacts, risks and opportunities within the same ESRS also determine the position in the double materiality matrix of the corresponding ESRS.

Each score of each topic from each dimension - impact/risk & opportunities - was compared with the determined threshold (>10) to conclude the materiality of the IRO and

the material sustainability matters. The project team decided for setting the threshold at 10 to keep the consistency with other similar internal procedures and processes.

The project team used the same scales and thresholds for the assessment of sustainability-related risks as well as for other types of risks. It did not prioritise risks based on their nature (sustainability-related or other), but rather based on the expected impact. The materiality assessment reflects Eurogrid Group's actual decision-making and priorities for the future regarding ESG topics.

Eurogrid Group foresees the revision of the double materiality assessment as part of an ongoing continuous improvement effort. If any, future changes will be communicated to ensure transparency to all stakeholders.

Internal control and approval – Calibration and management review

After each individual expert's initial assessment of the IROs, the project team challenged the provided justifications to ensure a consistent approach towards scoring across the multiple contributors.

The outcome of the double materiality exercise was approved on Elia Group level as well as on Eurogrid Group level by:

- the Project Decision Board;
- the Group Sustainability Board;
- the Elia Group Management Board;
- Elia Group's Audit Committee;
- 50Hertz Transmission's Management Board for the implementation at Eurogrid Group level.

Integration in the overall management process

Eurogrid Group embedded the topics of the double materiality assessment into its current management practices.

The main opportunities reflected in the double materiality assessment are embedded in Eurogrid Group's corporate strategy and in the management practices through the strategic business review exercise.

As this is a continuous improvement process, Eurogrid Group will in future assess the extent to which the double materiality assessment can be further integrated into the risk management processes.

Changes in the process to identify and assess material impacts, risks and opportunities, compared to the prior reporting period and future revision dates

Eurogrid Group has been publishing a double materiality matrix since 2022, but these were not compliant with the ESRS.

The process of identifying and assessing material IROs was updated in the context of preparing this report and carried out in accordance with the ESRS guidelines. As a result, the double materiality assessment developed in the past is not comparable.

Identifying impacts, risks and opportunities applicable to the relevant standards

The process of identifying and assessing impacts, risks and opportunities was similar for all the ESRS, in line with the methodology described above.

ESRS E1 - Climate change

The risks and opportunities associated with climate change are relevant for Eurogrid Group given its core mission of driving the energy transition by supporting the integration of RES into the electricity system in order to foster decarbonisation.

In line with the criteria for EU Taxonomy alignment, Eurogrid Group carried out a climate risk and vulnerability assessment for its core activities 'transmission of electricity' at 50Hertz level. The insights gathered from this assessment were used as an input for identifying climate-related physical risks.

Climate-related scenarios

With support from climatologists at GERICS (Climate Service Center Germany) – an institute at Helmholtz-Zentrum Hereon – local climate scenarios were developed for 50Hertz based on time horizons 2050 and 2085, and aligning with the expected lifetimes of its assets, strategic planning horizons and capital allocation plans. Three state-of-the-art climate scenarios were considered: RCP⁴ 2.6, RCP 4.5, and RCP 8.5. RCP 2.6 represents a low-emission scenario with stringent policies, while RCP 8.5 represents a high-emission scenario with the least stringent policies.

In parallel, 50Hertz has initiated closer exchanges with RES developers and industry to better anticipate their grid needs that often materialise within fewer years than the target dates of the Grid Development Plans. In order to develop a grid which is suitable for meeting future challenges, 50Hertz analysed multiple scenarios to better understand the impact on the grid and to better foresee the investments needed. The scenarios used by 50Hertz for the Grid Development Plan are informed by ENTSO-E's scenarios. These scenarios encompass those developed by ENTSO-E & ENTSO-G, the European association of electricity (and gas) transmission system operators in the context of the TYNDP (Ten-Year Network Development Plan), which are supported by future climate projections, considering two possible scenarios for 2050: RCP 4.5 and RCP 8.5.

Climate-related physical risks

All countries in the Central Europe System Operation region (including Germany) work together closely in connection with the risk preparedness plan for the energy sector. A list of 31 regional electricity crisis scenarios were identified, including those linked to extreme weather conditions.

⁴ RCP stands for "Representative Concentration Pathways", which are climate change scenarios to project future greenhouse gas concentrations

The assessment specifically highlighted potential impacts from heatwaves, cold snaps, winter incidents, storms, flooding, droughts and wildfires — all identified as acute physical risks.

50Hertz's assets and business activities were thoroughly analysed to assess their exposure and sensitivity to these identified climate-related hazards, considering factors such as likelihood, magnitude and duration.

Climate-related transition risks and opportunities

Climate change and the subsequent energy transition represent an opportunity for Eurogrid Group as integration of renewable requires significant grid reinforcement and expansion, both onshore and offshore. For Eurogrid Group, this opportunity materializes in the short and extends to the long-term as Eurogrid Group is responsible for aligning its activities with the ambitions of the German governments respectively (known as the Nationally Determined Contributions), as reflected in the Grid Development Plan, for Germany. This plan is published at regular intervals⁵.

ESRS E4 - Biodiversity and ecosystems

Impacts, risks, dependencies and opportunities identification

Actual and potential impact on biodiversity and ecosystems at 50Hertz's own sites are structurally assessed through Environmental Impact Assessments, required for all permit requests. Additionally, stakeholder consultations and collaboration with environmental experts are performed. This encompasses further analysis on land-use changes, proximity to protected areas, and biodiversity-related elements

50Hertz initiated an evaluation of potential dependencies on biodiversity and ecosystem services, such as climate regulation, flood and storm protection, mass stabilisation/erosion control, and water flow maintenance. The analysis relies on industry data from relevant databases, such as ENCORE, to identify likely dependencies based on 50Hertz's activities and value chain. The identified dependencies are generic to the TSO activity and need to be confirmed via specific operational data.

50Hertz has conducted assessments to identify transition and physical risks and opportunities related to biodiversity and ecosystems. Transition risks are identified through monitoring of regulations on biodiversity protection, aiming to reduce the ecological footprint of infrastructure projects. Physical risks are identified based on dependencies

Eurogrid Group recognises the impact of systemic risks on the energy systems. To address these interconnected risks, 50Hertz participates in worldwide experts' forum in the sector of electricity transmission (e.g. CIGRE⁶) on the impacts of climate change on energy systems, supporting the energy transition to mitigate environmental pressures.

Affected communities

50Hertz ensures that communities affected by its activities are engaged with and consulted as part of their sustainability assessments. This includes organising public consultations at various stages in project planning and execution. During the design phase, 50Hertz engages with civil society, local municipalities, NGOs, and academia to discuss

potential impacts and mitigation measures. Information sessions are held to communicate the results of environmental assessments and to gather community feedback. Feedback from these sessions is used to refine project designs and enhance public understanding of potential impacts. Affected communities are however not directly involved in the materiality assessment.

Currently, 50Hertz's assessments do not yet extend to raw material production and sourcing.

50Hertz takes measures to avoid negative impacts on ecosystem services relevant to affected communities through careful planning and mitigation strategies embedded in its operations. These measures include engaging with external experts to identify and address community concerns and implementing nature-based solutions where possible. When impacts are unavoidable, 50Hertz develops plans to minimise them and apply mitigation measures aimed at maintaining the value and functionality of ecosystem services.

Biodiversity-sensitive areas

50Hertz operates sites located in or near biodiversity-sensitive areas and has identified these locations through geospatial analyses. Some activities near biodiversity-sensitive areas may lead to habitat degradation or species disturbances. As part of each infrastructure project, the Environmental Impact Assessment (EIA) makes it possible to identify habitat deterioration and species disturbances, and to recommend that mitigation measures, such as buffer zones and operational restrictions, be implemented.

Based on all site-specific Environmental Impact Assessments (EIA), 50Hertz confirms the need for biodiversity mitigation measures. These include restoring habitats, reducing species disturbance and transitioning to sustainable practices.

ESRS E5 - Resource use and circular economy

50Hertz conducted a materiality assessment on circularity topics and resource inflows, including resource use and waste, have been identified as resulting in material impacts, risks or opportunities. Resource outflows are not applicable since 50Hertz as well as the whole Eurogrid Group does not produce tangible products.

In connection with the ongoing project to establish a circularity programme for the whole Elia Group, a deep-dive screening analysis was conducted. Various activities along the value chain were assessed and a team of internal experts defined the level of opportunity for each to become more circular.

The assessment relied on input from internal subject matter experts who are well-informed and experienced in understanding stakeholder concerns and Elia Group companies' related impacts. In parallel, internal experts take part in CIGRE working groups to clarify and support the implementation of eco-design for assets.

⁵ Germany: [Network Development Plan 2037/2045](#)

⁶ CIGRE stands for Conseil International des Grands Réseaux Electriques or International Council on Large Electric Systems

IRO2 - Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement

The list of disclosure requirements that were found 'material' as a result of the double materiality assessment is available in section [5.1. ESRS Index](#).

For an explanation of how the material information to be disclosed was identified and which thresholds were used, see section [IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities](#).

The following standards and their corresponding sustainability-related topics were found to be 'not material' during the double materiality assessment:

Standard	Explanation
E2 Pollution	The IROs related to pollution have been assessed, but were considered not material. The accidental leakage of polluting substances that can contaminate the environment - such as oil pollution - are rare.
E3 Water and marine resources	This standard was considered not material for two reasons: <ul style="list-style-type: none">– water: Eurogrid Group's operations do not involve the withdrawal, discharge or consumption of water.– marine resources: 50Hertz's primary role as an electricity transmission operator does not directly impact marine resources.
S4 Consumers and end-users	The IROs related to consumers and end-users have been assessed as 'not material' for all activities of Eurogrid Group

The list of datapoints that are reported on in this sustainability statements and that are derived from other EU legislation can be consulted in [section 5.2. Index for the data points in cross-cutting and topical standards that derive from other EU legislation](#).

2. Environmental information

2.1. Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation)

2.1.1 Context

This chapter contains the disclosures for Eurogrid Group's KPIs in accordance with the EU Taxonomy Regulation 2020/852 and the related Delegated Acts.

The Taxonomy Regulation 2020/852 established a European classification system for economic activities that are environmentally sustainable and that substantially contribute to one or more of six environmental objectives, while not harming the other five objectives and while complying with minimum social safeguards.

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

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

2.1.2 Eurogrid Group's eligibility and alignment

The EU Taxonomy has provided Eurogrid Group with an opportunity to fine-tune its strategic approach and it is committed on a best-effort basis to maintaining strong alignment with it.

Eurogrid Group Eligibility KPIs in 2024

100% Taxonomy-eligible turnover
100% Taxonomy-eligible CAPEX
100% Taxonomy-eligible OPEX

Eurogrid Group Alignment KPIs in 2024

99,4% Taxonomy-aligned turnover
99,8% Taxonomy-aligned CAPEX
99,2% Taxonomy-aligned OPEX

Eurogrid Group's detailed EU Taxonomy disclosures are available at the end of this chapter.

2.1.3 Process

The assessment of the eligibility of the Eurogrid Group companies' activities and the alignment of these activities with the EU taxonomy was based on the following criteria:

- the EU Taxonomy Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020;
- the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/213) and its amendments (Commission Delegated Regulation (EU) 2023/2485).
- the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214)
- The Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486)
- the Disclosure Delegated Act and Annex 1 (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021);
- the Report on Minimum Safeguards published by the Platform on Sustainable Finance in July 2022;
- the series of EU Commission FAQs on the EU Taxonomy (latest from November 2024)

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

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

- 2. Substantial contribution: the economic activity is analysed based on the fulfilment of criteria for 'substantial contribution' to at least one environmental objective out of the following six:
 - a. Climate change mitigation;
 - b. Climate change adaptation;
 - c. Sustainable use and protection of water and marine resources;
 - d. Transition to a circular economy;
 - e. Pollution prevention and control;
 - f. Protection and restoration of biodiversity and ecosystems.
- 3. Do No Significant Harm analysis: while substantially contributing to one of the environmental objectives, the economic activity should not harm any of the other remaining five;
- 4. Compliance with Minimum Social Safeguards: the economic activity should respect social principles while contributing to environmental objectives;
- 5. KPI calculation: percentages for Taxonomy-eligible and aligned turnover, CAPEX and OPEX are calculated based on compliance with the Technical Screening Criteria and the Minimum Social Safeguards.

2.1.4 Taxonomy-eligible and non-eligible economic activities

The decisions on eligibility and non-eligibility were based on comparing the economic activities of each Eurogrid Group entity with the activities described in the Climate Delegated Act and the Environmental Delegated Act. Please see '[Background of the Group](#)' of the Management Report for a full overview of Eurogrid Group's legal structure.

Based on Taxonomy guidelines and notices published by the European Commission, 50Hertz's legal entities JAO, Coreso, TSCNET, EEX and Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin and Link digital GmbH were excluded from the eligibility and alignment assessment (both from the numerators and denominators of the KPIs), as they qualify as other investments (joint ventures and associates) accounted at fair value or using IFRS 9 in the consolidated financial statements.

The following table reflects the assessment of the eligibility of Eurogrid Group's activities to nuclear energy-related and fossil gas-related activities, in line with the disclosure requirements defined in Articles 8(6), (7), and (8) in accordance with the Amendments to Delegated Regulation (EU) 2021/2178, published on 9 March 2022.

Nuclear energy related activities		Decision on eligibility (YES/NO)
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Eurogrid Group

Entity	NACE code / description	Activity description	Correspondence with the Climate Delegated Acts	Decision on eligibility (Yes / No)
50Hertz Transmission GmbH	35120 Transmission of electricity	50Hertz Transmission is the transmission system operator which operates the extra-high-voltage grid in the north and east of Germany.	4.9 'Transmission and distribution of electricity'	Yes
50Hertz Offshore GmbH	35120 Transmission of electricity	The business activities of 50Hertz Offshore cover the planning, construction and maintenance of electricity lines as well as the associated plants and facilities for connecting offshore wind turbines/farms primarily erected in the Baltic Sea to the grid.	4.9 'Transmission and distribution of electricity'	Yes
50Hertz Connectors GmbH	35120 Transmission of electricity	Entity that controls a few transmission of electricity assets handed over from the other entities from within the German segment.	4.9 'Transmission and distribution of electricity'	Yes
Eurogrid GmbH	64200 Holding company	80% of this is owned by Elia Group; it comprises the activities of 50Hertz. The remaining 20% is held by the German state-owned Bank Kreditanstalt für Wiederaufbau («KfW») via Selent Netzbetreiber GmbH.	No perfect fit identified with the activities described in the Climate Delegated Regulation	No

2.1.5 Interpretation and assessment of the Technical Screening Criteria (TSC)

The Taxonomy regulation requires non-financial undertakings to assess the alignment of their business activities with all of the six environmental objectives.

50Hertz's main activity - 'Transmission of electricity' - is eligible for climate change mitigation and climate change adaptation objectives. According to the amendments to the Delegated Act published in the EU Official Journal in November 2023, "where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective (...) while avoiding double counting.

The assessment followed thoroughly this rationale in order to avoid double counting and thus 50Hertz disclosed 0% for CAPEX alignment to climate change adaptation. Corresponding OPEX is immaterial.

'Transmission of electricity' is not an eligible economic activity for the remaining four environmental objectives.

Eligibility for climate change adaptation

While 50Hertz considers the transmission of electricity and the integration of renewable energy into the grid to be economic activities which drive the energy transition and the fight against climate change, it also take measures to make its assets more adaptable and resilient to climate risks.

In particular, these measures include:

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

Climate change adaptation features are embedded into the construction of 50Hertz's grid from the design phases onwards. Grid reliability is one of the most important objectives for a TSO and many existing measures and processes foster climate change adaptation elements.

In alignment with the vulnerability assessment undertaken in 2023 and with the conclusions of the benchmark with peers in the sector, Eurogrid Group identified CAPEX associated with projects that increase the resilience of 50Hertz's grid to storms and strong winds.

At 50Hertz, the investments for reinforcing pylons are not made to increase the capacity of the lines. Consequently, the CAPEX represents solely the cost for the tower reinforcements. These investments are part of a multi-annual program aimed at replacing less reliable towers and enhancing local reliability at critical crossings, such as highways, to make the grid more resilient to climate change.

The share of total Eurogrid Group's 2024 CAPEX is 1.7%, corresponding to a value of €63.62 million.

Substantial contribution to climate change mitigation

In accordance with the eligibility table for Eurogrid Group's activities as disclosed above, when assessing alignment it considered the criteria outlined in section '4.9 Transmission and distribution of electricity' from Annex I of the Climate Delegated Act.

According to the criteria outlined in the Climate Delegated Act, 'Transmission and distribution infrastructure or equipment' is in an electricity system that complies with at least one of the following criteria:

- The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems.
- More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh, measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.
- The average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO₂e/kWh, measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period".

50Hertz meets criterion (a), as it is a direct fit for the transmission activities. Interconnectors that link energy transmission grids in different countries together contribute to the sustainability of the European energy sector by enabling the trading of energy and increasing energy efficiency. Interconnectors do this by reducing the cost of meeting electricity demand while improving security of supply and facilitating the cost-effective integration of the growing amount of renewable energy sources into the system.

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

More precisely, the TSC refer to infrastructure dedicated to creating a direct connection or the expansion of an existing direct connection between a substation or network and a power generation plant that is more greenhouse gas-intensive than 100 gCO₂e/kWh (measured on a lifecycle basis). The revenues, CAPEX and OPEX associated with these identified connection parts were evaluated as 'non-aligned' and eliminated from the numerators of the KPIs during the assessment process.

The following TSC refers to the installation of metering infrastructure, which must meet the requirements of smart metering systems outlined in Article 20 of Directive (EU) 2019/944. Article 20 of Directive 2019/944 provides that where the deployment of smart metering systems is positively assessed as a result of the cost-benefit assessment, or where smart metering systems are systematically deployed after 4 July 2019, Member States shall deploy smart meters in accordance with European standards that meet certain requirements. 50Hertz's electricity transmission business activities comply with European and national regulatory requirements regarding smart meter rollout and are aligned with the activities of its peers in this regard.

2.1.6 Do No Significant Harm (DNSH)

Meeting the DNSH criteria means that an activity which significantly contributes to one of the environmental objectives does no significant harm to any of the other objectives. In addition to the assessment of 50Hertz's electricity transmission activities for their significant contribution to the environmental objective "climate protection" according to the relevant criteria, further assessments were made regarding the remaining five environmental objectives based on the DNSH criteria.

Climate change adaptation

The climate risk and vulnerability assessment is carried out in line with the technical screening criteria of the EU Taxonomy Delegated Act. This assessment highlighted the possible harmful effect of heatwaves, cold snaps/winter incidents, storms, flooding, droughts and wildfires. All these phenomena are acute physical risks, which could lead to less favourable operating conditions for the 50Hertz's assets or even damage them. Such circumstances may trigger business continuity disruption and may need contingency plans to be activated. Given the critical nature of 50Hertz's infrastructure and the fact that its assets are spread over a wide territory (in particular its overhead line infrastructure), it is considered that the assets face heightened vulnerability to physical climate risks, as is the case for other system operators and utilities.

In 2023, with the support of climatologists from the University of Hamburg (Hereon Climate Research Center), local climate scenarios were developed for 50Hertz. More information about the scenarios and the conclusions drawn can be found in section [IRO-1-Description of the processes to identify and assess material impacts, risks and opportunities](#).

Transition to a circular economy

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

Pollution prevention and control

In 2023, 50Hertz Transmission was recertified in accordance with ISO 45001 (health and safety management) and certified in accordance with ISO 14001 (environmental management) in 2022. These ISO certifications confirm compliance with the IFC guidelines and legal requirements. 50Hertz's substations and overhead lines are planned, built and operated in accordance with the technical and legal requirements for electromagnetic fields. 50Hertz's assets do not contain any PCBs.

Protection and restoration of biodiversity and ecosystems

The activities and assets of 50Hertz may have a significant impact on nature. Through the ActNow programme, protecting and preserving biodiversity is one of our environmental priorities.

In general, 50Hertz conducts impact assessments (EIA) in the early stages of infrastructure projects as part of the permitting requests and project planning. This process enables the systematic identification, prediction, and analysis of the potential impacts and threats on

the physical environment and biodiversity during both the construction and operation phases.

50Hertz set up a tool for monitoring the implementation of compensation and mitigation measures in line with the aforementioned EU regulations.

Please refer to section [E4-3 - Actions and resources related to biodiversity and ecosystems](#) for more details.

2.1.7 Requirements of the Minimum Social Safeguards

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

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

The Minimum Social Safeguards set out social and governance criteria so that entities that carry out environmentally beneficial activities are not doing significant harm to the rest of the objectives.

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

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

Eurogrid Group complies with international guidelines which extend beyond its collective agreements and company agreements, such as the core labour standards of the International Labour Organization (ILO: C87, C98 and C135) and workers' rights set out in the UN Global Compact.

Elia Group's Code of Ethics, the Supplier Code of Conduct and the Human Rights Policy are available [online](#). An updated uniform Elia Group Supplier Code of Conduct will be launched in January 2025.

Moreover, strategic suppliers entering into new framework agreements are required to have an EcoVadis rating, which evaluates how well a company has integrated the principles of sustainability and corporate social responsibility into its business activities. Purchasing policies are also developed in accordance with the basic principles of the UN Global Compact with respect to human rights, terms of employment and anti-corruption.

Most of Eurogrid Group's suppliers are located inside the EU, which leads to a lower risk of violations of human and labour rights and environmental infractions.

A supplier due diligence process has been defined to comply with the supply chain law in Germany and to seek alignment with the Minimum Social Safeguards and the future Corporate Sustainability Due Diligence Directive (CSDDD). It consists of a risk assessment of the supplier base based on external indices and internal parameters. Suppliers flagged as 'potential high risk' as a result of this screening process are then further evaluated by the responsible buyer. If their high-risk status is confirmed, measures will be taken in accordance with a mitigation plan that will be rolled out as from 2025 and which includes among other things:

- asking suppliers to sign a binding code of conduct before starting their assignment;
- requesting suppliers to undertake a self-declaration;
- requesting an EcoVadis rating;
- carrying out additional risk assessments;
- carrying out on-site (incident) inspections.

Similar efforts are also made for Eurogrid Group's own employees and workers in the value chain (subcontractors) to ensure compliance with the same stringent standards. Please refer to sections [S1-1 - Policies related to own workforce](#) and [S2-1 - Policies related to value chain workers](#) for more information.

Lastly, Elia Group's grievance mechanism EthicsAlert, which enables (anonymous) reporting of (alleged) instances of non-compliance, is also open to (sub)suppliers. Human rights or environmental violations can be reported through this channel.

Eurogrid Group also confirmed it has good governance practices in place, in particular with respect to:

sound management structures, as described on the 'Company structure' page of the [its website](#);

employee relations: Eurogrid Group is committed to freedom of association, collective bargaining and the protection of employee representatives; particular emphasis is placed on trust and ongoing cooperation with all trade unions;

As outlined in rules and regulations adopted by senior management, Eurogrid Group expressed its commitment to pay its taxes on time and in accordance with the law.

2.1.8 Taxonomy KPIs and accounting methods

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

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

Double counting in the allocation in the numerator of turnover, CAPEX and OPEX across economic activities was avoided as each entity undertakes one economic activity only.

Consequently, turnover, OPEX and CAPEX cover economic activities that are either completely Taxonomy-eligible or not at all.

The expenditure funded by the issuance of green bonds (at the level of Eurogrid GmbH) is consolidated in the numerators and the denominators of the Eurogrid Group's CAPEX.

The adjusted aligned CAPEX for use by financial undertakings was calculated according to the guidelines set out in the European Commission FAQs on EU Taxonomy from December 2022.

Turnover

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

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

(*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

Therefore, the total considered turnover in 2024 which was included in the denominator of the turnover KPI was €2,270.84 million

CAPEX

The CAPEX used in the KPI calculation is based on general accounting policies, as mentioned in sections 3.3.1 'Property, plant and equipment' ('PPE') (IAS 16) und 3.3.2 'Intangible assets' (IAS 38) of the Financial Report.

The movements related to these assets are disclosed in section 4 'Segment reporting' from the Financial Report, under the subtitle 'capital expenditures' and are included in the calculation as follows:

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

(*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

The total considered CAPEX in 2024 which was included in the denominator of the CAPEX KPI was €3,710.02 million

In line with the guidelines provided by the European Commission in December 2022, please find below the figures prepared for the use by financial undertakings:

- €1,567.11 million were allocated for CAPEX in 2024 from Eurogrid GmbH Green Bond 2022/2031
- the adjusted Taxonomy aligned CAPEX KPI is 58%

OPEX

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

The denominator of the OPEX KPI in 2024 was €58 million

Denominator	Section from the Financial Report
Eurogrid Group 2024 turnover	5.1. Revenue from the grid business and other income
Eurogrid Group 2024 CAPEX	6.1. Property, plant and equipment and 6.2. Intangible assets

2.1.9. Breakdown of Eurogrid Group's KPIs for EU Taxonomy eligibility and alignment in 2024

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

A top-down approach was applied when calculating the KPIs, meaning non-eligible or non-aligned turnover, CAPEX and OPEX were excluded from the total figures disclosed in the financial statements. Eurogrid Group's alignment with DNSH criteria and its compliance with the Minimum Social Safeguards lead to the conclusion that the KPIs are mainly impacted by: The non-alignment of the eligible transmission of electricity activities , which is due in particular to existing direct connections to power plants that do not meet the TSC.

Turnover Eurogrid Group ⁷			Substantially contribute							DNSH									
Economic activities	Code	Turnover (mil€)	Proportion of Turnover (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy eligible and aligned proportion of Turnover, year 2023	Category enabling activity E	Category transitional activity T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	2,257.0	99.4%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99,7%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,257.0	99.4%	1.0	0.0					N/A	Y	Not existing	Y	Y	Y	Y	99,7%	E	
of which enabling		2,257.0	99.4%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99,7%	E	
of which transitional		0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	0.0%		T
A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	13.5	0.6%	N	N	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		13.5	0.6%	0.0	0.0	0.0	0.0	0.0	0.0										
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		2,270.5	100.0%																
B. Taxonomy non-eligible activities																			
Holding activities		0.0	0.0%																
Total (A + B)		2,270.5	100.0%																

⁷ Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

CAPEX Eurogrid Group 2024 ⁸			Substantially contribute							DNSH										
Economic activities	Code	CAPEX (mil€)	Proportion of CAPEX (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy eligible and aligned proportion of CAPEX, year 2023	Category enabling activity E	Category transitional activity T	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	3,702.7	99.8%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99.4%	E		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,702.7	99.8%	1.0	0.0					N/A	Y	Not existing	Y	Y	Y	Y	99.4%	E		
of which enabling		3,702.7	99.8%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99.4%	E		
of which transitional		0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	0.0%		T	
A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	7.3	0.2%	N	N	N/EL	N/EL	N/EL	N/EL											
CAPEX of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7.3	0.2%	0.0	0.0	0.0	0.0	0.0	0.0											
A. CAPEX of Taxonomy-eligible activities (A.1+A.2)		3,710.0	100.0%																	
B. Taxonomy non-eligible activities																				
Holding activities		0.0	0.0%																	
Total (A + B)		3,710.0	100.0%																	

⁸ Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

Please find below an overview of the proportion of eligible CAPEX and aligned CAPEX per objective⁹.

Eurogrid Group		Proportion of CAPEX/Total CAPEX	
Objectives		Eligible by objective	Aligned by objective
CCM		1.0	1.0
CCA		0.0	0.0
WTR		0.0	0.0
CE		0.0	0.0
PPC		0.0	0.0
BIO		0.0	0.0

⁹ CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems

OPEX Eurogrid Gruppe ¹⁰		Substantially contribute								DNSH									
Economic activities	Code	OPEX (mil€)	Proportion of OPEX (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy eligible and aligned proportion of OPEX, year 2023	Category enabling activity E	Category transitional activity T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	57.5	99.2%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99.1%	E	
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		57.5	99.2%	1.0	0.0					N/A	Y	Not existing	Y	Y	Y	Y	99.1%	E	
of which enabling		57.5	99.2%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	99.1%	E	
of which transitional		0.0	—%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Not existing	Y	Y	Y	Y	0.0%		T
A.2. Taxonomy eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission of electricity in Germany	CCM 4.9. / CCA 4.9	0.5	0.8%	N	N	N/EL	N/EL	N/EL	N/EL										
OPEX of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.5	0.8%	0.0	0.0	0.0	0.0	0.0	0.0										
A. OPEX of Taxonomy-eligible activities (A.1+A.2)		58.0	100.0%																
B. Taxonomy non-eligible activities																			
Holding activities		0.0	—%																
Total (A+B)		58.0	100.0%																

¹⁰ Y: Yes; N: No; N/EL: Taxonomy non-eligible ; N/A: Not applicable; CCM: Climate Change Mitigation, CCA: Climate Change Adaptation

2.2. ESRS E1 Climate change

Eurogrid Group's core mission is to drive the energy transition by supporting the integration of Renewable Energy Sources (RES)¹¹ into the electricity system in order to foster decarbonisation. Successfully achieving this will be key to decarbonising industry and will thus benefit society as a whole and its own bottom line.

E1-1 - Transition plan for climate change mitigation

To underline Eurogrid Group's commitment to decarbonisation, a carbon neutrality target was set as a part of the Elia Group level for 2030 for own operations (i.e. Scope 1 and Scope 2 emissions, excluding grid losses). To reach this target an avoid-reduce-offset approach is taken, while residual emissions will be offset.

Elia Group committed to an absolute GHG emissions reduction target for all Scope 1 and Scope 2 emissions, including grid losses, of 28% by 2030 (taking 2019 as the base year). The SBTi's Target validation team has determined that this target is in line with a 'well-below 2°C trajectory'.

Grid losses that occur along lines and cables are an inevitable and inherent part of electricity transmission and represent by far the biggest share of 50Hertz's Scope 1 and Scope 2 carbon footprint.

Their GHG emissions impact is essentially dependent on the generation sources of the electricity flowing through the grid (the so called 'power mix'). The power mix is beyond 50Hertz's area of responsibility as a TSO¹².

In the years ahead, planned grid development and the increasing share of volatile renewable energies will lead to higher absolute values for grid losses. Elia Group's assumption is that these will not be sufficiently offset by a decrease in the emission factor of the power mix to allow for more ambitious decarbonisation goals for Elia Group, such as a 1.5°C SBTi pathway.

However, Eurogrid Group's corporate carbon footprint is low in comparison to the emissions saved by commissioning e.g. a new offshore connection line or integrating additional renewable energies by increasing our transformer capacity. As the electricity generation structure evolves with increasing RES integration in the grid, the electricity emission factor will continue to decrease while absolute grid losses will remain more stable, thereby significantly reducing the carbon footprint of grid losses in the medium to long term (see Reduction of grid losses-related GHG emissions in [E1-3 - Actions and resources in relation to climate change policies](#)).

In addition, Eurogrid Group aims to be fully carbon-neutral in system operations by 2040. In the future, Eurogrid Group will capitalise on the improvements that its suppliers - from the upstream value chain - apply to their CO₂ accounting methods. This will enable the setting of Scope 3-related targets (see Supply chain Decarbonisation in [E1-3 - Actions and resources in relation to climate change policies](#)).

Transition plan

Through the Elia Group ActNow sustainability programme, Eurogrid Group is working to achieve these targets via its five-year business roadmaps and plans, that are revised regularly. These targets are set at Elia Group level and the way in which the targets are achieved is adjusted at the level of the national entities, including 50Hertz.

As outlined in section 1.3. Strategy [SBM1 - Market position, strategy, business model and value chains](#), Climate Action is both the first and most consequential dimension of the programme. The table below outlines the objectives included in this dimension and the decarbonisation drivers that were identified. Please see [E1-3 - Actions and resources in relation to climate change policies](#) for more details regarding the associated actions.

¹¹ Renewable energy sources (RES): energy which is generated from natural processes or sources that are continuously replenished, such as wind energy, solar energy or hydropower. Some of these sources - such as wind and solar energy - are intermittent.

¹² In Europe, under the Third Energy Package, energy networks are subject to unbundling requirements which oblige Member States to ensure the separation of vertically integrated energy companies, resulting in the separation of the various stages of energy supply (generation, transmission, distribution, and retail). Consequently, both TSOs' scope of activities include only transmission of electricity, and not generation, which means it cannot influence the energy mix.

Objectives of the ActNow Programme - Dimension 1 Climate action

Challenge	SOCIETAL CHALLENGE Decarbonisation of the power sector	CORPORATE CHALLENGE Decarbonisation of own activities			
ActNow Programme Objective	Objective 1 Enabling the decarbonisation of the power sector	Objective 2 Reach carbon neutrality in system operations by 2040	Objective 3 Reach carbon neutrality in own activities by 2030	Objective 4 Transition to a carbon-neutral value chain for new assets and construction work	Objective 5 Increase climate resilience
Environmental objective	Climate change mitigation				Climate change adaptation
Material IRO	Energy transition Transition to a low-carbon economy	GHG emissions (scope 2)	GHG emissions (scope 1 & scope 2)	GHG emissions (scope 3)	Climate change and physical adaptation
Actions	<ul style="list-style-type: none"> – Fulfil national grid development plans for RES connection as time-effectively as possible – Market development and system operations: contribute to and, where possible, lead the evolution of electricity market mechanisms to overcome RES integration challenges – Electrification and sector coupling: support industry to electrify, get involved in hydrogen and sector coupling, and develop flexibilities 	Reduction of grid losses-related GHG emissions	<ul style="list-style-type: none"> – SF₆ leakages reduction (management and monitoring) and limit increase in installed volume – Energy efficiency improvement of substations – Low-carbon mobility switch 	<ul style="list-style-type: none"> – Creating a fit-for-our-business CO₂ accounting platform for our suppliers – Increasing the application of an Internal Carbon Price (ICP) – Green works 	<ul style="list-style-type: none"> – New assets are already constructed to withstand projected climate conditions in high-emissions scenarios – Proof of Concept with Danish TSO to test the adaptation measures
Targets	<ul style="list-style-type: none"> – Federal development plans 2024-2034 	SBTi alignment <2°C (-28% by 2030)	<ul style="list-style-type: none"> – SF₆ leakage rate (< 0.25% in 2030) – Solar panels and control heating/cooling installation (Scope 2) – Reduction of fleet-related GHG emissions (Scope 1) (-90% in 2030) 	Scope 3 reduction target to be defined	

Locked-in GHG emissions

Grid losses: Please refer to the above text where the unavoidable nature of grid losses and the dependency of grid losses-related emissions on the power mix is explained.

SF₆¹³: Due to the long lifetime (55 years) of 50Hertz's equipment, there will still be equipment using SF₆ gas by 2030 and 2040, albeit a lower number of pieces of equipment. It is worth noting what generates emissions are leakages. Hence the SF₆ phase-out strategy focuses on leakage management, thereby minimising and mitigating the impact (see below 'Low-carbon technologies for SF₆' in [E1-3 - Actions and resources in relation to climate change policies](#)).

Substations: Substations, as elements making it possible to operate the grid, consume electricity. Solar panels are being installed and new building standards are being adopted (see below 'Sustainable substations' in [E1-3 - Actions and resources in relation to climate change policies](#)) as mitigation measures to decrease the related emissions. Eventually, as for grid losses, the reduction in associated emissions will align with the decarbonisation of local power mixes.

Financial resources

According to the EU Taxonomy reporting methodology, Eurogrid Group's economic activities have been identified as eligible and are aligned at a very high level with the technical screening criteria (TSC). This high alignment underlines Eurogrid Group's ongoing contribution to the energy transition. No major deviations are foreseen in the future. Please refer to [2.1 Disclosures pursuant to Article 8 of Regulation 2020/852 \(Taxonomy Regulation\)](#), where the EU Taxonomy Regulation alignment of the eligible activities of Eurogrid Group is disclosed. In support of its core mission central to the energy transition, Eurogrid Group will deploy a CAPEX plan of €19.3 billion for the period 2025-2028.

There were no significant CAPEX amounts (<1%) invested during the reporting period relating to coal, oil and gas-related economic activities.

Embedding the transition plan in the overall strategy and financial planning

Eurogrid Group companies does not fall under the exclusion for EU Paris-aligned benchmarks¹⁴.

Since the core business is inherently linked to driving the energy transition, sustainability and climate-related responsibilities lie with the executive bodies: they drive the implementation of the strategy and oversee Eurogrid Group's progress.

Moreover, specific arrangements have been put in place, including ones which relate to the Board of Directors of Elia Group, to ensure that the ActNow sustainability programme - which includes climate change aspects in its Dimension 1 - is embedded across the different organisations. Please refer to [GOV-1 - The role of the administrative, management and supervisory bodies for further information](#) and [GOV-2 - Information provided to and](#)

[sustainability matters addressed by the administrative, management and supervisory bodies](#) and [GOV-3 - Integration of sustainability-related performance in incentives schemes](#).

Elia Group first presented its climate transition plan alongside the whole ActNow programme on its Capital Market Day in April 2021.

Since then, feedback has been collected during annual general meetings (AGMs), in annual online events held by Executive Management of Elia Group as well as Eurogrid Group for the investors community, and in numerous other external and internal forums. Both groups have established processes and controls that ensure regular monitoring, measuring, validating and reporting. In addition, during the Capital Market Day events, Elia Group's Executive Management presents the sustainability strategies to shareholders.

The progress made in implementing the transition plan is overseen by Elia Group's Sustainability Office and the local Sustainability Board at 50Hertz and is tracked through KPIs.

Please see [E1-4 - Targets related to climate change mitigation and adaption](#) for information on the progress.

ESRS2 SBM3 E1 - Material impacts, risks and opportunities and their interaction with strategy and business model

The climate change-related material impacts, risks and opportunities identified in [1.3. Strategy](#) - 'Energy transition', 'GHG emissions' and 'Transition to a low-carbon economy' - are all considered as climate-related transition risks. Only the climate change-related material impact 'Climate change and physical adaptation' is considered as a climate-related physical risk.

The scope of the analysis regarding the resilience of the strategy and business model in relation to climate-related physical risks includes the TSO activities of 50Hertz.

The analysis, referred to as the vulnerability assessment, has been performed in 2022 - and updated thereafter - as described in IRO-1 - ESRS E1. The physical climate-related risks to which 50Hertz is subject fall into two categories: chronic and acute. This assessment highlighted the possible harmful effect of heatwaves, cold waves/winter incidents, storms, flooding, droughts and wildfires.

Regarding the climate-related opportunity 'Energy transition' identified in [1.3. Strategy](#), it has been assessed in the grid development plans, published at regular intervals as described in [IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities](#). The outcome of the exercise is the development plan containing a detailed estimate of transmission capacity requirements, indicating the underlying assumptions, and sets out the investment programme that the system operator pledges to implement to meet those requirements.

¹³ Chemical formula of 'sulphur hexafluoride'. SF₆ is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is non-toxic and is chemically stable. However, the global warming potential of SF₆ is 24,300 times higher than CO₂.

¹⁴ In accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) 53 and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

E1-2 - Policies related to climate change mitigation and adaptation

For matters related to climate change, Elia Group has developed the following policies¹⁵ on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied:

Policy	Correspondence with impacts, risks and opportunities	Key content and objectives	Monitoring process	Scope	Function accountable	Third-party standards or initiatives*
Purchasing Conditions	<ul style="list-style-type: none"> Indirect greenhouse gas emissions generated within Eurogrid Group's value chain (Scope 3) related to grid construction and maintenance activities. <p>Subtopic: GHG Emissions</p>	The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Eurogrid Group, ensuring compliance with ethical, social, and environmental standards.	Contractual agreement	Upstream value chain	Head of Procurement / Elia Group	n/a
Supplier Code of Conduct	<ul style="list-style-type: none"> Indirect greenhouse gas emissions generated within Eurogrid Group's value chain (Scope 3) related to grid construction and maintenance activities. <p>Subtopic: GHG Emissions</p>	This Code sets out guidelines and expectations for suppliers in the fields of ethical conduct, health and safety, environmental and social aspects.	Contractual agreement	Upstream and own operations	Chief Procurement Officer	n/a
Instructions on guaranteeing occupational safety when contracting with external companies for work	<ul style="list-style-type: none"> Indirect greenhouse gas emissions generated within Eurogrid Group's value chain (Scope 3) related to grid construction and maintenance activities. <p>Subtopic: GHG Emissions</p>	These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz	Contractual agreement	Upstream and own operations	Head of Corporate Governance	n/a
Asset management policy for substations	<ul style="list-style-type: none"> Greenhouse gas emissions arising directly from Eurogrid Group's own operations, i.e. cars, heating, SF₆ leakages and backup systems (Scope 1) <p>Subtopic: GHG Emissions</p>	Decision-making regarding asset maintenance and replacement	Health indicators, end-of-life indicators	Own operations	Chief Assets Officer	n/a

¹⁵ The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in the respective column information about:

- frameworks, laws and regulations that form the foundation of the respective policy and that guarantee that a recognised preference was used;
- certifications offered by an independent external entity.

For E1 Climate change policies, no third-party standard or initiatives are used.

Policies targeting our suppliers

Several policies target the suppliers - the upstream value chain - and these include climate change mitigation aspects:

- The Supplier Codes of Conduct list a set of sustainable principles 50Hertz require its suppliers to follow, including making a rational use of energy and reducing GHG emissions.
- The Purchasing Conditions for Electrical Equipment and Works: these documents describe the conditions that apply to suppliers for specific purchasing categories. In the ones for Electrical Equipment and Works, 50Hertz's expectations of its suppliers are expressed regarding the reduction of the environmental impacts of greenhouse gases emissions arising from their services.
- General Safety, Health and Environment Rules (GSHER) for Contractors Performing Assignments and the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz : these documents are aimed at suppliers who carry out work for 50Hertz or within the TSO's infrastructure. It requires them to make rational use of energy, reduce GHG emissions and reduce their use of energy.

These elements form an integral part of every contract that Eurogrid concludes with its suppliers.

All these documents are available on the [website](#).

See section [G1-1 - Corporate culture and business conduct policies](#) for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions and General Safety, Health and Environment Rules.

Asset management policy for substations

Regarding own operations, the asset management policy for substations includes energy consumption reduction aspects relating to emissions-reduction goals.

The document is available to all employees on the local server of 50Hertz.

The approach of Eurogrid Group to address the IROs resulting from the topics 'Energy transition', 'Transition to a low-carbon economy' and 'Climate change and physical adaptation' has not been formalised in a policy document. This is due to the fact that these topics are integrated into Eurogrid Group's core mission and strategy and translated into actions and implementation plan at entity level such as for 50Hertz.

E1-3 - Action and resources in relation to climate change policies

Please refer to section [E1-4 Targets related to climate change mitigation and adaptation](#) to read how these actions translate into targets.

Activities related to the core business

Action	Related policy objective or target	Scope	Time horizon
Grid development and RES integration	Core business activities	Downstream value chain	continuous action
Market development and system operations		Downstream value chain	continuous action
Electrification and sector coupling		Downstream value chain	continuous action

Eurogrid Group's core activities and the societal mission of 50Hertz are the decarbonisation of both the electricity sector and, subsequently, the power mix emission factor (downstream value chain). This can occur through actions such as:

— Grid development and RES integration

Eurogrid Group's core mission is to drive the energy transition by supporting the integration of Renewable Energy Sources (RES) into the electricity system in order to foster decarbonisation. Successfully achieving this will be the key to decarbonising industry.

— Market development and system operations

50Hertz is constantly working with other market players, political decision-makers and regulators on further developing electricity market design to facilitate the integration of variable RES into the grid and unlock consumer flexibility. The adoption of electric vehicles (EVs) and heat pumps is accelerating and opening the door to new ways for consumers to interact with the electricity system.

However, the large-scale participation of demand-side flexibility is slow. One key reason for this is that the current market design includes multiple barriers which prevent the active participation of small flexibility assets. 50Hertz's efforts address these barriers and will facilitate the efficient integration of more renewable energy into the system. This, in turn, will allow consumers to reap the benefits of their investments in flexible assets (such as heat pumps, EVs, solar PV and electrical boilers).

By upgrading the system operations technologies and processes, 50Hertz is paving the way for further strong increases in intermittent renewable energies in the system.

In order to manage the grid of the future, which integrates more renewables and decentralised units, Elia Group is developing, also for the Eurogrid Group, a Supervisory Control and Data Acquisition system - internally called Modular Control Center System (MCCS) - to deal with the growing amount of data and managing the increasing need for system and grid monitoring.

This cutting-edge technology, as a platform, is the answer to managing increased complexity and enables flexibility, adaptability and scalability over time. Modularisation is key for fast developments and differentiated solutions. Automated processes and algorithms will support the operators of the future in decision making.

The MCCS vision, architecture and product solutions are meant to be shared and co-developed with peers (e.g. other international TSOs) as part of a MCCS NextGen community.

– Electrification and sector coupling

A core element of European decarbonisation involves the electrification of industry and society at large. Leveraging the enabler role in the European power sector, 50Hertz is collaborating with industrial players such as Linde, ArcelorMittal and Total (who are active players in 50Hertz's grid region) to assess electrification potential and to identify the best possible ways to meet their growing electricity needs.

50Hertz is also proactively developing and promoting suitable locations for new data centres, industrial sites, hydrogen production facilities, etc. in order to speed up their deployment and ensure the system is ready to cope with those loads.

These efforts are underlined by the strategic initiative '100 per cent by 2032: Affordable energy for a strong economy', which was developed specifically for the 50Hertz grid area. See chapter '[Business Performance](#)' for more details.

Neither the achieved, nor the expected GHG emission reductions from these actions have been calculated yet.

Climate-related actions for own operations and value chain

Action	Related policy objective or target	Scope	Time horizon
Reduction of grid losses-related GHG emissions	Reduction of grid losses-related GHG emissions (scope 2)	Own activities	2040
Actions for phasing out SF ₆	SF ₆ leakage rate (scope 1)	Own activities	2030
Sustainable substations	Solar panel installation (Scope 2) Smart cooling/heating installation (Scope 2)	Own activities	2030
Low-carbon mobility	Reduction of fleet-related GHG emissions (scope 1)	Own activities	2030
Creating a fit-for-our-business CO ₂ accounting platform for our suppliers	Scope 3 target to be defined	Upstream value chain	continuous action
Increasing the application of an Internal Carbon Price (ICP)		Upstream value chain, Own activities	continuous action
Green works		Upstream value chain	continuous action

Own operations:

— Reduction of grid losses-related GHG emissions

Grid losses from lines and cables are an inevitable and inherent part of electricity transmission. They depend on factors such as the distance electricity has to be transmitted, its current and its voltage. Grid losses are a source of GHG emissions related to grid operation that depend on the CO₂ intensity of the national power mix. As higher amounts of renewable energy are integrated into the system, the amount of CO₂ associated with these losses will decrease over time.

However, at the same time, the absolute value of grid losses will increase as electrification accelerates and the related GHG emissions will consequently also increase. Indirect GHG emissions (Scope 2) are highly material for electricity transmission activities. But setting strict reduction pathways conflicts with the TSO societal role of decarbonising society via electrification and are strongly dependent on national power mix policies. 50Hertz's focus therefore remains on integrating large amounts of RES into the system.

For the achieved and expected GHG emission reductions, please refer to [EI-4 Targets related to climate change mitigation and adaptation](#).

— Low-carbon technologies for SF₆

Eurogrid Group's TSO has designed and approved a new asset policy that favours alternatives to SF₆. While 50Hertz will continue to grow the asset base in the coming years and SF₆-free options are still rare (and partly still unavailable for some asset types), it nevertheless aim to equip 50% of its asset build-up until 2030 with SF₆-free solutions. 50Hertz is actively involved in research programs to integrate SF₆ alternatives into the electrical grid, 50Hertz has joined a consortium investigating SF₆-free solutions for circuit breakers. Resources are allocated to proof of concept projects to test these alternatives.

Due to ongoing discussions on a potential PFAS-ban at EU level, Eurogrid Group is facing higher than expected levels of uncertainty in this context, as one of the two main technology alternatives to SF₆ available on the market is based on PFAS. For as long as the uncertainty regarding PFAS prevails, Eurogrid Group has decided not to resort to this alternative, even though this increases the likelihood of not reaching its 50% target.

In the long term, 50Hertz will discontinue SF₆ usage entirely in new installations in accordance with the recently adopted EU F-gas regulation. At the same time, it will continue to focus on keeping SF₆ leakages as low as possible. The 50Hertz Transmission Germany installations are already equipped with a SF₆ monitoring system.

Neither the achieved, nor the expected GHG emission reductions from a SF₆ phase-out can be calculated for the reasons mentioned above and the fact that the GHG emissions are related to leakages, which are unexpected by definition. Nevertheless, 50Hertz strives to keep the SF₆ leakage rate below the threshold mentioned above (see also [EI-4 Targets related to climate change mitigation and adaptation](#)).

— Sustainable substations

With the goal of making 50Hertz's substations more sustainable and energy-efficient, it has developed new building standards, including those related to heating and cooling installations and smart temperature control.

In addition, 50Hertz is also renovating its existing substation buildings to further increase their efficiency.

An initiative to install solar panels is being rolled out across a number of 50Hertz's administrative buildings and substations, in addition to an existing photovoltaic system on the roof of the corporate headquarters in Berlin. Resources are allocated to a pilot project.

Neither the achieved, nor the expected GHG emission reductions from these actions have been calculated yet.

— Optimising grid efficiency through advanced temperature monitoring

At 50Hertz, there are ongoing activities focused on enhancing the efficiency of the power grid. These initiatives aim to monitor the temperature of specific grid components meticulously. By closely tracking these temperature variations, the activities endeavour to optimise and increase the energy flow through the grid whenever the thermal conditions are favourable. This innovative approach not only maximises the grid's capacity but also ensures the reliable and efficient transmission of energy, thereby supporting the overall stability and performance of the electrical network.

— Low-carbon mobility

Eurogrid Group is electrifying its fleet of company cars and technical vehicles.

In 2025, a bike leasing programme was rolled out across Eurogrid Group's entities. A budget is allocated to the replacement of the vehicles and the installation of charging stations on the technical sites.

For the achieved and expected GHG emission reductions related to the vehicle fleet, please refer to [EI-4 Targets related to climate change mitigation and adaptation](#).

Upstream value chain:

The scope addressed by the following actions is the upstream side of the value chain (impact on the Scope 3 footprint)

— Creating a fit-for-business CO₂ accounting platform for suppliers

Emissions related to new assets and construction work are categorised as Scope 3 emissions 'category 1 - Purchased Goods' and 'Services and category 2 - Capital Goods'. These are related to upstream value chain emissions categories that are more challenging to accurately calculate since the relevant information has to be gathered from suppliers.

Elia Group developed a CO₂ accounting platform for suppliers to increase its scope 3 data maturity that went live in late 2023. Green procurement is carried out in close collaboration with Elia Group's suppliers. In the future, Elia Group will closely track the improvements that its suppliers apply to their designs, production methods and project execution methods. Precise data will allow to concentrate on those actions which have the biggest potential impact and will enable to set Scope 3-related targets. The resources allocated to this action are related to the development of the software solution.

— Increasing the application of an Internal Carbon Price (ICP)

Please refer to [EI-8 Internal carbon pricing](#) for more information.

— Green works

50Hertz engaged with several of the suppliers who execute infrastructure works under its lead. The objective is, alongside the accounting platform, to quantify emissions related to the different types of standard works and identify impactful drivers in order to establish reduction measures.

Several projects covering the main types of infrastructure works (lines, cables, substations) for building grid assets were selected as pilot projects and data (civil works materials, waste, on-site fuel and electricity consumption, upstream and downstream transportation and commuting) were collected in order to gain an initial overview of the infrastructure works' carbon footprint, replacing the current spend-based approach.

The main drivers that are part of the footprint of each type work were identified and potential reduction emissions practices were listed in order to lead to the launch of a series of proof-of-concept projects to validate their relevance. This information will also be relevant to Elia Group in setting Scope 3-related targets. The collection of data regarding the capture of GHG emissions from its offshore projects is ongoing to enable to calculate the related GHG emissions using physical values instead of spend-based values.

The three actions described above are enablers to estimate more accurately the supply chain-related GHG emissions as an initial step prior to any concrete action targetting these emissions. Only once these have been identified and rolled-out will expected and achieved GHG emission reductions be disclosed.

Related resources

The methodology for retrieving the significant financial resources that Eurogrid Group mobilises through actions to contribute to climate change mitigation and climate change adaptation is in line with the Taxonomy reporting methodology. Please see section [2.1. Disclosures pursuant to article 8 of regulation 2020/852 \(Taxonomy regulation\)](#) for the aligned CAPEX, OPEX and Turnover.

E1-4 - Targets related to climate change mitigation and adaptation

Please refer to the Objectives of Elia Group's [ActNow programme Climate action](#) to understand the connection with the objectives.

50Hertz								
Target name	Value chain coverage	Related policy	Actuals 2024	Unit of measure	Baseline value	Base year	Target value 2030	Achieved performance
Reduction of grid losses-related GHG emissions (scope 2)	Own operations	Greening the energy mix through grid reinforcement and expansion	707,246.3	tCO2eq	806,820.0	2019	0.0	
			87.7	%	100.0	2019	0.0	
SF ₆ leakage rate (scope 1)	Own operations	Low-carbon technologies for SF ₆	0.09	%	0.11	2019	0.00	

The boundaries of the GHG emissions-reduction target are the same as the ones from [E1-6 - Gross scopes 1, 2, 3 and Total GHG emissions](#).

Reduction of grid losses-related GHG emissions: this target is included in an SBTi-validated target to which Elia Group committed: an absolute GHG emissions reduction of 28% for all Scope 1 and Scope 2 emissions by 2030. The target was set following the SBTi methodology that includes criteria aligned with climate science. The SBTi's validation team determined that this target is in line with a 'well-below 2°C trajectory'.

Reduction of fleet-related GHG emissions: this target relates to the 'Low-carbon mobility' action described above. Fleet electrification is one of the means used to achieve a 90% reduction of fleet-related emissions by 2030. The target was defined based on the pace of electrification achievable, taking into account the practical requirements of the technical employees.

Both emissions-reduction targets are monitored through the annual carbon accounting assessment and are reviewed by Elia Group's GSO and 50Hertz's local Sustainability Boards.

SF₆ leakage rate: this is the amount of SF₆ leaked during the year/the average amount of SF₆ gas stored in the compartments. The SF₆ leakage is calculated based on the weight

registration of SF₆ bottles and containers when transactions (e.g. refills) with SF₆ gas are done.

SF₆ leakage rate: the target threshold is defined based on the industry threshold. It is monitored and reviewed at management board level for 50Hertz. 50Hertz is also investigating alternatives to SF₆ equipment by taking part in proof of concept projects to test SF₆-free solutions.

Elia Group selected 2019 as the base year for the targets because it was when the ActNow programme was established and targets were calculated in 2020. Because 2020 and 2021 were atypical due to the irregularities caused by the COVID-19 outbreak, we decided to use the previous year as the base year .

There were no changes compared to last year in targets, corresponding metrics, underlying measurement methodologies, significant assumptions, limitations, sources or data collection processes within the defined time horizon.

E1-5 - Energy consumption and mix

50Hertz			
Energy consumption and mix		2024	2023
(1) Fuel consumption from coal and coal products (MWh)		Not applicable	Not applicable
(2) Fuel consumption from crude oil and petroleum products (MWh)		6,682.1	6134.7
(3) Fuel consumption from natural gas (MWh)		805.3	717.0
(4) Fuel consumption from other fossil sources (MWh)		Not applicable	Not applicable
(5a) Consumption of purchased or acquired electricity from fossil sources (MWh)	Measured	20,403.2	21,839.0
	Estimated	0.0	0.0
(5b) Consumption of purchased or acquired heat/steam/cooling from fossil sources (MWh)	Measured	1393.0	1244.0
	Estimated	—	—
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)		29,283.6	29,934.7
Share of fossil sources in total energy consumption		0.4	0.4
(7) Consumption from nuclear sources (MWh)	Measured	2,684.6	2,515.8
	Estimated	—	—
Share of consumption from nuclear sources in total energy consumption		0.0	0.0
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)		—	—
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	Measured	36,564.4	34,946.2
	Estimated	—	—
(10) The consumption of self-generated non-fuel renewable energy (MWh)		Not applicable	Not applicable
(11) Total renewable and low carbon energy consumption (MWh) (calculated as the sum of lines 8 to 10)		36,564.4	34,946.2
Share of renewable and low carbon sources in total energy consumption		0.5	0.5
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		68,532.7	67,396.7

Comments:

Petrol (gasoline) and diesel consumption were converted to MWh using conversion factors from the IEA Statistics Manual.

Energy intensity based on net revenue

Eurogrid Group	
Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€ million)	30.2

Eurogrid Group	
Net revenue	2024
Net revenue from activities in high climate impact sectors (€ million)	2,270.8
Net revenue (other) (€ million)	0.0
Total net revenue (financial statements) (€ million)	2,270.8

The activity of 50Hertz is transmission of electricity, hence it is considered as belonging to a high climate impact sector. The revenue used in the calculation is based on the accounting policies mentioned in section 3.4.1 'Income' (IFRS 15 Revenues) of the Financial Report and the consolidated results reported in 4 'Segment Reporting'.

Sector-specific energy-related metrics

50Hertz		
Absolute values of grid losses	2024	2023
Total grid losses (GWh)	2,438.78	2,548.35

E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

Scopes 1, 2, 3 GHG emissions

Scopes 1, 2, 3 GHG emissions are quantified using the Greenhouse Gas Protocol methodology. For Scope 1 and Scope 2, activity data are collected and converted into CO₂ equivalents using relevant emission factors. For Scope 3, quantification involves collecting relevant data from various sources and applying appropriate emission factors to estimate the total CO₂ equivalent emissions.

Scope 1 GHG emissions

Definitions and calculation method:

SF₆: Chemical formula of 'sulphur hexafluoride' is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is non-toxic

and is chemically stable. However, its global warming potential is 24,300 times higher than CO₂, making SF₆ leakages a significant source of GHG emissions.

SF₆ leakage is calculated based on the weight registration of SF₆ cylinders and containers when transactions (e.g. refills) with SF₆ gas are done.

Emission factors:

- For SF₆: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2020 (AR6)
- For petrol (gasoline), diesel: the GHG emissions are provided by the fleet service provider. For natural gas: German Federal Office for Economic Affairs and Export Control (BAFA)

Scope 2 GHG emissions

Definitions and calculation method:

The location-based Scope 2 emissions for all years are calculated using the emission factors based on Germany's annual energy mix published on the eCO₂grid portal (<https://eco2grid.50hertz.com/>).

The market-based Scope 2 emissions for 2019 and 2023 are calculated using the emission factors of the European Residual Mixes for Germany published by AIB. As the current emission factors for 2024 have not yet been published by AIB, the Eurogrid Group has decided not to disclose its market-based Scope 2 emissions in this report. The Eurogrid Group will report its market-based Scope 2 emissions for 2024 and 2025 in its sustainability statement for the financial year 2025.

Eurogrid Group's Scope 2 emissions are primarily due to 50Hertz's grid losses and the lack of accurate emission factors in this calculation may lead to misinterpretations and judgements.

The reader is nevertheless provided with relevant information this year (through the disclosure of the Eurogrid Group's location-based Scope 2 emission figures and the information contained in this paragraph). Eurogrid Group will publish a market-based emissions figure in its Sustainability Statement for the 2025 financial year using the latest available data from AIB's emission factors and will specify the year for the relevant emission factors.

The Eurogrid Group does not use bundled or unbundled instruments for the purchase and sale of energy.

Scope 3 GHG emissions

Definitions and calculation method:

Scope 3 values are calculated using two methods: the spend-based approach with external, category-specific emission factors when no supplier data is available, and the use of physical values based on information provided by our suppliers.

Reporting year 2024 will be the base year for Scope 3 values.

The current percentage of GHG Scope 3 calculated using primary data is <1%.

Two categories of Scope 3 emissions are considered significant for our activities: Purchased Goods and Services and Capital Goods. The motivation for the non-disclosed Scope 3 categories is detailed in the table below. The tables showing the Scope 3 values were thus amended in accordance based on the significant categories.

Non-disclosed Scope 3 categories	Motivation
[Optional sub-category: Cloud computing and data centre services]	Not applicable
Fuel and energy-related activities (FERA)	Emissions from own consumption in buildings and substations are a small part of Eurogrid Group's business, and therefore Scope 3 FERA emissions from own consumption are immaterial. Emissions from transmission losses are part of 50Hertz core business and are included in Scope 2
Upstream leased assets	No upstream leased assets could be identified.
Waste generated in operations	This is not a significant Scope 3 GHG emissions category for Eurogrid Group's activities.
Processing of sold products	Eurogrid Group's business does not include the sale of products. Electricity transported is used directly with no further processing.
Use of sold products	Eurogrid Group's business does not include the sale of products.
End-of-life treatment of sold products	Eurogrid Group's business does not include the sale of products.
Downstream leased assets	There are no downstream leased assets within Eurogrid Group's financial control boundary for which it could identify emissions.
Franchises	There are no franchises within Eurogrid Group's financial control boundary for which we could identify emissions.
Upstream transportation and distribution	There are no significant upstream transportation and distribution activities. Emissions related to the transport of consumed electricity are reported in Scope 2.
Business travel	This is not a significant Scope 3 GHG emission category for Eurogrid Group's activities.
Downstream transportation and distribution	No downstream transportation and distribution activities could be identified. Eurogrid Group's does not sell any physical product that is not distributed through the energy networks.
Employee commuting	This is not a significant Scope 3 GHG emissions category for Eurogrid Group's activities.
Financial investments	Investment in the sense of the provision of capital or financing is not included in Eurogrid Group's business.

GHG emissions 50Hertz					Retrospective	Milestones and target years					
					2019	2023	2024	% 2024/2023	2030	Annual % target / Base year	
Scope 1 GHG emissions											
Gross Scope 1 GHG emissions (tCO ₂ eq)	total Gross Scope 1 GHG emissions (tCO ₂ eq)				5,925.0	5,231.3	6,601.2	126.2 %	No target	Not applicable	
	SF ₆ leakages				4,257.00	3,304.80	4,482.38	135.63 %	No target	Not applicable	
	fleet (diesel)				1,521.0	1,782.5	1,957.0	109.8 %	152.1	10.0 %	
	fleet (gasoline)				—	—	—	— %			
	heating (natural gas)				147.0	144.0	161.9	112.4 %	No target	Not applicable	
	heating (diesel)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	backup systems (diesel)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	airco leakages (R407C)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	airco leakages (R134A)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	airco leakages (R410A)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	airco leakages (R32)				Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Percentage of Scope 1 GHG emissions from regulated emission trading					Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Scope 2 GHG emissions											
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	total Gross location-based Scope 2 GHG emissions (tCO ₂ eq)				828,034.0	825,854.4	724,561.9	87.7 %	No target	Not applicable	
	grid losses				806,820.0	807,058.3	707,246.3	87.63 %	Target at Elia Group-level	Not applicable	
	electricity consumption				measured	20,950.0	18,780.5	17,299.2	92.1 %	No target	Not applicable
					estimated	Not applicable	Not applicable	Not applicable	Not applicable	No target	Not applicable
	heating					264.0	15.6	16.5	105.6 %	No target	Not applicable
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	total Gross market-based Scope 2 GHG emissions (tCO ₂ eq)				1,413,200.0	1,878,145.8	Not available	Not applicable	No target	Not applicable	
	grid losses					1,377,176.0	1,834,559.4	Not available	Not applicable	No target	Not applicable
	electricity consumption				measured	35,760.0	42,690.8	Not available	Not applicable	No target	Not applicable
					estimated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	heating					264.0	895.6	Not available	Not applicable	No target	Not applicable

Restatements: The SF₆ leakages GHG emissions have been recalculated due to the update of the SF₆ emission factor from IPCC AR 5 to AR6.

50Hertz		Milestones and target years		
GHG emissions		2024	2030	Annual % target / Base year
Significant Scope 3 GHG emissions		Not available	No target	Not applicable
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)				
Purchased goods and services	spend-based	575,972.3	Target to be defined	Not applicable
	physical value	246,472.0	Target to be defined	Not applicable
Capital goods	spend-based	77.3	Target to be defined	Not applicable
	physical value	287,412.2	Target to be defined	Not applicable

50Hertz					
Total GHG emissions (Scope 1 , Scope 2 , Scope 3)	2023	2024	2024/2023 %	2030	Annual % target / Base year
Total GHG emissions (location-based) (tCO ₂ eq)	Not available	1,307,135.4	Not applicable	Not applicable	Not applicable
Total GHG emissions (market-based) (tCO ₂ eq)	Not available	Not available	Not applicable	Not applicable	Not applicable

GHG Intensity based on net revenue

50Hertz		2024
GHG intensity per net revenue		
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/€ million)		575.6
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/€ million)		Not available

50Hertz	
Net revenue	2024
Net revenue used to calculate GHG intensity (€ million)	2,270.8
Net revenue (other) (€ million)	0.0
Total net revenue (Financial statements) (€ million)	2,270.8

EI-7 - GHG removals and GHG mitigation projects financed through carbon credits

Eurogrid Group does not have GHG removal (and subsequently no reversal) and storage resulting from projects developed in own operations or contributed to in upstream and downstream value chain.

Eurogrid Group purchases project-based carbon credits (verified to Gold Standard) from the voluntary market. In 2021 it began purchasing a number of carbon credits equivalent to the previous year's GHG emissions related to SF₆ leakages and business flights.

The carbon credits are used to financially support a climate change mitigation project, i.e. Solar Systems Supply of Senegalese households.

50Hertz	2024	2023
Total (tCO ₂ eq) removed through GHG removals and GHG mitigation projects financed through carbon credits	3,648.0	5,130.5
Share from removal projects (%)	0.0 %	0.0 %
Share from reduction projects (%)	100.0 %	100.0 %
Recognised quality standard Gold Standard (%)	100.0 %	100.0 %
Share from projects within the EU (%)	0.0 %	0.0 %
Share of carbon credits that qualify as corresponding adjustments (%)	0.0 %	0.0 %

Eurogrid Group is currently rethinking its GHG emissions compensation approach (for residual emissions) and therefore cannot currently disclose any future carbon credits planned to be cancelled outside the undertaking's value chain.

EI-8 - Internal carbon pricing

Elia Group uses internal carbon pricing (ICP) to drive important internal business decisions:

- Investment decisions: cost-benefit analyses for internal policies and standards that show the CO₂ impact of the alternatives taken into consideration.
- Supply chain decisions: in tenders in order to impact the Total Cost of Ownership (TCO) and thus the ranking of suppliers.

Elia Group uses shadow pricing aligned with the price of allowances under the EU Emissions Trading Scheme, and the social cost of carbon. Scope 1, 2 and 3 are covered. The scope of application is the activities of Eurogrid Group. Elia Group opted to use a 'flat' pricing model that uses a constant (after actualisation of future costs) price. The price used is €200/tCO₂eq.

For supply chain decisions, the ICP is used for tenders for electrical equipment and large infrastructure project tenders (except for one project in partnership with a Danish company where €300/tCO₂eq was used).

Elia Group currently has two models for Internal Carbon Pricing (ICP):

- Status quo-model (simple) for high-voltage electrical equipment: CO₂ footprint is priced in awarding criteria as surplus and supplier must provide a certified footprint estimation.
- Anticipation model (advanced) for large infrastructure projects: contract with supplier which prices the CO₂ footprint during tendering and provides real figures after project execution, which results in a financial bonus or malus.

However, since the carbon pricing is applied during the tendering phases and the process has been implemented for only two years, the goods and services have not yet been delivered. The current year approximate gross Scope 1, 2 and 3 GHG emission volumes covered by these schemes can therefore not yet be disclosed. The same applies for the share of the undertaking's overall GHG emissions for each respective scope.

No internal carbon pricing scheme is used in the financial statements.

2.3. ESRS E4 Biodiversity and ecosystems

Eurogrid Group contributes on a continuous basis towards the realisation of the energy transition by expanding and strengthening 50Hertz’ high-voltage grid. These activities may have a major impact on the natural environment. After all, many of 50Hertz’ assets, high-voltage transmission lines and high-voltage substations are located in natural areas, which means Eurogrid Group has an impact on biodiversity, ecosystems and the landscape. Under the ActNow programme, protecting and preserving biodiversity are part of the Eurogrid Group’s environmental priorities.

E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model ¹⁶

50Hertz’s operations may have an impact on biodiversity and ecosystems through the construction of the grid and operation of its overhead lines, cables and substations. The very presence of these infrastructure may also have a material impact on biodiversity and ecosystems. The underlying demand for land use depends on the energy transition and is determined by state actors.

These impacts are summed up in the table below (further details regarding how these impacts are identified can be found in [IRO-1 - ESRS E4](#).

Impact driver on biodiversity loss	Associated site type	Value chain
Climate change	– Onshore and offshore substations – Overhead lines and cables	Upstream and Own activities
Land-use change, fresh water-use change and sea-use change	– Onshore and offshore substations	Own activities
Soil sealing	– Onshore substations	Own activities
Impact on the state of species	– Onshore and offshore substations – Overhead lines	Own activities

More detail on biodiversity and ecosystem impacts can be found in [ESRS2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model](#).

Two dependencies have been identified, analysed and associated to the relevant types of sites at activity level for 50Hertz: flood and storm protection, relevant for onshore and offshore substations, while mass stabilisation and erosion control relate to overhead lines and cables as well as substations.

During the construction and operation of transmission infrastructure, biodiversity and ecosystems may be negatively impacted, which can lead to habitat disturbance and a potential threat to species. Specific impacts at site level are identified by environmental impact assessments carried out for each site. 50Hertz manages numerous sites in the north and east of Germany, so a breakdown per type of sites was the preferred approach for the realisation of the impacts and dependencies assessment described here above.

ESRS2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model

50Hertz has conducted a comprehensive mapping of all the sites under its operational control, including transmission lines and substations, along with associated land occupation data.

This includes sites situated in or near areas sensitive to biodiversity and lines crossing or adjacent to protected areas, or substations located within or near biodiversity-sensitive zones, whether onshore or offshore.

Due to the nature of its operations, it can be stated that 50Hertz’s activities affecting biodiversity sensitive areas are similar to the ones mentioned in section [E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model](#). The only biodiversity loss impact driver that is not relevant when specifically considering biodiversity-sensitive zones is climate change, due to the global nature of this impact.

Due to the high number of sites under 50Hertz’s operational control in the north and east of Germany, a breakdown of impacts and dependencies per type of sites - rather than per site - has been preferred for this reporting. These impacts and dependencies do not differ whether or not they relate to sites that are or not within (or near) biodiversity-sensitive areas, and are therefore considered identical to the ones identified in the previous section.

Similarly, due to the extensive presence of 50Hertz’s infrastructure across northern and eastern Germany, it has preferred not to add the exhaustive list of biodiversity-sensitive areas impacted by its activities, in this reporting. Readers can nevertheless refer to [E4-5 Impact metrics related to biodiversity and ecosystems](#) for further details regarding sites located near or within biodiversity-sensitive areas.

50Hertz acknowledges that its activities can contribute to land degradation and soil sealing, particularly during the construction of new infrastructure and substations. With regard to land degradation, activities such as soil compaction and vegetation removal can lead to erosion or reduced soil quality. Mitigation measures include replanting and habitat restoration. On the other hand, soil sealing can be caused by infrastructure development

¹⁶It should be noted that the information disclosed in this section is related to the consideration of biodiversity and ecosystems in strategy and business model. Information related to the biodiversity transition plan is a voluntary disclosure requirement in the ESRS. Nevertheless, the reporting team preferred to keep the complete title of the disclosure requirement.

involving the use of impermeable materials, such as concrete for substations, which can affect local hydrology. Efforts are made to limit soil sealing by incorporating permeable surfaces and green infrastructure where feasible. Finally, desertification has not been identified as a material risk for our operations, based on geographic and climatic factors. 50Hertz conducts environmental impact assessments for infrastructure projects, which include the identification of potential interactions with threatened species and their habitats. When these assessments identify affected species, targeted measures are

implemented to mitigate or avoid impacts. These measures may include the following: adjusting project timelines to avoid sensitive breeding seasons and restoring habitats post-construction to pre-impact conditions. In addition, 50Hertz collaborates with environmental experts, local conservation authorities and NGOs to ensure compliance with biodiversity regulations and alignment with conservation priorities.

E4-2 - Policies related to biodiversity and ecosystems

For matters related to biodiversity and ecosystems, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied (for all matters primarily concerning climate change-related impact, see section [E1-2 Policies related to climate change mitigation and adaptation](#).)¹⁷:

Policy	Correspondence with impacts, risks and opportunities	Key content and objectives	Monitoring process	Scope	Function accountable	Third-party standard or initiative
Purchasing Conditions	Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. Subtopic: Land-use change, fresh water-use change and sea-use change	The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social and environmental standards.	Contractual agreement	Upstream value chain	Head of Procurement / Elia Group	not applicable
Supplier Code of Conduct	Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. Subtopic: Land-use change, fresh water-use change and sea-use change	The Code of Conduct sets out guidelines and expectations for suppliers in terms of ethical conduct, health and safety, as well as environmental and social considerations.	Contractual agreement	Upstream value chain	Head of Procurement / Elia Group	not applicable
General safety, health and environmental regulations for contractors	The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. Subtopic: Land-use change, fresh water-use change and sea-use change	These regulations describe safety, health and environmental rules, which apply to any outside company carrying out work	Continuous meetings, regular reports, supervised on the site by supervisors	Upstream value chain	Chief Human Resources Officer	not applicable

¹⁷ *The ESRs do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide, in the respective column, information about:
– frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognized preference was used;
– certifications offered by an independent external entity.
This list is not exhaustive.
For E1 Climate change policies, no third-party standard or initiatives are used.

Policy	Correspondence with impacts, risks and opportunities	Key content and objectives	Monitoring process	Scope	Function accountable	Third-party standard or initiative
Instructions on guaranteeing occupational safety when contracting with external companies	<p>The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</p> <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>	These instructions describe safety, health and environment rules, which apply to any outside company carrying out work	Contractual agreement, continuous meetings, regular reports, supervised on the site by supervisors	Upstream value chain	Head of Corporate Governance	not applicable
Policy for approval-compliant construction and maintenance measures - overhead lines Policy for planning, implementation and maintenance of compensation measures Manual for obtaining approvals	<p>The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</p> <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p> <p>Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.</p> <p>Subtopic: Impact on the state of species</p> <p>Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.</p> <p>Subtopic: Soil sealing</p>	Keep the environmental impact of business activities as low as possible and constantly reduce it	Internal/external audit to check if the policy is live and well known	Upstream value chain and own operations	(High-level management)	Legal requirements
Policy for the management of overhead lines	<p>The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</p> <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>	Consideration of ecological aspects during the maintenance of corridors	Internal monitoring per SAP	Own operations	Chief Assets Officer	
Marine Grid Declaration	<p>Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.</p> <p>Subtopic: Impact on the state of species</p> <p>Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</p> <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>	List of principles to which 50Hertz is committed regarding offshore projects. Avoid, minimise and where possible eliminate negative impacts on the marine environment resulting from offshore grid activities.	not applicable	Upstream value chain and own operations offshore	(High-level management)	Renewables Grid Initiative (RGI) is a collaboration of NGOs and Transmission System Operators (TSOs)
HSE Plan Offshore	<p>Biodiversity and ecosystems are impacted by the presence of grid infrastructure, e.g. birds due to overhead lines or marine life due to offshore cables and platform installations.</p> <p>Subtopic: Impact on the state of species</p> <p>The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</p> <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>	Overarching requirements for offshore projects	Project follow-up	Upstream value chain and own operations offshore	(High-level management)	not applicable

Policies targeting our suppliers

Elia Group and Eurogrid Group have multiple policies targeting their suppliers - their upstream value chain - that include biodiversity and ecosystems-related aspects:

- The Supplier Code of Conduct: This document lists a set of sustainable principles that Eurogrid Group requires their suppliers to follow. Among other things, it emphasises paying attention to and controlling the impact on biodiversity and natural habitats. More information on the Supplier Code of Conduct can be found in section [G1-2 Management of relationships with suppliers](#).
- The General Purchasing Conditions: This document describes Elia Group's expectations regarding its suppliers' environmental management, including biodiversity aspects.
- The Purchasing Conditions for Electrical Equipment and for Works: These documents outline the conditions for the suppliers in electrical equipment and works, including the requirement to reduce and monitor the biodiversity impacts of their services.
- The Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz: The document is directed at suppliers carrying out work for 50Hertz or on its infrastructure. It outlines the environmental protection rules 50Hertz requires them to follow. It initially mandates compliance with the environmental legislation applicable in the region where the work is performed, including specific aspects related to biodiversity and environmental incident reporting. For 50Hertz, suppliers are required to keep noise and dust emissions to a minimum.

These requirements are integral to every contract 50Hertz enters into with its suppliers and are available on its website. None of these policies support traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems throughout the value chain. None address production, sourcing or consumption from ecosystems that are managed in order to maintain or enhance conditions for biodiversity.

See section [G1-1 - Corporate culture and business conduct policies](#) for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions and General Safety, Health and Environment Rules.

Mandatory and site-specific policies

In the geographical areas where 50Hertz operates as TSO, an environmental impact assessment (EIA) is part of permitting requests and is conducted in the early stages of infrastructure projects. It also enables the systematic identification, prediction and analysis of potential impacts and threats on the physical environment and biodiversity during both the construction and operation phases. Mandatory and site-specific biodiversity-related actions focusing either on the construction phase or once the grid elements enter into operation are included in these permits and must be implemented.

For operational sites owned, leased and/or managed in or near protected area or biodiversity-sensitive area outside protected areas, compliance with all legal requirements for protected areas, which is very strict in 50Hertz's operating areas, is required under the following policies:

- The development of a project/worksite is carried out with particular attention paid to environmental protection, including taking protected areas into consideration. This is set out in the Manual for obtaining approvals.

Policies regarding sustainable land practices and impacts on species

Regarding own operations, policies including sustainable land practices are the following:

- The asset management policy for overhead line management includes how the ecological corridors have to be managed. The ecological corridors concept was developed in partnership with an ecological consultant and ecological consultants are involved during the implementation process (for further information, please see section [E4-3 Actions and resources related to biodiversity and ecosystems](#)). This approach addresses deforestation by offering an alternative way of managing vegetation in these corridor zones, where vegetation would otherwise be completely removed (as was historically done).

50Hertz also has specific policies to clarify how and where bird beacons should be placed.

All these documents are made available to all employees on the company intranet of 50Hertz.

Offshore policies

For 50Hertz's offshore activities, policies including sustainable sea practices are the following:

- 50Hertz has endorsed the Marine Grid declaration. This document is a voluntary policy that lists the key principles to be followed for offshore construction projects with the overall objective of respecting the marine environment. The document is available on the [Renewables Grid Initiative \(RGI\) website](#), which is a collaboration between TSOs and NGOs.
- In addition, 50Hertz's HSE Plan Offshore contains the overarching requirements for occupational health and safety and environmental protection for the implementation of offshore projects at 50Hertz and sets out minimum requirements. The specific rules and requirements for an offshore project –from the preparation phase to completion – are laid down in a binding manner.

As already mentioned, specific measures on biodiversity are prescribed in the permits for the individual infrastructure projects and their implementation is therefore a legal requirement that is monitored by the company.

For policies addressing the social consequences of biodiversity and ecosystems-related impacts on local communities, please see section [S3-1 - Policies related to affected communities](#).

Currently, Elia Group's approach to addressing the impact of direct exploitation: mining activities to extract metals and minerals for grid components has not been formalised in a policy document. This is due to the fact, that, as indicated in [SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model](#), the impact is material starting with the medium term.

E4-3 - Actions and resources related to biodiversity and ecosystems

For matters related to biodiversity and ecosystems, 50Hertz carries out the following actions:

Action	Related policy objective or target	Scope	Time-horizon
Climate change-related actions	See section E1-3 - Action and resources in relation to climate change policies		
Bird protection	See section E4-4 Targets related to biodiversity and ecosystems	Own activities	Continuous action
Ecological corridors	See section E4-4 Targets related to biodiversity and ecosystems	Own activities	Continuous action
Vegetation management in substations	Asset management policy for sites and buildings	Own activities	Continuous action
Compensation measures/ Actions required under the permit (including offshore)	Compliance with the permitting conditions	Upstream (construction sites) and own activities	Continuous action

Please note that none of the actions described below uses biodiversity offsets.

For more information on how these actions translate into specific targets, please see section [E4-4 Targets related to biodiversity and ecosystems](#).

Climate change-related actions

Please see section [E1-3 Action and resources in relation to climate change policies](#).

Bird protection

Overhead lines pose a collision risk for birds. In sensitive areas, 50Hertz equips its lines with bird markers to improve their visibility and reduce the likelihood of collisions. With the assistance of leading European and local environmental organisations, 50Hertz identified grid sections that present the greatest danger to birds. This resulted in a 'bird risk map' in which the identified sections are mapped out with a risk level intensity. This bird risk map is the basis for gradually fitting these sections with bird markers where it is technically possible. In addition, nesting boxes are being installed on the lower or upper parts of our pylons, depending on the species aimed to protect.

Ecological corridor management

50Hertz applies specific management practices under its overhead lines that run through forests.

To ensure the safe operation of the grid in these areas, vegetation must be kept clear of the lines. In the past, the traditional way of managing these corridors was mulching, i.e. cutting everything to the ground in a specific buffer zone. However, this practice leads to biodiversity loss and 50Hertz decided to shift to less intensive management practices. 50Hertz either minimise interventions to allow natural habitats to thrive under its lines or implement management measures that support biodiversity.

For 50Hertz, 'ecologically managed' means cutting only selected high growing trees or switching to open habitat vegetation management (with grazing or grass mowing). In both cases, the goal is to keep a stable low vegetation cover. Such management includes targeted thinning, single tree removal and mowing.

By 2030, 50Hertz's goal is to manage 90% of its forest corridors in a way that supports biodiversity.

Vegetation management in substations

50Hertz fosters green areas in and around its existing infrastructure to encourage biodiversity and reduce the negative impacts of its assets on the ecosystem. By the end of 2022, 50Hertz banned the use of all herbicides on its sites. Exceptions are only permitted due to occupational safety regulations and/or construction-related considerations.

Compensation measures/actions required under the permit (including offshore)

As mentioned in section [E4-2- Policies related to biodiversity and ecosystems](#), obtaining permits to construct infrastructure involves meeting a series of conditions that require the implementation of site-specific measures to avoid and mitigate impacts on biodiversity. To this end, carrying out these diverse measures is one of 50Hertz's primary biodiversity-related actions. These measures can include a variety of actions, such as the implementation of ecological features (e.g., ponds, branch piles), the installation of bird markers, or scheduling construction activities to avoid the nesting and migration seasons of specific species.

For 50Hertz's offshore projects, mitigation measures are principally implemented during the construction phase as it aim to reduce the impacts of such projects on marine life, e.g. measures aimed at limiting the impact of any noise created and acoustic deterrents to prevent marine life from coming close to its assets during their construction.

Related resources

In the course of 2024, Eurogrid Group initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

E4-4 - Targets related to biodiversity and ecosystems

Elia Group currently has one biodiversity-related target aligned with the implementation of the actions explained in section [E4-3 - Actions and resources related to biodiversity and ecosystems](#) which is valid for 50Hertz.

Target name	Biodiversity IRO	Value chain scope	Geographical scope	Mitigation hierarchy layer allocation
Ecological corridors implemented in forests	Land-use change	Own operations	Respective grid areas	Restore

The targets are not informed by or aligned with any biodiversity and/or ecosystem-related national policies and legislation (e.g. EU Biodiversity Strategy for 2030).

No ecological threshold was applied when setting the targets and no biodiversity offset were used to set the targets.

Definition and calculation method

Ecological corridors implemented in forests (based on maintenance): the suppliers in charge of maintaining the vegetation in the corridors under the lines in forests are applying an ecology-driven management approach (see further details in [E4-3 - Actions and resources related to biodiversity and ecosystems](#)).

The indicator is calculated by dividing the total lines through forests for which ecological maintenance was conducted by the total lines scheduled for maintenance in the year.

The scope of the yearly target changes every year in function of the area scheduled for maintenance while the minimum target for ecologically maintaining it remains 90%. In 2024, this target was exceeded.

50Hertz	2024	Yearly target
Ecological corridors implemented in forests (based on maintenance) (%)	97,8%	90.0 %

E4-5 - Impact metrics related to biodiversity and ecosystems change

The sites 50Hertz operates are distributed across its grid area in the north and east of Germany and includes both substations and transmission lines.

Definition and calculation method

To identify sites located in or near biodiversity-sensitive areas, 50Hertz uses a Geographic Information System (GIS) analysis to overlay our grid map with layers representing various types of protected areas.

The protected areas taken into account are the following:

For 50Hertz :

- International: Biosphere Reserves, Natura 2000 (FFH areas, SPA areas), Ramsar areas
 - Germany: Landscape conservation areas, National parks, Nature parks, Nature protection areas, Water protection areas

The 'near protected area' has been defined by taking a buffer of 30m around the overhead lines (the average safety distance) and 500m around the substations. The information for the lines and cables "in biodiversity-sensitive areas" is not disaggregated from the information regarding lines and cables "near biodiversity-sensitive areas", the values "in biodiversity-sensitive areas" are then counted twice as they are also included in the column "near biodiversity-sensitive areas".

The results are presented in the table below.

50Hertz		
Sites located in or near biodiversity-sensitive areas	In	Near
Substations		
Number of sites (#)	9	20
Area of sites (ha)	86.2	267.6
Overhead lines (length in km)		
Landscape conservation areas	1,202.2	1,206.1
Nature protection areas	111.2	111.5
National parks	1.3	1.3
Nature parks	684.1	686.2
Biosphere reserves	180.9	181.2
FFH-areas	212.5	211.0
SPA-areas	554.4	555.5
Ramsar-areas	0.4	0.4
Onshore cables (length in km)		
Landscape conservation areas	11.3	11.6
Nature protection areas	7.3	7.5
Nature parks	7.3	7.3
Biosphere reserves	0.4	0.5
FFH-areas	5.4	5.4
SPA-areas	9.1	9.1
Offshore cables (length in km)		
Landscape conservation areas	88.5	88.5
Nature protection areas	3.6	3.7
Nature parks	1.7	1.7
FFH-areas	140.6	140.6
SPA-areas	204.2	204.1

Please note that the implementation of ecological corridors in forests is currently a realisation-bound target (see [E4-4 - Targets related to biodiversity and ecosystems](#)), enabling effective monitoring of its on-site implementation. The effects (i.e. impacts) are, in any case, only observable in the medium to long term. Since their implementation in 2012, 50Hertz has monitored the changes at site level by carrying out bio-monitoring studies.

50Hertz is currently developing an indicator that can accurately assess the impact of its ecological management efforts at national level. This indicator, developed in conjunction with ecological experts, will enable 50Hertz to evaluate the biodiversity value of the habitats in the forest corridors at different stages (for example before and after switching to ecological practices). Once validated and once the baseline is known, the goal is to use this indicator as information on the quality of biodiversity in forest corridors.

2.4. ESRS E5 Resource Use and Circular Economy

The principles of circularity are embedded in the business practices of Eurogrid Group. While climate change and biodiversity remain Eurogrid Group's main strategic focus in terms of environmental action, circularity practices are applied especially in support of these, mainly for climate actions, nature preservation and supply chain resilience. Setting an accurate level of ambition was ongoing at the time this report was prepared and it involved management and environmental experts.

E5-1 - Policies related to resource use and circular economy

For matters related to resource use and circular economy, Elia Group has developed the following policies¹⁸ on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied:

Policy	Correspondence with impacts, risks and opportunities	Key content and objectives	Monitoring process	Scope	Function accountable	Third-party standards or initiatives
Purchasing Conditions for Electrical Equipment and Works	Eurogrid Group's construction and maintenance activities generate waste. Subtopic: Waste	The Purchasing Conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards.	Contractual agreement post-contract scoring	Upstream value chain	Chief Procurement Officer / Elia Group	Applicable laws regarding waste
Supplier Code of Conduct of 50Hertz	Eurogrid Group's construction and maintenance activities generate waste. Recycling materials lowers decommissioning costs. Subtopic: Waste	This Code sets out guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects.	Contractual agreement, site visits	Upstream and own operations	Chief Procurement Officer / Elia Group	Applicable laws regarding waste
Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz	Eurogrid Group's construction and maintenance activities generate waste. Recycling materials lowers decommissioning costs. Subtopic: Waste	This describes the safety and health rules applicable to any outside company carrying out work for 50Hertz	Contractual agreement, site visits	Upstream and own operations	Head of Corporate Governance	Applicable laws regarding waste
Waste Management Policy	Eurogrid Group's construction and maintenance activities generate waste. Subtopic: Waste	Appropriate waste management	Environmental management system	Upstream value chain and own operations	Head of Corporate Governance	Applicable laws regarding waste ISO14001 Environmental Management Standard

¹⁸ The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in the respective column information about:
– frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised preference was used;
– certifications offered by an independent external entity.
This list is not exhaustive.

Asset management policies

The asset management policies of 50Hertz that refer to key pieces of equipment that comprise the grid prioritise the principles of avoidance and minimisation of waste over waste treatment (reuse, repair, refurbish). The primary reasons for this are cost optimisation, operational excellence and safety, but there are co-benefits for the circular economy.

Ensuring the reliability of its assets is key for 50Hertz's role in continuity of supply. We have to ensure failures are foreseen and maintenance and repairs are scheduled. Specific attention is given to equipment's end of life and to how it can be extended. More information can be found in [E5-2 - Actions and resources related to resource use and circular economy](#).

The policies are available to all employees on the local server of 50Hertz. For more information on these asset management practices, see below in [E5-2 - Actions and resources related to resource use and circular economy](#).

Regarding waste management, 50Hertz's starting point is compliance with the applicable laws and regulations in its grid area. The general principles are the application of the waste hierarchy and compliance with the applicable environmental legislation to remove and sort the waste generated and have it collected by a registered waste collector. The scope covers 50Hertz's own operations and a part of the upstream value chain, i.e. the construction sites where contractors are in charge of removing the waste generated.

Policies targeting our suppliers

Several policies targeting suppliers - the upstream value chain - that include resource types and waste management aspects.

- The Supplier Codes of Conduct lists a set of sustainable principles the suppliers are required to follow, including waste minimisation and favouring recycling and circular models.
- The Purchasing Conditions for Electrical equipment and for Works: the documents describe the conditions that apply to suppliers for specific purchasing categories. In those pertaining to Electrical equipment and Works, include expectations regarding suppliers compliance with waste management legislation.
- The instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz: these documents are aimed at suppliers who carry out work for 50Hertz or within its TSOs' infrastructure. They require them to comply with waste management legislation, apply the waste hierarchy and pay attention to the use of recycled materials or to materials having a long service life.

These elements form an integral part of every contract that 50Hertz conclude with suppliers. All these documents are available on the company's website.

At the end of the infrastructure works, the contractors are scored internally on several criteria, including any incident regarding compliance with the environmental legislation.

See section [G1-1 - Corporate culture and business conduct policies](#) for a detailed description of the following documents: Supplier Code of Conduct, Purchasing Conditions for Electrical equipment and for Works and General Safety, Health and Environment Rules.

Waste guidelines and procedure stemming from the Environmental Management System

For internal use, the HSE guideline on waste prevention and disposal is one of the relevant documents in the 'Management systems and governance' chapter of the 50Hertz manual. This document sets out processes and responsibilities for waste prevention and disposal in all of the company's activities according to the applicable laws.

Prior to infrastructure construction projects, a waste volumes estimation assessment is performed. Waste collectors provide information about the way the waste is disposed of - recovery or disposal operations - and the necessary certificates. 50Hertz is also required to report periodically to the authorities the yearly quantities of specific waste types.

The ISO 14001 standard framework was used as a reference when these policies were drafted. They are made available to all employees on the intranet.

None of the policies addresses transitioning away from extraction of virgin resources, including relative increases in use of secondary (recycled) resources. None of these policies addresses sustainable sourcing and use of renewable resources. Yet, the use of recycled material is permitted for most materials, provided that electrical transmission and mechanical resistance are guaranteed. However, Elia Group finds the market not mature enough to publish a policy on this matter.

Currently, the approach of Eurogrid Group to address the material risk 'Scarcity of raw materials' has not been formalised in a policy document. This is due to the fact, that, as it is indicated in the [SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model](#), the risk is material starting with the medium term.

E5-2 - Actions and resources related to resource use and circular economy

Action	Related policy objective or target	Scope	Time horizon
Preventive maintenance	Asset management policies	Own operations	not applicable (continuous action)
Condition-based maintenance of assets	Asset management policies	Own operations	not applicable (continuous action)
Higher usage of existing assets	Asset management policies	Own operations	not applicable (continuous action)
Spare parts stock management	Asset management policies	Own operations	not applicable (continuous action)

50Hertz applies circular business practices to the management of its high-voltage and linear equipment. The company has developed methods to optimise the replacement management of its linear (lines, cables) and high-voltage equipment.

As previously mentioned, the primary reason for these practices is cost efficiency. Consequently, this activity is fully integrated into the asset management department's activities, with no additional resources allocated.

Preventive maintenance

50Hertz carries out preventive maintenance and monitors its equipment using health indicators in order to keep a close eye on the condition of the equipment and adjust its service life accordingly.

Condition-based maintenance of assets

50Hertz also analyses the level of risk associated with the equipment by assigning a grid impact score to every piece of equipment, enabling to keep less critical equipment on the grid for longer, while maintaining the right level of attention for the most critical equipment. Even more importantly, equipment failure rates are closely monitored for equipment in service, so that the most appropriate actions can be taken at the right time. This approach enables 50Hertz to optimise maintenance and replacement management decisions.

Higher usage of existing assets

When equipment reaches the end of its life, 50Hertz also analyses whether it is possible to postpone this end-of-life by carrying out a retrofit¹⁹ or upgrade²⁰.

The company is deploying new approaches based on digital technology to maximise the efficiency of its equipment and improve the risk management models in order to achieve closer-to-real-time monitoring.

Spare parts stock management

When an asset is taken out of service, the equipment or parts of it which are still functional are set aside and stored in a pool of equipment in order to replace any failing or obsolete equipment on another site.

Evaluation of contractors

Contractors are evaluated on the proper application of the environmental legislation, including waste management at the end of the infrastructure project. Failure by contractors to comply with these regulations can result in a less favourable ranking in future tenders.

Another future development of the CO₂ accounting platform mentioned in [E1-3 Actions and resources in relation to climate change policies](#) will be to expand its use to collect the resource materials inflows and outflows (waste) volumes generated by the construction works.

Related resources

In the course of 2024, Eurogrid Group initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

E5-3 - Targets related to resource use and circular economy

Elia Group's circularity program is still in its shaping phase, hence it is difficult to commit to measurable time-bound outcome-oriented targets. Nevertheless, 50Hertz track the effectiveness of the policies and actions in several ways. The effectiveness of the asset fleet strategies is ensured by monitoring several indicators (please see above in the sections about policies [\(E5-1 Policies related to resource use and circular economy\)](#) and actions [\(E5-2 Actions and resources related to resource use and circular economy\)](#).

The proper application of waste management is monitored within the Environmental management systems adopted by 50Hertz Transmission (that is ISO 14001-certified).

E5-4 - Resource inflows

Definition and calculation method

Inflows of material resources represent the assets (items of electrical equipment) that enter the electrical grid of 50Hertz for infrastructure projects and the maintenance of the existing grid. To estimate annual resource inflows, the focus was placed on the key asset categories, i.e. transformers, conductors (overhead lines), cables, lattice towers and gas insulated switchgear (GIS). These categories were selected as they represent the most significant material inputs needed annually for 50Hertz's operations.

The approach aims to provide an overview of the company's resource inflows in tonnes for each raw material used in the selected assets purchased. The principal materials involved are metals (aluminium, copper, and steel).

Suppliers provide 50Hertz with the weight of each raw material in the assets purchased. This is then multiplied by the number of assets delivered during the reporting period. These data are sourced from direct measurement i.e. the invoices from the received assets.

¹⁹ Retrofitting involves replacing old or end-of-life components (overhead lines and transformers) with newer ones, generally using more recent technology, while retaining the same function.

²⁰ Upgrading involves adapting the existing infrastructure to transport more power

50Hertz	
Resource Inflows per material (in tonnes)	2024
Copper	220.2
Aluminium	71.5
Steel	6,687.8
Magnetic steel	475.0
SF ₆	0.32
Oil	327.0
Iron	0.0
Total	7,781.8

Eurogrid Group does not use any biological materials (or biofuels used for non-energy purposes). The percentage of biological materials (and biofuels used for non-energy purposes) therefore equals 0%.

Due to the lack of availability of information on the market and the lack of information on best practices followed by other stakeholders, only very seldom 50Hertz Transmission receives information from its suppliers regarding the percentage of secondary reused or recycled components used to manufacture the inflows. Consequently, the information gathered is not sufficient to allow any extrapolation to disclose a reliable estimation of the volume and percentage of secondary reused or recycled components, secondary intermediary products or secondary materials. (There is therefore no overlap between categories of reused and recycled to be disclosed.) 50Hertz is working on improving the information stream from its suppliers so it can build a better basis for a future estimation.

As mentioned in [ESRS E5-2 Actions and resources related to resource use and circular economy](#), the scope of the CO₂ accounting platform for suppliers (see here in [ESRS E1](#)) developed internally will be expanded in the future to also capture information regarding inflows at supplier-level.

E5-5 - Resource outflows

Due to the specific nature of its business, 50Hertz does not generate outflows other than waste. Its core business is the transmission of electricity. Eurogrid Group does not release tangible products on the market.

The waste generated by its own activities as is mainly demolition waste. Infrastructure projects are the streams that generate the biggest waste volumes, with the non-hazardous waste streams consisting mainly of excavated soil, concrete, demolition waste and metals (to a small extent). The hazardous waste streams consist mainly of soil, rubble and waste from electrical and electronic equipment.

Definition and calculation method

The data presented in the table includes waste collected from administrative and technical centres as well as from infrastructure project sites. They are sourced from a mix of direct

measurement (waste weight) and estimations (legal requirement to do prior an infrastructure project).

Hazardous and non-hazardous waste is identified based on its EURAL/CED (European waste classification), which must by law be stated on the relevant waste collection documents.

All recovery and disposal operations happen offsite, this information reported by waste collectors and contractors is used to classify waste into the different categories. The absolute value and the percentage of non-recycled waste are calculated using the total of hazardous and non-hazardous waste directed to disposal.

50Hertz			
Resource outflows: waste (in tonnes)			2024
Total amount of waste generated			257,191.7
Hazardous waste	diverted from disposal	due to preparation for reuse	113.3
		due to recycling	4,820.8
		due to other recovery operations	539.2
		total	5,473.3
	directed to disposal	due to incineration	0.0
		due to landfilling	3,744.4
		due to other disposal operations	131.7
		total	3,876.2
	total		9,349.5
Non-hazardous waste	diverted from disposal	due to preparation for reuse	0.0
		due to recycling	13,346.1
		due to other recovery operations	234,496.1
		total	247,842.2
	directed to disposal	due to incineration	0.0
		due to landfilling	0.0
		due to other disposal operations	0.0
		total	0.0
	total		247,842.2
Non-recycled waste		absolute	3,876.2
		percentage	1.5 %
Radioactive waste			— %

3. Social information

3.1. ESRS S1 Own Workforce

Developing the people and supporting a consistent understanding of Eurogrid Group's culture, operating procedures and compliance framework is essential to realising its strategy and mastering challenges that arise in the future. Over the last year, Eurogrid Group's workforce has grown 18,9 % through organic growth. To integrate newly onboarded people, Eurogrid Group is building a unique culture and investing in its people, processes and systems. Eurogrid Group focus on providing its people with interesting work and opportunities through employee engagement and development and ensuring their health, safety and well-being when they come to work.

ESRS2 SBM3 S1 - Material impacts, risks and opportunities and their interaction with strategy and business model

The workforce of Eurogrid Group is a key category of affected stakeholders, made up of employees and non-employees workers carrying on the operations necessary to fulfil the vision and mission. All employees and non-employees in the workforce of Eurogrid Group are subject to material impacts.

Eurogrid Group's mix of operations lead to different types of own workforce.

Own workforce of the regulated entities:

- contributing to the construction and maintenance of the grid, technical sites and sub-stations as well as in their immediate surroundings. They work on the field to build the infrastructure and to carry out the necessary maintenance works
- contributing to the management and development of the grid. They manage the operation of the grid and ensure the balance of the electricity system at all times. They also work on the design and expansion of the infrastructure.
- working in corporate support services. They cover the overall management needs of the company: human resources, accounting, finance, IT, risk and governance.
- they provide management, consulting and data services related to the energy market.

Employees and non-employees are distributed across these categories to support the operations.

Positive material impact

Physical safety of Eurogrid Group's own workforce (employee and non-employee alike) is of utmost importance. A safety culture is instilled through numerous campaigns, communications, return of experience and trainings all year long.

Eurogrid Group has also a clear focus on developing its own workforce through continuous learning and development programs, such as training sessions, workshops, and online courses.

Eurogrid Group promotes good working conditions, where its workforce can thrive, and provides employees with interesting work and opportunities for development. Additionally, Eurogrid Group fosters a positive and inclusive work environment where everyone can bring its unique contribution.

Negative material impact

The workforce involved in Infrastructure Design and Construction, and Grid Operations and Maintenance is operating in an industrial environment carrying inherent health and safety risks. These are not systemic but rather pertain to individual incidents.

To maintain high performance of the grid in a context of expanding demand, greater flexibility and availability is increasingly requested from Eurogrid Group's workforce.

Eurogrid Group's activities require predominantly STEM (science, technology, engineering and mathematics) profiles in which women are systemically less represented and therefore impacts gender equality in the workforce, leading to a more restricted pool of diverse talent in that area.

Risks, opportunities and dependencies on the workforce

Eurogrid Group does not have operations at significant risk of incidents of forced labour or compulsory labour nor child labour.

The significant growth of Eurogrid Group and the power sector in general created a scarcity of skilled profiles, potentially limiting an acceleration of delivery of the grid.

Dependency from negative impact from health and safety relate more specifically to workforce involved in Infrastructure Design and Construction, and Grid Operations and Maintenance (see information disclosed as negative material impact above).

The sustainability program of Elia Group ActNow relies on five key dimensions: Climate Action, Environment & Circular Economy, Health & Safety, Diversity, Equity & Inclusion and Governance. Two of these dimensions relate to the topics identified as material impacts, risks and opportunities for S1 Own workforce for Eurogrid Group. Policies and actions to mitigate and manage those topics as thus embedded in the sustainability program.

The processes described in section [S1-2 Processes for engaging with own workforce and workers representatives about impacts](#) and the actions presented in section [S1-4 Taking](#)

[action on material impacts, risks and opportunities related to own workforce](#) aim to provide an understanding how workers with particular characteristics or on particular activities may be at a greater risk of harm.

S1-1 - Policies related to own workforce

For matters related to own workforce, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied.²¹

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Human rights policy	/	It describes Elia Group's commitment to upholding and promoting human and social rights when undertaking its activities, alongside with all applicable laws and regulations. It lays out general principles related to Elia Group's commitment as well as some Human Rights priority areas, in relation with the priorities of its ActNow sustainability program.	See section S1-3 Process to remediate negative impacts and channels for own workers to raise concerns	Own operations	Chief Alignment Officer / Elia Group	<ul style="list-style-type: none"> – Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it; – International Labour Organization's Declaration on Fundamental Rights and Principles at Work; – United Nations Global Compact.
Health and Safety Guidelines + internal specific health and safety regulations	IROs <ul style="list-style-type: none"> – Safety Culture: Eurogrid Group prioritizes safety, aiming for zero accidents, which benefits both employees and public trust. – Physical safety risks: working with high-voltage equipment, at heights, and in offshore environments expose employees to potential high severity accidents and injuries. – Health and safety events may harm the workforce Topic Health and safety	They define the core principles of the company's approach for managing and mitigating impacts stemming from health and safety matters, including workplace accident prevention.	Operational monitoring; Health and safety target (see section S1-5 Targets related to own workforce)	Own operations	Head of Corporate Governance	<ul style="list-style-type: none"> – Applicable health and safety regulations, – ISO 45001:2018

²¹ The ESRS don't provide a definition for "third-party standards". We interpret the requirements in a broader sense and provide in this column information about:
 — frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognized reference was used;
 — certifications offered by an independent external entity.
 The list is not exhaustive.

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Diversity, Equity and Inclusion Charter	<p>IROs</p> <ul style="list-style-type: none"> Due to its core activity, Eurogrid Group's own workforce has a strong engineering focus and is predominantly male, hence reaching gender diversity goals is a challenge. <p>Topic Equal treatment and opportunities for all</p>	The Charter states that everyone can succeed and contribute to the sustainable success of Elia Group regardless of gender, country of origin, age, colour, religion, sexual orientation and only based on performance, leadership, behaviour, skills and competencies. It aims to foster an inclusive and fair working environment.	Business target (see section SI-5 Targets related to own workforce)	Own operations,	Chief Alignment Officer Elia Group	/
Company agreements	<p>IROs</p> <ul style="list-style-type: none"> Eurogrid Group is committed to attracting, developing, and retaining top talent. We come to optimal solutions matching people's aspirations with company's needs while cultivating a culture of safety, wellbeing and innovation. This topic may impact Eurogrid Group's ability to build and maintain a skilled, diverse, and engaged workforce that powers the reliable and sustainable transmission of energy. The grid is operated more often up to its limits as a higher number of outages is requested for the grid projects. This requires greater flexibility and availability from Eurogrid Group's workforce. Talent attraction & retention: If onboarding does not happen efficiently Eurogrid Group risk slowing down ongoing activities and negatively impacting the mental wellbeing of the own workforce. <p>Topic Working conditions</p>	Practicalities related to the employees' way of working and interactions with the employer are established in the collective bargaining agreements (Tarifvertrag) and the company agreement (Betriebsvereinbarung)	/	Own operations	Chief Corporate Officer	Applicable social regulations

No policy was mapped against material impact related to training and skills development.

Policies for ethical behaviour and human rights

To emphasise the importance of ethics and human rights and make sure they form part of our corporate culture, the commitments of Elia Group are embedded in a group-wide Code of Ethics and Human Rights Policy, that all employees are expected to follow.

Code of Ethics

For more information on the Code of Ethics of Elia Group, please see section [G1-1 Corporate culture and business conduct policies](#).

Whistleblowing framework

Employees of Elia Group can make use of the Whistleblowing framework to express any concern about an (alleged) violation of integrity, without fear of sanctions, retaliation and/or unfair treatment. For more information on this framework, please see section [G1-1 Corporate culture and business conduct policies](#).

Human Rights Policy

The Human Rights Policy of Elia Group describes its commitment to upholding and promoting human and social rights when undertaking its activities, alongside with all applicable laws and regulations. It lays out general principles related to its commitment as well as some Human Rights priority areas, in relation with the priorities of its ActNow sustainability program. For more information on the Human Rights Policy, see section [G1-1 Corporate culture and business conduct policies](#).

These Elia Group Policies are fully effective at Eurogrid Group level.

Policies for health and safety

Health and safety are key topics for Elia Group. Eurogrid Group has adopted a policy related to health and safety.

Various guidelines define the core principles of the approach of Eurogrid Group for managing and mitigating impacts stemming from health and safety matters, including workplace accident prevention. The Guidelines are available to all employees on the intranet of the company. The principles of the Guidelines are translated in local operations through a full set of internal health and safety regulations, such as the Guideline on first aid, accidents and incidents or the Directive on fire and explosion protection. They describe the health and safety guidelines and principles of the company for specific work situations. The documents are available on the intranet for all employees.

Policies for diversity, equity and inclusion

In accordance with Convention 111 of the International Labour Organization (ILO), Elia Group is committed to promoting diversity and strongly condemn any discriminatory act at work. These Elia Group Policies are fully effective at Eurogrid Group level.

Diversity, Equity and Inclusion Charter

This commitment is enshrined in the Elia Group-wide Diversity, Equity and Inclusion Charter. The Charter states that everyone can succeed and contribute to the sustainable success of Elia Group regardless of gender, country of origin, age, colour, religion, sexual orientation and only based on performance, leadership, behaviour, skills and competencies. This commitment for equal rights is also enshrined in the Code of Ethics.

The commitment to promote diversity, equity and inclusion is also an important part of Elia Group Code of Ethics. It describes the guiding principles regarding equal rights of employees, inclusion, social partnership and human rights in general. This Elia Group Policy is fully effective at Eurogrid Group level.

The Working rules of 50Hertz Transmission are presented in the section below.

Policies for working conditions of own workforce

Policies for working conditions are designed to ensure a safe, inclusive, and supportive environment for all employees. Eurogrid Group prioritizes fair labour practices, employee well-being, and compliance with relevant regulations. These policies reflect its commitment to fostering a respectful workplace.

Company agreements

At 50Hertz Transmission, practicalities related to the ways of working of the employees and interactions with the employer are established in the collective bargaining agreements (Tarifvertrag) and the company agreement (Betriebsvereinbarung). These policies are closely designed together with the representatives of the workers. The agreements are available to all workers on the company intranet.

S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

Employee consultation, negotiation and information on organisational changes

Engagement with own workforce on impacts occurs both directly and through workers' representatives, which for Elia Group are organised in the form of national workers' councils and one European Works Council. Seven representatives from each of the national works councils are members of the Elia Group European Works Council, where cross-border discussions are held to create overarching measures. Further information on the interaction between Eurogrid Group and its employees can be found in [section SBM-2 Interests and views of stakeholders](#).

Eurogrid Group is committed to freedom of association, collective bargaining and the protection of workers' representatives. Emphasis is placed on trust and ongoing cooperation with all trade unions.

Works council

50Hertz Transmission has a General Works Council, which is responsible for the interests of employees. Next to that, three employee representatives (two Workers Council and one union) are members of the Supervisory Board of 50Hertz Transmission. As Eurogrid Group exceeded the threshold of 2,000 employees in 2024 and is subject to Co-determination Law (Mitbestimmungsgesetz), the overall number of Supervisory Board members will increase from six to twelve members. Accordingly, the number of employee

representatives will be six to maintain parity. One member of the 50Hertz Supervisory Board will be spokesperson of the representative body for the senior managers (Sprecherausschuss). Three members will be representatives of the employees. On top, two members of the respective IGBCE union will be also part of the employee representatives.

50Hertz Transmission is a collectively bargained company with its own company tariff agreement, which regulates many of the working and remuneration conditions. This collective labour agreement is negotiated between the employer association (AVEU) and the union (IGBCE).

Regular negotiations and discussions with the union are essential in order to represent the interests of the employees and fulfil the company's collective bargaining obligations. Cooperation between the union, employer and Works Council is closely interlinked. The Works Council directly represents the employees in the company and participates in operational decisions, while the union represents the interests of the employees at tariff level. This includes negotiations on wages and salary structures, working time regulations and other tariff-related matters. Close cooperation between the Works Council, union and employer ensures that working conditions comply with legal and collectively agreed requirements, while at the same time taking organisational needs into account.

The Works Council has extensive rights and obligations to represent the interests of employees and ensure transparent corporate governance, pursuant to the Works Constitution Act. 50Hertz Transmission is obliged to inform the Works Council regularly and comprehensively about economic matters, personnel planning and work processes. The Works Council has co-determination rights in social matters, such as working time regulations, recruitment, holiday regulations and occupational health and safety measures. In these areas, 50Hertz Transmission must request the consent of the Works Council before any changes can be implemented. The Works Council examines the processes to ensure that all legal and social aspects have been taken into account and can withhold its consent if there are justified concerns. In addition, 50Hertz Transmission must consult the Works Council in the event of changes in the working organisation. Working groups of the Works Councils co-operate closely with the HR department in order to exchange information, take decisions and prepare collective agreements. Negotiations processes between the Works Council and the senior management on company agreements allow to take into account both the interests of the employees and the operational needs of the company.

The CCO is responsible for the implementation of employee matters, which includes ensuring that the company engages with the representatives of workers and includes their views in its approach. The CCO is qualified to perform this role given its key position in the organisation regarding information about own workforce matters and are recognised as the highest management position with expert knowledge.

Eurogrid Group ensures that employment-related decisions are taken in an impartial and non-discriminatory manner through meetings and preliminary consultations with union representatives. Both the employer and the employees' representatives can request a meeting when the need arises and one of the parties wishes to address a particular topic (negotiation of collective benefits, agreements, staff transfers and their impact on the latter, etc.).

Current topics are discussed and driven forward in regular meetings of the works council as well as in working groups. The national programme is presented and discussed with the workforce at an annual general works meeting. Other smaller works council meetings are

also held during the year to ensure employee participation. Interviews and surveys are conducted and information is disseminated via the intranet to ensure that the workforce is consulted and involved beyond these meetings. Employees are also informed of ongoing discussions and decisions taken via newsletters. An annual convention (Gesamtbetriebsversammlung) is held by the Workers Council to inform and engage with employees of Eurogrid Group. With this approach, Eurogrid Group fulfils its obligations under Section 80 (2) of the German Works Constitution Act and engages in trust-based cooperation with the Works Council.

Representatives of the union are part of the Supervisory Board and of the Economic Committee, and are involved in approving goals, tracking performance and proposing corrective actions.

Other guidelines

Beyond collective bargaining agreements and company agreements, Eurogrid Group is also committed to internationally established guidelines, such as the core labour standards of the International Labour Organization (ILO C87, C98 and C135) and the labour rights set out in the UN Global Compact. Eurogrid Group is committed to promoting diversity out of conviction and in accordance with ILO Convention 111. Each employee pledges to comply with these standards and principles when entering the company by signing the individual working contract. For more information on how the company mitigates impacts on workers through policies, see section [SI-1 "Policies related to own workforce"](#).

Employee engagement

Different networks exist throughout the Group (Diversity network, Women network, Representatives for people disabilities...), whose members meet regularly to dialogue about management and leadership topics. They aim to ensure that specific workers' voices are heard and that processes can be adapted accordingly where necessary.

SI-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

Eurogrid Group sees open and truthful communication with its stakeholders as an integral part of its business success. Workers of Eurogrid Group are key stakeholders to help realise its vision and master the challenges of tomorrow. Eurogrid Group has set up different channels available to workers to raise concerns or report on negative impacts. These channels were designed to enhance trust of workers and prevent retaliation.

Breaches of integrity

Eurogrid Group offers its employees the opportunity to express their concerns about alleged breaches of Elia Group's Code of Ethics as well as laws and regulations in scope of the Whistleblower Act without fear of reprisal and/or unfair treatment. Workers can use EthicsAlerts, an external system for reporting possible breaches of integrity. EthicsAlert is compliant with the EU Whistleblowing Directive. Employees, non-employees as well as

other external stakeholders such as suppliers, can anonymously or not, raise their concerns via this platform.

As a rule, Eurogrid Group encourages everybody, if possible, to discuss reports or suspicions of integrity violations first internally with the immediate superior, the line manager, the HR Business Partner or the Internal Auditor as well as an independent Ombudsman for violations). If this is not possible or if this discussion does not lead to the desired reaction, or if, for some reason, there is no possibility of addressing the issue, the reporter can also turn to EthicsAlert.

Their concerns are handled in an objective and confidential manner, in line with the Whistleblowing Procedure. The report handler will conduct an investigation and consult the Whistleblowing Commission. The results of the investigation, and if applicable recommendations to improve the processes, will be reported to the management. The management is accountable to implement effective actions in accordance with the results of the investigation. The reporter will receive feedback, except in case of an anonymous report, about the taken or planned actions and measures and the main reasons for such actions and measures. More information on policies related to engagement methods with own workforce, ethical behaviour and human rights can be found under the [S1-1 Policies related to own workforce section](#).

The status of all reports made are tracked anonymously in dashboards to ensure that they are treated within the time limits set by law (in normal circumstances 3 months). Eurogrid Group ensures that all stakeholders, and in particular its employees, are informed and trust the internal reporting system by regularly informing them through internal channels about its existence, purpose and process. Besides this, Eurogrid Group publishes yearly KPIs on the number of reports made and their outcome in its Sustainability Report and discusses these with the Workers' Council. Trust is mainly gained by guaranteeing anonymity and ensuring non-retaliation for people that report (suspicions of) violations.

Health and safety topics

Workers of Eurogrid Group can report unsafe conditions to a specific health and safety tool connected to the company IT system. These processes enable it to have precise data on the safety situation, help management monitor trends and eventually adapt policies.

Negative impacts can also be tackled through engagement processes between workers representatives and the company, in particular for matters related to working conditions. More information on those processes can be found in section [“S1-2 Processes for engaging with own workers and workers' representatives about impacts”](#).

S1-4 - Taking action on material impacts, risks and opportunities related to own workforce

The Elia Group sustainability program ActNow provides a framework for actions related to sustainability topics. Two pillars of the program relate to own workforce matters: the diversity, equity and inclusion pillar and the health and safety pillar. This section describes

the actions taken to address own workforce matters and reach the objectives defined in section [S1-5 Targets related to own workforce](#):

Actions	Related policy objective or target	Scope	Time-horizons
Diversity, equity and inclusion			
Awareness campaigns	See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Internal networks	See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Partnerships	See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Workshops and training	See Diversity, Equity and Inclusion targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Health and safety			
Awareness campaigns	See health and safety targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Personal protective equipment	See health and safety targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Health and safety projects	See health and safety targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Well-being projects	See health and safety targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)
Health and safety trainings	See health and safety targets in section S1-5 Targets related to own workforce	Own operations	/ (recurring action)

Actions for diversity, equity and inclusion

Dimension 4 of the ActNow program focuses on diversity, equity and inclusion, which are essential for attracting the talent necessary to succeed in the energy transition. This means developing an inclusive working environment with equal opportunities for all, promoting diversity and strongly condemning discrimination. The diversity, equity and inclusion actions of Elia Group consider 7 dimensions: age, ethnic background and nationality, gender identity, physical and mental abilities, religion and worldview, sexual orientation and social background.

The actions necessary to foster diversity, equity and inclusions at Eurogrid Group are defined by internal experts with a good knowledge of the situation of the company. Their approach to diversity, equity and inclusion is also enriched by external advisory teams, who help structure and broaden the actions put in place.

For some actions, operational indicators such as attendance rate are monitored by the team in order to calibrate and manage the actions. In terms of impact, the effectiveness of actions taken related to diversity, equity and inclusion is tracked against the performance of the company on specific targets. The targets related to diversity, equity and inclusion can be found in section [S1-5 Targets related to own workforce](#).

Diversity, equity and inclusion awareness campaigns

Eurogrid Group regularly organizes actions and events to increase awareness of its workforce regarding diversity, equity and inclusion topics. They aim to develop an open and inclusive working culture and increase DEI awareness amongst own workers. This year, the sessions organized particularly focused on inclusion of workers with disabilities and on age diversity. Ad-hoc awareness events are also organized throughout the year, for specific occasions like International Day for the Elimination of Racial Discrimination, International Women's Day, Diversity Day, Christopher Street Day, etc. The awareness campaigns are carried out every year and aim to shed light on a broad range of diversity, equity and inclusion topics.

Internal networks

To support the development of a diverse and inclusive workforce, Elia Group has established some internal networks that also operate at Eurogrid Group level. This action aims to foster DEI ideas and practices in the corporate culture of own workers.

The Elia Group diversity, equity and inclusion network is made up of employees that, in addition to their primary responsibilities within the company, work on themes related to all dimensions of diversity, equity and inclusion. These diversity ambassadors hold regular meetings where they exchange ideas, participate in the development and organization of events, and discuss issues with teams as part of our ambassadorial role. They also offer a safe environment for the exchange of ideas and personal experience. They aim to raise awareness for an inclusive corporate culture, integrate diversity, equity and inclusion into the company's day-to-day activities and inspire colleagues to continuously broaden their horizons.

To foster gender-based diversity more specifically, 50Hertz has its own Women's Network. This network is a platform for female workers to exchange and share about their work experience. The Women's Network meet once or twice a year in a common event at group level.

At 50Hertz, the governance of raising concerns related to diversity, equity and inclusion is carried out by the Equal Opportunities Officer (Gleichstellungsbeauftragte).

To foster the inclusion of workers with disability, 50Hertz has set up a Representative Body for Severely Disabled Employees (Schwerbehindertenvertretung), in accordance with the German Social Code IX. The representatives are elected every four years to represent the interests of severely disabled employees. As part of an inclusion agreement, this Body works to involve and support workers with a disability in the corporate life of the company. The Body receives suggestions and complaints from severely disabled and assimilated staff and works with 50Hertz to find solutions. It requests and supervises the implementation of measures (particularly preventive measures) to promote healthy working conditions.

Partnerships

To enrich and enhance the impact of their diversity, equity and inclusion actions, 50Hertz has formed partnerships with external stakeholders.

50Hertz works with Annedore-Leber-Berufsbildungswerk to support young people with disabilities as they start their careers. The company welcomes young professionals as trainees in this framework to provide them with corporate experience and help them jump start their careers.

Many partnerships with organisations fighting against gender-based discrimination and stereotypes, such as the Klischeefrei (Cliché-free) initiative, the Charta der Vielfalt (Diversity Charter) initiative, the Gemeinsam gegen Sexismus (Together Against Sexism) alliance, the EnterTechnik organisation, were formed and provide many levers of action to the company to foster a fair and inclusive workplace.

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

Workshops & trainings

To embed diversity, equity and inclusion in its own practices, Elia Group has been developing this year a specific training on the topic and aims to include it as part of the onboarding of all new employees of Elia Group in the future.

Workshops are also organised on ad-hoc base or during specific diversity events or awareness campaigns. Every year, Eurogrid Group organizes Diversity Breaks workshops where workers gather for a joint exchange on the different dimensions of diversity and their practical importance in everyday work.

These actions are aimed as a response to material IROs identified for the S1 standard and presented in section [ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model](#).

Actions for health and safety

Dimension 3 of the ActNow program focuses on health and safety. As a TSO, this dimension is crucial given that the main activities involve working at height, on electrical equipment and in marine environments. Actions in the field of health and safety aim to strive towards zero accidents in operations, build a safety culture, empower workers to be safety leaders and look after the health and well-being of employees.

The need for actions regarding health and safety can stem from different sources:

- All health and safety events reports are analysed and may trigger specific actions (ad-hoc); reports are also structurally analysed to spot trends and trigger actions (structural).
- Management with expert knowledge can also propose actions.
- Field visits and health and safety audits may also trigger health and safety actions, in preventive and corrective manner.
- When risks are identified in advance on a project (structural risk assessment), or due to a change in tasks.

- For specific projects/topics, working groups are set up in alignment with employers and employees' representatives, to provide specific advice and level playing field for those projects.

Effectiveness of actions is also ultimately defined by the performance against health and safety targets (see section [SI-5 Targets related to own workforce](#)).

Health and safety awareness campaigns

Awareness campaigns are part of the communication strategy of the health and safety department. These campaigns can be a poster campaign through the entire company, email campaigns and/or blogposts/publications or articles on the intranet. Other communication means can be used to raise awareness on specific health and safety stories. In addition, the Safety Flashes are regularly sent out to convey important safety messages across the organisation. During the safety weeks (two times a year) specific focus is put on particular health and safety campaigns, in line with the Annual Action Plan.

Personal protective equipment

Personal protective equipment is any equipment intended to be worn or held by a worker to protect him or her against one or more risks that could threaten his or her health or safety at work, as well as any complement or accessory that could contribute to this. This action focuses on the physical integrity of 50Hertz's employees.

50Hertz has strong guidelines and procedures on the use of personal protective equipment by workers. For employees on the field, technical work is always preceded by a risk analysis. The resulting adequate personal protective equipment must always be put in place or worn.

Health and safety projects

At Eurogrid Group, employees have been made aware of the importance of prevention for health and safety through the "gib8" campaign since 2018. The campaign illustrates that safety at work is a corporate value. The primary objective is to prevent work-related accidents and illnesses. To achieve this, safety at work is seen as a continuous improvement process, transparently supported by "gib8".

50Hertz Transmission maintains an occupational health and safety management system in accordance with ISO45001:2018 in the area of operation, maintenance, planning and expansion of the transmission grid at its sites. This means that the management system applies to the entire Eurogrid Group. This entails many internal actions to meet the health and safety requirements of the certification. These actions enable the company to manage adequately its health and safety risks and improve health and safety performance. The certificate is available for all stakeholders on the [company's website](#).

Well-being projects and initiatives

As of year 2025 year, a common psychosocial survey for all employees of Eurogrid Group will be organised on a recurrent basis (twice a year).

Training

Eurogrid Group provides training related to health and safety to all its employees. All employees received health and safety training when they are hired and throughout their career depending on their occupation and tasks. Additional training is also provided when

an employee's tasks are evolving, when a workplace accident or near-miss takes place or when the employee did not comply with the internal health and safety regulations.

Depending on the function, the employee receives a training plan including tailored health and safety trainings. Additional trainings can be general (for the entire workforce) or specific depending on function and/or specific exposures to risks. Furthermore, trainings are also provided when employees' tasks are evolving and/or when required based on recommendations after incident investigations. Retraining might take place when the employee did not comply with the internal health and safety regulations.

More information on actions taken regarding material risks (Working conditions) can be found in section [SI-2 Processes for engaging with own workers and workers' representatives about impacts](#).

Related resources

In the course of 2024, Eurogrid Group initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

S1-5 - Targets related to own workforce

Target name	Scope	Value chain coverage	Related policy	Value	Unit of measure	Baseline value 2019	Target value 2028	Achieved performance
Women in total workforce	Eurogrid Group	Own operations	Diversity, Equity and Inclusion Charter	26%	%	21%	25%	Positive trend towards the target for 2028, largely due to achieving a considerable inflow of female new hires

This target has been set by the management of Elia Group and aims to increase the balance between male and female employees. The level of the target has been set based on its historical performance, the context of its traditionally male-dominated industry and taking into consideration performance of peers on this matter. The performance of Eurogrid Group against this target is closely monitored by the business and reported upon to senior management.

Definition and calculation method:

Formula = (female contractual headcount/total contractual headcount)

The methodology considers that employee headcount = total contractual headcount at December 31st of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organization on a specified date, encompassing all employees, including those on sick leave and directors but does not encompass suspended contracts to avoid double counting. Gender is accounted as specified by the employees themselves.

Health and safety

For Dimension 3 of the sustainability program ActNow related to health and safety, the following targets have been set for own workers.

Target name	Scope	Value chain coverage	Related policy	Value 2024	Unit of measure	Actuals for base year	Base year	Interim target for 2024	Target value 2030	Achieved performance
Total Recordable Injury Rate (TRIR) of employees	Eurogrid Group	Own operations	Health and Safety Guidelines	2.01	/	5.40	2020	6.3	5.2	2024 values are slightly higher than 2023, where we achieved exceptionally good results but the overall decreasing trend continues.

These targets have been set by the management of Elia Group based on our historical performance, the context of our operations, the increasing CAPEX and workforce. The targets can be reviewed and will be reviewed for the period after 2030. The performance of Eurogrid Group against this target is closely monitored by the business and reported upon to senior management. Moreover, the TRIR is reported monthly to the Safety committee and quarterly to the management boards.

Definition and calculation method:

Rate of recordable work-related injury (TRIR) = [(total number of recordable work-related injury/number of hours worked) x1.000.000)]

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

More information on how own workers and their representatives are involved in setting and monitoring the targets as well as in proposing and identifying improvements can be found in section [SI-2 Processes for engaging with own workers and workers' representatives about impacts](#).

SI-6 - Characteristics of the undertaking's employees

Number of employees (headcount) per gender

Eurogrid Group	2024	2023
Male	1,566	1,334
Female	561	455
Other	0	0
Not reported	0	0
Total employees	2,127	1,789

Definition and calculation method:

Gender is specified by the employees themselves.

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

For Eurogrid Group's HR system, a third option is available under the 'Diverse' label, but no employee has identified with it so far. The data related to 'Other' and 'Not reported' will thus be zero for all measures of those entities.

The definition of "employees" according to the ESRS slightly differs from the definition of employee numbers used in financial reporting (2089 employees). Consequently, there are minor differences in the total number.

Breakdown of type of employees per gender

Eurogrid Group	2024					2023				
	Male	Female	Other	Not disclosed	Total	Male	Female	Other	Not disclosed	Total
Total number of employees	1,566	561	0	0	2,127	1,334	455	0	0	1,789
Number of permanent employees	1,530	527	0	0	2,057	1,293	429	0	0	1,722
Number of temporary employees	36	34	0	0	70	41	26	0	0	67
Number of non-guaranteed employees	0	0	0	0	0	0	0	0	0	0

Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

For Eurogrid Group's HR system, a third option is available under the 'Diverse' label, but no employee has identified with it so far. The data related to 'Other' and 'Not reported' will thus be zero for all measures of those entities.

No non-guaranteed employees are working for Eurogrid Group in the scope of the reporting. All related data are thus marked as Not applicable for that category.

Turnover rate

Eurogrid Group	2024	2023
Number of leavers	93	89
Turnover rate	4.7 %	5.3 %

Definition and calculation method:

The methodology includes workers who have left any entity in the reporting scope without distinguishing if they were exiting Eurogrid Group or transitioning to another entity within the Group. For intercompany ins and outs, each legal entity must categorise them as either inflows or outflows. The inaccuracy induced is considered negligible and immaterial.

Formula: Turnover rate (%) = (annual number of leavers) / ((number of employees beginning of year + number of employees end of year)/2) * 100

Where the annual number of leavers relate to all employees (defined as contractual headcount from 1 January to 31 December) leaving the company due to voluntary and involuntary reasons - resignation, end of temporary contract, dismissal, retirement or death - for 1 January to 31 December of the reporting year. Employees are counted as leavers on the first calendar day after the last day of their employment contract.

Where number of employees beginning of the year = contractual headcount on 1 January of the reporting year

Where number of employees end of the year = contractual headcount on 31 December of the reporting year.

S1-8 - Collective bargaining coverage and social dialogue

At Eurogrid Group , only senior managers and directors are covered by a specific regime for working conditions that are based on negotiation and rely on national guidelines. Other employees of the TSO activities are covered by collective bargaining agreements of the electrical trade (Elektrohandwerk) sector and by social dialogue. Working conditions of the employees of the non-regulated entities are not defined by a collective bargaining agreement but are aligned on those of the TSO activities.

The collective agreement coverage rate of the Eurogrid Group is between 80% and 100%.

For more information on collective bargaining and social dialogue processes at Eurogrid Group, including the representation of employees by a European Works Council, see section [S1-2 Processes for engaging with own workforce and workers' representatives about impacts](#).

S1-9 - Diversity metrics

Gender distribution at top management level

Eurogrid Group		2024		2023	
		Headcount	Percentage	Headcount	Percentage
Directors	Total	4	100.0 %	5	100.0 %
	Male	3	75.0 %	4	80.0 %
	Female	1	25.0 %	1	20.0 %
	Other	0	— %	0	— %
	Not disclosed	0	— %	0	— %
Senior managers	Total	63	100.0 %	57	100.0 %
	Male	47	74.6 %	42	73.7 %
	Female	16	25.4 %	15	26.3 %
	Other	0	— %	0	— %
	Not disclosed	0	— %	0	— %
Women in leadership positions		17	25.4 %	16	25.8 %

Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

Age distribution amongst employees

Eurogrid Group		2024		2023	
		Headcount	Percentage	Headcount	Percentage
<30		258	12.1 %	187	10.5 %
30-50		1,457	68.5 %	1,196	66.9 %
>50		412	19.4 %	406	22.7 %

Definition and calculation method:

The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of

individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

S1-10 - Adequate wages

All employees of Eurogrid Group are paid an adequate wage for their work, in line with national and sectoral benchmarks. The national benchmark considers the level of minimum wage guaranteed at country level and the sectoral benchmarks relate to the minimum wage level set by collective bargaining agreements for each sector of operation.

S1-14 - Health and safety metrics

Eurogrid Group	2024	2023
Employees		
Health and safety management system		
Percentage of employees covered by health and safety management system	100 %	100 %
Fatalities		
Total number of fatalities	0	0
Fatalities from work-related injuries	0	0
Fatalities from work-related ill-health	Not available for legal reasons	Not available for legal reasons
Total recordable injury rate (TRIR)		
Number of recordable work-related injury (TRI)	6	2
Rate of recordable work-related injury (TRIR)	2.01	0.79
Ill-health		
Number of cases of recordable work-related ill-health	Not available for legal reasons	Not available for legal reasons
Days lost		
Total number of days lost	67	11
Number of days lost from work-related accidents	67	11
Number of days lost from work-related ill health	Not available for legal reasons	Not available for legal reasons
Non-employees		
Total recordable injury rate (TRIR)		
Number of recordable work-related injury (TRI)	Not available for legal reasons	Not available for legal reasons
Rate of recordable work-related injury (TRIR)	Not available for legal reasons	Not available for legal reasons
Contractors		
Fatalities		
Total number of fatalities	0	0
Fatalities from work-related injuries	0	0
Fatalities from work-related ill-health	Not available for legal reasons	Not available for legal reasons
Total recordable injury rate (TRIR)		
Number of recordable work-related injury (TRI)	37	Not available
Rate of recordable work-related injury (TRIR)	5.9	Not available

Definition and calculation method:

In Germany, no distinction is made in the system between work-related illness and non-work-related illnesses for confidentiality reasons (as per legal requirements). All information related to those data points has thus been marked as 'non-available for legal reasons' in the table.

All workers are covered by 50Hertz Transmission's health and safety management system. Please see [SI-4 - 'Actions for health and safety'](#) for further information about ISO45001:2018.

TRIR = number of recordable injuries*1,000,000/number of hours worked.

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

SI-16 - Remuneration metrics (pay gap and total remuneration)

Gender pay gap

Eurogrid Group		
	2024	2023
Gender pay gap	3.3 %	5.1 %

Definition and calculation method:

The gender pay gap is reported for all active employees, including directors. This means that employees on long-term sick leave or full-time suspension are not included as they are not active on the payroll systems. Due to an initially narrower interpretation of pay, the remuneration components considered for this datapoint are made up of the gross base salary of employees. We will work in the coming reporting year to include all the elements and fully align on the methodology.

Formula: Gender pay gap = ((Average gross hourly pay level of male employees – average gross hourly pay level of female employees)/ Average gross hourly pay level of male employees)*100

Annual total remuneration ratio

Eurogrid Group	
	2024
Annual total remuneration ratio	11.4

Definition and calculation method:

The annual total remuneration ratio is defined as the ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).

To allow a fair comparison in remuneration, the population taken into account for this data point are all employees active on the first through the last day of the reporting period. This means that leavers, new joiners and workers who had at least one day of a full-time suspension within the reporting period are excluded. Remuneration data for part-time employees has not been extrapolated to full-time equivalent, leading to a higher ratio.

Remuneration components taken into account for the ratio include core salary, fixed premiums, benefits in kind and performance-based bonuses.

SI-17 - Incidents, complaints and severe human rights impacts

This section aims to allow an understanding of the extent to which work-related incidents and severe cases of human rights impacts are affecting Eurogrid Group's workforce.

Eurogrid Group			
	2024		
Number of discrimination incidents	Total		
		Pending	Resolved
	0	0	0
Number of complaints filed through channels for own workforce to raise concerns	6	1	5

Eurogrid Group	
	2024
Total amount of fines, penalties and compensation for damages of discrimination incidents	€0.00

Eurogrid Group	
	2024
Number of severe human rights incidents	0
Breach breakdown	0
UN Guiding Principles on Business and Human Rights	0
ILO Declaration on Fundamental Principles and Rights at Work	0
OECD Guidelines for Multinational Enterprises	0

Eurogrid Group	
	2024
Total amount of fines, penalties and compensation for damages of severe human rights incidents	€0.00

3.2. ESRS S2 Workers in the value chain

Eurogrid Group's capacity to ensure safe and fair working conditions throughout its upstream value chain is critical for executing the business operations and realisation of the infrastructure projects as support in the delivery of the energy transition.

ESRS2 SBM3 S2 - Material impacts, risks and opportunities and their interaction with strategy and business model

In line with the ESRS nomenclature, there are two groups of value chain workers at Eurogrid Group:

- i. workers in the value chain directly involved in 50Hertz's sites but who are not part of its own workforce, especially related to Infrastructure Design and Construction, and Grid Operations and Maintenance (contractors);
- ii. workers in the value chain working for entities in the upstream value chain of Eurogrid Group (Upstream workers).

Negative material impact

The contractors involved in Infrastructure Design and Construction, and Grid Operations and Maintenance are operating in an industrial environment carrying inherent health and safety risks, which are not systemic but rather pertain to individual incidents.

Positive material impact

The safety culture that Eurogrid Group promotes also extends to workers in the value chain. All suppliers must sign a Supplier Code of Conduct requiring adherence to

international standards in ethical conduct and health and safety. They are also encouraged to obtain an EcoVadis rating.

Risks, opportunities and dependencies for workers in the value chain

Eurogrid Group does not have a significant risk of forced labour or compulsory labour or child labour among workers in the value chain in any geography or commodities it purchases.

Dependencies from negative impacts in the area of health and safety relate more specifically to value chain workers involved in Infrastructure Design and Construction, and Grid Operations and Maintenance.

The processes described in section [S2-2 Processes for engaging with value chain workers about impacts](#) and the actions presented in section [S2-4 Taking action on material impacts, risks and opportunities related to value chain workers](#) also aim to understand how value chain workers with particular characteristics, a particular context or active in particular activities may be at a greater risk of harm.

Material risks identified pertain to Eurogrid Group's TSO activities, and not to a specific group of value chain workers.

S2-1 - Policies related to value chain workers

Unless specified otherwise, the policies described in this section cover contractors (see ESRS nomenclature in section ESRS 2 SBM-3 above) carrying out duties on the sites of the 50Hertz.

The health and safety policies in place for Eurogrid Group's own workforce equally apply to contractors. For more information, refer to section [S1-1 Policies related to own workforce](#).

For workers in the value chain, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied²².

²² The ESRS do not provide a definition of 'third-party standards'. We interpret the requirements in a broader sense and provide in this column information about:

- frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised reference was used;
- certifications offered by an independent external entity.

This list is not exhaustive.

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Supplier Code of Conduct	<p>Eurogrid Group implemented a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct and health and safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions.</p> <p>Subtopic: Working conditions in the supply chain</p>	The SCoC sets out guidelines and expectations for suppliers in the fields of ethical conduct, health and safety, environmental and social aspects.	<p>Risk analysis by Procurement department and process compliance monitoring by Internal audit</p> <p>See also section S2-3</p> <p>Process to remediate negative impacts and channels for value chain workers to raise concerns</p>	Upstream and own operations,	Chief Procurement Officer /Elia Group	<p>Ten principles of the United Nations Global Compact;</p> <p>United Kingdom Anti-Corruption Act;</p> <p>United Nations Convention against Corruption;</p> <p>OECD principles against corruption and bribery;</p> <p>Principles and conventions of the United Nations in the area of Human Rights and Decent Work;</p> <p>ILO convention for the prohibition of child and forced labour</p>
Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz	<p>Eurogrid Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.</p> <p>Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.</p> <p>Health and safety events may harm one of our suppliers.</p> <p>Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.</p> <p>Subtopic: Health and safety</p>	These describe the safety and health rules applicable to any outside company carrying out work for 50Hertz	<p>Operational monitoring;</p> <p>See also section S2-5</p> <p>Targets related to value chain workers</p>	Upstream and own operations	Head of Corporate Governance	Applicable laws on labour, working conditions and safety.
General Purchasing Conditions	<p>Eurogrid Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.</p> <p>Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.</p> <p>Health and safety events may harm one of our suppliers.</p> <p>Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.</p> <p>Subtopic: Health and safety</p>	The General Purchasing Conditions define the contractual relationship between contractors and 50Hertz	<p>Operational monitoring;</p> <p>See also section S2-5</p> <p>Targets related to value chain workers</p>	Upstream and own operations	Chief Procurement Officer / Elia Group	Applicable regulations

Policies for ethical behaviour and human rights

Code of Ethics

Eurogrid Group's contractors fall within the scope of Elia Group's Code of Ethics. The Code of Ethics outlines Elia Group's commitment to integrity, compliance, diversity and inclusion, including human rights and appropriate handling of information. It enshrines safety and wellbeing as a top priority amongst the guiding principles for all stakeholders, including contractors. More information on Elia Group's Code of Ethics can be found in section [G1-1 Corporate culture and business conduct policies](#).

Human Rights Policy

Elia Group's Human Rights Policy also promotes the importance of protecting human rights in its relationships with suppliers and other stakeholders. The Policy identifies health and safety as a priority area of Elia Group's human rights commitment. More information on the Human Rights Policy can be found in section [G1-1 - Corporate culture and business conduct policies](#).

Supplier Code of Conduct

To achieve these commitments in the value chain and integrate their monitoring within the business processes, Eurogrid Group anchored these human rights and corporate sustainability principles in its local Supplier Code of Conduct. Eurogrid Group requires its suppliers to behave lawfully and ethically with a view to protecting human rights and labour rights. More information on the Supplier Code of Conduct can be found in section [G1-2 - Management of relationships with suppliers](#).

Policies for health and safety

Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz

The safety requirements of the Supplier Code of Conduct are reflected in the local operations of contractors via the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz. More information on the Supplier Code of Conduct can be found in section [G1-2 - Management of relationships with suppliers](#).

General Purchasing Conditions

The health and safety requirements of the Supplier Code of Conduct of Eurogrid Group are also mirrored in the General Purchasing Conditions established at Elia Group level for contracting with suppliers. These define the contractual relationship between suppliers and a Group TSO entity. More information on the Purchasing Conditions of Eurogrid Group can be found in section [G1-2 - Management of relationships with suppliers](#).

More information on Eurogrid Group's general approach to engagement with value chain workers can be found in section [S2-2 Processes for engaging with value chain workers about impacts](#). More information on measures to provide and/or enable remedy for human rights impacts is can be found in section [S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns](#).

In reporting year 2024, Eurogrid Group reported no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental

Principles and Rights at Work or OECD Guidelines for Multinational Enterprises involving suppliers. At 50Hertz, a project is ongoing to reach compliance with the German Supply Chain Due Diligence Act (LkSG).

S2-2 - Processes for engaging with value chain workers about impacts

Health and safety

At 50Hertz, quality inspections take place on-site and include health and safety aspects. To conduct these inspections, auditors of 50Hertz use a criteria catalogue specially adapted to the respective trades. As part of this, health and safety aspects of the construction site and of the suppliers' work are checked.

There are also site meetings every week where the project leader discusses health and safety with the working teams, including contractors. Coordinators from the health and safety team of 50Hertz occasionally attend these meetings. The company has also set up a specific tool for management of related audits. In addition, the procurement department conducts an annual supplier meeting with the involvement of the health and safety departments. At this meeting, accidents and incidents are discussed and, if necessary, further measures are defined.

Due to the increasing number of projects in civil engineering, building construction, overhead line construction, electrical engineering and cable technology, a higher number of qualified external companies is required. A prequalification procedure using an audit checklist is being carried out together with the purchasing department to check the performance against Eurogrid Group's requirements, including occupational health and safety. This is intended to ensure a uniformly high standard in health and safety as well as environment and quality criteria on all construction sites. The second step consists of evaluating the tender documents by those responsible for health and safety before the external companies are commissioned. This requires close cooperation and coordination between the health and safety team and the procurement team. At 50Hertz, the most senior position responsible for ensuring that dialogue and continuous improvement on health and safety take place is the CCO.

Sustainable procurement

Strategic suppliers are surveyed by an external service provider (EcoVadis) on sustainability aspects, including human rights due diligence, and the result is expressed in an overall score: the ESG rating. In new framework agreements, all suppliers are required to undergo an annual EcoVadis rating during the term of the contract, which is then reviewed by the purchasing department. The long-term goal is to include all strategic suppliers in a uniform ESG rating such as Ecovadis.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

Breaches of integrity

Value chain workers have the opportunity to express their concerns regarding any negative material impact or any alleged breach of Elia Group's Code of Ethics or Human Rights Policy and/or applicable laws and regulations without fear of reprisal and/or unfair treatment. They can use EthicsAlert, an external system for reporting possible breaches of integrity. More information on this channel can be found in section [S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns](#). EthicsAlert is compliant with the EU Whistleblowing Directive. Value chain workers can raise their concerns anonymously via this platform. The platform is available to all stakeholders on the [company website](#). More information on the Whistleblowing framework of Eurogrid Group can be found in section [G1-1 - Corporate culture and business conduct policies](#).

Alongside the electronic EthicsAlert whistleblowing system, workers in the value chain of 50Hertz can reach out to an external and independent ombudsman to raise their concerns. Contact information is available to all stakeholders on the company [website](#).

Health and safety topics

The Supplier Code of Conduct sets out the general principles for contractors regarding health and safety impacts (see section [S2-1 - Policies related to value chain workers](#) for more details). Sanctions can be imposed in instances where violations to health and safety rules are found to have occurred. Measures and action plans designed to prevent such risks are then implemented, primarily through discussions with the partners involved. More information on actions taken to mitigate health and safety risks for contractors can be found in section [S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers](#). Contractors of 50Hertz can also report incidents to the company. There are clear processes in place when accidents at work occur. Every accident triggers a reactive process in which the responsible project leader, procurement, occupational safety and quality departments on the one hand and representatives of the contractor on the other hand participate. Within the process, measures are developed together with the contractor and made available to the external companies, for example in the form of plant-specific safety instructions.

S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers

Actions	Related policy objective or target	Scope	Time-horizons
Safety with Contractors	See health and safety target in section S2-5 Targets related to value chain workers	Own operations and upstream, Elia Group	/ (recurring action)
"gib8" awareness campaign	See health and safety target in section S2-5 Targets related to value chain workers	Own operations and upstream,	/ (recurring action)
Occupational safety dialogues	See health and safety target in section S2-5 Targets related to value chain workers	Own operations and upstream,	/ (recurring action)
ISO 45001 certification	See health and safety target in section S2-5 Targets related to value chain workers	Own operations,	/ (recurring action)

Health and safety

At 50Hertz, the health and safety team takes actions to promote and protect the health and safety of workers, including contractors. The gib8 awareness campaign was launched in 2018 and illustrates that occupational safety is a corporate value. Since 2022, the new support structure Simo (Sicherheitsmoment - safety moment) has been guiding workers through the campaign topics. The content of the campaigns is shared and communicated with the customers of 50Hertz.

Every year, 50Hertz holds occupational safety dialogues with occupational safety specialists from the construction, overhead line and electrical installation sectors. At these events, common occupational safety topics are discussed in an open atmosphere, critically debated and possible solutions exchanged. At 50 Hertz, contractors have an obligation to provide information and training related to safety, health and environment with the goal of managing any related risks. 50Hertz has been awarding the HSEQ prize to its best contractors since 2022. They are assessed on the basis of health, safety, environmental and quality criteria, e.g. based on the results of inspections and accident statistics. This enables the company to value contractors who implement projects effectively and safely.

50Hertz Transmission also holds a certification in the area of operation, maintenance, planning and expansion of the transmission grid at its sites, stating that it has introduced and maintains an occupational health and safety management system in accordance with ISO 45001:2018. As the management system applies to all sites, it applies to the entire Eurogrid Group. The processes covered by this certification also aim to mitigate the health and safety impacts of workers in the value chain working on the sites of 50Hertz. The

principle of constant improvement (continuous improvement process) includes annual monitoring audits and recertification by an accredited external company every three years.

Related resources

In the course of 2024, Eurogrid Group initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

S2-5 -Targets related to value chain workers

One of the key metrics of the industry when reporting on the impact of operations on the health and safety of workers is the Total Recordable Injury Rate (TRIR).

The TRIR serves as a compass to monitor the evolution of the effectiveness of health and safety policies, processes and actions taken to protect workers.

Elia Group has set a target to decrease the TRIR of its contractors, i.e. workers working on the sites of 50Hertz who are not part of their own workforce. The TRIR target is defined internally together by management and the health and safety teams in contact with workers and operations, as per the processes described in sections [S2-2 Processes for engaging with value chain workers about impacts](#) and [S2-4 Taking action on material impacts, risks and opportunities related to value chain workers](#). Performance in respect of this target is measured annually based on data collected from contractors. Contractors are not involved in setting nor steering against the TRIR target.

Through the processes described in section [S2-2 Processes for engaging with value chain workers about impacts](#) and actions described in section [S2-4 Taking action on material impacts, risks and opportunities related to value chain workers](#), 50Hertz works with them to identify where improvement can be done to lower the TRIR contractors.

Target name	Scope	Value chain coverage	Related policy	Actuals 2024	Unit of measure	Baseline value 2023	Interim target for 2024	Target value 2030	Achieved performance
TRIR contractors	Eurogrid Group	Upstream	Supplier Codes of Conduct; Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz.	5.87	/	11.16	15.50	12.50	Overall decreasing trend in TRIR continues

Definitions and calculation method:

TRIR = number of recordable injuries*1,000,000/number of hours worked.

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion. In the case of contractors, the hours worked are estimated on the basis of invoices submitted and on the basis of a distribution key for labour costs depending on material groups and a monthly index-linked hourly rate for

January 2024 € 62.02/hour to December 2024 € 63.67/hour (estimated total hours in 2024/ total value of the contracts concerned according to the provisional list). The weighted average for 2024 is €63.14/hour.

3.3. ESRS S3 Affected communities

ESRS2 SBM3 S3 - Material impacts, risks and opportunities and their interaction with strategy and business model Impact, risk and opportunity management

For the transmission of electricity activities of Eurogrid Group, 'affected communities' are communities living and working around 50Hertz's operating sites and facilities. More specifically, we distinguish four different types of affected communities:

- Local residents: Individuals living near infrastructure projects who may be impacted by construction or operational activities.
- Agricultural and forestry community: Farmers and landowners whose lands and activities may be affected by infrastructure development.
- Businesses: Companies operating in the vicinity of infrastructure projects that may experience effects on their operations, such as changes in accessibility or temporary disruptions during construction.
- Local communities: Municipalities near infrastructure projects that may be impacted by construction or operational activities.

Based on the analysis of the different groups of the affected communities, there is no group with particular characteristics which is at greater risk of harm.

Positive material impact

By making sustainable energy attractive for the settlement of future-oriented industries on the one hand and contracting our infrastructure measures regionally on the other, we stimulate economic growth in communities in rural, urban and industrial areas.

In addition, 50Hertz established proactive means to engage with its affected communities to make sure that their voices and opinions are heard.

Negative material impact

50Hertz's infrastructure footprint is widespread throughout North and East Germany. Due to the energy transition, more grid infrastructure will be built and therefore impacting more communities, even though the expansion always favours the usage of existing infrastructure routes such as train tracks and highways.

After construction is completed, some negative impacts may persist. As 50Hertz's grid infrastructure crosses inhabited areas, its physical footprint can have various local impacts, including those related to land use, noise, visual intrusion and potential health concerns.

Furthermore, noise can be caused by transformers in high voltage substations, high voltage lines, pylons and other equipment. Underground lines do not cause any noise.

Eurogrid Group is committed to mitigating these impacts and working closely with affected communities to address any ongoing issues.

Risks, opportunities and dependencies on affected communities

The rollout of new (critical) electricity infrastructure is highly dependent on support from the different affected communities' groups, especially in the permitting phase. Timely permit approval is an important challenge for the implementation of project.

Eurogrid Group is convinced that early involvement of stakeholders impacted by 50Hertz's infrastructure projects is vital for the success of the energy transition and of the important projects needed to make it happen.

No material risks or opportunities linked to a specific group of affected communities were identified.

S3-1 - Policies related to affected communities

For matters related to affected communities, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied:²³

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Officer Responsible	Third-party standard or initiative
Engagement Policy	<ul style="list-style-type: none"> Since the transmission grid crosses inhabited areas, its physical footprint has a multitude of local impacts (including land use, noise, visual intrusion and potential health concerns). <p>Subtopic: Land-related impacts</p> <ul style="list-style-type: none"> Permitting risk: timely permit approval is an important challenge for the implementation of projects supporting the energy transition. The rollout of new infrastructure projects is highly dependent on support from affected communities. <p>Subtopic: Communities' civil and political rights - Freedom of expression</p> <ul style="list-style-type: none"> Stakeholder engagement: 50Hertz engages in an ongoing dialogue with communities to ensure that projects are accepted and that their voice is taken into consideration. <p>Subtopic: Communities' civil and political rights - Freedom of expression</p>	Integrated communication and dialogue method with the aim of reaching mutual understanding and limiting the potential impact of new infrastructure projects by engaging in transparent, clear and constructive dialogue with the stakeholders	Multiple indicators are in place (e.g. the number of public information sessions, publications, questions and answers provided, etc.).	Own operations	Head of Nature Conservation and Permits	Applicable regulation regarding regional planning
Compensation Policy	<p>IROs</p> <p>Land-related impact: As 50Hertz's grid crosses inhabited areas, its physical footprint has a multitude of local impacts (land-related, noise, visual, etc.).</p> <p>Permitting risk: Timely permit approval is an important challenge for the timely implementation of projects supporting the energy transition. The rollout of new (critical) infrastructure is highly dependent on support from affected communities.</p> <p>Subtopics</p> <p>Land-related impacts,</p> <p>Communities' civil and political rights - Freedom of expression</p>	Policy with the aim of compensating affected communities (land and property owners, farmers, other businesses and communities/municipalities) for negative impact resulting from new infrastructure projects	Category and cost reporting is in place.	Own operations	Head of Nature Conservation and Permits	Bundeskompensationsverordnung (Federal Compensation Regulation)

²³ The ESRS do not provide a definition of "third-party standards". We interpret the requirements in a broader sense and provide in this column information about:

- frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised benchmark was used;
- certifications offered by an independent external entity.

The list is not exhaustive.

Infrastructure projects, including the construction of overhead lines, underground cables and substations, require careful planning. The planning and construction of extra-high-voltage grid projects are subject to strict legal requirements, which vary depending on the federal state in which the project is being realised.

EMF and noise regulation

In Germany, federal or regional legislation defines the recommended values for electric and magnetic fields. 50Hertz complies with these limits and takes the concerns of stakeholders seriously and carries out on-site measurements.

Regarding noise pollution, regulations apply to 50Hertz. The main source of noise pollution across the grid is associated with transformers. If necessary, soundproofing measures, such as soundproof walls, are provided during the design phase of the project so that our (new and existing) infrastructure meets the noise standards outlined in environmental regulations.

50Hertz is committed to going above and beyond these requirements to achieve a result that is acceptable to all parties.

Maximum use of existing infrastructure

50Hertz follows a hierarchical approach that is transparent, systematic and non-discriminatory. It prioritises scenarios for its projects that reduce the impact on the affected communities, landscape and environment as much as possible. In specific terms, this means that 50Hertz only builds new infrastructure when all other options for increasing grid capacity have been exhausted. In this case, 50Hertz always aims to use existing corridors by expanding the grid or building the new grid in the same place as the old one. Where the construction of new infrastructure is necessary, 50Hertz seeks, as soon as possible, to limit the potential impact by engaging proactively in transparent, clear and constructive dialogue with its stakeholders.

Dialogue with stakeholders

50Hertz has developed an integrated communication and dialogue method that systematically incorporates stakeholder and communication measures into the grid development and construction process at an early stage to realise the best project with the interests of society in mind. Of course, there might remain unmitigated impacts. In that case, mutual understanding (based on dialogue) is key. Throughout the project life cycle, stakeholders' inputs are systematically integrated into the project planning process, thereby guiding 50Hertz's strategic and operational decisions. Collaboration with stakeholders is fully integrated throughout the project. The aim is to achieve the highest possible level of mutual understanding in every phase of the project.

At 50 Hertz, the communication and dialogue method is set out in the project management guidelines and the modular implementation toolkit. The toolkit provides examples of potential participation methods for different projects, defines stakeholders in the various project phases and lists instruments for dialogue. In addition, 50Hertz has set out this voluntary commitment in state agreements. These state agreements have so far been concluded with the states of Brandenburg (2013), Mecklenburg-Western Pomerania (2014), Saxony (2016) and Saxony-Anhalt (2014). These agreements are publicly available on the 50Hertz website.

The approaches described here above adhere to the Group-wide Code of Ethics which, among other things, defines this commitment. For more information on our Code of Ethics, please refer to section [C1-1 Corporate culture and business conduct policies](#).

50Hertz acknowledges its responsibility with regards to respect for human rights and naturally respects the rights of its affected communities to privacy, personal safety and property. Elia Group's Human Rights Policy specifies this objective and sets out the underlying frameworks. These include the ten principles of the UN Global Compact, the United Nations Universal Declaration of Human Rights and the International Pact on Civil and Political Rights. Elia Group's Human Right Policy is made available to internal and external stakeholders via the [website](#) and intranet.

Compensation measures

If impact is unavoidable, appropriate mitigation and compensation measures are carried out.

Financial compensation payments are regulated by the Electricity Grid Charges Ordinance (StromNEV §5 Para. 4). Under the Federal Nature Conservation Act (BNatSchG), there is an obligation to avoid or minimise as far as possible any negative impact on nature and the landscape (avoidance and minimisation requirement). Where impacts are unavoidable, 50Hertz takes the legally prescribed compensatory measures. The compensation policy is available on the [website](#).

Other partnerships

Insights from 50Hertz's partnership with the Renewable Grid Initiative, which represents the interests of European TSOs as well as various stakeholders, such as NGOs representing social and environmental interest groups, have been incorporated into the development of our policies concerning these communities. For more information on this partnership, please see section [S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns](#).

The approach of Eurogrid Group to address the IRO 'Development of a sustainable infrastructure benefits local value chain and economic growth' has not been formalised in a policy document. This is due to the fact that these topics are integrated into our core mission and strategy and translated into actions and implementation plan.

S3-2 - Processes for engaging with affected communities about impacts

50Hertz's approach is to contact and inform all parties of upcoming projects from the outset to ensure their voices are heard and community concerns can be addressed. To achieve this objective, the relevant department has developed communication and dialogue processes; this ensures that stakeholder engagement and communication is embedded into the grid development process.

Early project planning and public consultation

As a new project is being explored, discussions with relevant stakeholders are held during the very early stages of project planning. During the design phase of our projects, we mainly work with civil society, local municipalities, NGOs, and representatives from academia.

Public consultations are also held regarding grid development plans (up to 10 years in advance). As projects become more concrete, discussions and information sessions are organised for local citizens and communities in connection with legal procedures that aim to facilitate public participation, as well as extending beyond these procedures (e.g. additional information sessions during the process). In addition to the legally required preliminary public information meetings, 50Hertz organises additional information sessions for local residents. In addition to project announcements, this is also the case for the presentation of environmental assessment results, making sure that everybody knows and understands possible impacts and their mitigation before the permitting procedure.

The dialogue with affected communities is based on the quality principles of the Diverse Democracy Alliance. Formats were defined as part of a toolbox of measures that sets a minimum standard for each project. Within this framework, each project team further develops the necessary and meaningful participation roadmap. The participation measures have increasingly been converted into digital formats and supplemented with additional digital information tools.

The increased implementation of projects to build overhead lines in Germany is also changing the range of tasks associated with public participation. Local authorities, the press and residents must be informed about construction measures in a targeted manner. This results in numerous queries and tasks that must be dealt with jointly with the construction teams. The acceleration measures introduced by the federal government have also influenced the scope of activities in terms of early public participation. Changes in the procedure and in the applicable guidelines for planning and approval must be communicated anew to residents and public agencies. The scope for compromise must be reassessed and negotiated. This affects both the public participation required in the planning approval procedure and the planning authorisation procedure as well as nature conservation measures. This is why the dialogue with stakeholders from the areas of nature conservation and local authorities has been intensified.

Communication and digital engagement

To enhance the outreach, 50Hertz has increasingly incorporated digital communication channels, such as webinars and digital one-to-one consultations, to maximise participation

and accessibility. It is crucial for us that all interested stakeholders have easy access to the information they need. Digital visualisation tools demonstrate a high added value for citizens' understanding of the project (to be situation).

Throughout the execution of works, 50Hertz keeps citizens informed to address concerns related to nature, mobility, noise and other impacts.

A variety of tools is used for this purpose, including physical and digital sessions, newsletters, digital maps (showing progress) and 3D modelling to improve public understanding of projects. In addition, the [website of 50 Hertz](#) features a dedicated section that provides comprehensive information about our ongoing infrastructure projects.

Effectiveness check

50Hertz continuously monitors the effectiveness of its efforts to engage with affected communities, evaluating feedback from public consultations and monitoring the level of support for the projects. In this way, this approach can be refined and ensured to deliver the best quality. 50Hertz aims to accelerate the implementation of the planning and construction processes, while at the same time ensuring the quality of the participation processes for the affected communities.

The most senior position responsible for 50Hertz's engagement processes with affected communities is the Head of Nature Protection & Permits.

S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

50Hertz is committed to addressing any negative impacts on affected communities that may arise from its activities. To this end, in addition to the communication and public participation processes, comprehensive remediation processes and robust channels for communities to raise concerns directly with it, were established.

50Hertz offers affected communities several ways to voice their concerns or needs:

- public information sessions, including a mobile office (bus) that goes out to meet affected communities in their local environment (e.g. events, markets, etc.);
- a (toll-free) telephone number and an e-mail address, published on [website of 50 Hertz](#), for direct communication with the responsible teams;
- a dedicated contact person for each project to address community concerns.

50Hertz proactively engages with landowners whose land is being used temporarily during construction or for the long-term relocation of infrastructure. This engagement takes place both before and after the project works to assess the impact and ensure fair treatment. A general compensation policy is applied to all infrastructure projects to redress any grievances.

To ensure the engagement channels are effective, 50Hertz closely monitors all issues raised through them. Feedback received through the different engagement channels and external meetings are centralised for each project and discussed during internal meetings,

the aim being to reinforce the strategy, the approach and the communication for each project.

Media and social media monitoring tools help to keep abreast of public concerns and sentiments related to the activities and the broader energy sector. A dedicated social listening team analyses online conversations daily to gain insights into community perspectives.

Lastly, in addition to the dedicated channels described above, affected stakeholders can report any violations of laws, regulations or the Code of Ethics confidentially and securely via the Elia Group EthicsAlert reporting tool. Reports can be submitted anonymously, and reporters are protected from retaliation or unfair treatment. A legal ombudsman is also available as an external contact. Please see section [G1-1 Corporate culture and business conduct policies](#) for further details on the Whistleblowing framework and processes.

50Hertz is among the founding members of the Renewable Grid Initiative. One of the key themes of the initiative, which is recognised by leading TSOs and NGOs in Europe, is successful public participation in the interests of the affected communities.

S3-4 - Taking action on material impacts, risks and opportunities related to affected communities

As a frontrunner in the energy transition, Eurogrid Group plays a key role in society and aims to develop its grid in the best interest of the community. It is aware that the presence of infrastructure has an impact on the environment and the living conditions in the surrounding area, and Eurogrid Group strives to prevent and mitigate this impact. Mitigation and compensation measures do exist and have already been tried and tested.

As stated in section [S3-2 Processes for engaging with affected communities about impacts](#), 50Hertz aims to contact and inform all parties of upcoming projects from the outset to ensure their voices are heard and community concerns can be addressed. To that end, 50Hertz has developed communication and dialogue processes that include several public information sessions throughout the project phases.

Unavoidable impacts are limited in intensity/size and/or restored. Where the construction of new infrastructure is necessary, 50Hertz seeks, as soon as possible, to limit the potential impact by situating the infrastructure as far away as possible from inhabited or protected (nature, landscape, heritage) areas and by aligning with the existing infrastructure. Independent external offices and internal experts weigh out alternative scenarios and identify reduction measures.

When mitigation is not possible, 50Hertz has compensation policies that define appropriate measures for affected stakeholders, such as residents, farmers, landowners, forest owners and municipalities, as well as for the environment. These measures are transparent, non-discriminatory and proportional to the impact of the work, with proactive notifications provided to those eligible for compensation.

Compensation is provided based on factors like proximity to overhead lines, voltage level, project type..

Actions	Related policy objective or target	Scope	Time horizon
Public information sessions	Reach mutual understanding and limit the potential impact of new infrastructure projects by engaging in transparent, clear and constructive dialogue with the stakeholders	Own operations	/ (recurring action)
Compensation measures	Compensate affected communities (land and property owners, farmers, other businesses and communities/ municipalities) for negative impact resulting from new infrastructure projects	Own operations	/ (recurring action)

Related resources

In the course of 2024, Eurogrid Group initiated the set-up of a Group-wide methodology for collecting the significant financial resources (CAPEX and/or OPEX) dedicated to each material ESRS. The result of this initiative will only be available for the reporting period 2025.

Eurogrid Group is committed to effectively managing the material impacts of its operations. To this end, 50Hertz has a dedicated Community Relations Team.

This team plays a vital role in addressing both negative and positive impacts by managing the relationship with the community as well as local citizens and businesses and raising public acceptance of 50Hertz's projects. It actively engages with local communities and their stakeholder to understand their concerns and address them promptly.

In addition to direct dialogue, public meetings and forums to provide information and gather feedback are key components of the dialogue teams' work. It develops and implements strategies to promote positive relationships with affected stakeholders and improve public acceptance of 50Hertz's activities.

Through these comprehensive efforts, 50Hertz ensures its operations are conducted responsibly and transparently, benefiting both the community and the organisation.

Findings – Breaches 2024

No severe human rights issues or incidents connected to affected communities were reported in reporting year 2024.

Eurogrid Group reported no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving affected communities within its own operations. In addition, adherence to these standards has been evaluated in the context of the EU Taxonomy assessment.

In the context of the requirements for the Minimum Social Safeguards (EU Taxonomy regulation), a risk assessment is due to be implemented to check for human rights incidents throughout Eurogrid Group's value chain. See section [Disclosures pursuant to article 8 of regulation 2020/852 \(Taxonomy Regulation\)](#) for further details.

S3-5 - Targets related to affected communities

50Hertz has not set any measurable time-bound outcome-oriented targets regarding affected communities so far. Nevertheless, the effectiveness of the policies and actions are tracked in several ways.

As stated in section [S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns](#), 50Hertz works closely with the NGO community to ensure that the interests of society are represented through regular collaboration, dialogue and interaction with a wide range of stakeholders. In addition, it conducts social media monitoring activities and surveys to assess the impacts and outcomes of the initiatives.

The level of ambition is defined by the commitment to fostering positive community relations. The results of the various dialogue measures, social media monitoring and surveys are used as qualitative indicators to evaluate the responsiveness and sentiment of the community towards our projects. Through these processes, 50Hertz ensures the effectiveness of its policies and actions in relation to the identified material impacts and risks.

4. Governance information

4.1. ESRS G1 Business conduct

Eurogrid Group is committed to conducting business with integrity in all aspects of its operations and to complying with the laws and regulations in every country where it operate. Eurogrid Group is continually enhancing its compliance programme and rely on building and maintaining a common understanding of how it expect business to be conducted with its people, suppliers and other third parties.

G1-1 - Corporate culture and business conduct policies

As part of the Elia Group, the Eurogrid Group is bound by a number of group-wide policies on business conduct. These policies are developed, managed and monitored at Elia Group level. In addition, there are policies that have been adapted to the regulatory framework, legislation and the special circumstances of the German business model and are developed, managed and monitored at Eurogrid Group level.²⁴:

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Code of Ethics	<ul style="list-style-type: none">Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct. <p>Subtopic: Corporate Culture</p>	The Code of Ethics serves as a guiding framework for employees in their daily work	The monitoring of the compliance with Code of Ethics by Eurogrid Group's employees is mainly done by Elia Group's Internal Audit.	Own operations	Chief Alignment Officer / Elia Group	/
	<ul style="list-style-type: none">Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk). <p>Subtopic: Political influence and lobbying activities</p>					

²⁴ The ESRS do not provide a definition of "third-party standards". We interpret the requirements in a broader sense and provide in this column information about:

- frameworks, laws, regulations that form the foundation of the respective policy and that guarantee that a recognised benchmark was used;
- certifications offered by an independent external entity.

The list is not exhaustive.

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Anti-Bribery and Corruption Policy	<ul style="list-style-type: none"> – Lack of strong preventive and detective measures (such as training, communication campaigns) can lead to corrupt practices within the organisation. <p>Subtopic: Corruption and bribery - Prevention and detection, including training</p> <ul style="list-style-type: none"> – Companies are expected to disclose their political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards. If not, there is a reputational risk (as well as a compliance risk). <p>Subtopic: Political influence and lobbying activities</p>	The Anti-Bribery and Corruption policy describes the mandatory requirements and responsibilities for complying with laws that prohibit bribery and corruption in the conduct of (inter)national business.	The monitoring of the compliance with the Anti-Bribery & Corruption policy by Eurogrid Group's employees is mainly done by Elia Group's Internal Audit.	Own operations	Head of Internal Audit & Risk Management / Elia Group	Anti-bribery and –corruption laws such as the Foreign Corrupt Practices Act, UK Bribery Act, as well as all other applicable legislation. For the German Eurogrid Group in particular, the StGB § 331 - 335, the Anti-Corruption Act and the Administrative Offenses Act (OWiG) should be mentioned.
Human Rights Policy	<p>Good Governance and Compliance: Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct.</p> <p>Subtopics Corporate Culture</p>	It describes the commitment to upholding and promoting human and social rights when undertaking Eurogrid Group's activities, alongside with all applicable laws and regulations. It lays out general principles related to our commitment as well as some Human Rights priority areas, in relation with the priorities of our ActNow sustainability program.	The monitoring of the compliance with the Human Rights policy is mainly done by Elia Group's Internal Audit.	Own operations	Chief Alignment Officer / Elia Group	Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it; International Labour Organization's Declaration on Fundamental Rights and Principles at Work; United Nations Global Compact.
Code of Conduct	<p>Good Governance and Compliance: Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Elia Group will improve its business conduct.</p> <p>Subtopics Corporate Culture</p>	This Code aims to actively prevent violations of insider trading and market manipulation laws by its personnel and, as far as possible, to avoid even the appearance of improper conduct.	The monitoring of the compliance with the Code of Conduct by Eurogrid Group's employees is mainly done by Elia Group's Internal Audit and by the Secretary General as process owner.	Own operations	Secretary General / Elia Group	/

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Supplier Code of Conduct	<p>The procurement of equipment and services is essential to ensuring the maintenance and grid expansion needed to achieve Eurogrid Group's strategic objectives. The extensive competition from many European TSOs and other industries which have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading consequently to longer delivery times. This may have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.</p> <p>The current competition and high pressure on supply chain (equipment for large TSO infrastructure projects), is leading consequently to longer delivery times and limited room for negotiation, which in turn drives prices up. This all can affect the realisation of the delivery of the project portfolio and the investment plan.</p> <p>Subtopics Management of relationship with suppliers</p>	It sets up guidelines and expectations for our suppliers in the fields of ethical conduct, health and safety, environmental and social aspects.	Annual risk analysis by Elia Group's procurement department and process compliance monitoring by Elia Group's Internal Audit	Upstream and own operations	Chief Procurement Officer / Elia Group	Ten principles of the United Nations Global Compact; United Kingdom Anti-Corruption Act; United Nations against Corruption; OECD principles against corruption and bribery; Principles and conventions of the United Nations in the area of Human Rights and Decent Work; ILO convention for prohibition of child and forced labour
Purchasing Conditions	<p>The procurement of equipment and services is essential to ensuring the maintenance and grid expansion needed to achieve the Eurogrid Group's strategic objectives. The extensive competition from many European TSOs and other industries which have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading consequently to longer delivery times. This may have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players.</p> <p>The current competition and high pressure on supply chain (equipment for large TSO infrastructure projects), is leading consequently to longer delivery times and limited room for negotiation, which in turn drives prices up. This all can affect the realisation of the delivery of the project portfolio and the investment plan.</p> <p>Subtopics Management of relationship with suppliers</p>	The purchasing conditions outline tailored and general requirements across different sourcing categories that suppliers must adhere to in their contracts with Elia Group, ensuring compliance with ethical, social, and environmental standards.	Contractual agreement at Eurogrid Group level	Upstream and own operations	Chief Procurement Officer / Elia Group	Applicable regulations

Policy	Correspondence with impacts, risks and opportunity	Key contents and objective	Monitoring process	Scope	Function Accountable	Third-party standard or initiative
Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz	<ul style="list-style-type: none"> – The procurement of equipment and services is essential to ensuring the grid maintenance and expansion needed to achieve Elia Group's strategic objectives. Extensive competition from many European TSOs and other industries that have similar expansion plans creates a discrepancy with existing manufacturing capacities, leading to longer delivery times. This can have a significant impact on the pace of the integration of renewable energies as well as the electrification of industrial players. – Consequently, the current competition and high pressure on supply chains (equipment for large TSO infrastructure projects) is leading to longer delivery times and limited room for negotiation, which in turn drives prices up. All this can affect the delivery of the project portfolio and the investment plan. <p>Subtopic: Management of relationship with suppliers</p>	These instructions describe the safety and health rules applicable to any outside company carrying out work for 50Hertz.	Operational monitoring	Upstream and own operations	Head of Corporate Governance	<ul style="list-style-type: none"> • Applicable laws on labour, working conditions and safety
Whistleblowing Framework	<p>Protection of whistleblowers: Lack of strong preventive measures and whistleblower protection can lead to corrupt practices within the organisation.</p> <p>Subtopics Protection of whistle-blowers</p>	The framework describes the mandatory requirements that should be implemented by Eurogrid Group to comply with European and national laws and regulations regarding the set-up of whistleblowing systems to express concerns on certain types of violations and to protect whistleblowers.	Process monitoring is performed by the respective Whistleblowing Commissions.	Upstream and own operations	Compliance Officer	<p>Applicable law transposing Directive (EU) 2019/1937</p> <p>Supply Chain Due Diligence Act (LkSG)</p>

The following policies are also included in other topical standards:

Policy	Reference to topical standard	Correspondence with impacts, risks and opportunity
Supplier Code of Conduct	ESRS S2 Workers in the value chain	<ul style="list-style-type: none"> – Eurogrid Group implemented a Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct, health & safety. This, along with encouraging suppliers to obtain EcoVadis certification, fosters a responsible supply chain promoting safe working conditions <p>Sub-topic: Working conditions in the supply chain</p>
	ESRS E1 Climate Change	<ul style="list-style-type: none"> – Indirect greenhouse gas emissions generated within 50Hertz's value chain related to its grid construction and maintenance activities. <p>Subtopics: GHG Emissions (Scope 3)</p>
	ESRS E4 Biodiversity and ecosystems	<ul style="list-style-type: none"> – Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>
	ESRS E5 Resource Use and Circular Economy	<ul style="list-style-type: none"> – 50Hertz's construction and maintenance activities generate waste. – Recycling of materials lowers costs of decommissioning. <p>Subtopic: Waste</p>
Purchasing Conditions	ESRS S2 Workers in the value chain	<ul style="list-style-type: none"> – 50Hertz's safety culture, focus on contractor safety, and zero-accident goal for all workers contribute to improved safety standards across the value chain. – Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments. – Health and safety events may harm one of our suppliers. – Infractions on health and safety and/or health and safety events may lead to contractors retracting from projects. Result: infrastructure projects and/or maintenance activities delayed and/or cancelled. <p>Subtopic: Health and safety</p>
	ESRS E1 Climate Change	<ul style="list-style-type: none"> – Indirect greenhouse gas emissions generated within 50Hertz's value chain related to its grid construction and maintenance activities. <p>Subtopics: GHG Emissions (Scope 3)</p>
	ESRS E4 Biodiversity and ecosystems	<ul style="list-style-type: none"> • Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity. <p>Subtopic: Land-use change, fresh water-use change and sea-use change</p>
	ESRS E5 Resource Use and Circular Economy	<ul style="list-style-type: none"> • 50Hertz's construction and maintenance activities generate waste. <p>Subtopics: Waste</p>
Human Rights Policy	ESRS S1 Own Workforce	/

Policy	Reference to topical standard	Correspondence with impacts, risks and opportunity
Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz	ESRS E4 Biodiversity and ecosystems	<div><div>– The construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</div><div>Subtopic: Land-use change, fresh water-use change and sea-use change</div></div>
	ESRS S2 Workers in the value chain	<div><div><div>– Eurogrid Group's safety culture, which focuses on contractor safety and the goal of zero accidents for all workers, contributes to improved safety standards across the supply chain.</div><div>– Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights, and potentially hazardous environments.</div><div>– Health and safety events may harm one of our suppliers.</div><div>– Health and safety infractions and/or health and safety events may lead to contractors withdrawing from projects. The result may be that infrastructure projects and/or maintenance activities are delayed or cancelled.</div></div><div>Subtopic: Health and safety</div></div>

To be able to steer the strategy Eurogrid Group relies on a solid governance structure (see [‘Background of the group - Management system’](#)). 50Hertz Transmission's Board of Directors provides oversight and internal controls are in place alongside a solid approach to risk management. Elia Group and Eurogrid Group carry out audits ensuring Eurogrid Group to comply with relevant legal, regulatory and internal requirements while also preventing and avoiding fraud.

Eurogrid Group's commitment to responsible corporate governance is described in Elia Group's sustainability programme, ActNow, whose steering structure can be consulted in section [1.2. Governance](#), and set out in Elia Group's Code of Ethics. The Code of Ethics is based on the core labour standards of the International Labour Organization (ILO) and the ten principles of the UN Global Compact (UNGC), of which 50Hertz Transmission is member.

Due to its legal status as transmission system operator, 50Hertz is subject to a large number of legal and regulatory regulations in Germany. These rules stipulate three fundamental principles:

- non-discriminatory conduct;
- confidential treatment of information;
- transparency towards all electricity market participants with regard to non-confidential market information

Employees can access organisational principles, binding policies, and company regulations through the company-wide intranet. The Code of Ethics and corresponding guidelines outline proper corporate behaviour, emphasizing legal compliance and zero tolerance for corruption. These principles are reinforced in organisational regulations and detailed in a policy addressing bribery and corruption.

Human Rights Policy

The Elia Group-wide Human Rights Policy Statement manifests the Elia Group's commitment to upholding and promoting human and social rights when undertaking activities, alongside with all applicable laws and regulations. It lays out general principles related to Elia Group's commitment as well as some Human Rights priority areas, in relation with the priorities of our ActNow sustainability program. The priority areas of the Human Rights Policy of Elia Group cover Health and Safety, Diversity, Equity & Inclusion and Governance, Ethics & Compliance. For each area, Elia Group pays special attention to the related human rights within its operation.

The commitment to human rights comprises an acknowledgement of and support for internationally recognised instruments, such as the Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it, as well as the International Labour Organization's Declaration (ILO: C87, C98 and C135) on Fundamental Rights and Principles at Work. This human rights policy document was drawn up following guidance published by the UN Global Compact, to which 50Hertz Transmission is a signatory. The Human Rights Policy is made available to internal and external stakeholders [via the website](#) and intranet.

Although policies related to Eurogrid Group's own workforce do not explicitly tackle trafficking in human beings, forced labour nor child labour, these specific human rights are addressed in the international frameworks to which 50Hertz Transmission is signatory. As a signatory of the UN Global Compact, 50Hertz Transmission publicly stand by its commitment to follow the laws in the countries it operates at all times, respect international labour rights and human rights, has zero tolerance for corruption and continuously improving sustainability performance. Respecting the human rights of its workers and safeguarding their dignity and working conditions is foundational to Eurogrid Group's approach as employer.

More information on the general approach of Eurogrid Group to engagement with people in its own workforce can be found in section [S1-2 Processes for engaging with own workers and workers representatives about impacts](#) whereas more information on measures taken to provide and/or enable remedy for human rights impacts can be found in section [S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns](#).

To achieve these commitments in its value chain and integrate their monitoring within its business processes, Eurogrid Group anchored these principles regarding human rights and corporate sustainability in its Supplier Code of Conduct.

Eurogrid Group's direct operations take place in Germany where strict national and European laws regarding environment, health and safety as well as human rights are enforced. Eurogrid Group requires its suppliers to behave lawfully and ethically to protect human and labour rights.

This is set out in the Supplier Code of Conduct of 50Hertz. See section [G1-2 Management of relationships with suppliers](#) for more information on the Code of Conduct.

Code of Ethics

Integrity and ethics are fundamental to Eurogrid Group's internal control environment. The Code of Ethics is based on the core labor standards of the International Labor Organization (ILO) and the ten principles of the UN Global Compact (UNGC), of which 50Hertz Transmission is a member. The Code of Ethics and the corresponding guidelines describe the correct conduct of the company and emphasize compliance with the law and zero tolerance of corruption. These principles are reinforced by organizational regulations and explained in more detail in a guideline on combating bribery and corruption.

Training and awareness

Regular communication from the Board and Executive Management clarifies the mutual rights and responsibilities of Eurogrid Group and its employees. These principles are communicated to new employees and incorporated into employment contracts. Senior management ensures compliance with these internal values and procedures, taking appropriate actions when necessary.

In addition, Elia Group has developed a Group-wide interactive training programme covering various business conduct matters, including the Code of Ethics, Code of Conduct, Anti-Bribery and Corruption, GDPR, Whistleblowing and conflicts of interest. This training has been available since the end of 2024 and is mandatory for:

- all newcomers
- on an annual basis: all employees (including directors) and long-term non-employees (intramuros)

Training attendance is monitored to ensure compliance.

A compliance training is established at Eurogrid Group level. For more information see G1-3 '[Prevention and detection of corruption/bribery](#)'.

Whistleblowing Framework

Eurogrid Group has implemented mechanisms to identify, report and investigate concerns about unlawful behaviour or actions that contradict Elia Group's code of conduct or similar internal rules of Eurogrid Group. These mechanisms ensure transparency, accountability and trust within the organization and among external stakeholders.

Elia Group and Eurogrid Group employ audits to detect any irregularities or suspicious activities.

Eurogrid Group offers its internal and external stakeholders the opportunity to express their concerns about alleged breaches of the Elia Group's Code of Ethics (including human rights matters) without fear of reprisal and/or unfair treatment through an established Whistleblowing framework. This Whistleblowing Framework describes the mandatory requirements that should be implemented by Elia Group Companies and its majority-owned subsidiaries to comply with European and national laws and regulations regarding the set-up of whistleblowing systems to express concerns on certain types of violations and to protect whistleblowers.

As a rule, Eurogrid Group encourages its employees and other stakeholders, if possible, to discuss concerns of integrity violations first internally with the immediate superior, the line manager, the HR Business Partner or the Internal Auditor.

If this is not possible or if this discussion does not lead to the desired reaction, or if, for some reason, there is no possibility of addressing the issue, Elia Group has implemented the EthicsAlert reporting tool in compliance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council. Whistleblowing Directive. This external system, managed by an independent third party, enables both internal and external stakeholders to report any violations of laws, regulations, or the Code of Ethics confidentially and securely. Reports can be submitted anonymously and reporters are protected from retaliation or unfair treatment.

At Eurogrid Group, the whistleblower system has been expanded to include the requirements of the Supply Chain Due Diligence Act (LkSG) for establishing a grievance procedure for human rights and environmental violations. In addition to the web-based platform, a legal ombudsman is available as external contact. This independent lawyer, bound by professional secrecy, only shares information with the internal reporting office with the whistleblower's express consent, ensuring confidentiality and protection of the whistleblower's identity.

Through these processes and channels, Eurogrid Group strives to ensure that any negative impacts are effectively remediated and that both internal and external stakeholders can raise concerns confidently and receive timely responses.

At Eurogrid Group, upon receiving a report, an initial review assesses its validity and severity. Inadmissible or unspecific reports are rejected with reasons and mistaken submissions are redirected to the correct channel. Confirmed suspicions lead to detailed investigations, gathering further information and taking immediate measures if urgent. Investigations may be assigned to relevant units such as Internal Audit and involve the Audit Committee if necessary.

If human rights or environmental violations are confirmed, remedial or preventive measures are taken immediately. The reporter may be included in the process if contact details are available. All measures are followed up and coordinated by the responsible unit. Confidentiality is maintained throughout, respecting legal obligations to provide information to authorities.

Reports are initially processed by the internal, impartial, and independent reporting office. In-depth investigations should be completed within three months, with final reports protecting identities. The results of the investigation, and if applicable, recommendations to improve our processes, will be reported to management. Management is responsible for implementing effective actions in accordance with the results of the investigation. The Reporter will receive feedback, except where the report was submitted anonymously,

about the actions and measures taken or planned, and the main reasons for such actions and measures.

Non-anonymous reporters receive feedback within three months on actions taken.

The status of all reports made are tracked anonymously in dashboards to ensure that they are treated within the time limits set by law (in normal circumstances three months). Elia Group and Eurogrid Group ensure that all stakeholders, and in particular its employees, are informed and trust the internal reporting system by regularly informing them through internal channels about its existence, purpose and process. In addition, Eurogrid Group publishes yearly KPIs on the number of reports made and their outcome in its Sustainability Report and discusses these with the Workers' Council. Trust is mainly gained by guaranteeing anonymity and ensuring non-retaliation for people that report (suspicions of) violations. Confidentiality is maintained throughout the process, respecting legal obligations to provide information to authorities.

Internal controls

Integrity and ethics are fundamental to Eurogrid Group's internal control environment.

Eurogrid Group has implemented mechanisms to identify, report and investigate concerns about unlawful behaviour or actions that contradict the company's code of conduct or similar internal rules. These mechanisms ensure transparency, accountability and trust within the organisation and among external stakeholders.

Beyond the procedures to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, investigations of business conduct incidents, including incidents of corruption and bribery are usually carried out by Elia Group's internal audit departments.

Elia Group's internal audit department oversees all activities managed by the German TSO. Internal Audit warrants a prompt, independent and objective investigation of business conduct matters in line with the provisions of their Internal Audit Charter. They independently report to the Audit Committee (of 50Hertz, Elia Transmission Belgium or Elia Group) to avoid potential influence by the executive management boards.

Depending on the nature of the incident and the complexity of the investigation, the internal audit department may seek for external expert assistance.

The roles within the Eurogrid Group that are most at risk in respect of corruption and bribery are identified based on their tasks and responsibilities. These functions include:

- Management of Eurogrid GmbH and 50Hertz Transmissions
- Procurement (particularly buyers and procurement management)
- Community relations
- Public & Regulatory Affairs / Kommunikation & Politik
- EU Affairs
- Customer Management (Key Account Managers or equivalent)
- Stromhandel (50Hertz Front Office)
- Individuals in commercial positions within non-regulated affiliates

Corporate culture

In terms of corporate culture, six behavioural anchors form the basis for collaboration and the shared vision within Elia Group:

- Impact,
- Simplification,
- Co-Creating the future,
- Feedback,
- One Voice,
- One Company.

Elia Group aims to harness these behavioural anchors to actively shape change. This is what the 'Make A Difference' internal communication programme stands for: to promote change leading towards a common culture within Elia Group. Eurogrid Group is integrating the six "Make A Difference" behavioural anchors into the employees' daily work so that it can realise the ambitious strategy. Additionally, these anchors have been adopted into Eurogrid Group's HR processes, including recruitment and performance reviews, to evaluate not just what the employees do, but how they do it.

. These behaviours were defined based on a survey among the employees, which assessed the current strengths of Elia Group's culture and identified areas for improvement. Various parameters concerning the culture and the Make A Difference behaviours are regularly measured through employee surveys.

G1-2 - Management of relationships with suppliers

Principles Supplier Code of Conduct

Suppliers of 50Hertz are expected to sign the Supplier Code of Conduct (SCoC). This code is a fundamental part of the contract documents submitted to suppliers for approval. During the tendering award phase, the code must be approved by the supplier. New suppliers are also expected to approve the SCoC during their registration process in our information system. The SCoC outlines guidelines and expectations for suppliers in the fields of ethical conduct, health and safety, as well as environmental and social aspects.

The principles established in the Supplier Code of Conduct are based on the ten principles of the United Nations Global Compact.

In the area of ethical conduct, the Supplier Code of Conduct requires suppliers to follow an ethical conduct and to comply with local and with international legal frameworks concerning anti-bribery, conflict of interests, confidentiality of information, fair competition, appropriate handling of intellectual property rights and anti-money laundering. The Code explicitly mentions the United Nations Convention against Corruption as well as the principles of the Organization for Economic Cooperation and Development regarding corruption and bribery.

For social aspects, the Supplier Code of Conduct expects suppliers to be compliant with local legislation and international principles and conventions of the United Nations in the area of Human Rights and Decent Work. Where no local regulation exists for social and labour aspects, the Supplier Codes of Conduct recommends following the related Convention of the International Labour Organisation. All suppliers have to ensure that they or their subcontractors are not involved in human rights abuses. More particularly, the Codes require suppliers to apply strong principles in order to prohibit child and forced labour, inhumane treatment, illegal employment and discrimination as well as observe appropriate wages and working hours, freedom of association and right to collective bargaining in their operations and in their own supply chain. The Code does not explicitly address trafficking in human beings in their requirements, although freedom from slavery is engraved in international frameworks with which suppliers are required to comply.

For environmental aspects, the Supplier Code of Conduct requires suppliers to minimize their environmental impact. This includes reducing emissions to land, air, and water; minimizing waste to encourage recycling and circular models; using energy efficiently; generating or sourcing green energy; and managing impacts on biodiversity and natural habitats. Suppliers must comply strictly with all applicable environmental and site-specific regulations. Additionally, suppliers should implement management systems to measure, manage, and report on their environmental impacts, such as ISO 14001, EMAS, or a similar standard.

Finally, in pursuit of our zero-accident goal, the Supplier Code of Conduct sets out guidelines and expectations for our suppliers in the field of health and safety. 50Hertz expects its suppliers to share the deep commitment to achieving a safe and healthy work environment. 50Hertz value suppliers with high safety records and therefore it recognizes the benefits of the implementation of a certified management system, such as ISO 45001 or similar.

Where non-compliance with the Supplier Code of Conduct is established, 50Hertz may decide to terminate the business relationship with the supplier or to engage with them to assist the establishment of an action plan with clear deadlines, the fulfilment of which will help the supplier to keep the business relationship intact.

The SCoC of Elia Transmission Belgium and 50Hertz Transmission Germany are under review and will be replaced by a harmonized Code at Group level. The roll out is planned for the next reporting period. This new code will enhance the process to better report on its adoption by suppliers.

The requirements of the Supplier Code of Conduct for 50Hertz are also integrated into the Group-level General Purchasing Conditions for contracting with suppliers.

For each of the sourcing categories, IT, Works, and Electrical Equipment, where the purchase order value is €100k or more, 50Hertz has developed a tailored version of the purchasing conditions. For smaller purchases (with a purchase order value below €100k) in these categories, a shortened version of the purchasing conditions has been created.

The Specific Purchasing Conditions (SPC) apply alongside the General Purchasing Conditions (GPC) and are incorporated into contracts under the Elia Group General Purchasing Conditions. For purchases made by the Services department, the buyer has the discretion to decide whether the purchasing conditions (and if so, which set) will apply or if a stand-alone contract is more suitable.

The payment terms for our suppliers are defined in our General Terms and Conditions and/or in the individual purchase order, which state our payment terms as 30 days. Notwithstanding the size of the supplier's company, the payment conditions are in general similar for all suppliers.

The Supplier Code of Conduct of 50Hertz is available to all stakeholders on the website. Similarly, its Purchasing Conditions are available to all stakeholders on the website too.

Policies for health and safety

At 50Hertz, the safety requirements of the SCoC are reflected in the local operations of contractors via the Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz. These instructions rely on applicable laws on labour and working conditions, in particular national labour protection legislation and safety regulations. The company has also established a body of specific health and safety guidelines and internal regulations that are applicable to offshore operations for employees, non-employees and contractors. These aim to reinforce the level of safety regulations, adapt them to these specific environments and avoid the risk of accidents. They cover specific requirements regarding general safety principles when working at sea and on vessels, personal equipment, training, etc. The health and safety guidelines are available on the intranet and must be signed by contractors before works begin.

Interactions with suppliers

Other purchasing initiatives are also implemented at Elia Group level. For example, strategic suppliers are required, as part of the contractual agreement, to be surveyed annually by an external service provider (EcoVadis) on sustainability matters, including environmental and social issues as well as human rights due diligence. The results are expressed in an overall score: the ESG rating. By the end of the year 2025, this rating will form the basis for follow-up discussions with suppliers, identifying weak points that may necessitate action plans requested by Procurement.

- The Elia Group Procurement Works team (GPW), mainly responsible for civil works, includes Environmental and Health & Safety pass/fail criteria in the tender pre-qualification questionnaire (RFI). For example, the supplier is asked if they have an ISO14001 certification or equivalent.
- For tenders managed by GPW (Works) and GPP (Large Projects), there are frequently, although not always systematically, environmental and/or social requirements as part of the technical and Health, Safety & Environment (HSE) requirements in the Request For Proposal. Such requirements can be imposed as part of the permit obligations but can also result from the nature and scope of the project and be decided by the Multi-Functional Team involved in the tendering process. When environmental criteria are used in the offer evaluation, the Elia Group Green Procurement team is invited to review and score the responses.

For projects managed by GPP and GPE (Electrical Equipment), internal carbon pricing is systematically considered as part of the award criteria (part of the Total Cost of Ownership) or as a contractual requirement (with a bonus-malus system). For more information on Elia Group's internal carbon pricing, see section [E1-8 - Internal carbon pricing](#).

Finally, Eurogrid Group is in the process of requesting suppliers to complete a CO2 passport on Elia Group's Scope 3 accounting platform during the execution of their contracts. For more information on this platform, please see section [E1-3 - Actions and resources in relation to climate change policies](#).

Due Diligence

Eurogrid Group has initiated the necessary steps as part of the legal requirements for the Supply Chain Duty of Care Act (LkSG).

In preparation for the human rights due diligence requirements anchored in the LkSG, 50Hertz analysed its direct supply chains at an early stage. As a result, four human rights risks were prioritised:

- Health and safety in the workplace
- Environmental protection and health
- Employment and working conditions
- Freedom of assembly and expression

A process of analysing the risks of all direct suppliers in detail was started in the 2024 reporting year. An abstract analysis of around 3,000 suppliers was carried out. A risk inventory out of 3 external risk sources, the Fragile State Index, Environmental Performance Index, BMAS Forschungsbericht, was created for the analysis, including country risks in connection with human rights and environmental rights as well as industry risks by product group (according to the Federal Ministry of Labour). Internal indicators were also taken into account in the analysis. For example, the total supply volume was set at a value of over one million euros. For suppliers in this group, their EcoVadis rating was analysed if available. As a result, 54 of 3,112 suppliers were subjected to further analysis.

The identified suppliers were assigned the corresponding purchasers and a risk catalogue with further indicators (extent, probability of occurrence, reversibility and intensity of the possible impact) and the influence of 50Hertz on these suppliers was created, according to which the suppliers are evaluated by the purchasers.

As a result, a risk value is determined and the suppliers are categorised into the following levels:

- Uncritical
- Obtain external information (e.g. request EcoVadis rating)
- Direct dialogue with the supplier
- Phase-out of the supplier as a last consequence

Before a phase-out, specific measures are agreed and implemented between the responsible purchaser and the supplier. The supplier categorization was completed in November 2024.

It is being examined how indirect suppliers can also be checked in future using a corresponding external tool.

Reporting on the German LkSG will be carried out for the 2024 reporting year in a separate report in accordance with the requirements of the Federal Office of Economics and Export Control (BAFA).

G1-3 - Prevention and detection of corruption/bribery

As described in the beginning of the chapter, Elia Group and Eurogrid Group have established channels for internal and external stakeholders to report violations of guidelines outlined in the Code of Ethics, the Code of Conduct, and the Human Rights Policy.

All policies are accessible in a dedicated section on Eurogrid Group's intranet. The policies which are relevant to Eurogrid Group's external stakeholders are publicly available on the website.

When whistleblowing notifications are investigated regarding an (alleged) violation of the internal anti-bribery and corruption policy and/or external laws and regulations on this matter, the nature of the notification, the outcome and any proposed actions are anonymously communicated by Eurogrid Group's Compliance Officer to Elia Group's Audit Committee. When it is not possible to communicate some of these items without impacting the anonymity of the reporter, those items are not communicated to the Audit Committee. The Audit Committee has the function of the internal reporting centre.

The Compliance Officer is in the lead of the investigation of the whistleblowing notification and chairs the whistleblowing commission. The Compliance Officer is separate from the operational chain of management of the company.

Every two years, the Eurogrid Group conducts e-learning on compliance topics for all employees (including management, senior management, interns, student trainees and apprentices as well as external employees). The next round is planned for fall 2025. In addition, supplementary short training courses are held in individual departments as required or on request. Special topics are also addressed directly (e.g. for personnel purchasing on the topic of bogus self-employment). All functions-at-risk are covered by the training programme.

During the reporting period 2024, there were no violations of corruption and bribery regulations by Eurogrid Group nor their employees. Furthermore, no contracts with suppliers were terminated or not renewed in connection with corruption or bribery issues.

As stated in section [G1-1 - Corporate culture and business conduct policies](#) Elia Group has developed a Group-wide interactive training programme covering various business conduct matters, including Anti-Bribery and Corruption.

Eurogrid Group Tracked metrics	2024						2023
	Total			Total			
Fraud, non-compliance with internal policies and procedures		Pending	Resolved		Pending	Resolved	
	1	1	0	0	0	0	0
Non-compliance with laws and regulations	4	0	4	0	0	0	0
Corruption	0	0	0	0	0	0	0

G1-5 - Political influence and lobbying activities

50Hertz is responsible for contributing to political debate in its country and to the development of legislation related to their business activities and further developments in the energy sector.

50Hertz carries out its trusted advisor role in a transparent manner. As legal monopoly with public responsibilities, 50Hertz communicates its viewpoints with the best interests of society in mind. As stated in the Elia Group Code of Ethics, "We make sure that we have a comprehensive understanding of each of our different stakeholders, and we constantly ask ourselves what society wants and what value we are offering it".

These activities are anchored at Group level in the Elia Group Communication & Reputation department, which covers both the internal and external communication teams and ensures and strengthens the overall reputation of the Elia Group. The department is the point of contact and advisor for internal and external stakeholders, responsible for building strong relationships with external stakeholders in order to strengthen Elia Group's position as a leading European energy company and thus position the group as an expert on an international level.

The growing number of EU energy policies impacting Elia Group's activities and the societies in which it operates have prompted the top management to create a European Affairs Team, which monitors all relevant legislation and regulations and takes part in European public and political debates via public position statements and publications.

For Eurogrid Group, the Political Communications department or 50Hertz is attached to the Corporate Communications division. Political Communications at 50Hertz is the point of contact for political and social players at federal, state and - together with the Elia Group European Affairs Team - EU level and develops the energy and socio-political positions.

Elia Group's positions are communicated transparently on the respective website, please see below an overview.

Entity	Topic	Main Positions
Elia Group	International Offshore Collaboration	Support international cooperation and innovative solutions for offshore wind and grid development to achieve Europe's Green Deal goals.
50Hertz Transmission	Germany's Energy Policies	Support regulations for converting decommissioned plants, grid stability, and expanding renewable energy regulations.
50Hertz Transmission	Equity Interest Rate Methodology	Call for thorough discussions on scientific approaches to equity interest rates
50Hertz Transmission	Electricity Market Design	Favor proposals to enhance market design and demand flexibility.
50Hertz Transmission	Renewable Energy Directive (RED III)	Support national implementation to simplify grid expansion and stabilize regulations.

In reporting year 2024, 50Hertz didn't made any direct donations to politicians or political parties.

To support and accelerate grid expansion to integrate the steadily increasing share of renewable energies in the electricity mix in its grid area, the Political Communication department of 50Hertz provides information at the political level beyond its position papers. 50Hertz provides speakers for panels on topics related to the energy transition and information stands at events organised by non-party associations, which are open to both members of political parties and interested business representatives. Participation fees are usually charged for information stands, please see an overview of these for 2024.

Political Party	Contribution	Expenditure
CDU Christian Democratic Union	Booth and panel speaker	8.000 €
SPD Social Democratic Party	No suitable format in 2024	/
Bündnis 90/ Die Grünen	Supply of information material and panel speaker	6.500 €

50Hertz Transmission is listed in the EU Transparency Register and is committed to its Code of Conduct. The correspondent webpage can be found here:

– [50Hertz Transmission](#)

In 2024, new employee representatives were elected to the Supervisory Board for 50Hertz. A total of six Supervisory Board members were elected: Three employee representatives, one representative of senior executives and two representatives of the IG BCE trade union.

5. Appendices

5.1. CSR-RUG content index

In the past, Eurogrid has issued a summarised non-financial statement for Eurogrid GmbH and the Eurogrid Group in accordance with Section 315b and Section 289b HGB. In the 2024 financial year, we will use the European Sustainability Reporting Standards (ESRS) as the basis for our combined non-financial statement in accordance with Section 315c (3) and Section 289d HGB for the first time. For this purpose, we include the summarised non-financial statement in the 'Group Sustainability Statement' section of the management report and refer to the management report for individual disclosures. For the impacts, risks and opportunities required in the double materiality assessment and by law, we fulfil the disclosure requirements for policies, results and measures, key figures as well as opportunities and risks.

Double materiality assessment (ESRS 2 IRO-1)

Aspect	Section	Page	Opportunities and Risks	Targets	Outlook
Environmental aspects	Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation)	61 ff.	/	/	/
	E1 - Climate change	71 ff.	S. 73	S. 78	/
	E4 - Biodiversity and ecosystems	85 ff.	S. 85	S. 91	/
	E5 - Ressource use and circular economy	93 ff.	/	S. 96	/
Employee aspects	S1 - Own workforce	99 ff.	S. 99	S. 107	/
Social aspects	G1 - Business conduct	126 ff.	/	/	/
Human rights	S1 - Own workforce	99 ff.	S. 99	S. 107	/
	S2 - Workers in the value chain	114 ff.	S. 114	S. 118	/
	S3 - Affected communities	119 ff.	S. 119	S. 124	/
Fighting corruption and bribery	G1 - Business conduct	126 ff.	/	/	/

We provide the non-financial statement for Eurogrid and the Eurogrid Group together. The scope of consolidation of the Group includes all companies included in the scope of consolidation of the consolidated financial statements prepared in accordance with IFRS. Differences in the statements for the Group and Eurogrid GmbH are indicated in the text where necessary.

We describe our business model in the sections 'Background of the Group' on p.3 f. and 'Regulatory framework of the energy industry' on p.7 ff. of the management report. The diversity concept is described on p. ... of section S1 - Own workforce and in the Group statement on corporate governance on p.27.

5.2. ESRS content index

The tables below list the ESRS Disclosure Requirements that this sustainability statement complies with, pursuant to the outcome of the materiality assessment and the section where these can be found if they are material.

Cross-cutting standards		Included (Yes/Partially/No and comment)
ESRS 2 General disclosures		
BP-1	General basis for preparation of the sustainability statement	Yes
BP-2	Disclosures in relation to specific circumstances	Yes
GOV-1	The role of the administrative, management and supervisory bodies	Yes
GOV-2	Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies	Yes
GOV-3	Integration of sustainability-related performance in incentive schemes	Yes
GOV-4	Statement on due diligence	Yes
GOV-5	Risk management and internal controls over sustainability reporting	Yes
SBM-1	Strategy, business model and value chain	Yes
SBM-2	Interests and views of stakeholders	Yes
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Yes
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Yes
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Yes
Environmental standards		Included (Yes/Partially/No and comment)
ESRS E1 Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Yes- Included in the general information section
E1-1	Transition plan for climate change mitigation	Yes
ESRS 2 SBM-3 E1	Material impacts, risks and opportunities, and their interaction with strategy and business model	Yes
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Yes- Included in the general information section
E1-2	Policies related to climate change mitigation and adaptation	Yes
E1-3R	Actions and resources in relation to climate change policies	Yes
E1-4	Targets related to climate change mitigation and adaptation	Yes
E1-5	Energy consumption and mix	Yes
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	Yes
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Yes
E1-8	Internal carbon pricing	Yes
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	No, it is phased-in in the ESRS

ESRS E2 Pollution		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	No, this topic is not material
E2-1	Policies related to pollution	No, this topic is not material
E2-2	Actions and resources related to pollution	No, this topic is not material
E2-3	Targets related to pollution	No, this topic is not material
E2-4	Pollution of air, water and soil	No, this topic is not material
E2-5	Substances of concern and substances of very high concern	No, this topic is not material
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	No, this topic is not material
ESRS E3 Water and marine resources		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	No, this topic is not material
E3-1	Policies related to water and marine resources	No, this topic is not material
E3-2	Actions and resources related to water and marine resources	No, this topic is not material
E3-3	Targets related to water and marine resources	No, this topic is not material
E3-4	Water consumption	No, this topic is not material
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	No, this topic is not material
ESRS E4 Biodiversity and ecosystems		Included (Yes/Partially/No and comment)
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Yes
ESRS 2 SBM-3 E4	Material impacts, risks and opportunities and their interaction with strategy and business model	Yes
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Yes- Included in the general information section
E4-2	Policies related to biodiversity and ecosystems	Yes
E4-3	Actions and resources related to biodiversity and ecosystems	Yes
E4-4	Targets related to biodiversity and ecosystems	Yes
E4-5	Impact metrics related to biodiversity and ecosystems change	Yes
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	No, it is phased in in the ESRS
ESRS E5 Resource use and circular economy		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Yes - Included in the general information section
E5-1	Policies related to resource use and circular economy	Yes
E5-2	Actions and resources related to resource use and circular economy	Yes
E5-3	Targets related to resource use and circular economy	Yes
E5-4	Resource inflows	Yes
E5-5	Resource outflows	Partially, only waste
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	No, it is phased in in the ESRS

Social standards		Included (Yes/Partially/No and comment)
ESRS S1 Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	Yes - Included in the general information section
ESRS 2 SBM-3 S1	Material impacts, risks and opportunities and their interaction with strategy and business model	Yes
S1-1	Policies related to own workforce	Yes
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Yes
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Yes
S1-4	Taking action on material impacts, risks and opportunities related to own workforce	Yes
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Yes
S1-6	Characteristics of the undertaking's employees	Yes
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	No, it is phased in in the ESRS
S1-8	Collective bargaining coverage and social dialogue	Yes
S1-9	Diversity metrics	Yes
S1-10	Adequate wages	Yes
S1-11	Social protection	No, it is phased in in the ESRS
S1-12	Persons with disabilities	No, this topic is not material
S1-13	Training and skills development metrics	No, it is phased in in the ESRS
S1-14	Health and safety metrics	Yes
S1-15	Work-life balance metrics	No, it is phased in in the ESRS
S1-16	Compensation metrics (pay gap and total compensation)	Yes
S1-17	Incidents, complaints and severe human rights impacts	Yes
ESRS S2 Workers in the value chain		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	Interests and views of stakeholders	Yes - Included in the general information section
ESRS 2 SBM-3 S2	Material impacts, risks and opportunities and their interaction with strategy and business model	Yes
S2-1	Policies related to value chain workers	Yes
S2-2	Processes for engaging with value chain workers about impacts	Yes
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Yes
S2-4	Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Yes
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Yes
ESRS S3 Affected communities		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	Interests and views of stakeholders	Yes- Included in the general information section
ESRS 2 SBM-3 S3	Material impacts, risks and opportunities and their interaction with strategy and business model	Yes
S3-1	Policies related to affected communities	Yes
S3-2	Processes for engaging with affected communities about impacts	Yes
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Yes

S3-4	Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material	Yes
S3-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Yes

ESRS S4 Consumers and end users		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	Interests and views of stakeholders	No, this topic is not material
ESRS 2 SBM-3 S4	Material impacts, risks and opportunities and their interaction with strategy and business model	No, this topic is not material
S4-1	Policies related to consumers and end-users	No, this topic is not material
S4-2	Processes for engaging with consumers and end-users about impacts	No, this topic is not material
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	No, this topic is not material
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	No, this topic is not material
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	No, this topic is not material

Governance standards		Included (Yes/Partially/No and comment)
ESRS G1 Business Conduct		
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	Yes - Included in the general information section
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Yes - Included in the general information section
G1-1	Corporate culture and business conduct policies	Yes
G1-2	Management of relationships with suppliers	Yes
G1-3	Prevention and detection of corruption and bribery	Yes
G1-4	Confirmed incidents of corruption or bribery	No, this topic is not material
G1-5	Political influence and lobbying activities	Yes
G1-6	Payment practices	No, this topic is not material

5.3. Index for the datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

The table below includes the datapoints that derive from other EU legislation as listed in ESRS 2, Appendix B, indicating where these can be found in the Annual Report and which data points were deemed 'not material' during the double materiality assessment.

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS 2 GOV-1	§21d) – Board gender diversity	X		X		Eurogrid management report - Corporate Governance Statement
ESRS 2 GOV-1	§21e) – Percentage of board members who are independent			X		Eurogrid management report - Background of the Group
ESRS 2 GOV-4	§30) – Statement on due diligence	X				GOV4 - Statement on due diligence
ESRS 2 SBM-1	§40d) i. – Involvement in activities related to fossil fuel activities	X	X	X		Negative statement in SBM -1 - Strategy, business model and value chain
ESRS 2 SBM-1	§40d) ii. – Involvement in activities related to chemical production	X		X		Negative statement in SBM -1 - Strategy, business model and value chain
ESRS 2 SBM-1	§40d) iii. – Involvement in activities related to controversial weapons	X		X		Negative statement in SBM -1 - Strategy, business model and value chain
ESRS 2 SBM-1	§40d) iv. – Involvement in activities related to the cultivation and production of tobacco			X		Negative statement in SBM -1 - Strategy, business model and value chain
ESRS E1-1	§14) – Transition plan to reach climate neutrality by 2050				X	E1-1 - Transition plan for climate change mitigation
ESRS E1-1	§16g)– Undertakings excluded from Paris-aligned Benchmarks	X	X			Negative statement in E1-1 - Transition plan for climate change mitigation
ESRS E1-4	§34) – GHG emission reduction targets	X	X	X		E1-4 - Targets related to climate change mitigation and adaptation
ESRS E1-5	§38) – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Table at E1-5 - Energy consumption and mix
ESRS E1-5	§37) – Energy consumption and mix	X				E1-5 - Energy consumption and mix
ESRS E1-5	§40-43) – Energy intensity associated with activities in high climate impact sectors	X				Energy intensity based on net revenue
ESRS E1-6	§44) –Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		E1-6 - Gross Scopes 1,2, 3 and Total GHG emissions
ESRS E1-6	§53-55) – Gross GHG emissions intensity	X	X	X		GHG intensity based on net revenue
ESRS E1-7	§56) – GHG removals and carbon credits				X	E1-7 - GHG removals
ESRS E1-9	§56) – Exposure of the benchmark portfolio to climate-related physical risks			X		This datapoint is phased in according to the ESRS

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS E1-9	§66) – Exposure of the benchmark portfolio to climate-related physical risks		X			This datapoint is phased in according to the ESRS
ESRS E1-9	§66a) – Disaggregation of monetary amounts by acute and chronic physical risk		X			This datapoint is phased in according to the ESRS
ESRS E1-9	§67c) – Breakdown of the carrying value of its real estate assets by energy-efficiency classes			X		This datapoint is phased in according to the ESRS
ESRS E2-4	§28) – Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				The E2 standard is not material for Eurogrid Group
ESRS E3-1	§9) – Water and marine resources policies	X				The E3 standard is not material for Eurogrid Group
ESRS E3-1	§13) – Dedicated policy	X				The E3 standard is not material for Eurogrid Group
ESRS E3-1	§14) – Sustainable oceans and seas	X				The E3 standard is not material for Eurogrid Group
ESRS E3-4	§28c) – Total water recycled and reused	X				The E3 standard is not material for Eurogrid Group
ESRS E3-4	§29) – Total water consumption in m3 per net revenue on own operations	X				The E3 standard is not material for Eurogrid Group
ESRS 2 SBM-3 E4	§16a)	X				ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 SBM-3 E4	§16b)	X				ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 SBM-3 E4	§16c)	X				ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS E4-2	§24b) – Sustainable land/agriculture practices or policies	X				Not a material topic
ESRS E4-2	§24c) – Sustainable oceans/seas practices or policies	X				Not a material topic
ESRS E4-2	§24d) – Policies to address deforestation	X				E4-2 - Policies related to biodiversity and ecosystems
ESRS E5-5	§37d) – Non-recycled waste	X				E5-5 - Resource outflows
ESRS E5-5	§39) – Hazardous waste and radioactive waste	X				E5-5 - Resource outflows
ESRS 2- SBM3 – S1	§14f) – Risk of incidents of forced labour	X				No identified risk
ESRS 2- SBM3 – S1	§14g) – Risk of incidents of child labour	X				No identified risk
ESRS S1-1	§20) – Human rights policy commitments	X				S1-1 - Policies related to own workforce
ESRS S1-1	§21) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			X		S1-1 - Policies related to own workforce
ESRS S1-1	§22) – Processes and measures for preventing trafficking in human beings	X				No identified risk
ESRS S1-1	§23) – Workplace accident prevention policy or management system	X				S1-1 - Policies related to own workforce

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS S1-3	§32c) – Grievance/complaints handling mechanisms	X				S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14	§88b&c) – Number of fatalities and number and rate of work-related accidents	X		X		S1-14 - Health and safety metrics
ESRS S1-14	§88e) – Number of days lost to injuries, accidents, fatalities or illness	X				S1-14 - Health and safety metrics
ESRS S1-16	§97a) – Unadjusted gender pay gap	X		X		S1-16 - Remuneration metrics
ESRS S1-16	§97b) – Excessive CEO pay ratio	X				S1-16 - Remuneration metrics
ESRS S1-17	§103a) – Incidents of discrimination	X				S1-17 - Incidents, complaints and severe human rights incidents
ESRS S1-17	§104a) – Non-compliance with UNGPs on Business and Human Rights and OECD	X		X		S1-17 - Incidents, complaints and severe human rights incidents
ESRS 2- SBM3 – S2	§11b) – Significant risk of child labour or forced labour in the value chain	X				No identified risk
ESRS S2-1	§17) – Human rights policy commitments	X				S2-1 - Policies related to value chain workers
ESRS S2-1	§18) – Policies related to value chain workers	X				S2-1 - Policies related to value chain workers
ESRS S2-1	§19) Non-compliance with UNGPs on Business and Human Rights principles and OECD guidelines	X		X		S2-1 - Policies related to value chain workers
ESRS S2-1	§19) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			X		S2-1 - Policies related to value chain workers
ESRS S2-4	§36) – Human rights issues and incidents connected to its upstream and downstream value chain	X				S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers
ESRS S3-1	§16) – Human rights policy commitments	X				S3-1 - Policies related to affected communities
ESRS S3-1	§17) – Non-compliance with UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		S3-1 - Policies related to affected communities
ESRS S3-4	§36) – Human rights issues and incidents	X				S3-4 - Taking action on material impacts, risks and opportunities related to affected communities
ESRS S4-1	§16) – Policies related to consumers and end-users	X				The S4 standard is not material for Eurogrid Group
ESRS S4-1	§17) – Non-compliance with UNGPs on Business and Human Rights and OECD guidelines	X		X		The S4 standard is not material for Eurogrid Group
ESRS S4-4	§35) – Human rights issues and incidents	X				The S4 standard is not material for Eurogrid Group
ESRS G1-1	§10b) – United Nations Convention against Corruption paragraph	X				G1-1 - Corporate culture and business conduct policies
ESRS G1-1	§10d) – Protection of whistle-blowers	X				G1-1 - Corporate culture and business conduct policies

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS G1-4	§24a) – Fines for violation of anti-corruption and anti-bribery laws	X		X		Not material topic
ESRS G1-4	§24b) – Standards of anti-corruption and anti- bribery	X				Not material topic

5.4. Acronyms

Below is a list of the acronyms used throughout the Sustainability Report.

Acronym	Full form expression
AA	Appropriate Assessment
AGM	Annual General Meeting
AIT	Average Interruption Time
AR	Application Requirement
BBEMG	Belgian BioElectroMagnetics Group
BoD	Board of Directors
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CR Pass	Community Relations Passport
CREG	Commission for Electricity and Gas Regulation
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equality and Inclusion
DNSH	Do No Significant Harm
DR	Disclosure Requirement
DSO	Distribution System Operator
EGMB	Elia Group Management Board
EIA	Environmental Impact Assessments
EMFs	Electric and Magnetic Fields
ENTSO-E	European Network of Transmission System Operators for Electricity
ENTSO-G	European Network of Transmission System Operators for Gas
EPRI	Electric Power Research Institute
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authorities
ESRS	European Sustainability Reporting Standards
EU	European Union
EV	Electric Vehicle
ExCo	Local Executive Management Committees
GERICS	Climate Service Center Germany
GES	Gaz à Effet de Serre
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSO	Group Sustainability Office

H&S	Health and Safety
HR	Human Resources
HSE	Health, Safety & Environment
HV	High-Voltage
HVDC	High-Voltage Direct Current
ICP	Internal Carbon Price
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
KfW	Bank Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LIFE	L'Instrument Financier pour l'Environnement
MCCS	Modular Control Center System
NACE	Nomenclature of Economic Activities
NGO	Non-governmental organisation
NID	Nature Inclusive Design
OECD	Organisation for Economic Co-operation and Development
OPEX	Operational Expenses
PCB	Polychlorinated Biphenyls
PFAS	Per-and Polyfluoroalkyl Substances
PPE	Property, Plant and Equipment
RCP	Representative Concentration Pathway
RES	Renewable Energy System
SBTI	Science Based Targets Initiative
SCoC	Supplier Code of Conduct
SEPPs	Standardised Emergency Preparedness Plans
TCFD	Task Force on Climate-related Financial Disclosures
TCO	Total Cost of Ownership
TRIR	Total Recordable Injury Rate
TSC	Technical Screening Criteria
TSO	Transmission System Operator
TYNDP	Ten-Year Network Development Plan
UNGC	United Nations Global Compact

Berlin, 10 March 2025

The management of Eurogrid GmbH

Stefan Kapferer

Yannick Dekoninck

Consolidated financial statements

for the fiscal year 2024

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Consolidated statement of profit or loss

EUR m - Period ended 31 December	Note	2024	2023
Revenue	(5.2.1)	7,727.3	10,027.8
Cost-matching income	(5.1)	(5,456.8)	(7,624.9)
Revenue from contracts with customers	(5.2.1)	2,270.5	2,402.9
Other income	(5.2.2)	249.6	175.3
Revenue and other income	(5.2)	2,520.1	2,578.2
Cost of materials and purchased services	(5.3.1)	(6,823.1)	(9,275.8)
Income-matching cost	(5.1)	5,456.8	7,624.9
Cost of materials and purchased services, grid business	(5.3.1)	(1,366.3)	(1,650.9)
Personnel expenses	(5.3.2)	(233.0)	(201.8)
Depreciation and amortisation		(374.4)	(332.2)
Other expenses		(14.4)	(14.5)
Result from equity investments accounted for using the equity method	(6.4)	1.9	1.9
Earnings before financial result and taxes		533.9	380.7
Financial result		(81.8)	(59.8)
Finance income	(5.4)	60.6	37.5
Finance expenses	(5.4)	(142.4)	(97.3)
Earnings before taxes		452.1	320.9
Income taxes	(5.5)	(142.3)	(100.4)
Group profit		309.8	220.5

Consolidated statement of comprehensive income

EUR m - Period ended 31 December	Note	2024	2023
Group profit		309.8	220.5
Other comprehensive income (OCI):			
Items that will not be reclassified to the statement of profit or loss in the future:		65.5	(2.0)
Actuarial gains and losses	(5.6)	2.1	(2.8)
Deferred taxes on actuarial gains and losses recognised directly in equity	(5.6)	(0.6)	0.8
Changes in fair value of other financial assets designated at fair value through OCI	(5.6)	65.9	-
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI	(5.6)	(1.8)	-
Currency translation recognised directly in equity	(5.6)	(0.1)	-
Items that may be reclassified to the statement of profit or loss in the future:		165.4	(248.2)
Cash-flow hedge - effective portion of fair value changes	(5.6)	236.3	(354.5)
Deferred taxes on changes recognised directly in equity	(5.6)	(70.9)	106.2
Other comprehensive income after taxes	(5.6)	230.9	(250.2)
Total comprehensive income	(5.6)	540.7	(29.7)

Consolidated statement of financial position

EUR m	Note	31 December 2024	31 December 2023
Non-current assets		12,032.4	8,635.9
Property, plant and equipment	(6.1)	11,582.4	8,392.4
Intangible assets	(6.2)	298.4	162.0
Other financial assets	(6.3)	142.6	76.7
Derivatives	(6.13)	2.3	0.0
Investments accounted for using the equity method	(6.4)	6.7	4.8
Current assets		2,378.6	2,412.2
Inventories	(6.6)	208.3	26.9
Trade and other receivables	(6.7)	805.5	1,567.3
Receivables from income taxes	(6.8)	47.5	48.0
Derivatives	(6.13)	10.0	-
Cash and cash equivalents	(6.9)	1,282.4	761.4
Prepayments	(6.7)	24.9	8.6
Total assets		14,411.0	11,048.1

EUR m	Note	31 December 2024	31 December 2023
Equity		3,103.9	2,143.2
Issued capital	(6.10)	0.0	0.0
Capital reserve	(6.10)	1,434.6	834.6
Hedging Reserve	(6.10)	8.0	(157.4)
Other reserves	(6.10)	124.1	58.6
Retained earnings	(6.10)	1,537.2	1,407.4
Non-current liabilities		8,438.6	5,815.9
Loans and borrowings	(6.11)	7,884.4	5,395.9
Provisions for employee benefits	(6.12)	30.1	30.7
Derivative liabilities	(6.13)	-	8.5
Other provisions	(6.14)	137.3	132.0
Deferred tax liabilities	(6.5)	224.1	80.8
Other liabilities	(6.15)	162.7	168.0
Current liabilities		2,293.0	2,804.2
Loans and borrowings	(6.11)	622.1	58.8
Other provisions	(6.14)	7.7	7.2
Derivative liabilities	(6.13)	0.9	216.3
Trade payables and other liabilities	(6.16)	1,654.8	2,516.7
Liabilities from income taxes	(6.8)	4.0	1.5
Anticipatory equity and liabilities	(6.17)	3.5	3.7
Regulatory items	(6.20)	575.5	284.8
Total equity and liabilities		14,411.0	11,048.1

Consolidated statement of changes in equity

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
As of 1 January 2023	0.0	714.6	90.8	60.5	1,317.6	2,183.5
Group profit	-	-	-	-	220.5	220.5
Other comprehensive income (OCI)	-	-	(248.2)	(2.0)	-	(250.2)
Total comprehensive income	-	-	(248.2)	(2.0)	220.5	(29.7)
Distribution	-	-	-	-	(130.0)	(130.0)
Increase	-	120.0	-	-	-	120.0
Changes	-	-	-	-	(0.6)	(0.6)
As of 31 December 2023	0.0	834.6	(157.4)	58.6	1,407.4	2,143.2

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
As of 1 January 2024	0.0	834.6	(157.4)	58.6	1,407.4	2,143.2
Group profit	-	-	-	-	309.8	309.8
Other comprehensive income (OCI)	-	-	165.4	65.5	-	230.9
Total comprehensive income	-	-	165.4	65.5	309.8	540.7
Distribution	-	-	-	-	(180.0)	(180.0)
Increase	-	600.0	-	-	-	600.0
As of 31 December 2024	0.0	1,434.6	8.0	124.1	1,537.2	3,103.9

Other comprehensive income is explained in more detail in 5.6 Total comprehensive income in the notes.

The adjustments in the 2023 fiscal year relate to migration effects from the implementation of a new reporting tool.

Changes in equity are explained in more detail in 6.8 Equity in the notes.

Consolidated statement of cash flows

EUR m - Period ended 31 December	Note	2024	2023
Cash flow from operating activities			
Group profit		309.8	220.5
Adjusted for:			
Net finance expenses	(5.4)	81.8	59.8
Income tax expenses	(5.5)	72.3	68.7
Depreciation of property, plant and equipment and amortisation of intangible assets		373.4	332.2
Result from the disposal of intangible assets and property, plant and equipment	(6.1, 6.2)	7.3	7.2
Impairment of current assets		(0.5)	2.5
Change in provisions	(6.14)	(0.5)	2.9
Change in deferred taxes	(5.5, 6.5)	70.0	31.6
Share of profit of associates accounted for using the equity method, after tax	(6.4)	(1.9)	(1.9)
Cash flow from operating activities without changes in working capital		912.7	723.5
Change in inventories		(181.4)	(20.6)
Changes in trade receivables and other receivables	(6.7)	732.3	(526.0)
Change in trade payables and other liabilities	(6.16)	(999.8)	(1,991.1)
Change in regulatory items	(5.4, 6.19)	295.5	150.2
Change in working capital		(153.4)	(2,387.5)
Interest paid		(131.2)	(88.5)
Interest received		42.7	34.6
Income taxes paid		(61.0)	(105.2)
Cash flow from operating activities		609.8	(1,823.1)
Cash flow from investing activities			
Cash paid for the procurement of property, plant and equipment and intangible assets	(6.1, 6.2)	(3,496.0)	(1,582.7)
Cash paid for the acquisition of equity accounted investees	(6.4)	(0.1)	0.0
Net cash flow from disposals of property, plant and equipment	(6.1)	1.9	0.9
Cash received from dividends from participations		1.4	1.2
Cash flow from investing activities		(3,492.8)	(1,580.6)

EUR m - Period ended 31 December	Note	2024	2023
Cash flow from financing activities			
Cash received from the equity contribution of shareholders	(6.10)	600.0	120.0
Distribution	(6.10)	(180.0)	(130.0)
Repayment of borrowings	(6.19)	(8.6)	(757.5)
Proceeds from withdrawal of borrowings		2,992.6	1,564.3
Cash flow from financing activities		3,404.0	796.8
Change in cash and cash equivalents		521.0	(2,606.9)
Cash and cash equivalents as of 1 January		761.4	3,368.3
Cash and cash equivalents as of 31 December	(6.9)	1,282.4	761.4
Change in cash and cash equivalents		521.0	(2,606.9)

Notes to the consolidated financial statements for fiscal year 2024

1. Basic information

Eurogrid GmbH, Berlin, ("Eurogrid" or "the Company") is a public-interest entity and, as a parent company and corporation domiciled in Germany, prepares mandatory consolidated financial statements in accordance with Section 315e of the German Commercial Code (HGB). Eurogrid has its registered office in 10557 Berlin, Heidestraße 2, and is entered in the commercial register of the Berlin-Charlottenburg Local Court under HRB 130427 B. Eurogrid's financial statements are available in the company register and on the Eurogrid GmbH website www.eurogrid.com.

Elia Group NV/SA, Brussels, Belgium, holds 100 percent of the shares in Eurogrid International NV/SA (Eurogrid International), which in turn holds 80 percent of the shares in Eurogrid. KfW holds the remaining 20 percent of Eurogrid indirectly via its wholly owned subsidiary Selent Netzbetreiber GmbH (Selent), based in Frankfurt am Main. Eurogrid is included in the consolidated financial statements of Elia Group NV/SA. The consolidated financial statements of its ultimate parent company Elia Group NV/SA are available on the website of Elia Group NV/SA at www.eliagroup.eu.

The company established a supervisory board by resolution of its shareholders dated 23 November 2017. The supervisory board contains five members, to be elected by the shareholders of the company.

Eurogrid invests in electric grid infrastructure and holds 100% of the shares in 50Hertz Transmission GmbH which in turn holds 100% of the shares in 50Hertz Offshore GmbH and in the 50Hertz Connectors GmbH. The Group is responsible for the operation, maintenance, planning and expansion of the 380/220 kilovolt transmission grid in Brandenburg, Saxony-Anhalt, Saxony, Thuringia, Mecklenburg-Western Pomerania, Berlin and Hamburg as well as for the connection of offshore wind energy plants and offshore wind farms.

Financial terms or alternative performance measures that are based on, but not defined in, IFRS are defined in the Appendix to the Notes to the Consolidated Financial Statements "Financial terms or Alternative Performance Measures".

2. Basis of preparation

2.1. Confirmation of compliance with IFRSs

We complied with the legal obligation to prepare consolidated financial statements and a group management report in accordance with Sec. 290 HGB by preparing consolidated financial statements pursuant to International Financial Reporting Standards (IFRSs) as endorsed by the EU and the supplementary applicable German legal requirements as well

as a group management report in accordance with Sec. 315 HGB (Sec. 315e (1) HGB) which is supplemented by a consolidated non-financial statement (Sec. 315b HGB) and a voluntary group declaration on corporate governance (cf. section 315d HGB in conjunction with section 289f para. § Section 289f (4) HGB).

This version of the consolidated financial statements complies with the requirements of Sec. 315e HGB. It represents the legal basis for group accounting according to international financial reporting standards in Germany in conjunction with EC Directive No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the adoption of international financial reporting standards. The consolidated financial statements comply with all International Financial Reporting Standards (IFRSs) and interpretations of the International Reporting Interpretations Committee (IFRIC) endorsed by the EU. However these committees had not yet made a pronouncement on the treatment of regulatory receivables and liabilities.

The exposure draft "Regulatory Deferral Accounts" was published in January 2021. The comment deadline ended on 30 June 2021. The draft stipulates the recognition of regulatory assets and liabilities. The Group is currently assessing potential effects of the implementation of the draft.

In addition, the supplementary requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code (HGB) are taken into account.

New and amended standards and interpretations

The standards, amendments and interpretations listed below came into effect in 2024, with little or limited impact on the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

The Group intends to adopt these new and amended standards if applicable when they become effective. The changes to the standards, amendments and interpretations listed below are not expected to have a material impact on these annual accounts and are therefore not outlined in any great detail:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025,)
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);
- IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);

— Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The Group is currently working to identify all impacts the new standard IFRS 18 will have on the primary Group's financial statements and notes to the Groups's financial statements. The other amendments and standards are not likely to have a material impact on the Group's financial statements.

2.2. Functional and presentation currency

The items in the financial statements of each group entity are measured in the currency of the primary economic environment in which the respective entity operates (functional currency). The consolidated financial statements are prepared in euro, which is the functional and presentation currency of Eurogrid GmbH.

Unless otherwise stated, all figures in the notes are presented in millions of euro (EUR m).

Instead of the negative figures, these figures are put into brackets. For the figures presented, rounding differences remain irrelevant.

2.3. Basis of measurement

The consolidated financial statements were prepared based on historical cost.

Fair values are determined on the basis of quoted market prices in active markets. If necessary, the values are derived from observed market prices. If there is no active market, fair values are determined using generally accepted valuation techniques on the basis of other observable transactions.

The Group's planning and forecasts show that taking into account expected changes to operating profit, the Group can continue its business operations on the basis of current financing. Management expects the Group to have sufficient liquidity available to continue its business operations in the near future. As a result, the Group prepared the consolidated financial statements assuming the continued existence of the Company as a going concern.

The principal accounting policies adopted are explained below.

2.4. Going concern

The management reassessed the going concern assumption of the Group and, at the time of preparation of the Group's financial statements, held a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future. The management will therefore continue to adopt the going concern basis of accounting in the preparation of the Group's financial statements.

In the current context of inflation and volatile market conditions, the Group paid particular attention to adequately reflecting the current and expected impact of the situation on the financial position, performance and cash flows of the company, applying the IFRS accounting principles in a consistent manner. In general, since Eurogrid is acting in accordance with the regulatory framework, the profitability and the financial position of the Group have not been affected.

2.5. Estimates and judgements

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that could affect the reported amounts of assets, provisions, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances: the results of these estimates and assumptions form the basis for making judgements regarding the carrying amounts of assets, liabilities and provisions. Actual results could therefore differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either: in the period during which the estimate is revised if the revision only affects this period; or in the period during which the estimate is revised and throughout future periods if the revision affects both current and future periods.

The following points include information about significant areas of estimation uncertainty and material judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements:

- The total allowed remuneration for the Group's role as TSO in German segments is mainly determined by calculation methods set by the German federal regulator (the Federal Network Agency or BNetzA). The recognition of regulatory items is also based on the different regulatory schemes. More disclosures are provided in Note 6.20.
- Entities in which the Group holds less than 20% of the voting rights but has significant influence are accounted for under the equity method. Following the guidance in IAS 28, the Group assesses whether it has significant influence over its associates and therefore needs to account for them under the equity method (rather than applying IFRS 9) and reassesses this in each reporting period (see also Note 6.4).
- Credit risk related to customers: management closely reviews the outstanding trade receivables, including by considering ageing, payment history and credit risk coverage (see Note 8.1).
- Employee benefits – see Note 6.12: The Group has defined benefit plans and defined contribution plans which are disclosed in Note 6.12. The calculation of the liabilities or assets related to these plans is based on actuarial and statistical assumptions. For example, this is the case for the present value of future pension liabilities. The present value is, among other factors, impacted by changes in discount rates, and financial assumptions such as future increases in salary. In addition, demographic assumptions, such as average assumed retirement age, also affect the present value of future pension liabilities.
- Estimates and assumptions are processed with regard to the recoverability and usability of planning services for long-term projects presented within fixed assets and work in progress.
- Provisions for environmental remediation costs: at each year-end, an estimate is made regarding future expenses with respect to soil remediation, based on the expert advice (see Note 6.14).
- Other provisions are based on the value of the claims filed or on the estimated amount of the risk exposure. The expected timing of the related cash outflow depends on the progress and duration of the associated process/procedures (see Note 6.14).

- The Group records provisions for dismantling obligations for offshore platforms, sea cables and transformer substations. Dismantling costs are stated at the present value of the expected costs to settle the obligation using cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss under interest expenses. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.
- Fair value measurement of financial instruments: when the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for these valuation techniques are taken from observable markets where possible. Where this is not feasible, a certain level of professional judgement is required in establishing fair values (see Note 6.18).
- The useful life of the fixed assets is defined to reflect the actual depreciation of each asset. The depreciation of property, plant and equipment is mainly calculated based on the useful lives determined by the regulatory framework, which are considered to be the best possible approximation of expected economic lives considering all available facts and information. (see Note 3.3.1 and 6.1).
- The assessment of the recognition and measurement of internally generated intangible assets is based on assumptions about future economic benefits. In addition to personnel costs, production costs also include pro rata overheads (see Note 6.2).
- The Group makes use of practical expedients when applying IFRS 16 (Leasing):
 - The Group applies a single discount rate per type of contracts, summarised per their duration. Those leases are assumed to have similar characteristics. The discount rate used is the Group's best estimate of the weighted average incremental borrowing rate. Each lease contract is classified in a duration bucket (<5 years, between 5 and 10 years, etc.) for which an interest rate is derived equal to the interest rate of a traded bond with the same rating as Elia Group SA/NV in the same sector with a similar duration. The interest rate is fixed over the lifetime of the lease contract.
 - The Group assesses the non-cancellable period of each of the contracts falling within the scope of IFRS 16. This includes the period covered by an option to extend the lease, if the lessee is reasonably certain that they will exercise that option. Certainly, where it relates to office rent contracts, the Group makes its best estimate of the non-cancellable period based on all information at its disposal (see Note 6.19).
- All external borrowings at group level which are actually drawn are included in the calculation of the capitalization rate used for determining the amount of borrowing costs. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period. The capitalization ceases in the event of test operation of the respective asset.
- When preparing the consolidated financial statements, revenue and the corresponding receivables and liabilities in the area of grid-based accounting were determined based on preliminary data provided by third parties and partly based on forecasts. This primarily relates to the settlement of the EEG ["Erneuerbare-Energien-Gesetz": German

Renewable Energy Act] and KWKG ["Kraft-Wärme-Kopplungsgesetz": German Combined Heat and Power Act] processes, the accounting of the balancing group, grid utilization as well as the accounting of system services. For a final statement on the actual expenses and income incurred, external data of each partner are decisive, in particular the actual electricity volumes certified by auditors. Due to the very nature of the activity, the data is not available entirely at the time of preparing the consolidated financial statements, resulting in uncertainties surrounding the amount of expenses and income in these areas. The related items of the consolidated financial statements were determined using the data available as well as relying on estimates and take into account the information available as of the time of preparing the consolidated financial statements.

2.6. Authorisation of the financial statements for issue

These consolidated financial statements will be released by the Executive Board for forwarding to the Supervisory Board on 10 March 2025. On 21 March 2025, the Supervisory Board will resolve on the recommendation to the shareholders' meeting to approve the consolidated financial statements. The shareholders' meeting will resolve on the approval of the consolidated financial statements at its next meeting.

The prior year financial statements were approved by the shareholders' meeting on 26 February 2024.

It will be proposed to the shareholders' meeting to distribute a dividend of EUR 210.0m from the reported net profit to the shareholders and to carry forward the remaining amount.

3. Summary of consolidation principles and significant policies

The consolidation principles and main accounting policies adopted in preparing these consolidated financial statements are presented in the following. The principles and methods described below were consistently applied.

3.1. Basis of consolidation

The consolidated financial statements are prepared in accordance with the following consolidation principles.

Generally speaking, all subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities over which Eurogrid has control, from which it receives variable economic returns and can influence the amount of the returns (controlled

entities). When determining whether control exists, the existence of any potential voting rights is taken into account. This is not the case within the Group.

Subsidiaries are generally included in Eurogrid's consolidated financial statements (full consolidation) as of the date on which control is transferred to Eurogrid. They are deconsolidated on the date on which Eurogrid ceases to have control.

The financial statements of the German subsidiaries included in the consolidation are prepared using uniform accounting and measurement methods in accordance with IFRS 10.B87.

Associates are entities over which the Group has significant influence but not exclusive control. These entities are recognised at cost from the date on which significant influence is transferred to Eurogrid and are accounted for using the equity method until the date on which significant influence ceases to exist.

3.2. Foreign currency translation

Transactions in foreign currencies are translated to the functional currency at the rates prevailing at the date of the transaction or at the measurement date for revaluations. Gains and losses from the settlement of such transactions and from the translation at the closing rate of monetary assets and liabilities in foreign currencies are recognised in the statement of profit or loss unless they are recognised in equity as part of a hedging relationship.

Foreign currency gains and losses resulting from the translation of cash and cash equivalents as well as financial liabilities are generally disclosed in the statement of profit or loss under financial result.

The functional currency of all subsidiaries included in the consolidated financial statements is the euro.

3.3. Statement of financial position

3.3.1. Property, plant and equipment

The Group has opted for the historical cost model.

Property, plant and equipment are measured at cost. Cost includes any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended less accumulated depreciation (with the exception of land and assets under construction) and accumulated impairment losses. All directly attributable costs as well as appropriate portions of overheads are included in the cost of the asset. B

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The useful lives are determined by the regulatory framework, which are considered to be the best possible approximation of expected economic lives in the light of current events.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed event-related and adjusted prospectively, if appropriate.

Type of Assets	Category	Rate
Administrative buildings	Land and buildings	1.67 – 2.00%
Industrial buildings	Land and buildings	2.00 – 4.00%
High-voltage grid	Machinery and equip.	2.00 – 4.00%
Switchgear and substation	Machinery and equip.	2.00 – 5.00%
Transformer stations	Machinery and equip.	2.50 – 6.67%
Grid onshore	Machinery and equip.	3.00 – 12.50%
Grid offshore	Machinery and equip.	4.00 – 10.00%
Other grid assets	Machinery and equip.	6.67 – 20.00%
Vehicles	Furniture and vehicles	6.67 – 20.00%
Tools and office furniture	Furniture and vehicles	6.67 – 20.00%
Hardware	Furniture and vehicles	25.00 – 33.00%
Right of use assets	Leasing	contractual period

These different types of assets are divided into four main classes: (i) Land and buildings, (ii) Machinery and equipment, (iii) Furniture and vehicles and (iv) Leasing.

Borrowing costs are capitalised when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In accordance with IAS 16, when Eurogrid has a present, legal or constructive obligation to dismantle the asset or restore the site, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A corresponding provision for this obligation is recorded for the amount of the asset (the dismantling asset) and depreciated over the asset's entire useful life (see also 3.3.10. Other provisions).

An asset is no longer recognised when it is subject to disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of the asset (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss, in other income or other expenses, during the year in which the asset was derecognised.

3.3.2. Intangible assets

Software

The Group capitalizes development costs associated with internally generated intangible assets, specifically software, in accordance with IAS 38 Intangible Assets.

Development costs are capitalized when all the following conditions are met:

- Technical Feasibility: Completion of the software is technically feasible, ensuring its availability for use or sale.

- Intention to Complete and Use or Sell: The Group intends to complete the software for use or sale.
- Ability to Use or Sell: There is an ability to use or sell the completed software.
- Market Availability or Internal Usefulness: Evidence of a market for the software exists or, if for internal use, the software is deemed useful.
- Availability of Resources: Sufficient technical, financial, and other resources are available to complete the development.
- Measurement of Costs: The costs related to the development of the software can be measured reliably.

Capitalized development costs are amortized over their estimated useful lives on a straight-line basis from the date the software is available for use. The amortization method, periods, and the residual values are reviewed at each financial year-end and adjusted if necessary.

Costs associated with cloud computing arrangements are capitalized if the Group controls the software. This control may be indicated by the right to take possession of the software or having exclusive rights of use. Configuration or customization costs in such arrangements are capitalized if they create or enhance a separate intangible asset.

Costs incurred before fulfilling the capitalization criteria are recognized as expenses in the period in which they are incurred. Similarly, costs associated with maintaining or servicing developed software are recognized as expenses as incurred.

Licences, patents and similar rights

Expenditure on acquired licences, patents, trademarks and similar rights are capitalised and amortised on a straight-line basis over the contractual period, if any, or the estimated useful life.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets, unless the useful life is indefinite. Software is amortised from the date it becomes available for use. The estimated useful lives are as follows:

Type of Assets	Rate
Software	20.00%
Licences, patents and similar rights	0.99 – 4.55 %

Amortisation methods, remaining useful lives and residual values of intangible assets are reassessed annually and are prospectively adjusted as events arise.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising upon de recognition of the asset is included in the profit or loss.

3.3.3. Trade and other receivables

Levies

In its role as TSO, the subsidiary 50Hertz Transmission GmbH is subject to various public service obligations imposed by regulation mechanisms. These identify public service obligations in various areas (such as promoting the use of renewable energy), that should be fulfilled by the TSO. The costs incurred by these obligations are fully covered by the tariff 'levies' approved by the regulator. Receivables from levies are reported as trade and other receivables.

Trade and other receivables

Trade receivables and other receivables are measured at amortised cost less the appropriate allowance for amounts regarded as unrecoverable.

Impairment

For trade receivables, the impairment model is based on the expected credit loss model (ECLs). Under IFRS 9 standard, the Group applies a group-wide methodology when calculating the Expected Credit Losses (ECLs). An individual approach is used for customers and other counterparties, for which the change in credit risk is monitored on an individual basis.

See Note 8.1 'Credit risk', for a detailed description of the model.

3.3.4. Inventories

Inventories relate to raw materials, consumables and work in progress if part of the ordinary course of business of a transmission system operator.

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price minus the estimated costs of completion and selling expenses. The cost of raw materials and consumables is based on the weighted-average-cost-price method. The cost includes the expenditure incurred in acquiring the inventories and the direct costs of bringing them to their location and making them operational. Work in progress includes external services that are valued at cost.

Write-downs of inventories to net realisable value are recognised in the period in which the write-offs occurred

3.3.5. Cash and cash equivalents

Cash includes cash and bank balances. Cash equivalents are short-term, highly liquid investments that are readily – or within a period of no more than three months – convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognised at fair value upon recognition and at amortised cost in subsequent periods.

3.3.6. Impairment of non-financial assets

Assets which have an indefinite useful life and intangible assets under development are subject to an annual impairment test.

The carrying amount of the Group's assets, excluding deferred taxes, are reviewed at the end of the reporting period for each asset to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognised whenever the carrying amount of such an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Recognised impairment losses relating to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the units on a pro-rata basis.

After recognition of impairment losses, the depreciation costs for the asset will be prospectively adjusted.

Calculation of the recoverable amount

The recoverable amount of intangible assets and property, plant and equipment is determined as the higher of their fair value less costs of disposal and their value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market assessment of the time value of money and the risks specific to the asset.

The Group's assets do not generate cash flows that are independent from other assets. The recoverable amount is therefore determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Non-financial assets subject to an impairment loss in the past are reviewed at each reporting date to determine whether a reversal of the impairment is required. An impairment is reversed if there have been changes in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

In fiscal year 2024, no impairment losses or reversals of impairment losses were recognised on non-financial assets.

3.3.7. Financial instruments

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus transaction costs.

Financial liabilities consist of interest-bearing loans and borrowings in the Group. They are recognised initially at fair value minus related transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets and liabilities are classified in four categories:

- Designated at fair value through profit and loss
- Financial assets at amortised cost
- Financial assets designated at fair value through OCI
- Other financial liabilities at amortised cost

A financial asset is measured at amortized cost if both of the following conditions are met and it is not designated as at fair value through profit or loss (FVTPL):

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of certain equity instruments that are not held for trading, the Group has made the irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment.

Subsequent to initial recognition, financial liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the loans on an effective interest basis.

Impairment of financial assets

The Group recognises impairment losses for the expected credit losses ("ECL") of debt instruments. Default risk is recognised in two stages. For credit exposures where the credit risk has not increased significantly since initial recognition, an allowance for credit losses is recognised for credit losses within the next 12 months. For credit exposures with a significant increase in credit risk, an allowance for expected credit losses is recognised over the entire term of a financial instrument, irrespective of the time of default (overall ECL).

IFRS 9 requires the recognition of impairment losses on financial assets based on a forward-looking model of expected credit losses.

The Group applies an individualised expected credit loss (ECL) approach. The applicable ECL formula is $ECL = EAD \times PD \times LGD$, where exposure at default (EAD) is equal to the carrying amount of the financial asset to which the corresponding probability of default (PD) and loss given default (LGD) are applied.

The Group uses external ratings when available or an internal rating for significant counterparties that do not have an external rating.

Subsequently, the loss given default is calculated as the percentage of the amount of trade receivables that is not covered by a bank guarantee. The loss given default is multiplied by the outstanding trade receivables.

This approach is considered more relevant than the portfolio approach as it provides a better risk assessment.

Not in the scope of the determination of the expected default risk and the resulting allowance are the receivables from the pay-as-you-go business due to the legally existing compensation claim against a third party in the amount and at the time of default.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a legal right and intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial instruments

Financial assets are derecognised if the rights to cash flows from financial assets have expired or if the right to receive the cash flows has been transferred and the Group has substantially transferred all risks and rewards incidental to ownership.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or is expired.

Financial assets at amortised cost

Financial assets designated at amortised cost are measured after initial recognition using the effective interest method. In accordance with IFRS 9, impairment losses are recognised on the basis of expected losses (expected credit loss model).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group irrevocably classifies its equity investments as equity instruments designated at fair value through OCI when the Group does not have significant influence and equity investments are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset. In the latter case, the gains from this are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has made the irrevocable decision to designate its non-listed investments, for which the Group does not exercise significant influence, in this category as these investments are held on a long-term basis for strategic purposes.

Derivative financial instruments at fair value through OCI

The Group recognises derivatives as price hedges for the future procurement of the physical demand for electrical energy to cover grid losses expected in subsequent periods and covered in each case by short-term procurement transactions on the spot market (hedged item). These derivatives are measured at fair value as part of cash flow hedge accounting and recognized in other comprehensive income. The cumulative amount is recognized in equity under the item "hedging reserve" (OCI).

Derivative financial instruments measured at fair value

The Group recognizes derivatives that are not part of a hedging relationship at fair value through profit or loss.

3.3.8. Financial liabilities

Financial liabilities consist of interest-bearing loans and borrowings. They are initially recognised at fair value, less related transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost price with any difference between amount at initial recognition and redemption value being recognised in profit or loss over the period of the loans on an effective interest basis.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

3.3.9. Provisions for employee benefits

The entities included in the Group have both defined benefit and defined contribution plans. A defined benefit plan involves a fixed pension to be paid to an employee upon retirement, which is usually based on one or several factors such as the employee's age, years of service and salary. The provision for defined benefit plans recognised in the statement of financial position corresponds to the present value of the defined benefit obligation (DBO) as of the end of the reporting period, the past service costs less the fair value of the existing plan assets. The DBO is calculated annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the future expected cash outflows using the interest rate on top-rated corporate bonds. The corporate bonds are denominated in the currency in which the benefits are paid and have the same maturities as the pension obligations.

Provisions for defined benefit plans are measured on the basis of the 2018 G mortality tables of Prof. Dr. Klaus Heubeck for the earliest possible statutory retirement age.

Actuarial gains and losses based on experience adjustments and changes in actuarial assumptions are recorded in other income and presented cumulative within equity. Past service cost is recognised immediately in profit or loss.

The amounts payable to the pension funds for defined contribution plans are presented under personnel expenses.

The provision for long-service bonuses as well as long-term working accounts was calculated in accordance with actuarial principles taking into account an appropriate markdown allowing for employee turnover and discount rate on top-rated corporate bonds.

The provision for working lifetime accounts is netted with the corresponding plan asset recognised at fair value as a result of the contractual trust agreement.

3.3.10. Other provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is likely that an outflow of economic benefits – of which a reliable estimate can be made – will be required to settle the obligation.

Provisions are not recognised for future operating losses.

The Group's main long-term provisions are provisions for dismantling obligations. The present value of the obligation at the time of commissioning represents the initial amount of the provision for dismantling with, as the counterpart, an asset for the same amount, which is included in the carrying amount of the related asset and is depreciated over the asset's entire useful life.

Factors having a significant influence on the amount of provisions include:

- cost estimates
- the timing of expenditure ; and
- the discount rate applied to cash flows.

These factors are based on information and estimates deemed by the Group to be the most appropriate as of today.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised in profit and loss as a finance expense.

3.3.11. Trade and other payables

Trade and other payables are stated at amortised cost.

Levies

We refer to 3.3.3. Trade and other receivables-

Trade and other payables

Trade and other payables are payment obligations for the Group relating to the goods or services purchased in the Group's core business during the ordinary course of its business. They are classified under current liabilities if the payment obligation falls due within one year or within the normal business cycle. Otherwise they are recognised under non-current liabilities.

See note 3.3.7 Financial instruments for a detailed description of recognition and measurement.

3.3.12. Grants and subsidies

Government grants are recognised when it is reasonably certain that the Group will receive such grants and that all underlying conditions will be met. Grants related to an asset are presented under other liabilities and will be recognised in the statement of profit or loss on a systematic basis over the expected useful life of the asset in question. Grants related to expenses are recognised in the statement of profit or loss in the same period as the expenses for which the grant was received. Government grants are presented as other operating income in the statement of profit or loss.

3.3.13. Leases

Upon the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease included in IFRS 16.

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

Assets and liabilities arising from a lease are initially measured on a present value basis and discounted using the Group's best estimate for the weighted average incremental borrowing rate, in case the rate implicit in the lease cannot be readily determined. The Group applies a single discount rate per group of similar contracts, summarised per their duration.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

Right of use assets are subsequently reduced by accumulated amortisation, impairment losses and any adjustments resulting from the remeasurement of the lease liability. These assets are amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option.

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the reassessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option reasonably certain not to be exercised.

The Group presents right-of-use assets within 'property, plant and equipment' and lease liabilities within 'loans and borrowings' (current and non-current) in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

All lease contracts are part of the "grid business" segment.

The Group as a lessor

Leases that substantially transfer all the risks and rewards incidental to ownership of an underlying asset are recognised as finance leases.

All other leases that do not transfer all the risks and rewards incidental to ownership of an underlying asset are recognised as operating leases. Lease payments received are recognised as income on a straight-line basis over the lease term.

3.3.14. Regulatory items

The Group is subject to the regulatory framework, which has a direct and significant impact on the grid revenue. Based on the revenue cap determined by the Federal Network Agency for each calendar year relating to the expected or budgeted cost approaches for the regulatory activities of the transmission system operator as well as the permitted returns, there are regularly corrections that are subsequently made to the originally determined revenue cap. In addition to determining and, if necessary, subsequently correcting the revenue cap, the Federal Network Agency also determines other important compensation-related issues for charging in subsequent periods; such subsequent charges are made by specification of or in consultation with the Federal Network Agency.

The IFRS standards and interpretations subject to mandatory application in the EU are not currently applicable to regulatory items; a basis for recognizing the issues described here in the consolidated financial statements is therefore lacking. Referring to IAS 8.10 et seq., management believes that the regulatory items must be included in the consolidated financial statements in order to give a true and fair view of the Group's net assets, financial position and results of operations as this is the only way to provide a basis for the economic decision-making of the users of the financial statements. Failing to present these regulatory items would result in the regulatory framework that is of such importance for the Group as well as the true impact on the economic situation of the Group not being adequately taken into account in the consolidated financial statements.

Regulatory claims and obligations are recognised in these consolidated financial statements. Claims arise if the Group can expect higher grid revenue in future periods as compensation for expenses or losses already incurred; obligations arise if lower grid revenue is expected in future periods as compensation for income or cash inflows already received. The same procedure applies if other expenses and/or income are only compensated for in subsequent periods under the regulatory framework. The Group is able to very accurately determine the effects of such recalculations on future periods.

Regulatory claims and liabilities are netted and recorded in the statement of financial position on the equity and liabilities side.

The effect of regulatory items on profit and loss is recognised directly in revenue in the statement of profit and loss. The corresponding interest effect is included in the financial result.

3.4. Items in the statement of profit or loss

3.4.1. Income

The IFRS 15 revenue recognition standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised time-related when performance obligations are fulfilled. The Group typically satisfies its performance obligation upon completion of service and payment is generally due within 10 to 90 days from completion.

Adjusting for the non-profit business, revenue largely results from the transfer of electrical energy via grids, additional services relating to the grid-based business, the establishment and operation of power lines and the related facilities for connecting offshore connection systems to an electricity transmission or distribution grid, regulatory corrections as well as payments for grid connection.

The Group's main revenues are realised in accordance with regulatory frameworks and which have de facto/legal monopolies in their respective control zones.

With regard to the regulated business, each service is based on a standard contract with the customer, mostly with a predefined regulated tariff (unit price multiplied by the volume (injection or offtake) or the reserved capacity (depending on the type of service)), so pricing is not variable.

Considering the business of the Group, there are no relevant right-of-return and warranty obligations.

For all services provided by the Group, Eurogrid is the sole and primary party responsible for executing the service and is thus the principal.

The Group's main performance obligations/contract types, their pricing and the revenue recognition method for 2023 can be summarised as follows:

Revenue stream	Nature and timing of satisfaction of performance obligations	Contract – Price setting
Revenues from contracts with customers resp. levies		
Revenues from incentive regulation	The 'grid use fee' is charged to grid users/distribution system operators connected to the grid for the offtake on the onshore grid. This contract is signed with grid users and distribution system operators. The revenue is recognised over time, as this service is performed continuously throughout the contractual term.	Standard contract and grid tariffs defined by the regulator.
Revenues from offshore regulation	This component comprises tariffs levies to grid users/distribution system operators to cover grid connection costs for offshore wind farms. The revenue is recognised over time, as the levy is billed with the grid fees.	Levy predefined in the regulatory mechanism.
Energy revenues	This revenue stream consists of different components, thereof	
	Ancillary services are paid by market participants for use of the capacity made available by 50Hertz Transmission on specific lines (including use of cross-border assets). This allocation mechanism is governed by transparent, market-oriented procedures. The revenue is recognised at the point in time when it is generated	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
	Redispatch revenues include revenues from the charging or sharing of costs to DSO, TSO or power plant operators that are incurred in the 50Hertz control area for redispatch measures. The revenue is recognised at the point of time when these measures occur.	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
	Compensation for imbalances Market participants have a commitment to ensure a perfect balance between offtake and injection on the grid. In the event of an imbalance, 50Hertz Transmission invoices the market participant to compensate for the costs incurred. The revenue is recognised at the point in time when an imbalance occurs.	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
Construction cost subsidies	At the request of a future grid user, 50Hertz Transmission builds a dedicated/physical connection to create an interface point to the grid (grid connection). Although control of the asset is not transferred as such to the grid user, the grid user obtains direct access to the high-voltage grid. The access right transferred by 50Hertz is important to the grid user, hence why the grid user compensates 50Hertz Transmission. This component of the grid connection/grid user contract is presented separately (not part of the grid connection/revenues from the revenue cap) because the tariff-setting method is very specific from a regulatory perspective. Revenue is recognised over the contractual period.	Contract and tariffs predefined in regulatory mechanism.

3.4.2. Expenses

Finance income and expenses

Finance expenses comprise interest payable on borrowings (calculated using the effective interest rate method), interest on lease liabilities, provisions and regulatory items, reduced by capitalised borrowing costs.

Finance income includes interest on bank deposits, which are recognised in profit or loss using the effective interest rate method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Income taxes

Income taxes comprise current and deferred taxes.

Income tax expense is recognised in profit or loss, except where it relates to items recognised directly in equity.

The current tax expense/income is determined on the basis of the taxable income for the year. Taxable income differs from the net profit for the year taken from the statement of profit or loss as it does not include expenses and income that are never or become only taxable or tax deductible in later years. Liabilities or receivables at Eurogrid from current taxes are calculated on the basis of the applicable tax rates in Germany due to the fact that the Group operates here and generates taxable income.

In accordance with IAS 12, deferred taxes are generally recognised on all temporary differences between the tax carrying amounts and the carrying amounts pursuant to the IFRS financial statements if this results in tax relief or liabilities in the future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries are recognised unless the timing of the reversal of the temporary differences can be not controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Expected future tax reductions from loss carryforwards, interest carryforwards and tax credits are recognised if it is likely in the foreseeable future that sufficient taxable income will be generated and offset against unused tax loss carryforwards or tax credits. Deferred tax assets are reduced to the extent that it is no longer likely that the related tax benefit will be realised.

Deferred taxes are measured using the tax rates and tax law enacted or substantively enacted by the reporting date and that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax assets and deferred tax liabilities are offset if these income tax claims and liabilities relate to the same tax authority and the same taxable entity. Deferred income tax assets and liabilities are recognised and carried such that – depending on the treatment of the underlying item – they are recognised either under income taxes through profit or loss or directly in equity in the appropriate equity item.

4. Segment reporting

Segment reporting is performed in line with the Group's reporting and organizational structure underlying its internal management reporting system. The financial and economic situation of the segments is assessed on this basis and decisions are made on the allocation of resources to the segments.

Segment reporting comprises the reportable segments "Non-profit business" and "Grid business".

The "Non-operating business" segment comprises the levy mechanisms under the Energy Financing Act (EnFG), the Renewable Energy Sources Act (EEG) and its ordinances, which do not affect the Group's earnings. The EnFG now also provides the basis for handling the levy procedures under the KWKG, Section 19 StromNEV and the levy mechanism under the Electricity Price Brake Act.

The entire settlement process of this allocation procedure has no impact on the profit and loss and equity of the Group.

The segment "Grid business" primarily comprises grid provision and grid management as well as balancing group management.

After-tax profit (group profit) was selected as the segment result.

**Segment reporting by business segment for the period from
1 January 2023 to 31 December 2023**

EUR m	Non-profit business	Grid business	Total
Revenue	7,624.9	2,402.9	10,027.8
Other income	-	175.3	175.3
Revenue and other income	7,624.9	2,578.2	10,203.1
Cost of materials and purchased services	(7,624.9)	(1,650.9)	(9,275.8)
Personnel expenses	-	(201.8)	(201.8)
Depreciation and amortisation	-	(332.2)	(332.2)
Other expenses	-	(14.5)	(14.5)
Result from equity investments accounted for using the equity method	-	1.9	1.9
Financial result	-	(59.8)	(59.8)
Finance income	-	37.5	37.5
Finance expenses	-	(97.3)	(97.3)
Profit before tax	-	320.9	320.9
Income taxes	-	(100.4)	(100.4)
Profit for the year from continuing operations	-	220.5	220.5
Group profit	-	220.5	220.5
Timing of revenue recognition			
At a point in time	7,624.9	2,401.4	10,026.3
Over time	-	1.5	1.5

**Segment reporting by business segment for the period from
1 January 2024 to 31 December 2024**

EUR m	Non-profit business	Grid business	Total
Revenue	5,456.8	2,270.5	7,727.3
Other income	-	249.6	249.6
Revenue and other income	5,456.8	2,520.1	7,976.9
Cost of materials and purchased services	(5,456.8)	(1,366.3)	(6,823.1)
Personnel expenses	-	(233.0)	(233.0)
Depreciation and amortisation	-	(374.4)	(374.4)
Other expenses	-	(14.4)	(14.4)
Result from equity investments accounted for using the equity method	-	1.9	1.9
Financial result	-	(81.8)	(81.8)
Finance income	-	60.6	60.6
Finance expenses	-	(142.4)	(142.4)
Profit before tax	-	452.1	452.1
Income taxes	-	(142.3)	(142.3)
Profit for the year from continuing operations	-	309.8	309.8
Group profit	-	309.8	309.8
Timing of revenue recognition			
At a point in time	5,456.8	2,269.0	7,725.8
Over time	-	1.5	1.5

The settlement of the EEG gives rise to interest income and interest expenses for the Group, which are refinanced via the EEG cost allocation. These items do not have any impact on profit for the Group and are shown to fully present earnings generated in the operating non-profit business within cost of materials and purchased services. In the reporting year, this related cross-charged expenses including personnel (2024: EUR 4.8m, prior year: EUR 4.2m), IT (2024: EUR -0.1m, prior year: EUR 1.3m) and other expenses (2024: EUR 0.4m, prior year: EUR 0.3m) which are allocated to the non-profit business.

All revenue were generated with external customers. In fiscal year 2024, there are 3 customers in the grid use segment with which revenue of more than 10% each of total revenue from grid use is generated (EUR 297.2m, EUR 353.7m and EUR 350.6m, in total 1,001.5m; prior year: no customer). Revenue generated with external customers from other countries is immaterial in terms of amount.

Segment reporting by business segment as of 31 December 2023

EUR m	Non-profit business	Grid business	Total
Non-current assets	-	8,635.9	8,635.9
Current assets	956.8	1,455.4	2,412.2
Non-current liabilities	-	5,815.9	5,815.9
Current liabilities	1,414.4	1,389.8	2,804.2
Equity and regulatory items	-	2,428.0	2,428.0

Segment reporting by business segment as of 31 December 2024

EUR m	Non-profit business	Grid business	Total
Non-current assets	-	12,032.4	12,032.4
Current assets	282.0	2,090.6	2,378.6
Non-current liabilities	-	8,438.6	8,438.6
Current liabilities	614.8	1,678.2	2,293.3
Equity and regulatory items	-	3,679.4	3,679.4

Of the current assets and liabilities from the non-profit business, EUR 83.4m (prior year: EUR 805.9m) and EUR 266.0m (prior year: EUR 1,061.1m) relates to the development of the EEG business, respectively. .

Additions to non-current assets relate primarily to property, plant and equipment (EUR 3,396.5m, prior year: EUR 1,389.6m) and grid business.

The carrying amount of the equity-accounted investee EGI (EUR 6.7m, prior year: EUR 4.8m) is allocated to the grid business.

5. Notes to the consolidated statement of profit or loss and other comprehensive income

The statement of profit or loss has been prepared using the cost-summary method.

The following explanations are based on the statement of profit or loss from the segment reporting.

Total revenue and expenses are presented below and broken down into their components. Segment reporting contains a breakdown of revenue into the segments "Non-profit business" and "Grid business".

5.1. Non-profit business

In addition to revenue from the grid business, the Group largely generates income from the non-profit settlement of the EEG, KWKG, Sec. 19 StromNEV and energy price brake.

This revenue is matched by expenses of the same amount.

EUR m	2024	2023
EEG income	4,506.1	4,032.0
KWKG income	277.4	295.9
Sec. 19 StromNEV income	330.1	290.0
Energy price brake income	343.2	3,007.0
Cost-matching income	5,456.8	7,624.9
EEG expenses	(4,506.1)	(4,032.0)
KWKG expenses	(277.4)	(295.9)
Sec. 19 StromNEV expenses	(330.1)	(290.0)
Energy price brake expense	(343.2)	(3,007.0)
Income-matching costs	(5,456.8)	(7,624.9)

5.2. Revenue from the grid business and other income

5.2.1 Revenue from the grid business

Revenue from contracts with customers relate to the grid business and break down as following:

EUR m	2024	2023
Revenue from incentive regulation	1,438.0	1,407.9
Revenue from offshore regulation	417.7	400.9
Revenue from ancillary services and balancing management	402.1	576.5
Construction cost subsidies	1.5	1.5
Other revenue	11.2	16.1
Revenue from contracts with customers	2,270.5	2,402.9

Net income from regulatory items are disclosed under revenue from incentive regulation together with agreed grid revenue and portrays the influences on the result for the period resulting from mechanism of incentive regulation and offsetting an increase or decrease in agreed grid revenue. An increase in regulatory claims compensates for expenses already incurred by the Group which will flow back to the Group in subsequent periods via

increased grid fees. An increase in regulatory obligations compensates for income already generated by the Group which will lead to a decrease in grid revenue in the future periods.

A key driver of revenue from incentive regulation is the inclusion of investments using budget cost estimates in the revenue cap which at the same time are included in the grid fees upon approval of the investment measures. Revenue from offshore regulation is recognised based on a so-called 'cost-plus' regulation with an annual settlement of actual operating and investing costs.

In fiscal year 2024, the period effects resulting from regulatory items excluding the interest portion led to a EUR 295.6m decrease in consolidated net income (prior year: decrease of EUR 150.1m). Considering the interest portion and a tax rate of 30.05%, the recognition of regulatory issues led to a change in group result of EUR -203.3m (prior year: EUR -107.5m).

Opening and closing balances of trade receivables (under 6.7) result primarily from contracts with customers.

5.2.2 Other income

EUR m	2024	2023
Services and technical expertise	53.2	26.6
Own work capitalised	154.0	112.7
Communication income	3.0	3.1
Sundry other income	39.4	32.9
Total	249.6	175.3

Sundry other income contains primarily income from cost charges (EUR 14.9m) and IT cost charges (EUR 18.1m).

5.3. Operating expenses

5.3.1 Cost of materials and services grid business

EUR m	2024	2023
Cost of materials	15.9	12.8
Electricity expenses	1,051.3	1,296.2
Expenses from the offshore regulation	36.8	136.9
Third-party services and other operating expenses	262.3	205.0
Total	1,366.3	1,650.9

Third-party services mainly include third-party maintenance (EUR 20.5 m) and construction services (EUR 42.8 m). Other operating expenses consisted primarily of consulting costs (EUR 21.9 m), insurance premiums (EUR 13.3 m) and various services.

Electricity expenses contain the following items:

EUR m	2024	2023
Expenses for system services	117.8	141.5
Expenses to cover grid losses	420.9	330.9
Expenses for measures pursuant to Sec. 13 EnWG	289.1	487.2
Expenses for Sec. 14/15 EEG compensation	(4.3)	(3.6)
Expenses for balance energy	170.1	214.6
Expenses for unwanted exchange	11.3	7.7
Expenses for reserve costs	20.5	34.5
Expenses for cross-border redispatch	5.5	10.0
Other electricity expenses	20.4	73.4
Electricity expenses	1,051.3	1,296.2

5.3.2 Personal expenses

Personnel expenses comprise the following components:

EUR m	2024	2023
Salaries and wages	184.1	159.6
Social security contributions	31.8	27.2
Pension and welfare expenses	6.0	6.3
Change in personnel provisions	9.3	7.2
Other personnel expenses	1.8	1.5
Total	233.0	201.8

	2024	2023
Administrative employees	652	531
Technical employees	1307	1122
Total	1959	1653
Trainees	47	35

Employee figures are calculated on an average basis using the final figures for each quarter.

5.4. Financial result

EUR m	2024	2023
Finance income	60.6	37.5
Interest income	46.4	34.9
Interest income on regulatory items	12.7	0.7
Other finance income	1.5	1.9
Finance expenses	(142.4)	(97.3)
Interest portion of euro bonds and other interest expenses	(204.9)	(110.7)
Capitalised borrowing costs	78.0	25.1
Interest portion of provisions	(6.7)	(6.7)
Interest portion of regulatory items	(7.9)	(4.2)
Interest cost on leasing	(0.9)	(0.8)
Foreign currency translation	0.0	0.0
Financial result	(81.8)	(59.8)

The total net gain relating to the measurement category "loans and receivables" amount to EUR 46.8m (prior year: EUR 32.3m). Finance income relating to the measurement category "measured at fair-value through OCI" amounts to EUR 1.4m (prior year: EUR 1.2m). Financial expenses of EUR 0.1m are attributable to the "at fair value through profit or loss" measurement category for the first time in 2024. Interest expenses relating to other financial liabilities amount to EUR 189.6m (prior year: EUR 110.3m).

5.5. Income taxes

As the parent company, Eurogrid concluded a profit transfer agreement with 50Hertz Transmission with effect from 1 June 2010 (with amendment agreement dated 30 November 2021) and established a consolidated tax group for income tax purposes. The control and profit transfer agreement between 50Hertz Transmission and 50Hertz Offshore, which has been in place since 1 January 2008 (with amendment agreement dated 30 November 2021), continues to exist with 50Hertz Transmission as the intermediate controlling company. Since 18 October 2023, there has been a control and profit and loss transfer agreement between 50Hertz Transmission and 50Hertz Connectors. The domination and profit transfer agreement was entered in the commercial register on 24 October 2023.

Income taxes break down as follows:

EUR m	2024	2023
Tax expenses for current year	72.5	67.2
Tax expenses for prior years	(0.1)	1.6
Current taxes	72.4	68.8
Deferred taxes	70.0	31.6
Deferred taxes	70.0	31.6
Income taxes recognised in the statement of profit or loss	142.4	100.4

The deferred tax expense of EUR 70.0m (prior year: expense: EUR 31.6m) relates to temporary differences that originated or were reversed in the current year. The following reconciliation presents the differences between the expected tax expense and the disclosed tax expense/rate in the Group:

EUR m	2024	2023
Profit/loss before income taxes	452.1	320.9
Group tax rate	30.05 %	30.00 %
Expected income taxes	135.9	96.2
Changes in tax rates	0.3	0.3
Non-deductible expenses	7.1	4.1
Adjustment for prior years	(0.2)	0.4
Other tax-free income	(0.1)	(0.1)
Other	(0.7)	(0.5)
Effective tax expenses	142.3	100.4

Deferred taxes were calculated using an overall tax rate of 30.05%. The tax rate comprises the corporate income tax rate in Germany of 15.0% plus solidarity surcharge applied on the corporate income tax rate (5.5%) and the trade tax rate of 14.22%, which reflects the weighted levy rate of all the municipalities within Eurogrid's consolidated tax group for 2024.

The effective tax rate amounts to 31.47% (prior year: 31.28%). The difference between the actual tax expenses and the imputed tax expenses is primarily due to trade tax addbacks.

The Group has applied the temporary exemption from the accounting requirements for deferred taxes in IAS 12 published by the IASB in May 2023. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities in connection with global minimum taxation ("Pillar 2").

On 27 December 2023, the Act to Ensure Global Minimum Taxation for Corporate Groups (Minimum Tax Act - MinStG) was published in the Federal Law Gazette (Part I 2023, No. 397). According to this law, the parent company in Germany must pay an additional tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%.

However, based on the analyses carried out, the Group assumes that there will be no ongoing tax effects for the financial year ending 31 December 2024.

Based on the Group's income tax projections and currently available information, a similar conclusion can be drawn for the foreseeable future (2025 to 2027).

The Group is continually assessing the impact of the global minimum tax on its future financial performance.

5.6. Total comprehensive income

Total comprehensive income comprises all components of the statement of profit or loss as well as other comprehensive income. Total comprehensive income is the change in equity in a period resulting from business transactions and other events with the exception of changes resulting from business transactions with owners and those presented in the statement of changes in equity.

Other comprehensive income within the Group primarily comprises remeasurements of defined benefit pension plans and related deferred taxes, changes in the fair value of other investments, changes in the fair value and related deferred taxes relating to cash flow hedge.

EUR m	2024	2023
Recognised actuarial gains/losses	2.1	(2.8)
Deferred taxes on actuarial gains and losses recognised directly in equity	(0.6)	0.8
Changes in the fair value of other investments	65.9	-
Deferred taxes on changes in changes in the fair value of other investments recognised directly in equity	(1.8)	-
Currency translation recognised directly in equity	(0.1)	-
Cashflow hedge - Effective portion of changes in fair value	236.3	(354.5)
Cashflow hedge - Deferred taxes on effective portion of changes in fair value	(70.9)	106.2
Other income after tax	230.9	(250.2)

6. Notes to the consolidated statement of financial position

6.1. Property, plant and equipment

Under property, plant and equipment, the Group primarily recognises high-voltage overhead and underground connections as well as substations including transformers and switchgears.

We refer to 6.19 for more details on leasing and similar rights.

Prepayments on property, plant and equipment and assets under construction primarily comprise services already rendered for high-voltage grid systems and substations under construction and prepayments thereon.

The development of property, plant and equipment and its key components breaks down as follows:

EUR m	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
Cost						
As of 1 January 2023	282.5	6,065.4	357.2	88.3	1,979.4	8,772.7
Additions	4.5	167.6	24.3	4.8	1,449.7	1,650.9
Disposals	(1.2)	(16.9)	(3.4)	(0.5)	-	(22.0)
Reclassifications	7.5	176.0	7.4	-	(190.3)	0.6
As of 31 December 2023	293.3	6,392.1	385.5	92.6	3,238.8	10,402.3
As of 1 January 2024	293.3	6,392.1	385.5	92.6	3,238.8	10,402.3
Additions	38.0	314.2	45.2	3.2	3,140.2	3,540.9
Disposals	(0.6)	(14.3)	(33.3)	(1.2)	(3.2)	(52.6)
Reclassifications	26.0	1,211.5	21.4	-	(1,255.2)	3.7
As of 31 December 2024	356.7	7,903.5	418.9	94.6	5,120.6	13,894.3

EUR m	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
Depreciation and Impairment						
As of 1 January 2023	(36.2)	(1,496.2)	(155.0)	(26.9)	-	(1,714.2)
Depreciation of the year	(4.1)	(245.0)	(51.5)	(8.9)	-	(309.5)
Disposals	0.8	9.6	2.9	0.5	-	13.8
As of 31 December 2023	(39.5)	(1,731.6)	(203.6)	(35.3)	-	(2,009.9)
As of 1 January 2024	(39.5)	(1,731.6)	(203.6)	(35.3)	-	(2,009.9)
Depreciation of the year	(4.6)	(277.2)	(54.9)	(8.7)	-	(345.5)
Disposals	0.5	9.6	32.2	1.2	-	43.5
As of 31 December 2024	(43.6)	(1,999.2)	(226.3)	(42.7)	-	(2,311.9)

Carrying amount	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
As of 1 January 2023	246.3	4,569.2	202.1	61.4	1,979.4	7,058.5
As of 31 December 2023	253.8	4,660.5	181.9	57.3	3,238.8	8,392.4
As of 1 January 2024	253.8	4,660.5	181.9	57.3	3,238.8	8,392.4
As of 31 December 2024	313.1	5,904.3	192.5	51.9	5,120.6	11,582.4

Borrowing costs totalling EUR 76.1m (prior year: EUR 25.1m) were recognised in the fiscal year in accordance with IAS 23. The weighted average interest rate amounted to 2.8% (prior year: 1.7%).

Impairment losses of EUR 0.3 m were recognized as other expenses in the financial year due to storm damage (previous year: no impairment losses).

There were no mortgages, pledges or similar securities on PP&E relating to loans.

Outstanding capital expenditure commitments are described in Note 8.3. The analysis of lease liabilities is presented in note 6.19.

6.2. Intangible assets

Intangible assets break down as follows:

EUR m	Software	Licences	Intangible assets in development	Total
Cost				
As of 1 January 2023	178.7	33.4	-	212.2
Additions	22.9	-	54.2	77.2
Disposals	(0.1)	-	-	(0.1)
Reclassifications	(24.1)	-	23.5	(0.6)
As of 31 December 2023	177.5	33.4	77.7	288.7
As of 1 January 2024	177.5	33.4	77.7	288.7
Additions	66.0	-	103.1	169.1
Disposals	(63.6)	-	-	(63.7)
Reclassifications	24.4	-	(28.1)	(3.7)
As of 31 December 2024	204.3	33.4	152.7	390.4

EUR m	Software	Licences	Intangible assets in development	Total
Depreciation and Impairment				
As of 1 January 2023	(85.7)	(18.3)	-	(104.0)
Amortisation of the year	(21.3)	(1.4)	-	(22.7)
Disposals	0.1	-	-	0.1
As of 31 December 2023	(106.9)	(19.7)	-	(126.6)
As of 1 January 2024	(106.9)	(19.7)	-	(126.6)
Amortisation of the year	(27.5)	(1.5)	-	(28.9)
Disposals	63.6	-	-	63.5
As of 31 December 2024	(70.8)	(21.2)	-	(92.0)

Carrying amount	Software	Licences	Intangible assets in development	Total
As of 1 January 2023	93.1	15.1	-	108.2
As of 31 December 2023	70.6	13.7	77.7	162.0
As of 1 January 2024	70.6	13.7	77.7	162.0
As of 31 December 2024	133.5	12.2	152.7	298.4

Borrowing costs totalling EUR 1.5m (prior year: EUR 0m) were recognised in the fiscal year in accordance with IAS 23. Further EUR 0.4m were reclassified from property, plant and equipment to intangible assets. The weighted average interest rate amounted to 2.8% (prior year: 1.7%).

Intangible assets under development relate to ongoing IT projects that have not yet been completed as at the reporting date and are measured at acquisition or production cost.

Internally generated intangible assets with a carrying amount of EUR 29.6m are reported under "Software" (1 January 2024: EUR 0.0m). Additions to internally generated intangible assets in the financial year amounted to EUR 30.3m, which were reduced by amortization in the amount of EUR 0.7m. The amortization for the period corresponds to the accumulated amortization. Additions to internally generated intangible assets under development amounted to EUR 38.3m (prior year: EUR 0.0m).

In 2024, expenses for research and development amounted to EUR 5.6m (prior year: EUR 5.2m).

As of 31 December 2024 as in prior year, there were no indications of existing or potential impairment.

The Group does not hold individual intangible assets that are material to its financial statements, except capacity entitlements in the Kontek cable (Denmark) with a net book value at EUR 12.2 million (with a remaining useful life of 9 years (until 2033) and the ERP system (with a net book value at EUR 28.2m, prior year: EUR 32.8 million with a remaining useful life of 5 years - until 2029). In addition, (i) EUR 26.8m is attributable to an internally developed system platform for controlling and operating the electricity grid, and (ii) EUR 62.2m is attributable to a data platform, of which EUR 3.7m are internally developed. Both are still under development as of 31 December 2024.

6.3. Other financial assets

EUR m	2024	2023
Other financial assets	142.6	76.7
Total	142.6	76.7

The Group holds 5.4% of the shares in European Energy Exchange (EEX), Leipzig, Germany, of a total value of EUR 141.3m as of the reporting date. These shares are disclosed under other investments as well as a 4.0% shareholding in JAO Joint Allocation Office S.A., Luxembourg, Luxembourg, a 7.9% shareholding in CORESO SA, Brussels, Belgium, a 6.3% shareholding in TSCNET Services GmbH, Munich, Germany, a 5.7% shareholding in decarbonize GmbH, Berlin, Germany and a 10.4% shareholding in the foundation Stiftung Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin, Berlin, Germany.

Other investments are measured at fair value. At each reporting date, a measurement is performed to evaluate these investments. Any deviation from the previous period is recorded outside profit and loss under other comprehensive income and cumulative within equity.

6.4. Equity-accounted investees

50Hertz Transmission holds slightly less than 50%, or approximately EUR 2.5m, of the Elia Grid International NV/SA, Brussels, Belgium, share capital.

The following table summarises the financial information of the investment, based on its IFRS financial statements, and reconciliation with the carrying amount of the Eurogrid Group's interest in the consolidated financial statements of Elia Grid International NV/SA.

Elia Grid International NV/SA		
EUR m	2024	2023
Shareholding in %	49.99	49.99
Non-current assets	1.0	1.2
Current assets	26.8	27.4
Non-current liabilities	0.3	0.4
Current liabilities	14.0	18.6
Equity	13.5	9.6
Investment carrying amount	6.7	4.8

EUR m	2024	2023
Revenue and other income	19.5	19.5
Profit before tax	5.1	4.8
Income taxes	(1.3)	(0.9)
Net profit for the year	3.8	3.9
Total comprehensive income	3.8	3.9
Dividends received from associates	-	-

50Hertz Transmission also holds approx. 33% or 50kEUR of the LINK digital GmbH, Würzburg, share capital. This entity was established in 2024. No figures are available at the reporting date.

6.5. Deferred taxes

Deferred tax assets and liabilities are presented in the following tables:

EUR m	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	-	(39.6)	-	(14.7)
Property, plant and equipment	22.0	(260.7)	21.7	(222.9)
Derivatives	0.3	(3.7)	67.4	-
Other financial assets	-	(1.8)	-	-
Other receivables and assets	6.9	-	9.3	(13.1)
Interest-bearing loans and other financial liabilities	25.9	(6.5)	27.7	(4.6)
Employee benefits	6.1	-	6.7	-
Provisions	37.1	-	36.5	-
Anticipatory liabilities	-	(1.2)	-	(1.2)
Regulatory items	-	(13.3)	-	(12.3)
Off-balance corrections	8.7	-	10.2	-
Other items	-	(4.3)	8.5	-
Deferred tax assets/liabilities before netting	107.0	(331.1)	188.0	(268.8)
Offsetting	(107.0)	107.0	(188.0)	188.0
Deferred tax assets/liabilities after netting	-	(224.1)	-	(80.8)

In 2024, deferred tax assets of EUR 107.0m (prior year: EUR 188.0m) are netted with deferred tax liabilities. Deferred tax assets on off-balance corrections of EUR 8.7m were recognised (prior year: EUR 10.2m). Temporary differences in accordance with IAS 12.81(f), for which no deferred tax liabilities were recognised, amount to EUR 0.0m (prior year: EUR 0.0m). All deferred taxes are non-current.

The Group does not have any unused corporate income tax or trade tax losses.

The following table shows the development of net deferred taxes as well as their recognition:

EUR m	As of 1 January	Recognised in the statement of profit or loss	Recognised in OCI	As of 31 December
2023				
Intangible assets	(13.0)	(1.7)	-	(14.7)
Property, plant and equipment	(179.3)	(21.9)	-	(201.2)
Derivatives	(38.8)	-	106.2	67.4
Other receivables and assets	1.2	(5.0)	-	(3.8)
Loans and borrowings	23.2	(0.1)	-	23.1
Employee benefits	4.1	1.8	0.8	6.6
Provisions	32.6	3.9	-	36.5
Anticipatory liabilities	(1.1)	(0.1)	-	(1.2)
Regulatory items	3.1	(15.4)	-	(12.3)
Off-balance corrections	11.6	(1.4)	-	10.2
Other items	0.2	8.3	-	8.5
Total	(156.2)	(31.6)	107.0	80.8
2024				
Intangible assets	(14.7)	(24.9)	-	(39.6)
Property, plant and equipment	(201.2)	(37.5)	-	(238.7)
Derivatives	67.4	0.1	(70.9)	(3.4)
Other financial assets	-	-	(1.8)	(1.8)
Other receivables and assets	(3.8)	10.7	-	6.9
Loans and borrowings	23.1	(3.7)	-	19.4
Employee benefits	6.6	0.0	(0.6)	6.1
Provisions	36.5	0.6	-	37.1
Anticipatory liabilities	(1.2)	0.0	-	(1.2)
Regulatory items	(12.3)	(1.0)	-	(13.3)
Off-balance corrections	10.2	(1.5)	-	8.7
Other items	8.5	(12.8)	-	(4.3)
Total	(80.8)	(70.0)	(73.3)	(224.1)

Of the deferred tax assets and liabilities recognised, a total of EUR 73.3m (prior year: EUR 107.0m) was recorded in other income. EUR 70.9m relate to the fair value changes of the derivatives booked within other income as well as the the fair-value valuation of other financial assets amounting to EUR 1.8m. The remaining deferred taxes (EUR 0.6m) relate to

the actuarial gains and losses for defined pension obligations and similar obligations booked in other income.

6.6. Inventories

EUR m	2024	2023
Raw materials and consumables	12.4	9.0
Write-downs	-	-
Work in progress	195.9	17.9
Total	208.3	26.9

Inventories mainly include work in progress for offshore platforms, which are reported there until acceptance by the wind farm operator. The increase in work in progress is due to the construction progress of these platforms.

In 2024, expenses of EUR 16.3m (prior year: EUR 42.8m) were incurred due to the consumption of raw materials and supplies.

6.7. Trade receivables and other receivables (and anticipatory items)

EUR m	2024	2023
Trade receivables	370.4	1,016.9
Prepayments	7.6	24.9
VAT and other taxes	166.5	77.9
Contract assets	2.0	4.0
Securities and other	259.0	443.6
Subtotal	805.5	1,567.3
Anticipatory items	24.9	8.6
Total	830.4	1,575.9

Trade receivables are due within 12 months.

The decrease in trade receivables compared to the previous year is mainly due to the decrease in the compensation claim in accordance with Section 6 EnFG for EEG financing. The change underlines the unchanged high volatility that also results from the analysis of the earnings situation for the grid business, which largely does not affect profit or loss.

Prepayments include EUR 6.2m (prior year: EUR 23.6m) for a short-term construction contract.

Collaterals and other receivables primarily comprise claims in connection with the settlement of the cost allocations (EUR 197.m; prior year: EUR 148.3m) as well as margins at EEX electricity exchange (EUR 50.3m; prior year: EUR 289.5m).

The maturities of trade receivables and prepayments break down as follows:

EUR m	2024	2023
Not past due	368.3	1,029.7
0 to 30 days past due	2.8	8.1
31 to 60 days past due	0.1	0.1
61 days up to one year past due	4.1	1.5
More than one year past due	2.9	2.7
Total (excluding valuation allowances)	378.2	1,042.1
Doubtful debts	202.4	201.5
Valuation allowances	(202.4)	(201.5)
Provision for expected credit losses	(0.2)	(0.3)
Total	378.0	1,041.8

Trade receivables and prepayments of EUR 378.0m (prior year: EUR 1,041.8m) were fully recoverable as of 31 December 2024. As of 31 December 2024, trade receivables of EUR 9.9m (prior year: EUR 12.4m) in total were past due but not impaired. The amount of receivables of 61 days up to one year past due has remained stable. For non-impaired trade receivables, there were no indications of a need for impairment. The maximum credit exposure on the reporting date corresponds to the recorded net value of the receivables. All valuation allowances were recognised on individual basis.

The Group's exposure to credit and currency risks as well as expected credit losses related to trade and other receivables are shown in note 8.1. "Credit risk" at the end of the notes.

The Group received security deposits of EUR 11.0m (prior year: EUR 10.5m).

6.8. Tax assets and liabilities

EUR m	2024	2023
Tax receivables	47.5	47.9
Tax payables	(4.0)	(1.5)
Total	43.5	46.4

Current tax assets consist of prior year trade tax receivables (EUR 6.3m), corporation tax receivables (EUR 22.4m) and capital gains tax receivables (EUR 18.8m). Income tax liabilities relate solely to trade tax liabilities (EUR 4.0m).

6.9. Cash and cash equivalents

Cash and cash equivalents relate to bank balances, largely in the form of overnight or weekly deposits.

EUR m	2024	2023
Call deposits	1,154.0	660.3
Balance at bank	128.4	101.0
Total	1,282.4	761.3

Cash and cash equivalents contain EUR 360.5m restricted cash (prior year: EUR 352.6m) for the EEG and KWK processes and for handling the electricity price brake. The previous year's figure was adjusted accordingly.

6.10. Equity

The share capital of Eurogrid is fully paid in, split in 25,000 shares of EUR 1 and therefore amounts to EUR 25,000. 80% of the shares are held by Eurogrid International and 20% by Selent.

Changes in equity as well as comprehensive income are presented separately in the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

In fiscal year 2023, Eurogrid International and Selent made other additional payments of EUR 120.0m to Eurogrid's capital reserves. In fiscal year 2024, both shareholders made an other payments of EUR 600.0m to Eurogrid's capital reserves

Other reserves comprise actuarial gains and losses from defined benefits plans and related deferred taxes as well as changes in the fair value of other investments.

Hedging reserves contain the fair-value measurement of open derivatives for the Group's grid loss procurement for the years 2025 and 2026. The resulting deferred taxes are recognised directly in equity.

Other reserves include the effects of changes in the fair value of other financial assets as well as actuarial gains and losses from defined benefit plans and the deferred taxes recognized on these.

In 2024, there was an amount remaining from the net profit of the Group for 2023 (EUR 220.5m) of EUR 40.5m in the revenue reserves following a distribution to the shareholders in fiscal year 2024 of EUR 180.0m (prior year: EUR 120.0m).

For fiscal year 2024, there was a consolidated net income of EUR 309.8m.

Deferred taxes recorded directly in equity relate to the effect from the measurement of the pension provisions recognised in comprehensive income as well as the changes in fair value from cash flow hedge.

EUR m	2024	2023
Actuarial gains/losses recognised in other comprehensive income from defined benefit pension plans	6.1	4.0
Deferred taxes on actuarial gains/losses recognised in other comprehensive income	(1.7)	(1.1)
Changes in fair value of other financial assets designated at fair value through OCI	121.6	55.7
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI	(1.8)	-
Cashflow hedge: Effective portion of changes in fair value	11.5	(224.8)
Cashflow hedge: Deferred taxes on effective portion of changes in fair values	(3.5)	67.4
Closing balances of hedging and other reserves on 31.12.	132.2	(98.8)

We refer to the Group's statement of changes in equity and the statement of comprehensive income.

6.11. Loans and borrowings

The composition of financial liabilities is presented in the following table:

EUR m	2024	2023
Bonds	6,968.8	4,474.8
Lease liabilities	45.6	51.1
Liabilities to banks	870.0	870.0
Total non-current loans and borrowings	7,884.4	5,395.9
Bonds	499.6	-
Lease liabilities	8.1	8.0
Deferred interest	114.4	50.8
Total current loans and borrowings	622.1	58.8
Total	8,506.5	5,454.7

In fiscal year 2024, EUR 131.2m (prior year: EUR 88.5m) was paid for liabilities to banks and bonds.

We refer to 6.19. for more details on lease liabilities.

Information concerning the terms and conditions of the bonds is given below:

EUR m	Maturity	Nominal value	Carrying amount	Coupon
Bond as part of Debt Issuance Programme 2015	2025	500.0	504.7	1,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2016	2030	140.0	140.0	2,625% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2028	750.0	756.3	1,500% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2040	200.0	199.7	0,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2032	750.0	753.2	1,113% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2033	500.0	501.0	0,741% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2031	750.0	755.6	3,279% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2030	800.0	814.4	3,722% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2038	50.0	50.5	4,065% p.a. (fixed)
Total bonds as part of Debt Issuance Programm as of 31 December 2023		4,440.0	4,475.4	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
Total as of 31 December 2023		4,490.0	4,525.5	

EUR m	Maturity	Nominal value	Carrying amount	Coupon
Bond as part of Debt Issuance Programme 2015	2025	500.0	505.1	1,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2016	2030	140.0	140.1	2,625% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2028	750.0	756.7	1,500% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2040	200.0	199.7	0,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2032	750.0	753.4	1,113% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2033	500.0	501.2	0,741% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2031	750.0	755.9	3,279% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2030	800.0	815.3	3,722% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2038	50.0	50.5	4,065% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2027	650.0	652.3	3,075% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2029	700.0	721.3	3,598% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2034	800.0	826.1	3,915% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2035	850.0	853.8	3,732% p.a. (fixed)
Total bonds as part of Debt Issuance Programm as of 31 December 2024		7,440.0	7,531.4	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
Total as of 31 December 2024		7,490.0	7,581.5	

From 2024, the carrying amount is shown including accrued interest. The previous year's table has been adjusted accordingly.

Bonds as part of the Debt Issuance Programme 2021 and 2024 amounting to EUR 4,500.0m were issued for a special purpose (green financing).

Information concerning the contractual maturities of the Group's interest-bearing loans and borrowings (current and non-current) is given in detail in note 8.1. "Financial risk management and factors".

All bonds (excepted the registered bond 2014 and the bond 2023 amounting EUR 50m) are placed on the Luxembourg Stock Exchange (Bourse de Luxembourg, LuxSE) and measured at amortised cost using the effective interest method.

The non-current liabilities to banks relate to a syndicated loan agreement.

Information concerning the maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in note 8.1. "Liquidity Risk".

6.12. Provisions for employee benefits

General description of existing plans in the Group

In addition to the benefits provided by state pension insurance institutions and private pension provision, there are also company pension benefits in place for employees in the Group. Company pensions are based on collective bargaining and works agreements as well as on individual contract regulations. In place are defined benefit and contribution obligations, which grant old age, disability and surviving dependants' pensions.

Defined contribution plans

In the case of externally financed defined contribution plans, the Company's obligation consists solely of paying the contributions. For those defined contribution plans recognised in the form of direct guarantees there are pledged congruent employer's liability insurance policies in place.

The defined contribution plans which are financed via a congruent reinsured benefit fund and congruent reinsured direct guarantees grant old age, disability and surviving dependants' pensions.

The following defined contribution plans exist in the Group:

Pension obligations for executives as a result of the agreement with the spokesmen of officers from 2003

This relates to individual contractual pension obligations based on an agreement with the spokesmen of officers in the version from 10 November 2015 valid as of 1 January 2015.

Pension obligations for executives as a result of the agreement with the spokesmen of officers from 19 August 2008

This relates to individual contractual pension obligations based on an agreement with the spokesmen of officers on a company pension plan with the Vattenfall Europe Group on 19 August 2008 in the version from 10 November 2015 valid as of 1 January 2015.

Collective bargaining agreement on the company pension scheme

This relates to pension obligations based on the collective bargaining agreement on 50Hertz Transmission's company pension scheme on 28 November 2007. These only apply to employees that had joined the Company by 31 December 2006.

Direct insurance

This relates to direct insurance policies for all former employees that worked at Vereinigte Energiewerke AG (VEAG) from 1993 to 31 December 2004, with the exception of managers.

Individual commitments

There are individual commitments in place which are financed exclusively by external pension funds (welfare fund and pension fund).

In fiscal year 2024, expenses related to defined contribution plans amounted to EUR 2.9m (prior year: EUR 3.8m).

Defined benefit plans

Defined benefit plans give rise to direct pension claims of the employees against the Company; provisions are recognised in the statement of financial position for this purpose. If plan assets are created, which solely serve to fulfil pension obligations, the amount is offset against the present value of the obligation.

For one individual contractual obligation, a plan asset was recognised in the form of a congruent, pledged employer's liability insurance policy.

The following defined benefit plans exist within the Group:

Group works agreement on the company pension scheme

In accordance with the group works agreement on the company pension scheme, employees are granted a company pension plan on the basis of a defined contribution plan (effective 1 January 2007). This agreement applies to all employees within the meaning of Sec. 5 (1) BetrVG ["Betriebsverfassungsgesetz": German Works Constitution Act] and joined the Company on or after 1 January 2007. Participation in the scheme is voluntary. The scheme grants pension benefits upon reaching the statutory retirement age, upon taking early retirement from the statutory pension insurance, in the event of occupational disability as well as in the event of death. Current pension benefits are increased by 1% p.a.

The scheme is based on a defined building block approach and comprises:

- Building block A: Employee contribution
- Building block B: Employer's contribution
- Building block C: Additional employee contribution

Individual contractual and other contribution plans

Individual contractual contribution plans are in place for management board members and executives. These include old age, disability and surviving dependants' pensions. The contribution plans are based on the 1996 pension scheme for head management ["Ruhegeldordnung leitender Führungskreis 1996"] from 10 May 1996 as well as on pension agreements with individual employees. They all relate to pension obligations that depend on years of service and remuneration. Plan assets were recognised for one of these commitments in the form of a pledged pension insurance policy. These plan assets solely serve to fulfil pension obligations; the present value of the corresponding obligation was therefore offset against the plan assets. Pension obligations also still exist for individual employees that were acquired as a result of their employment at Vattenfall Europe (e.g., 1991 pension scheme, additional regulation to the old-age and life provident scheme for pension fund members).

TVV Energie

This relates to direct guarantees resulting from the collective bargaining agreement from 16 October 1992 (collectively bargained agreement on the termination of the collectively bargained agreement on the company's additional agreement concerning the AVEU's ["Arbeitgeberverband energie- und versorgungswirtschaftlicher Unternehmen"] tariff category "energy" (TVV Energie) dated 20 July 1990/9 October 1990/8 November 1990. This pension plan was closed for new hires from 1 January 1993. These contribution plans apply to employees that worked at Vereinigte Energiewerke AG until 30 November 2001 and whose vested benefits are allocable to Vattenfall Europe Transmission GmbH upon its formation (now 50Hertz Transmission GmbH). This relates to pension obligations that depend on years of service and remuneration and that grant old age and disability pensions, but none for surviving dependants. The indexation of current post-employment benefits due for the first time after 1 January 1993 is not possible.

The Group also has following obligations that are included under other provisions:

- Obligations from long-service benefits
- Obligations from working lifetime accounts.
- Obligations to shift workers

Not all of these benefits are funded and, in accordance with IAS 19, these post-employment benefits are classified as defined-benefit plans.

Existing plan assets serve only to fulfil pension commitments and are not available to creditors even in the event of insolvency. The plan assets for working lifetime accounts are based on a contractual trust agreement which also provides insolvency protection. For this reason, the present value of the obligation is offset against the value of the plan assets.

The total net liability for employee-benefit obligations contains:

EUR m	2024	2023
Defined benefit plans	26.9	26.0
Post-employment benefits other than pensions, thereof:	6.7	7.9
Obligations from long-service benefits	0.7	0.7
Obligations from working lifetime accounts	5.4	6.8
Obligation to shift workers	0.6	0.4
Total provisions for employee benefits	33.6	33.9

Of the total obligations, an amount of EUR 3.5m is current (prior year: EUR 3.2m).

In the following tables, details are given of the outstanding provision for employee benefits, with the split between pension cost ("Pensions") and non-pension costs ("Other"), which encompasses long-service benefits, shift work and working lifetime accounts.

EUR m	Pensions		Other	
	2024	2023	2024	2023
Present value of defined benefit obligation	(26.9)	(26.1)	(60.1)	(53.2)
Fair value of plan assets	0.1	0.1	53.4	45.3
Net obligation	(26.9)	(26.0)	(6.7)	(7.9)

Movement in the present value of the defined benefit obligation

EUR m	Pensions		Other	
	2024	2023	2024	2023
As of 1 January	(26.1)	(20.9)	(53.2)	(42.2)
Current service cost	(2.8)	(2.1)	(5.4)	(9.8)
Interest expenses	(0.8)	(0.8)	(1.7)	(1.4)
Gains/losses recognised in other comprehensive income	0.0	0.0	0.0	0.0
Change in actuarial parameters:	2.0	(2.9)	(7.1)	(11.2)
1) Change in financial assumptions	2.3	(2.4)	-	-
2) Change from experience adjustments	(0.3)	(0.4)	-	-
3) Demographic changes	-	-	-	-
Benefits paid	0.7	0.6	0.2	0.2
As of 31 December	(26.9)	(26.1)	(60.1)	(53.2)

Movement in the fair value of the plan assets

EUR m	Pensions		Other	
	2024	2023	2024	2023
As of 1 January	0.1	0.1	45.3	36.8
Employer payments	0.0	0.0	9.1	8.9
Benefits paid	0.0	0.0	(1.0)	(0.3)
As of 31 December	0.1	0.1	53.4	45.3

All plan assets comprise insurance agreements.

The plan asset for one individual contractual obligation under a defined benefit plan discloses an actual return of XX%.

Amounts recognised in the statement of comprehensive income

EUR m	Pensions		Other	
	2024	2023	2024	2023
Service cost				
Current service cost	(2.8)	(2.1)	3.7	(1.5)
Benefits paid	0.7	0.6	0.2	0.0
Utilisations	0.0	0.0	(1.0)	(0.3)
Net interest expense				
Interest expense	(0.8)	(0.7)	(1.7)	(1.4)
Amounts recognised in the statement of profit or loss	(2.9)	(2.3)	1.2	(3.2)
Actuarial gains/losses				
Actuarial gains/losses				
1) Change in financial assumptions	2.3	(2.4)	-	-
2) Change from experience adjustments	(0.3)	(0.4)	-	-
3) Demographic changes	-	-	-	-
Remeasurements of net defined benefit liability/asset recognised in other comprehensive income (OCI)	2.0	(2.9)	-	-
Total	(0.9)	(5.1)	1.2	(3.2)

Actuarial gains and losses from defined benefit plans for pensions are accrued and recognised in full. They are recognised outside of the statement of profit or loss in the statement of comprehensive income and cumulative within equity.

Expected payments for defined benefit plans in 2025 amount to EUR 0.6m (prior year: EUR 0.6m).

Breakdown of defined benefit obligations

EUR m	2024	2023
By type of plan participants:	(87.0)	(78.9)
Active plan participants	(79.1)	(70.3)
Terminated plan participants with defined benefit entitlement	(0.6)	(0.5)
Retired plan participants and beneficiaries	(7.3)	(8.1)
By type of benefits:	(87.0)	(78.9)
Retirement and death benefits	(26.9)	(26.1)
Working lifetime accounts	(58.8)	(52.1)
Long-service awards	(0.7)	(0.7)
Shift work	(0.6)	(0.4)

Risks

The Group is exposed to various risks: falling interest rates, an increase in life expectancy as well as rising wages and salaries cause the defined benefit obligations to increase. There are no concentrations of risk.

Actuarial parameters

(in %)	2024	2023
Discount rate	3.45	3.13
Future expected wage and salary increase	5.25	5.25
Expected inflation rate	2.00	2.25
Expected increase in social security costs	2.00	2.25
Future expected pension increase	0,0/1,0/2,08	0,0/1,0/2,5
Average retirement age (in years)	65	65
Biometrics	2018 G Heubeck mortality tables	2018 G Heubeck mortality tables
Life expectancy for a 65-year-old on 31 December		
(in years):		
male	20.9	20.8
female	24.3	24.2

Sensitivity analysis

	Effect on defined benefit obligation	
	Increase	Decrease
Discount rate (+/- 0.5%)	(6.6)	7.6
Wage and salary increase (+/- 0.5%)	3.9	(0.1)
Pension increase (+/- 0.25%)	0.2	(0.2)
Life expectancy of a pensioner (+1 year), male and female	0.9	-

Maturity of defined benefit obligations

The average term of defined benefit pensions plans is 24.8 years, of working lifetime accounts obligations 13.4 years, of long-service benefits obligations 9.8 years and to shift worker of 5 years. The maturities of the benefit payments break down as follows:

EUR m	< 12 Monate	1-5 Jahre	6-10 Jahre	> 10 Jahre
Pensions	0.6	2.5	2.7	65.2
Other	3.5	13.5	13.7	69.5
Total	4.1	16.0	16.4	134.7

6.13. Derivatives

Derivatives instruments measured at fair value in the consolidated statement of financial position

The following table gives an overview of the carrying amount of all derivatives instruments by category as defined by IFRS 9, all of them being measured at fair value (carrying amount = fair value).

EUR m	Classification	Level	2024	2023
Assets				
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	2.3	-
Non-current derivatives			2.3	
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	9.2	-
Commodity risk (grid losses)	Fair value through profit and loss	Level 1	0.8	-
Current derivatives			10.0	
Liabilities				
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	-	8.6
Non-current derivatives			0.0	8.6
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	-	216.3
Commodity risk (grid losses)	Fair value through profit and loss	Level 1	0.9	-
Current derivatives			0.9	216.3

The Group is exposed to certain risks relating to its ongoing business operations, especially utility risks.

The Group recognises derivatives to hedge the price for the future procurement of the physical requirement for grid losses that is expected in subsequent periods and is covered in each case by short-term procurement transactions on the spot market.

These derivatives are measured at fair value in OCI with no effect on profit or loss as part of cash flow hedge accounting. They fall under level 1 of the measurement hierarchy. Their value is determined on the basis of the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. As a result of de-designation, futures must be treated as stand-alone derivatives and measured

in full through profit or loss. It is then necessary to remove cumulative effects on profit or loss from OCI accordingly and recognize them in profit or loss.

Credit and default risks are avoided with this form of price hedging via exchange transactions. They serve as price hedging of the physical demand for electrical energy to cover grid losses (underlying transaction). Due to the availability and liquidity of futures trading, the hedging period for intended price hedging covers a period of up to two years from the balance sheet date. In this context, the Group pursues a conservative hedging strategy oriented towards the regulatory framework and the ability to roll over the electricity procurement costs incurred, which enables timely and predictable price hedging.

The critical term match method measures effectiveness. If the valuation-relevant parameters of the hedged item and hedging instrument match, it is assumed that an effective hedging relationship exists and that changes in value from both items offset each other. The Group strives for full price hedging of the expected volume of grid loss energy (hedge ratio 1:1).

As at December 31, 2024, the Group reported derivative financial instruments with a positive net amount of EUR 11.5 m (previous year: negative net amount of EUR 224.8 m) as part of hedge accounting. The forward contracts were concluded in the financial year at prices between EUR 73.37 and EUR 115.51 per MWh.

As a result of the shortfall in the price hedging volume to hedge grid losses for 2025, it was decided to remove some futures contracts from hedge accounting. These contracts will be recognized as freestanding derivatives on the liabilities side for the first time on the 2024 balance sheet date. As part of the de-designation, OCI was adjusted by EUR 0.4 m. The subsequent measurement of these freestanding derivatives as at December 31, 2024 results in an effect on profit or loss for the period of EUR 0.4 m, i.e. a total of EUR 0.806 m in 2024.

In the financial year, a negative result of EUR 233.6m was realised from hedging with futures contracts (prior year: negative result of EUR 89.3m), which is included in the cost of materials.

Income and expenses of financial instruments recognized in the consolidated income statement and in other comprehensive income

EUR m	2024	2023
As of 1 January	(224.8)	129.6
Effective portion of changes in fair value of cash flow hedge	235.9	(354.4)
De-designated derivatives	0.4	-
As of 31 December	11.5	(224.8)

Notional amounts

Notional amounts and maturities of cash flow hedges are as follows:

As of 31 December 2024	Unit	2025	2026	Total at 31 December 2024
Commodities - grid losses	TWh	2.4	0.6	3.0

As of 31 December 2023	Unit	2024	2025	Total at 31 December 2023
Commodities - grid losses	TWh	2.6	0.6	3.2

6.14. Other provisions

Other provisions break down as follows:

EUR m	2024	2023
Provisions for environmental protection measures	1.1	1.2
Provision for dismantling obligations	136.1	130.7
Provision for archiving costs	0.1	0.1
Other non-current provisions	137.3	132.0
Provisions for environmental protection measures	0.7	0.6
Provision for litigation risks	3.4	3.4
Other current provisions	4.1	4.0
Total other provisions	141.4	136.0
Current portion of other personnel obligations	3.5	3.2
Total provisions	144.9	139.2

EUR m	Environmental protection measures	Litigation risks	Dismantling obligations	Other	Total
As of 1 January 2023	1.9	3.5	114.2	0.1	119.7
Addition	-	0.5	12.1	-	12.6
Reversal	-	(0.5)	-	-	(0.5)
Utilisation	(0.2)	(0.1)	-	-	(0.3)
Unwinding of the discount/change in interest rate	0.1	-	4.4	-	4.5
As of 31 December 2023	1.8	3.4	130.7	0.1	136.0
Non-current	1.2	-	130.7	0.1	132.0
Current	0.6	3.4	-	-	4.0

The item litigation risks contains anticipated burdens from current lawsuits which take into account the principal claim as well as any interest payable.

Dismantling provisions: As part of the Group's CAPEX programme, the Group is exposed to decommissioning obligations, which mostly relate to offshore platforms, sea cables and several substations. These provisions take into account the effect of discounting and the expected cost of dismantling and removing the equipment from sites or from the sea. The carrying amount of the provision as at 31 December 2023 is EUR 136.1 million. The provision increased due a lower discount rate. The Group has applied a case-by-case approach to estimate the cash outflow needed to settle the liability. Eurogrid uses corporate bond rates (minimum AA rating) and sets them out to match the lifetime of the provisions in order to discount the dismantling provisions. In case the discount rate is below 0%, the rate is floored at 0%. The discount rates used in 2024 ranged between 2.86% to 3.47%, depending on the lifetime of the asset to dismantle. Should the discount rate increase by 1%, the dismantling provisions would decrease by EUR 16.3 million. If the pre-tax discount rate had been 0%, the carrying amount of the provision would have been EUR 79.4m higher.

The development of other provisions can be seen in the statement of changes in provisions below (without the current portion of other personnel obligations):

EUR m	Environmental protection measures	Litigation risks	Dismantling obligations	Other	Total
As of 1 January 2024	1.8	3.4	130.7	0.1	135.9
Addition	-	0.8	2.1	-	2.9
Reversal	-	(0.7)	0.0	-	(0.7)
Utilisation	0.0	(0.1)	-	-	(0.1)
Unwinding of the discount/change in interest rate	0.0	-	3.3	-	3.4
As of 31 December 2024	1.8	3.4	136.1	0.1	141.4
Non-current	1.1	-	136.1	0.1	137.3
Current	0.7	3.4	-	-	4.1

The expected utilization of other provisions (without the current portion of other personnel obligations) is summarised below:

EUR m	Carrying amount as of 31 December 2023	2024	2025 to 2028	From 2029
Environmental protection measures	1.8	0.6	1.2	-
Litigation risks	3.4	3.4	-	-
Dismantling obligations	130.7	-	-	130.7
Other	0.1	-	-	0.1
Total	136.0	4.0	1.2	130.8

EUR m	Carrying amount as of 31 December 2024	2025	2026 to 2029	From 2030
Environmental protection measures	1.8	0.7	1.1	-
Litigation risks	3.4	3.4	-	-
Dismantling obligations	136.1	-	-	136.1
Other	0.1	-	-	0.1
Total	141.4	4.1	1.1	136.2

6.15. Other non-current liabilities

EUR m	2024	2023
Grants and subsidies	128.6	133.3
Other	34.1	34.7
Total	162.7	168.0

Investment grants are spread over several assets. The most significant projects are Suedwestkuppelleitung and Kriegers Flak Combined Grid Solution. Both were subsidised by the European Union. The grants are released in profit and loss based on the useful lives of the assets to which they relate. The terms and conditions of the grants were monitored and met as per 31 December 2024.

Sundry other non-current liabilities mainly comprise construction cost subsidies (2024: EUR 27.5m; prior year: EUR 29.0m) and liabilities from the pension plan (2024: EUR 4.1m; prior year: EUR 2.6m).

6.16. Trade payables and other liabilities

EUR m	2024	2023
Trade payables due to third parties	712.7	911.1
VAT and other taxes	10.1	8.7
Other liabilities, personnel	6.1	8.1
Other liabilities, sundry	102.1	69.4
Accruals and deferrals	823.8	1,519.4
Total	1,654.8	2,516.7

Sundry other liabilities relate primarily to liabilities from compensation mechanisms of EUR 63.6m (prior year: EUR 56.4m) as well as margins at the energy stick exchange for an amount of EUR 11.9m..

Accruals and deferrals primarily comprise obligations resulting from the settlement of the EEG of EUR 253.7m (prior year: EUR 1,053.0m) as well as additional cost allocations of EUR 325.6m (prior year: EUR 304.7m).

All trade payables and other liabilities are current.

6.17. Anticipatory equity and liabilities

Deferred income relates to a cost reimbursement and income received in advance for the use of the German section of a high-voltage direct current transmission link.

6.18. Financial instruments - fair values

Based on the consolidated statement of financial position, the recognised financial instruments refer to the following measurement categories:

EUR m	Fair value through OCI	Amortised cost	Other financial liabilities at amortised cost	Carrying amount				Fair value	
				Total	Level 1	Level 2	Level 3	Total	
Other financial assets	76.7	-	-	76.7	-	-	76.7	76.7	
Trade and other receivables	-	1,464.5	-	1,464.5	289.5	-	-	289.5	
Cash and cash equivalents	-	761.4	-	761.4	-	-	-	-	
Loans and borrowings	-	-	(5,395.6)	(5,395.6)	(4,919.2)	(93.9)	-	(5,013.1)	
Derivatives with negative value	(224.8)	-	-	(224.8)	(224.8)	-	-	(224.8)	
Lease liabilities	-	-	(59.1)	(59.1)	-	-	-	-	
Trade and other payables	-	-	(2,500.5)	(2,500.5)	-	-	-	-	
Total as of 31 December 2023	(148.1)	2,225.8	(7,955.1)	(5,877.4)	(4,854.5)	(93.9)	76.7	(4,871.7)	

EUR m	Designated at fair value through profit and loss	Fair value through OCI	Amortised cost	Other financial liabilities at amortised cost	Carrying amount				Fair value	
					Total	Level 1	Level 2	Level 3	Total	
Other financial assets	-	142.6	-	-	142.6	-	-	142.6	142.6	
Derivatives with positive value	0.8	11.5	-	-	12.3	12.3	-	-	12.3	
Trade and other receivables	-	-	631.4	-	631.4	50.3	-	-	50.3	
Cash and cash equivalents	-	-	1,282.4	-	1,282.4	-	-	-	-	
Loans and borrowings	-	-	-	(8,452.7)	(8,452.7)	(8,008.3)	(93.8)	-	(8,102.1)	
Derivatives with negative value	(0.9)	0.0	-	-	(0.9)	(0.9)	-	-	(0.9)	
Lease liabilities	-	-	-	(53.8)	(53.8)	-	-	-	-	
Trade and other payables	-	-	-	(1,640.7)	(1,640.7)	(11.9)	-	-	(11.9)	
Total as of 31 December 2024	(0.1)	154.1	1,913.7	(10,147.1)	(8,079.4)	(7,958.4)	(93.8)	142.6	(7,909.7)	

Derivatives in the "at fair value through profit or loss" measurement category were created for the first time in the reporting year. As at the balance sheet date, there were derivatives of EUR 0.8 m and derivative liabilities of EUR -0.9 m, which are to be allocated to level 1.

This table excludes information about the fair value of financial assets and liabilities that are not measured at fair value, such as trade receivables and other receivables, cash and cash equivalents, and trade and other payables, as their carrying amounts are largely equal to their fair values. As specifically states in paragraph 29 of IFRS 7, disclosures of fair values are not required for lease liabilities and are therefore an excluded item for fair value disclosure.

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's-length transaction. IFRS 7 requires, for financial instruments that are measured in the statement of financial position at fair value, the disclosure of fair-value measurements by level in the following fair value measurement hierarchy:

Level 1: The fair value of a financial instrument that is traded in an active market is measured based on quoted (unadjusted) prices for identical assets or liabilities. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The derivatives from the price hedging of grid loss procurement measured at fair value through other comprehensive income fall into level 1 of the measurement hierarchy. The value is determined from the valuation of the existing futures contracts on the reporting date, which are contracted in full via the EEX electricity exchange and quoted there. Level 1 also includes financial assets (EUR 50.3 m; prior year: EUR 289.5 m) and financial liabilities (EUR 11.8 m) from cash collateral in connection with trading transactions on the electricity exchange, which are reported under other receivables and other liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instrument is included in level 2.

Level 3: If one or more of the significant inputs used in applying the valuation technique is not based on observable market data, the financial instrument is included in level 3.

Other financial assets

On the reporting date, other participations at FVOCI had a total fair value of EUR 142.6m and fall under level 3 in the fair value hierarchy. The fair value has been determined applying the capitalized earning values method and therefore using non-observable market data. The Group uses third party qualified valuers to perform the valuation. The expert opinion is commissioned by EEX every two years. The valuation was performed using a risk-free rate of 2.70%, a marked risk premium of 7.50% and a terminal growth rate of 1.00%. In fiscal year 2024, the new valuation led to a remeasurement result of EUR 65.9m booked within other income. In fiscal year 2024, the Group received a dividend from other participations at FVOCI for an amount of EUR 1.4m (prior year: EUR 1.2m).

Trade and other receivables

Level 1 also includes financial assets (EUR 50.3m; prior year: EUR 289.5m) and financial liabilities (EUR 11.8m) from cash collateral in connection with trading transactions on the electricity exchange, which are reported under other receivables and other liabilities, respectively.

The credit quality of financial assets that are neither past due nor impaired is determined based on available credit ratings or past experience of default rates of business partners. No new terms were negotiated in the fiscal year for an asset that would otherwise have been impaired or past due. No financial assets deemed to be material by the Group are past due or impaired.

Derivatives

The fair values of the derivative is reported in level 1 based the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. We refer to note 6.13 for further details.

Loans and borrowings

The fair value of the bonds amounted to EUR 7,138.3 m on the balance sheet date (prior year: EUR 4,049.2m). The fair value is based on the market price published on an active market (classified in level 1 of the measurement hierarchy). As at the reporting date, the fair value of the registered bond amounted to EUR 43.16m and the fair value of the private placement from 2023 amounted to EUR 50.7m, which were derived from observable prices for comparable bonds (categorized in level 2 of the fair value hierarchy). The nominal value of liabilities to banks amounts to EUR 870.0 m and corresponds to the fair value.

6.19. Leasing

The Group as a lessee

The Group leases buildings, cars, optical fibres, a portion of an overhead line and other equipment.

The valuation period is used according to the contractual term. Where no fixed term is agreed and an ongoing prolongation is subject to the contract, a termination date has been assumed by the responsible department. In case the lease contract contains a lease extension option, the Group assesses whether it is reasonably certain to exercise the option and makes its best estimation of the termination date.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets are presented separately within property, plant and equipment in note 6.1 and break down as follows:

EUR m	Use of land and overhead lines	Rent of buildings/ offices	Cars	Optical fibres	Other	Total
As of 1 January 2023 before corrections	40.2	12.7	6.0	1.3	1.3	61.5
Other changes	0.8	—	0.2	(0.1)	(0.2)	0.8
Additions	-	0.1	3.2	0.6	—	3.9
Depreciations	(1.3)	(3.8)	(2.9)	(0.6)	(0.2)	(8.8)
Disposals	-	-	0.0	(0.1)	—	(0.1)
As of 31 December 2023	39.7	9.0	6.5	1.1	1.0	57.3

EUR m	Use of land and overhead lines	Rent of buildings/offices	Cars	Optical fibres	Other	Total
As of 1 January 2024	39.7	9.0	6.5	1.1	1.0	57.3
Additions	(0.5)	0.1	3.8	0.4	(0.6)	3.2
Depreciations	(1.3)	(3.9)	(3.0)	(0.3)	(0.2)	(8.7)
As of 31 December 2024	37.9	5.2	7.3	1.2	0.2	51.8

Lease liabilities

Information concerning the maturity of the contractual undiscounted cash flows is given below:

Maturity analysis - contractual undiscounted cash flows in EURm	2024	2023
< 1 year	9.3	8.8
1-5 years	14.2	18.1
> 5 years	41.1	42.0
Total undiscounted lease liabilities at 31 December	64.6	68.9
Lease liabilities in the statement of financial position at 31 December	53.7	59.1
Current	8.1	8.0
Non-current	45.6	51.1

Amount recognised in consolidated profit or loss

In addition to the depreciation disclosed above, the following amounts were recognised in profit or loss during the current fiscal year:

EUR m	2024	2023
Depreciation expense of right-of-use assets	8.7	8.9
Interest on lease liabilities	0.9	0.8
Expenses relating to short-term leases	0.4	0.1
Expenses relating to low-value assets	0.1	0.1
Total	10.1	9.9

There are not any contracts with variable rents.

Amounts recognised in the consolidated statement of cash flows

The total cash outflow for leases amounts to EUR 8.6m in 2024 (prior year: EUR 7.5m) and is disclosed within cash flows from financing activities under the item "Repayment of borrowings".

The Group as a lessor

The Group leases out optical fibres, land and buildings presented as part of property, plant and equipment. The leasing business only represents an ancillary business, however.

Contracts that do not relate to separately identifiable assets or in which the customer cannot direct the use of the asset or does not obtain substantially all the economic benefits associated with the use of the asset do not contain a lease.

The Group has classified these leases as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2024 was EUR 1.9m (prior year: EUR 2.1m).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date and considering the best estimation of the contractual term:

EUR m	2024	2023
within 1 year	2.0	2.4
1 to 2 years	0.8	1.6
2 to 3 years	0.5	1.3
3 to 4 years	0.4	1.0
4 to 5 years	0.4	0.5
more than 5 years	2.4	3.5
Total	6.5	10.3

6.20. Regulatory items

On the reporting date, the Group has an obligation surplus resulting from comparison of regulatory claims and obligations.

EUR m	2024	2023
Regulatory claims	339.4	323.0
Regulatory obligations	(914.9)	(607.8)
Total	(575.5)	(284.8)

The obligation surplus as of 31 December 2024 of EUR 575.5m (prior year: EUR 284.8m) is the nominal amount of EUR 659.5m (prior year: EUR 361.3m) less an interest effect of EUR 84.0m (prior year: EUR 76.5m).

On the basis of current assumptions, the nominal figures reported at year-end spread over the subsequent periods as follows:

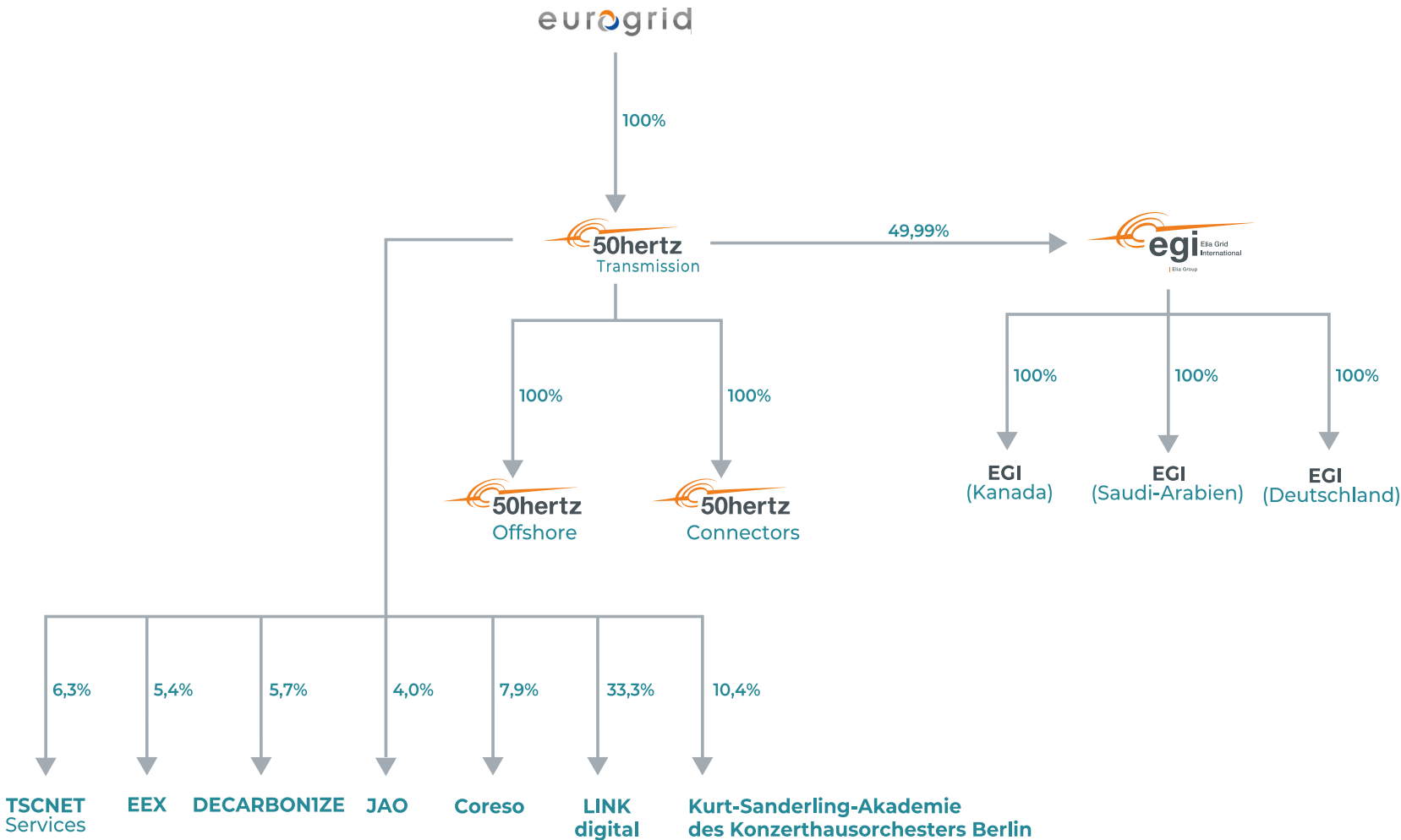
EUR m	Nominal account 2023	Less than 1 year	1-5 years	More than 5 years
regulatory items	361.3	73.8	41.6	245.9

EUR m	Nominal account 2024	Less than 1 year	1-5 years	More than 5 years
regulatory items	659.5	(60.6)	431.4	288.7

EUR m	Regulatory claims	Regulatory obligations	Total
As of 1 January 2023	274.2	(405.5)	(131.3)
Increase	55.9	(328.0)	(272.1)
Decrease	(8.5)	130.5	122.0
Unwinding of discount/interest rate change	1.4	(4.8)	(3.4)
As of 31 December 2023	323.0	(607.8)	(284.8)

EUR m	Regulatory claims	Regulatory obligations	Total
As of 1 January 2024	323.0	(607.9)	(284.8)
Increase	15.4	(411.5)	(396.1)
Decrease	(0.4)	101.0	100.6
Unwinding of discount/interest rate change	1.4	3.5	4.9
As of 31 December 2024	339.4	(914.9)	(575.5)

7. List of shareholdings as of 31 December 2024



Name	Country of establishment	Headquarters	Commercial register number	Equity (EUR m)	Net result (EUR m)	2024	2023
Full consolidated companies							
50Hertz Transmission GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 84446 B			100.0	100.0
50Hertz Offshore GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 108780 B			100.0	100.0
50Hertz Connectors GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 256198 B			100.0	100.0
Associated companies accounted for using the equity method							
Elia Grid International NV/SA	Belgium	Boulevard de l'Empereur 1000 Brussels	549,780,459			50.0	50.0
LINK digital GmbH	Germany	Friedrichstraße 10 a 97082 Würzburg	HRB 17500			33,3	-
Other participations							
JAO Joint Allocation Office S.A.	Luxembourg	Rue de Bitbourg 2	B0142282	8,3 (annual report 31.12.2023)	1,0 (annual report 31.12.2023)	4.0	4.0
CORESO S.A.	Belgium	Avenue de Cortenberg 71 1000 Brussels	808,569,630	6,0	0,7	7,9	7,9
				(annual report 31.12.2023)	(annual report 31.12.2023)		
				935,5	222,7		
European Energy Exchange AG	Germany	Augustusplatz 9 04109 Leipzig	HRB 18409	(consolidated annual report 31.12.2023)	(consolidated annual report 31.12.2023)	5,4	5.4
TSCNET Services GmbH	Germany	Dingolfinger Strasse 3 81673 Munich	HRB 214951	12,0	1,4	6,3	6.3
				(annual report 31.12.2023)	(annual report 31.12.2023)		
decarbonize GmbH	Germany	Msriendorfer Damm 1 12099 Berlin	HRB 233212 B	1,4	-0,3	5,7	6.6
				(annual report 31.12.2023)	(annual report 31.12.2023)		
Stiftung Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin	Germany	Gendarmenmarkt 10117 Berlin		basic assets EUR m 0,1	basic assets EUR m 0,1	10,4	10.4

Eurogrid GmbH only holds the shares in 50Hertz Transmission GmbH directly; the remaining shares are held indirectly via 50Hertz Transmission GmbH. The change in the scope of consolidation compared to the previous year relates to the first-time consolidation at equity of LINK digital GmbH, which was founded in 2024. The company has not yet

commenced operations. The change does not materially affect comparability with the previous year. The share capital of decarbonize was increased by resolution of the Annual General Meeting on 10. September 2024. With a constant participation, 50Hertz Transmission's share now amounts to 5.7 %.

8. Other notes

8.1. Financial risk management and factors

Principles of risk management

Group-wide risk management focuses on the uncertainty of developments on financial markets and aims at minimizing potential adverse effects on the cash flows of the Group. Risk management is performed in accordance with the policies issued by management. It identifies, assesses and hedges financial risks in close cooperation with the operating units of the Group. Management defines principles for cross-functional risk management and issues policies for the handling of currency, interest and credit risks, the use of derivative and non-derivative financial instruments as well as the use of liquidity surpluses.

As a result of the Group's operations, Eurogrid and its subsidiaries are generally exposed to a variety of financial risks.

Market risk

The market risk takes into account negative effects on the financial position and cash flows of the Group arising as a result of price changes on the market which cannot be avoided otherwise. The activities of the Group extend to the electricity market – in particular as part of selling the electricity generated from renewable energies as well as procurement of energy to cover grid energy losses – as well as to the market for short-term deposits. The Group counteracts the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX electricity exchange.

The Group is not subject to any foreign currency risks for its investments. The procurement of commodities relates only to electricity in a regulated volume.

Risks from energy procurement

The Group counters the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX power exchange. To cover the required grid loss volumes, the Group enters into daily day ahead transactions on the spot market (EPEX Spot). Due to the availability and liquidity of futures trading, the hedging period for the intended price hedging covers a period of up to two years from the balance sheet date. Credit and default risks are avoided with this form of price hedging via exchange transactions.

Spot market procurement is a highly probable transaction, because the actual occurrence of grid losses is physically determined and must necessarily be compensated for by the grid operator through the purchase of energy. The Group pursues a conservative recovery strategy aligned with the regulatory framework and regulatory recognition of the electricity procurement costs incurred, which enables timely and predictable price hedging. The Group aims at fully hedging the price of the expected volume of grid loss energy.

Price hedging of future required spot market procurement of grid loss energy volumes using futures provides a highly effective hedging method. The price development of the settlement price of EEX fully reflects the price change of the spot price on the EPEX spot

market, so that a 100% effectiveness of the hedging relationship can be assumed in this respect.

As the volume of electricity required for the grid losses that will arise in the future is not known at the time the hedging transactions are entered into, the Group determines the highly probable volume required (expected value) and derives the procurement strategy for price hedging from this; this expected value forms the basis for the hedging transactions under hedge accounting.

The forecast of the future volume of electricity required to cover grid losses is naturally subject to uncertainties relating to external factors, in particular wind feed-in, the electricity generation mix and the respective grid situation (influenced by generation, consumption and interventions such as redispatch measures). The expected value for grid loss procurement determined with the aid of a model is based on historical experience values, taking into account as best as possible any future changes in the relevant factors and foreseeable events on the basis of available information at the time of procurement planning. Changes in the forecast quantity are monitored on an ongoing basis and lead to an adjustment of the procurement strategy as far as possible.

Foreign currency risk

The Group is only exposed to an insignificant foreign currency risk as a result of the very limited volume of transactions it performs in foreign currency.

Interest rate risk

The interest rate risk takes into account any negative consequences (e.g. due to a fall in market liquidity and/or the rating) as a result of changes in the interest rate achievable on the market. In this respect, it reflects the risk that the Group will be able to obtain funding at less favorable conditions. The Group actively manages interest rate risks by monitoring the market on an ongoing basis and regularly updating its short and medium-term financial planning, which enables it to manage risk and optimize its cash and cash equivalents. Due to the long-term financial strategy, the fixed-interest bonds issued for a total of EUR 7,440.0 m, which protect the Group from short-term interest rate risks, as well as the registered bond of EUR 50 m taken out in 2014 and the loans taken out in 2016 and 2023 serve as the main basis for the Group's external financing.

Liquidity risk

The liquidity risk can generally arise at any time as a result of a major deviation between incoming and outgoing cash flows. Liquidity risks can arise from the core business of the group entities 50Hertz Transmission and 50Hertz Offshore if the actual financial requirements deviate significantly from the underlying financial planning in the short term. In particular in connection with the obligation to accept and provide payment for electricity generated from renewable energies as well as the sale of this electricity on the electricity exchange, there are considerable liquidity fluctuations that arise which the Group tries its best to anticipate. The Group may also be exposed to risks from necessary interim financing and short-term influences on liquidity management from the settled allocations.

The high volume of contracted futures contracts also has an impact on the Group's liquidity management. The daily cash settlement of futures contracts with the exchange can have short-term effects on liquidity, which largely follow the general price trend on the electricity market.

In accordance with agreed maturity dates and interest due, the contractually agreed cash outflows from financial liabilities will be as follows in the future:

EUR m	Carrying amount	Expected cash outflows	6 months or less	6 to 12 months	1-2 years	2-5 years	> 5 years
Unsecured bonds	4,525.6	(5,198.0)	(62.5)	(33.5)	(596.0)	(1,009.8)	(3,496.2)
Unsecured bank loans and other loans	870.0	(1,133.6)	(7.6)	(20.5)	(27.7)	(228.6)	(849.2)
Total as of 31 December 2023	5,395.6	(6,331.6)	(70.1)	(54.0)	(623.7)	(1,238.4)	(4,345.4)
Unsecured bonds	7,582.7	(8,952.0)	(619.0)	(85.2)	(194.8)	(2,633.2)	(5,419.8)
Unsecured bank loans and other loans	870.0	(1,113.2)	(18.9)	(18.9)	(187.8)	(80.3)	(807.3)
Total as of 31 December 2024	8,452.7	(10,065.2)	(637.9)	(104.1)	(382.6)	(2,713.5)	(6,227.1)

The Group's short-term and medium-term liquidity position is regularly monitored to manage liquidity risks. The Group is soundly equipped with funds and credit lines that can also be drawn at short notice for any liquidity needs that arise. The credit lines available to the Group but not drawn total EUR 3,904.4m and are provided by various banks.

Details of the used and unused back-up credit facilities are set out below:

EUR m	Maturity	Available amount	Amount used	Amount not used
Confirmed credit line	26 February 2027	750.0	0.0	750.0
Overdraft facility	unlimited	150.0	0.0	150.0
Confirmed credit line	14 December 2026	150.0	150.0	0.0
Confirmed credit line	31 March 2033	600.0	600.0	0.0
Confirmed credit line	25 November 2033	120.0	120.0	0.0
Confirmed credit line	30 June 2032	4.4	0.0	4.4
Confirmed credit line	26 February 2027	3,000.0	0.0	3,000.0

The solvency of the Group and its Group entities was secured at all times in fiscal year 2024.

Following table shows the changes in financial liabilities including changes in cash and non-cash transactions:

EUR m	Loans and borrowings
Balance at 1 January 2023	4,623.7
Changes in cash flow from financing activities	
Cashflow: Repayment of borrowings	(757.5)
Cashflow: Proceeds from withdrawal of borrowings	1,564.3
Total changes in cash flow from financing activities	806.8
Other changes	
Changes in interest accruals	18.9
Increase in lease liabilities	3.6
Transaction costs	1.7
Total other changes	24.2
Balance at 31 December 2023	5,454.7
Balance at 1 January 2024	5,454.7
Changes in cash flow from financing activities	
Cashflow: Repayment of borrowings	(8.6)
Cashflow: Proceeds from withdrawal of borrowings	2,992.6
Total changes in cash flow from financing activities	2,984.0
Other changes	
Changes in interest accruals	63.6
Increase in lease liabilities	6.2
Transaction costs	(2.0)
Total other changes	67.8
Balance at 31 December 2024	8,506.5

Credit risk

The credit risk is managed across the Group. When entering into contractual relationships as well as concluding transactions, the credit rating and creditworthiness are reviewed as standard practice. Business transactions are generally only conducted with partners recognised as being creditworthy. To limit the credit risk on a case-by-case basis, suitable measures are taken to prevent any damage to the Group or subsidiaries. The long-standing customer relationships in some areas and the resulting partnerships also allow the Group to manage potential credit risks.

Observing an investment policy, the Group participates in the short-term investment of freely available funds with various banks with good credit ratings. Investments are only made up to the deposit protection limit. As such, there are no significant risks posed for the Group as a result of the short-term nature of the term deposits and the high rating

requirements placed on the banks. No credit limit was exceeded during the reporting period.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal and external information indicates that the individual assessment of the customer or contractual relationship could have a negative impact on the group profit.

The maximal credit risk on the reporting date was equivalent to the carrying amount for each financial asset. On the basis of past experience of actual defaults, the actual credit risk is deemed to be low.

The Group uses bank guarantees and cash collateral to hedge default risks.

Valuation allowances on trade receivables break down as follows:

EUR m	Doubtful debts	Valuation allowances	Balance
As of 1 January 2023	198.2	(198.2)	-
Changes in the fiscal year	3.3	(3.3)	-
As of 31 December 2023	201.5	(201.5)	-
As of 1 January 2024	201.5	(201.5)	-
Changes in the fiscal year	0.9	(0.9)	-
As of 31 December 2024	202.4	(202.4)	-

Total expected credit loss amounts to EUR 0.2m as of 31 December 2024 (prior year: EUR 0.3m).

8.2. Capital management

As part of its medium to long-term planning, the Group uses a projected statement of financial position, taking into account the requirements of capital maintenance. Management of the Group's equity ratio is aimed at maintaining its financing capability and credit rating. This objective is constantly monitored, actively managed and supported by the Group's regulatory management. The Group is not subject to any statutory or other such provisions on capital maintenance.

No changes were made in the objectives, policies or processes for managing capital in fiscal year 2024.

EUR m	2024	2023
Total financial liabilities	10,147.1	7,955.1
Less: cash and cash equivalents	(1,282.4)	(761.4)
Net debt	8,864.7	7,193.7
Equity	3,103.9	2,143.2
Total capital	11,968.6	9,336.9
Debt ratio*	74.00%	77.00%

* Debt ratio calculated as ratio of net debt to total capital

8.3. Commitment and contingencies

On 31 December 2024, there was a purchase obligation for investments measures of EUR 15,090.3m (prior year: EUR 9.485,5m). The increase is mainly related to onshore projects.

The purchase commitment for maintenance measures amounts to EUR 23.1m as of 31 December 2024 (prior year: EUR 12.0m).

8.4. Related party disclosures

Within the meaning of IAS 24, the Group defines the following entities and bodies as related parties:

Controlling entities

Via Eurogrid International, Elia Group holds an 80% stake in Eurogrid and thus obtained control in 2018. KfW contributed its 20% shareholding to Eurogrid GmbH to Selent in 2019.

No business transactions were entered into with KfW in fiscal year 2024.

Various service agreements have been in place between Elia Transmission Belgium and 50Hertz Transmission GmbH. Costs for consulting projects and other services are also cross-charged. In fiscal year 2024, revenue of EUR 52.1m was generated (prior year: EUR 25.9m), while expenses amounted to EUR 57.4m (prior year: EUR 34.6m). On the reporting date, there were receivables of EUR 20.8m (prior year: EUR 4.7m) and liabilities of EUR 5.4m (prior year: EUR 3.7m).

Service agreements on general management and service functions are in place between Eurogrid and Eurogrid International. In fiscal year 2024, this resulted in expenses for purchased services of EUR 0.3m for the Group (prior year: EUR 0.3m). Trade and other payables remained at EUR 0.1m.

Furthermore, the Group distributed EUR 180.0m (prior year: EUR 130.0m) to the shareholders Eurogrid International and the KfW (via its subsidiary Selent).

Associates

Elia Grid International NV/SA, Brussels, Belgium, is an associate company of the Group and is consolidated at equity in the Group. Assets under construction based on service agreements with EGI for consulting and engineering services in the area of grids and system services have been recognised in the amount of EUR 11.2m as of the end of the fiscal year 2024 (31 December 2023: EUR 11.2m). Furthermore various service agreements have been in place between EGI and 50Hertz. Expenses amount to EUR 0.2m (prior year: EUR 0.1m).

Key management personal

Key management personal includes Eurogrid International's board of directors, who are responsible for monitoring the activities of Eurogrid. Key management personal also includes management of the subsidiaries and the supervisory boards of Eurogrid and 50Hertz Transmission. Key management personnel did not receive stock options, special loans or other advances from the Group during the year. The management of 50Hertz Transmission was offered the option to purchase Elia Group shares at a discount. In fiscal year 2024, the general managers of 50Hertz Transmission received EUR 2,917,901.35 (prior year: EUR 3,135,039.01) in consideration, which breaks down as follows:

- Fixed basic salaries EUR 1,488,825.03
- Variable salary components – short-term EUR 521,748.18
- Variable salary components – long-term EUR 429,520.68
- Pension scheme (company pension scheme and direct insurance) EUR 363,557.04
- Other benefits and allowances (including share subscription programme) EUR 114,250.42.

Pensions liabilities relating to former members of the Board of Directors amounts to EUR 3.8m (prior year: EUR 2.6), thereof EUR 0.0m (prior year: EUR 0.0m) are funded. Pension payments were made in the amount of EUR 0.4m (prior year: EUR 1.6m).

There were transactions with entities in which the members of Eurogrid International board of directors, the board of management of 50Hertz Transmission or the supervisory boards exercise a significant influence (e.g., holding positions such as CEO, CFO or members of the management committee) in the amount of EUR 11.2m (expenses) and 1.5m (income) in the fiscal year 2024. No other material transactions with related parties took place.

8.5. Subsequent events

In February 2025, a further green loan in the amount of EUR 1,000m was syndicated. In addition, an existing bond was increased by EUR 200m.

8.6. Auditor's fees in accordance with sec. 314 (1) no. 9 HGB

The auditors of the Eurogrid consolidated financial statements, BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, received fees for auditing services of EUR 389k in the financial year (previous year: EUR 352k), including EUR 31k for the 2023 financial year. The fees for auditing services include, in particular, fees for the statutory audit of the consolidated financial statements and the annual financial statements of the Eurogrid Group companies. In addition, the auditor received EUR 195k (previous year: EUR 137k) for other consulting services and EUR 12k (previous year: EUR 11k) for other services.

8.7. Exemption options pursuant to sec. 264 (3) hHGB

The German subsidiaries with the legal form of a corporation do not make use of the exemption regulations in accordance with Sec. 264 (3) HGB.

8.8. Supervisory board

During the fiscal year the supervisory board contained the following members:

Catherine Vandenborre, Chairwoman, Chief Financial Officer, Elia Group NV/SA, Rixensart, Belgium

Dr. Lutz-Christian Funke, Vice Chairman, Secretary General of KfW Banking Group, Oberursel, Germany

Peter Michiels, Chief HR and Internal Communication Officer, Elia Group NV/SA, Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Antwerp, Belgium

Markus Berger, Chief Infrastructure Officer, Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Braine-l'Alleud, Belgium

Bert Maes (since 1 January 2024), Head of Nemo Link Ltd. & Eurogrid International NV/SA, Beveren-Waas, Belgium

According to the articles of association of Eurogrid no remuneration is paid to members of the supervisory board for their activities.

8.9. Management

Management comprised the following members during the fiscal year:

Stefan Kapferer, Managing Director/CEO of 50Hertz Transmission GmbH, Berlin, Germany

Yannick Dekoninck, Group Head Capital Markets & Investor Relations of Elia Group NV/SA, Beersel, Belgium

The managing directors were not employed at the Company. No remuneration was paid. With regard to the disclosures pursuant to Sec. 314 (1) No. 6a and 6b HGB, please refer to Note 8.4.

Berlin, 10 March 2025

The management of
Eurogrid GmbH

Stefan Kapferer

Yannick Dekoninck

Appendix to the notes

Financial terms or alternative performance measures

The consolidated financial statements and group management report contain certain financial performance measures based on the IFRS but not defined by IFRSs and used by management to assess the financial and operational performance of the Group. The most important alternative performance measures used by the Group are explained below.

The following APMs are explained in this document if not defined in the Group management report:

- EBIT
- EBITDA
- Free cash flow
- Net finance costs
- Net financial debt

EBIT

EBIT (Earnings Before Interest and Taxes) = Earnings from operating activities used for the operational performance of the Group. The EBIT is calculated from the consolidated result plus income tax expenses and less the financial result or net financing costs (see definition of net finance costs).

EUR m	2024	2023
Result from operating activities	532.1	378.7
Result from equity investments accounted for using the equity method	1.9	1.9
EBIT	534.0	380.6

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = EBITDA is used as a measure for the operational performance of the Group, thereby extracting the effect of amortization, depreciation, the changes in provisions and the result from equity investments accounted for using the equity method of the Group.

EUR m	2024	2023
Result from operating activities	532.1	378.7
Add:		
Amortisation, depreciation and impairment	374.4	332.2
Changes in provisions	(0.9)	0.0
Result from equity investments accounted for using the equity method	1.9	1.9
EBITDA	907.5	712.8

Free cash flow

Cash flow from operating activities minus cash flows from investing activities. Free cash flow gives an indication of the cash flows generated by the Group. Cash flow from operating activities is largely characterized by the settlement of surcharges.

EUR m	2024	2023
Net cash flow from operating activities	609.8	(1,823.1)
Deduct:		
Net cash used in investing activities	(3,492.8)	(1,580.6)
Free cash flow	(2,883.0)	(3,403.7)
EEG and similar mechanisms-surplus	7.9	-
EEG and similar mechanisms-deficit	-	(2,588.7)
Free Cashflow, excl. EEG and similar mechanisms	(2,890.9)	(815.0)

Finance costs

Net finance costs represent the net financial result (finance costs minus finance income) of the Company.

Net financial debt

Net Financial Debt = Non-current and current interest-bearing loans and borrowings (incl. lease liabilities under IFRS 16) minus cash and cash equivalents. Cash and cash equivalents include restricted cash from EEG and similar mechanisms (EUR 360.5m). Net financial debt is an indicator of the amount of interest-bearing debt of the Group that would remain if readily available cash or cash instruments were used to repay existing debt.

EUR m	2024	2023
Non-current loans and borrowings	7,884.4	5,395.9
Add:		
Current loans and borrowings	622.1	58.8
Deduct:		
Cash and cash equivalents	1,282.4	761.4
Net financial debt	7,224.1	4,693.3
EEG and similar mechanisms-surplus	360.5	352.6
Net financial debt, excl. EEG and similar mechanisms	7,584.6	5,045.9

INDEPENDENT AUDITOR'S REPORT¹

To Eurogrid GmbH, Berlin

QUALIFIED OPINIONS

We have audited the consolidated financial statements of Eurogrid, Berlin, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report (report on the position of the company and of the group) of Eurogrid GmbH for the financial year from January 1, 2024 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- with the exception of the effects of the matter described in section "Basis for the qualified opinions", the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (referred to subsequently as 'IFRS Accounting Standards') as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, with the exception of these effects, give a true and fair view of the assets, liabilities, and financial position of the group as at December 31, 2024, and of its financial performance for the financial year from January 1, 2024 to December 31, 2024, and
- with the exception of the effects of the matter described in section "Basis for the qualified opinions", the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, with the exception of these effects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those parts of the group management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

Claims and obligations from regulatory issues of EUR 575.5 million (prior year: EUR 284.8 million) have been recognized in the consolidated statement of financial position as well as the associated deferred tax assets/ liabilities. In the financial year from January 1, 2024 to December 31, 2024, the change in claims and obligations arising from regulatory matters resulted in revenues that were EUR 295.6 million too low (previous year: EUR 150.1 million too high) and the financial result that was EUR 4.9 million too high (previous year: 3.4 million too low). In this respect, earnings before taxes are by EUR 290.7 million too low (previous year: EUR 153.5 million too low) for the financial year 2024.

With reference to IAS 8.10 et seq., the management is convinced that the regulatory items should be recognized in the consolidated financial statements to present the Group's net assets, financial position and results of operations appropriately and deems it necessary to enable users of the financial statements to make economic decisions. In management's opinion, without the recognition of regulatory items, the regulatory framework significant for the Group and its actual impact on the Group's economic situation would not be adequately taken into account in the consolidated financial statements.

The IASB has been developing accounting principles for regulatory claims and obligations since 2014, but it has not published any final standard at the time that these consolidated financial statements were issued. According to the IFRS interpretations applied in Germany, it is currently not allowed to recognize claims or obligations from regulatory issues.

This matter also has a negative effect on the presentation of the development of business in the management report, including the business result and the Group's position, and the presentation of opportunities and risks of future development.

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

¹ Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2024 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In addition to the matter described in section “Basis for the audit opinions”, we have identified the following matters as key audit matters to be disclosed in our audit opinion:

We have identified the following matters as key audit matters to be disclosed in our auditor’s report:

1. capitalization of property, plant and equipment with special consideration of the determination of useful lives
2. revenue recognition from network business

RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT WITH PARTICULAR REGARD TO THE DETERMINATION OF USEFUL LIVES

Matter

The consolidated financial statements of Eurogrid GmbH as of December 31, 2024 contain property, plant and equipment which account for around 80 % of total assets. The property, plant and equipment almost exclusively comprise grid systems, in particular high-voltage overhead lines and high-voltage cables, offshore grid connection systems as well as substations including transformers and switchgear systems; this also includes related land and buildings as well as prepayments and assets under construction.

The correct differentiation and allocation of investment and maintenance expenses is of high importance for the Eurogrid Group’s net assets and results of operations. On the one hand, recognition of property, plant and equipment results in expenses in the form of depreciation only after their customary useful life - some of which can comprise up to several decades. On the other hand, costs for maintenance measures represent the full amount of immediate expenses in the financial year in which they are incurred. On account of the associated effects on the Group’s net assets and results of operations, we identified the recognition of property, plant and equipment as a key audit matter.

Besides the cost of materials, depreciation represents the most significant expense item. The decisive factor for the amount of depreciation is the underlying useful life of the fixed

assets. The determination of useful lives is also one of the most significant matters for our audit.

The accounting policies applied regarding property, plant and equipment are contained in the notes to the consolidated financial statements in section “3.3.1. Property, plant and equipment”. For the disclosures relating to property, plant and equipment, we refer to section “6. Notes to the statement of financial position”, sub-section “6.1. Property, plant and equipment” in the notes to the consolidated financial statements.

Auditor’s response and observations

As part of our audit, we assessed the process of capitalizing property, plant and equipment with the responsible employees and examined the process, in particular with regards to the differentiation of maintenance expenses, based on documentation provided to us. In this context, we obtained an understanding of the relevant internal controls and assessed their adequacy and implementation. We also tested the effectiveness of the accounting-related internal controls.

We also performed other substantive audit procedures on a sample-basis for both fixed asset additions and maintenance expenses. These procedures included assessing the proper allocation of costs to capital expenditure and maintenance projects based on the statutory requirements for capitalization, reconciling additions to property, plant and equipment with the corresponding invoices, and reconciling capitalization of finished assets with the corresponding acceptance and commissioning records. We also examined whether the useful lives reflected general and industry-specific expectations.

The basis for our audit of the classification of such investments/maintenance expenses was the criteria of IAS 16 Property, Plant and Equipment.

Our audit procedures with respect to the capitalization of property, plant and equipment revealed that the process applied is appropriate and that the determination of useful lives is in accordance with the relevant valuation principles.

REVENUE RECOGNITION FROM THE GRID BUSINESS

Matter

For the financial year 2024, the Eurogrid Group reports revenues from the grid business in the amount of EUR 2,270.5 million. These are generally based on the revenue cap for the calendar year 2024 notified to the responsible regulatory authority. The revenue cap is based, among other things, on budgeted cost estimates for the regulatory activities of the Eurogrid Group. At the end of the financial year, there are regular deviations between the actual values and the cost estimates taken into account in the revenue cap, as well as due to excess or shortfall volumes compared with the budgeted values. Regulatory claims and obligations are recognized in the consolidated financial statements for these deviations, resulting in a correction of the revenue from the grid business.

The regulatory peculiarities that have to be taken into account, which result from various legal and official requirements and include a wide variety of determination requirements, lead to a high level of complexity in revenue determination, which is associated with an

increased risk of incorrect accounting. Due to the high significance of revenue from the network business for the earnings situation of the Eurogrid Group and the complexity of revenue recognition, we have identified revenue recognition from the network business as a particularly important matter for our audit.

The accounting policies applied regarding revenue are contained in the notes to the consolidated financial statements in section "3.4.1. Revenue and income".

For the disclosures relating to revenue from the grid business, we refer to section "5. Notes to the statement of profit or loss", sub-sections "5.2. Revenues and other income", thereof "5.2.1. Revenue from the grid business" in the notes to the consolidated financial statements.

Auditor's response and observations

As part of our audit, we assessed the accounting policies applied in the consolidated financial statements of Eurogrid GmbH for the recognition of revenue from the grid business based on the criteria defined in IFRS 15.

In particular, we traced the process of revenue recognition from the network business, including the related IT environment, on the basis of the documents made available to us on the individual process steps and discussed them with the responsible employees of the departments involved. In doing so, we obtained an understanding of the relevant internal controls and assessed their adequacy and implementation. We also tested the effectiveness of the internal controls relevant to accounting.

In addition, we performed analytical audit procedures on the recognition of revenue from the network business. This included analyses of the correlation of revenue entries with the related balance sheet items. Furthermore, we methodically verified the determination of the revenue cap for the reporting year. In this context, we also relied in particular on the revenues approved by the regulatory authority responsible for 50Hertz Transmission GmbH on the basis of the regulatory framework conditions.

Furthermore, we compared the recognition of regulatory obligations and claims based on the estimated cost approaches included in the revenue cap compared to actual development.

Except for the objection presented in the "Basis for the qualified opinions" section of this report on the audit of the consolidated financial statements and the group management report, we consider the revenue recognition from the network business to be appropriate based on our audit procedures.

OTHER INFORMATION

The executive directors or the Supervisory Board are responsible for the other information. The other information comprises:

- the 'Group Corporate Governance Statement' contained in the notes to the Group management report
- the unaudited non-financial Group statement contained in section III 'Sustainability report' of the Group management report in the non-financial Group statement
- the 'Key Highlights' in the annual report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report, or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are 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 and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- we plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, 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 auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on February 26, 2024. We were engaged by the supervisory board on September 27, 2024. We have been the group auditor of the Eurogrid GmbH without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Julia Wirth.

Berlin, March 10, 2025

BDO AG

Wirtschaftsprüfungsgesellschaft

signed Eckmann
Wirtschaftsprüfer
(German Public Auditor)

signed Wirth
Wirtschaftsprüfer
(German Public Auditor)

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY STATEMENT¹

To the Eurogrid GmbH, Berlin

ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the Group Sustainability Statement as included in section "Sustainability Statement" of the combined management report, of Eurogrid GmbH, Berlin, (hereinafter referred to as "the Company") for the financial year from January 1, 2024 to December 31, 2024. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Articles 315b and 315c in conjunction with Articles 289b to 289e of the HGB [Handelsgesetzbuch: German Commercial Code] for a combined non-financial statement.

The prior year's disclosures marked as unassured and references to other information of the company outside the combined management report are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Articles 315b and 315c in conjunction with Articles 289b to 289e HGB for a combined non-financial statement and the supplementary criteria presented by the executive directors of the Company.

This assurance conclusion includes that nothing has come to our attention that causes us to believe that

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in

accordance with the description set out in section „IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities" in the Group Sustainability Statement, or

- the disclosures in the Group Sustainability Statement in section "2.1 Disclosures pursuant to article 8 of regulation 2020/852 (Taxonomy regulation)" do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the prior year's disclosures marked as unassured.

BASIS FOR THE ASSURANCE CONCLUSION AND OPINION

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

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

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institute of Public Auditors in Germany (IDW):

¹ This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE GROUP SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of the Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

INHERENT LIMITATIONS IN PREPARING THE GROUP SUSTAINABILITY STATEMENT

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in the Group Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE GROUP SUSTAINABILITY STATEMENT

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement, has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

SUMMARY OF THE PROCEDURES FOR THE LIMITED ASSURANCE ENGAGEMENT BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- a) evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- b) inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- c) evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- d) evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- e) performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- f) considered the presentation of the information in the Group Sustainability Statement.
- g) considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Berlin, March 10, 2025

BDO AG

Wirtschaftsprüfungsgesellschaft

gez. Arne Stratmann

German Public Auditor

gez. Julia Wirth

German Public Auditor

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

ENGAGEMENT TERMS

This engagement is based on the "Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" dated January 1, 2024, agreed with the Company as well as the „General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024, issued by the IDW (www.bdo.de/engagement-terms-conditions).