

Elia
Transmission
Belgium

Green Finance Framework

DECEMBER 2023

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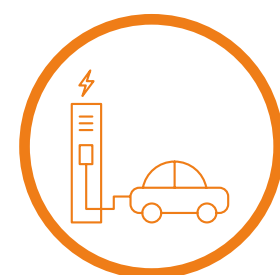
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1. ELIA TRANSMISSION BELGIUM

1.1 Introduction to the company

Elia Transmission Belgium (ETB) is the Belgian TSO for high-voltage (30 kV to 70 kV) and extra-high-voltage (110 kV to 380 kV) electricity. It has a natural monopoly as Belgium's only TSO. It develops, builds and operates a robust electricity transmission system (both on- and offshore) and is responsible for devising services and mechanisms which support the development of electricity markets at national and European levels. It is aiming for its grid to be ready for a 50% increase in electricity consumption across its control area by 2032.

ETB activities sit at the heart of the energy value chain, linking the generation of (traditional and renewable) energy to end consumers via distribution system operators.



HOW

Through cooperation and innovation

We operate and develop our grid infrastructure in close collaboration with all stakeholders. We are highly focused on safety and our goal is zero accidents. We are committed to innovation and continuously improve our operational systems. In Belgium, our primary focus will be on a substantial rise in the anticipated electricity demand and an accelerated integration of renewable energy sources. This is how we make the energy transition happen.



WHY

In the interest of society

The electricity grid is a key pillar of the energy policy that supports our socio-economic prosperity. ETB aspires to be a catalyst for a successful energy transition and consequently, a reliable, sustainable and affordable energy system. By building interconnectors, offshore energy hubs and integrating renewable energy generation, ETB promotes both the integration of the European energy market and the decarbonization of our society.

OUR CORE TASKS

Figure 1

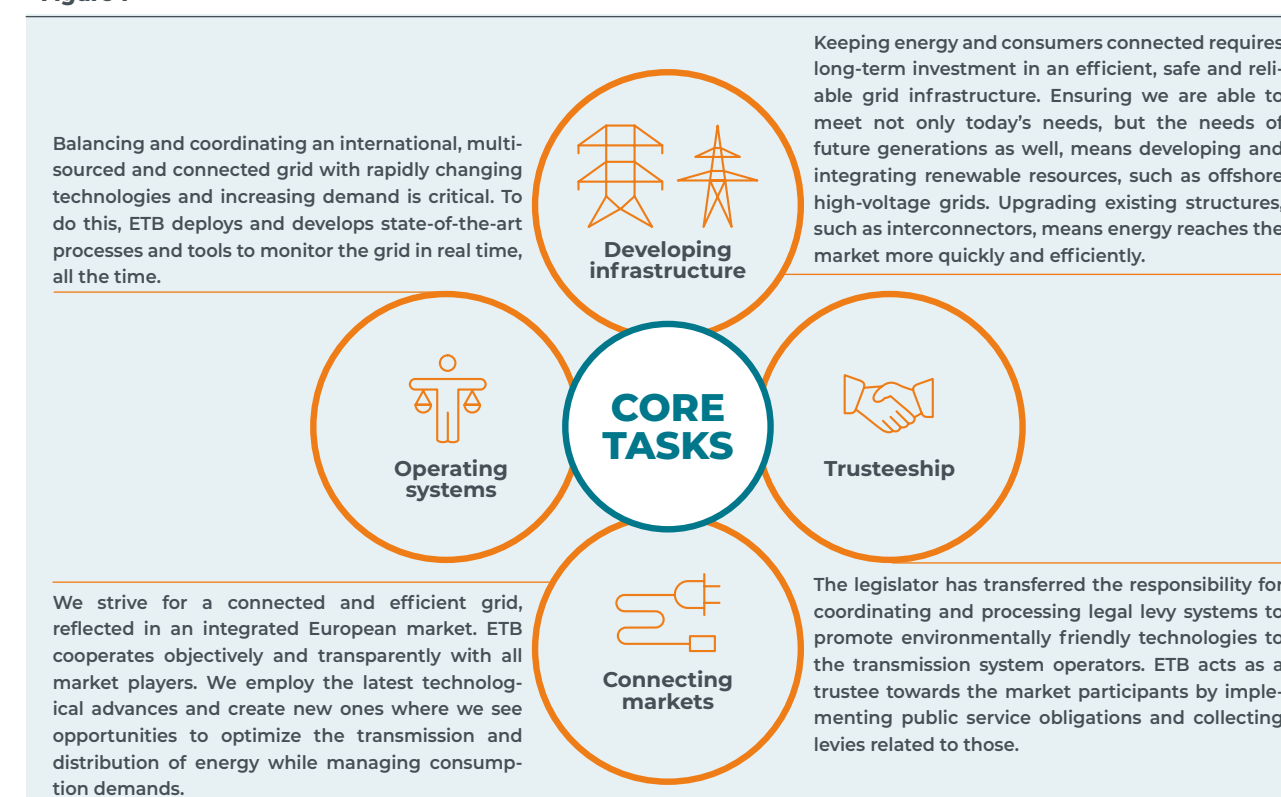
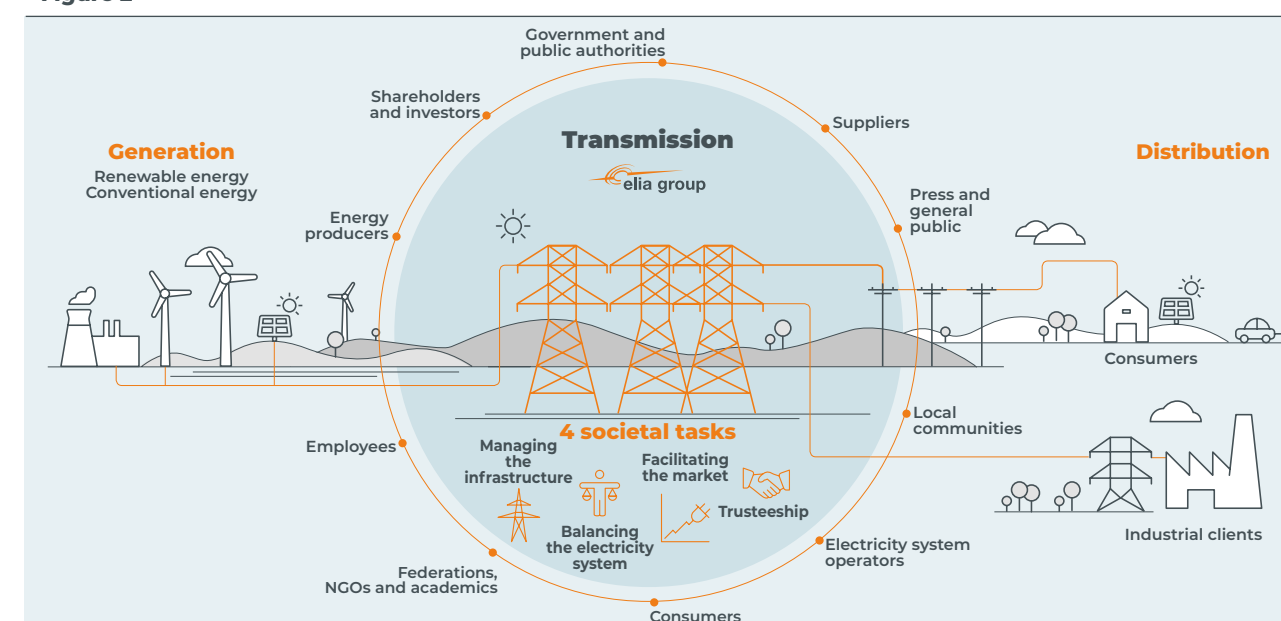


Figure 2



ETB's activities sit at the heart of the energy value chain, linking the generation of (traditional and renewable) energy with its distribution to end consumers via distribution system operators.

We work closely with a range of stakeholders, from public and regulatory authorities to other European system operators, members of the public, non-governmental organisations (NGOs) and industrial clients (the last of

which are directly connected to our grid), ensuring that we carry out our work for the benefit of local communities.

ETB's mission is to create value for society by keeping the lights on. ETB is facilitating the decarbonisation of Europe by delivering the necessary infrastructure and shaping the markets. We innovate to meet evolving consumer needs and protect people's safety.

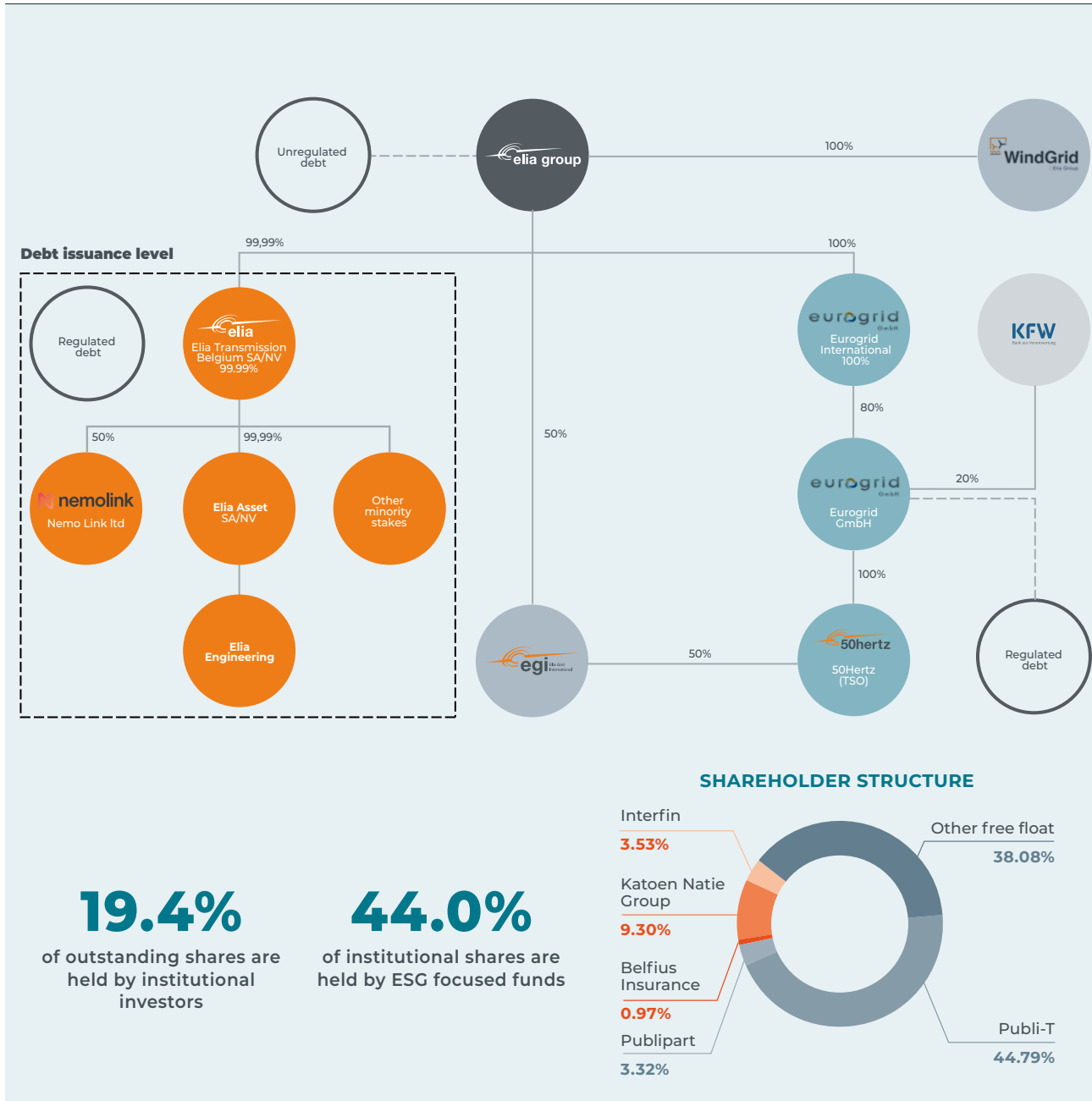
1.2 Elia Transmission Belgium, a subsidiary of Elia Group

Elia Transmission Belgium is the Belgian subsidiary of Elia Group SA/NV. The latter is a holding company which also holds an 80% stake in 50Hertz (a TSO which operates in the northeast of Germany) and owns Elia Grid International (EGI), Re.alto and WindGrid. EGI provides engineering and investment advice and services related to power system operations and security, asset management and system and market operations to companies across the globe. Re.alto is a pioneering European platform for standardized energy data exchange through energy APIs. WindGrid focuses on expanding offshore electricity grid projects outside the Group's traditional perimeter

(Belgium/Germany). The main shareholder of Elia Group is the municipal holding company Publi-T, and the group has been listed on the regulated market of Euronext Brussels since June 2005.

Elia Group operates 19,349 km of high-voltage lines across Belgium and Germany, supplying power to around 30 million end users. We are one of Europe's top five TSOs: we have a reliability level of 99.99%, so providing society with a robust power grid and supporting socioeconomic prosperity.

Figure 3



2. ACT NOW SUSTAINABILITY INITIATIVE

2.1 Act now: Elia Group's compass for a sustainable future

Released in late 2019, the European Green Deal represents a visionary blueprint to reshape the European Union into a modern, resource-efficient, and highly competitive economy. The ambitious target for the EU is to achieve net-zero greenhouse gas emissions by 2050, an objective that goes hand-in-hand with decoupling economic growth from resource consumption, rejuvenating biodiversity, and sustainability reducing pollution levels.

As the owner of two grid operators, Elia Group stands as a catalyst for the ongoing energy transition. Our commitment aligns seamlessly with the European Commission's 'Fit for 55' package, a significant legislative overhaul introduced in 2021. This comprehensive strategy is designed to curtail Europe's dependency on Russian fossil fuels, with a sharp focus on diversifying energy sources, implementing energy-saving practices, and promoting the expansion of clean energy.

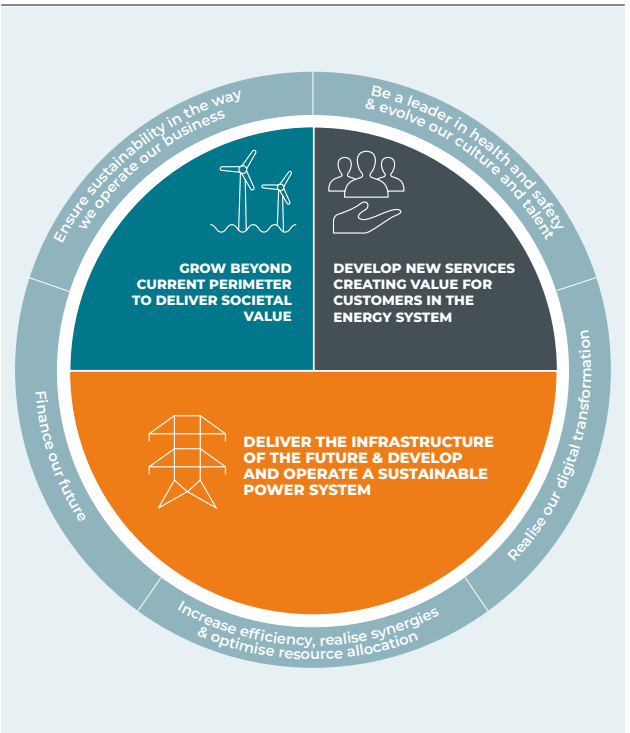
Furthermore, our activities resonate closely with the overarching goals of the European Commission's REPowerEU Plan, unveiled in May 2022. This forward-looking plan builds upon the European Green Deal and the Fit for 55 package. Its primary aim is to reduce Europe's reliance on Russian fossil fuels by diversifying energy supplies, adopting energy-efficient measures, and propelling the growth of clean energy. These concerted efforts perfectly complement Elia Group's dedication to sustainable practices and reinforce our core mission: to drive the energy transition and champion comprehensive decarbonization.

Within this context, Elia Group actively invests in the development of our Belgian and German grids and takes steps to establish interconnectors with neighbouring countries. This approach facilitates the seamless integration and exchange of ever-increasing volumes of renewable energy. Simultaneously, we remain committed to the continuous optimization of our operational systems and the creation of innovative market products, making it easier for

emerging technologies and market participants to access our grids. All of these activities are geared towards the decarbonisation of society and ensuring the success of Europe's transition toward climate neutrality.



Figure 4



The Act Now programme, aligned with the United Nations' Sustainable Development Goals (SDGs) establishes specific targets and actions to seamlessly integrate sustainability into every facet of our operations. Rooted in five dimensions, this program acts as our guiding compass, shaping our organizational approach to sustainability. ActNow is instrumental in our commitment to

serving society during the decarbonization process, enabling us to achieve our ambitious corporate objectives in a truly sustainable manner. This commitment is evident in our focus on climate, environmental responsibility, and social and governance aspects.

2.2 Sustainability at Elia Transmission Belgium

Elia Group's subsidiaries contribute to fulfilling the Act Now objectives. The 5 Act Now dimensions are common to Elia Group whereas objectives may vary from one entity to the other.

Each dimension of ActNow is described in more detail below, alongside some of the associated objectives for Elia Transmission Belgium.

DIMENSION 1

Climate action — The most important and key area

The EU Taxonomy for sustainable activities recognises ETB's activities as key enablers of the decarbonisation of the energy sector. In line with this, Dimension 1 of Act Now includes five key objectives:

1. Accelerating the decarbonisation of the power sector;
2. Establishing a carbon-neutral grid by 2040;
3. Making our own activities carbon-neutral by 2030;
4. Making progress towards a carbon-neutral value chain;
5. Increase climate resilience

As part of Dimension 1, ETB supports electrification and contributes to effective sector convergence: we aim to be ready for an increased electrification by 50% by 2032. We will also strive to facilitate the integration of RES into the system through grid development, market development and system operations. By 2030, we are aiming for RES to cover 40% of the electricity mix in Belgium, in line with government objectives.

DIMENSION 2

Environment and circular economy

Dimension 2 of Act Now focuses on ensuring that we design our infrastructure in accordance with three principles: avoiding, reducing and offsetting our impact on the environment. Whilst grid development does have a considerable impact on the surrounding landscape, we implement measures that encourage biodiversity and have a positive impact on ecosystems; this includes working with local environmental organisations. We aim to increase the number of projects we undertake with such organisations.

Key goals which fall under Dimension 2 include preservation and strengthening of ecosystems and biodiversity, embedding circularity into our core businesses and ensuring compliance with environmental performance standards. It covers topics like ecological corridor management, bird protection, invasive species, green areas, Environmental management system and related data and supply chain and circularity.

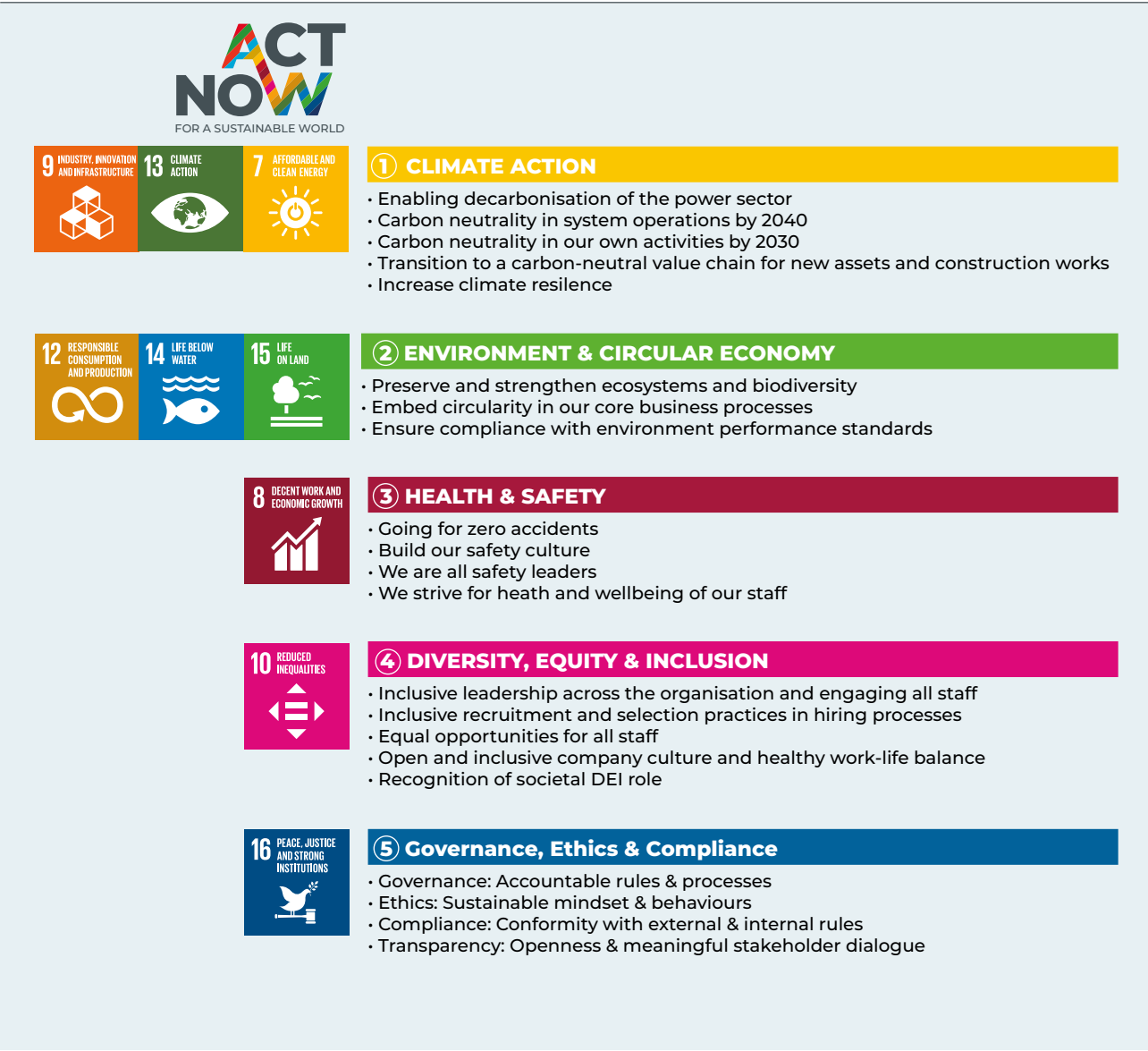
DIMENSION 3

Health and safety

Our main activities involve work being carried out at height, on electrical structures and in marine environments; the risk of severe accidents occurring is therefore high. We place a strong focus on the health and safety of our staff and contractors: we aim for zero accidents in the workplace and to improve our performance in terms of the health and safety of our staff: we continuously want to reduce our TRIR (-20% vs 2022). In order to reach this target, ETB will focus not only on its employees, but also on contractors. This makes reaching our target more difficult, but at the same time demonstrates our desire to achieve excellence in the area of health and safety.

The physical and mental well-being of our employees is also a top priority for us, which is why we have implemented a preventive approach to health and safety in recent years. This includes the provision of external medical services for our staff; the sharing of best practice across the Group; several other initiatives with impact on physical as well as mental wellbeing, including resilience, prevention of burn-out etc.; the use of employee surveys to monitor well-being; and the provision of an anonymous hotline for staff to discuss any concerns they may have.

Figure 5



DIMENSION 4

Diversity, equity and inclusion

As part of Dimension 4, we are striving to establish a culture of inclusion for all our employees and are promoting our new leadership model, which highlights diversity as a key focal point. We have reviewed a number of our policies and processes - connected to areas such as recruitment, promotion, parental leave and flexible working - to ensure that they promote fairness and a healthy work-life balance, and to also make the Elia Group an attractive employer.

The ETB workforce now comprises 17 nationalities, whilst Elia Group comprises 53. We therefore both understand and see the benefits of being a multi-national and cultural organisation.

We support women who work in the energy industry. The number of women occupying leadership roles across the organisation has increased by 7% over the last few years and is in line with the Elia Group targets and European benchmarks.



DIMENSION 5

Governance, Ethics & Compliance

We have a sound governance framework, which ensures both consistency and efficiency when implementing measures related to sustainability. Our Board of Directors provides effective oversight, and we have strong internal controls in place to ensure we remain compliant with all relevant legal, regulatory and internal requirements whilst also preventing fraud.

Our Group Code of Ethics, which applies to all of the Group's subsidiaries, sets out clear guidance for our staff. We have also appointed one staff member who acts as a central point of contact for all compliance matters of anti-discrimination, anti-corruption and human rights violations. ETB has recently approved a new policy for the protection of whistleblowers, in compliance with the European directive on the matter.

Being open and transparent with our stakeholders strengthens our license to operate, brings us closer to the communities we work in and for and increases the impact of our activities whilst leveraging the expertise of our partners. To that end, we have also created a governance and compliance index in which we track the progress we make on pre-defined actions in this field. These indices are published twice a year in our semi-annual and annual reports.



SUSTAINABILITY GOVERNANCE

Sustainability is rooted in the very nature of the Elia Group's business activities and sustainability-related roles and responsibilities across the organization have been clearly defined. These enable sustainability-related targets and activities to be embedded across Elia Transmission Belgium and closely managed.

Board-level oversight for climate-related issues is under the supervision of the Elia Group's Executive Management Board (EGMB), which is chaired by Elia Group's CEO and it is responsible for the direction of the company and the implementation of the strategy, including sustainability, and reports to the Board of Directors. Collective and individual targets (both long- and short-term) related to sustainability objectives are set for the EGMB. They relate to group performance against a climate-related sustainability index, to the achievement of a climate transition plan KPI and to increased value chain visibility.

Our sustainability programme, ActNow, and related ambitions are defined at Elia Group level by the Group Sustainability Office (GSO), which reports to the EGMB. The GSO then ensures the consistency of the actions taken by the group and ensures it continuously improves its performance in the area of sustainability.



2.3 Supporting regulation, standards, or framework for sustainability-related disclosure and reporting



Global Reporting Initiative (GRI)

Elia Transmission Belgium's Sustainability Report prepared in accordance with the GRI Standards.



Task Force on Climate-related Financial Disclosures (TCFD)

Elia Transmission Belgium is a strong supporter of the TCFD and adheres to its recommendations on a voluntary basis.



Carbon Disclosure Project (CDP)

Elia Transmission Belgium started contributing to the CDP Climate Change Questionnaire since 2017 under the name of Elia Group and on a solo basis from 2022.



UN Sustainable Development Goals (UN SDGs)

Elia Transmission Belgium's sustainability strategy is guided by the UN SDGs.



United Nations Global Compact (UN GC)

Elia Transmission Belgium discloses the UNGC Communication on Progress (CoP) and we are participants to the UN GC.



European Network of Transmission System Operators (ENTSO-E)

Elia Transmission Belgium fully supports ENTSO-E's vision to a clean, digitalized and electrified consumer centric system with many distributed resources, and actively participates on key topics.



Renewables Grid Initiative (RGI)

Elia Transmission Belgium is a RGI's member and shares its vision for renewable energy expansion through grid development and strong coalition building by integrating it as key elements of its strategy.



The Shift

Elia Transmission Belgium is a member of the Shift where around 350 companies, NGOs and other organizations meet to co-create sustainable business models.

3. ELIA TRANSMISSION BELGIUM'S GREEN FINANCE FRAMEWORK

3.1 Rationale for green financing

The Green Finance Framework (hereinafter referred to as the “**Framework**”) aims to support Elia Group strategy and Europe’s transition to a low-carbon economy. By issuing Green Finance Instruments, ETB intends to align its funding strategy with its mission and reinforce its commitment to the clean energy transition.

We believe that Green Finance Instruments are an effective tool to channel investments into projects which have environmental benefits and thereby contribute to the achievement of the SDGs and objectives of the EU Green Deal.

ETB’s previous green bond transaction on the bond markets have comforted our belief that sustainable finance allows us to mobilize and partner with our stakeholders along our long-term environmental and social commitments.

Through its Green Finance Framework, ETB also intends to contribute to the growth of the green financing market through different financial instruments and to support the willingness of investors to finance green projects.



3.2 Basis of this Framework

Elia Transmission Belgium has established this Framework under which it (referred to as “ETB”) can issue green finance instruments (such instruments hereinafter referred to as “Green Finance Instruments”), which may include senior bonds, subordinated bonds, medium-term notes, commercial papers, loans or other debt instruments in any currency and denomination to finance and/or refinance green eligible projects (such project hereinafter referred to as “Eligible Green Projects”) with a positive environmental benefit.

The Framework is based on the:

- ICMA Green Bond Principles 2021, including the updated Appendix I of June 2022¹
- LMA/APLMA/LSTA Green Loan Principles 2023 version²
- ICMA Pre-issuance Checklist for Green Bonds / Green Bond Programmes 2023 version³

which provide guidance in the form of four key components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also follows the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bond External Reviews⁴.

Moreover, this Framework, where relevant and applicable, takes into account elements of the EU Taxonomy Regulation⁵, the EU Taxonomy Disclosures Delegated Act⁶, the EU Taxonomy Climate Delegated Act⁷ (June, 2021) and subsequent amendments⁸ (June, 2023) and the EU Green Bond Standard⁹.



1. [To be found here](#)
2. [To be found here](#)
3. [To be found here](#)
4. [To be found here](#)
5. [To be found here](#)
6. [To be found here](#)
7. [To be found here](#)
8. [To be found here](#)
9. [To be found here](#)

4. USE OF PROCEEDS

An amount equal to the (net) proceeds from Green Finance Instruments issued by ETB will be used to finance and/or refinance projects (referred to as the “**Eligible Green Projects**”) fulfilling the eligibility criteria (referred to as the “**Eligibility Criteria**”) set out in the table below.

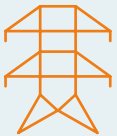


Eligible Green Projects may include the current value of capital expenditures (“**CapEx**”)¹⁰, fixed assets (“**Assets**”), and/or operational expenditures (“**OpEx**”)¹¹ associated with the Eligibility Criteria outlined below. CapEx and Asset values shall qualify for refinancing with no limitation with regards to look-back period, while OpEx qualify with a maximum three-year look-back period.

In defining the Eligibility Criteria for the Eligible Green Projects, ETB refers to the criteria of the EU Taxonomy Climate Delegated Act - Annex I (and amendments). For projects to be eligible, the EU Taxonomy’s Technical Screening Criteria (“**TSC**”) for Substantial Contribution (“**SC**”) to Climate Change Mitigation must be respected; while applicable Do No Significant Harm (“**DNSH**”) and Minimum Safeguards (“**MS**”) requirements on a best-effort basis.

For the avoidance of doubt, any future change to the Eligibility Criteria (e.g. future changes to the ICMA Green Bond Principles, the LMA/APLMA/LSTA Green Loan Principles, and/or developments related to sustainable finance regulation) may not necessarily apply to Green Finance Instruments issued under this Framework. Further, Eligibility Criteria included in this Framework may not necessarily apply to outstanding Green Finance Instruments issued under the previous version of the Framework¹².

In alignment with ETB’s broader sustainability strategy and support of the UN SDG 2030 agenda, the Eligibility Criteria contemplated under this Framework may directly contribute to the achievement of UN SDGs and the EU Environmental Objectives.

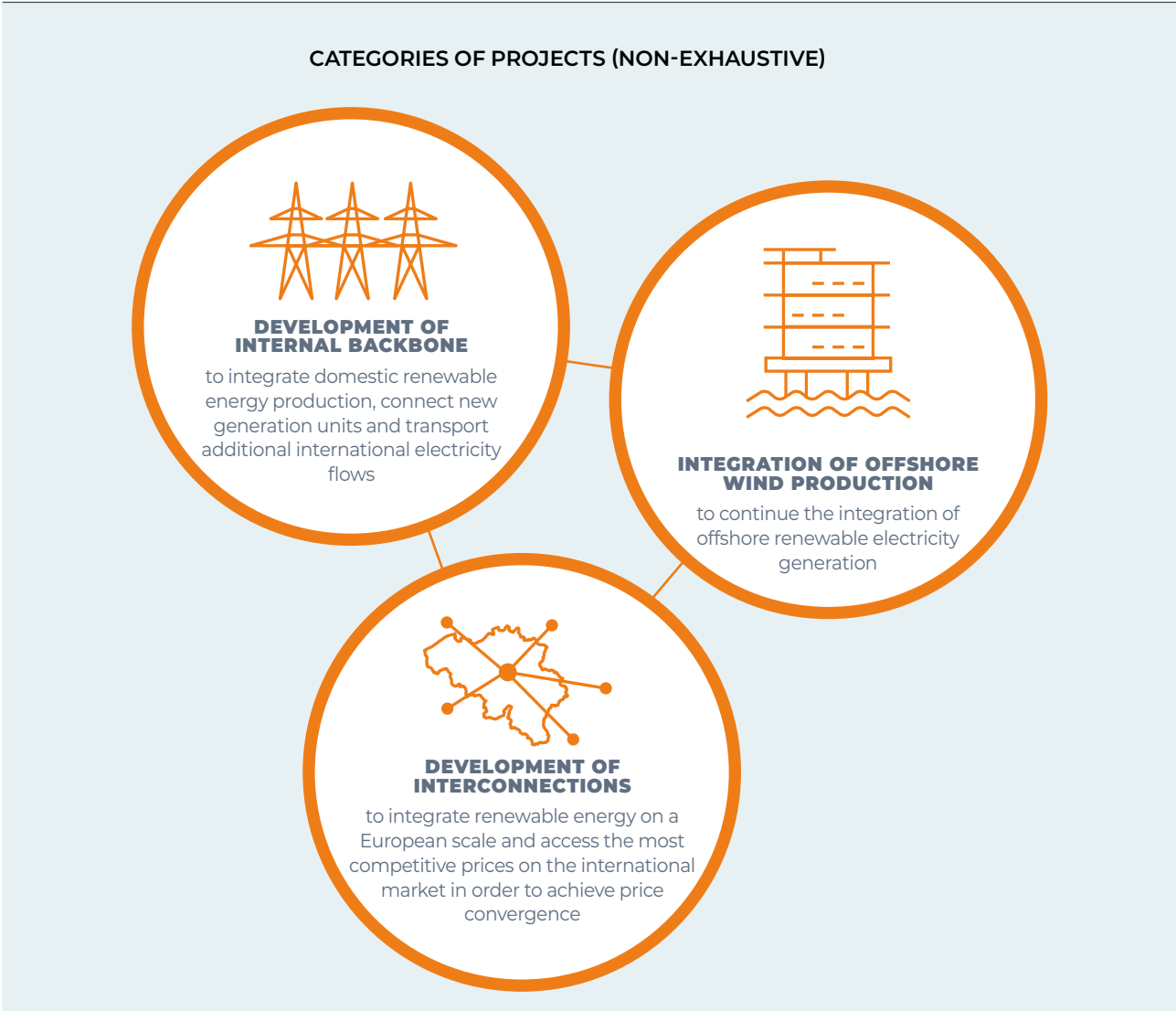
Figure 6

ICMA GBP/GLP Category	Eligibility criteria	Exclusionary criteria	Contribution to UN SDG ¹³	EU Economic Activity ¹⁴ and Contribution to EU Environmental Objectives ¹⁵
 Renewable Energy	<p>CapEx, Assets, and/or OpEx for the construction and/or operation of:</p> <p>Electricity transmission infrastructure and equipment that complies with at least one of the following criteria:</p> <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100g CO₂e/kWh• Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944• Infrastructure and equipment that does not meet the Do No Significant Harm (“DNSH”) criteria as per the EU Taxonomy Climate Delegated Act (Annex I) under 4.9¹⁶	 	<p>4.9 - Transmission and distribution of electricity NACE D35.1.2</p> <p>Substantial contribution to Climate Change Mitigation (Article 10):</p> <p>1.a) generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through the use of innovative technology with a potential for significant future savings or through the necessary reinforcement or extension of the grid;</p> <p>1.b) improving energy efficiency, except for power generation activities as referred to in Article 19(3);</p> <p>1.g) establishing the energy infrastructure required for enabling the decarbonisation of energy systems.</p>

10. For a definition of what would fit with the notion of CapEx, see [here](#).
11. For a definition of what would fit with the notion of OpEx, see [here](#) and [here](#).
12. ETB may take into account some aspects of the grandfathering rules indicated in the EU GBS Regulation (to be found [here](#)). In case of a gradual approach, Elia may apply amended eligibility criteria within seven years from their application for unallocated proceeds, while for a portfolio approach, amended eligibility criteria may apply within seven years from their application.
13. Mapping between ICMA Eligible Categories and the UN SDGs based on Green, Social and Sustainability: A High-Level Mapping to the Sustainable Development Goals (to be found [here](#)).
14. Supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, see [here](#).
15. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. To be found [here](#).
16. Elia Transmission Belgium shall comply with the DNSH criteria on a best effort basis.



Figure 7



5. PROCESS FOR PROJECT EVALUATION AND SELECTION

5.1 Roles and responsibilities

ETB has established a decision-making process to determine the eligibility of the Eligible Green Projects, in accordance with the Eligibility Criteria outlined in the 'Use of proceeds' section of this Framework.

Eligible Green Projects will be selected by the dedicated Green Finance Committee which has been set up within ETB.

The Green Finance Committee is composed of representatives from the following departments:

- Finance department (Controlling, Treasury);
- Sustainability department;
- Risk management department;
- Strategy department (responsible for Act Now);
- Any relevant business teams involved in the selection of Eligible Green Projects as required.

The Green Finance Committee is responsible for:

- Reviewing the content of the Elia Transmission Belgium Green Finance Framework and updating it to reflect changes in corporate strategy, technology, market, or regulatory developments on a best effort basis;
- Updating external documents such as Second Party Opinion (SPO) and related documents from external consultants and accountants;
- Evaluating and defining Eligible Green Projects in line with the Eligibility Criteria as set out in this Framework, and excluding projects that no longer comply with the Eligibility Criteria or that have been disposed of and, in such case, replacing them;
- Overseeing, approving the allocation and impact reporting, including external assurance statements. ETB may rely on external consultants and their data sources, in addition to carrying out its own assessment;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green Projects and appropriate mitigation measures where possible;
- Liaising with relevant business finance segments and other stakeholders on all of the above.

The committee will meet at least once per year.

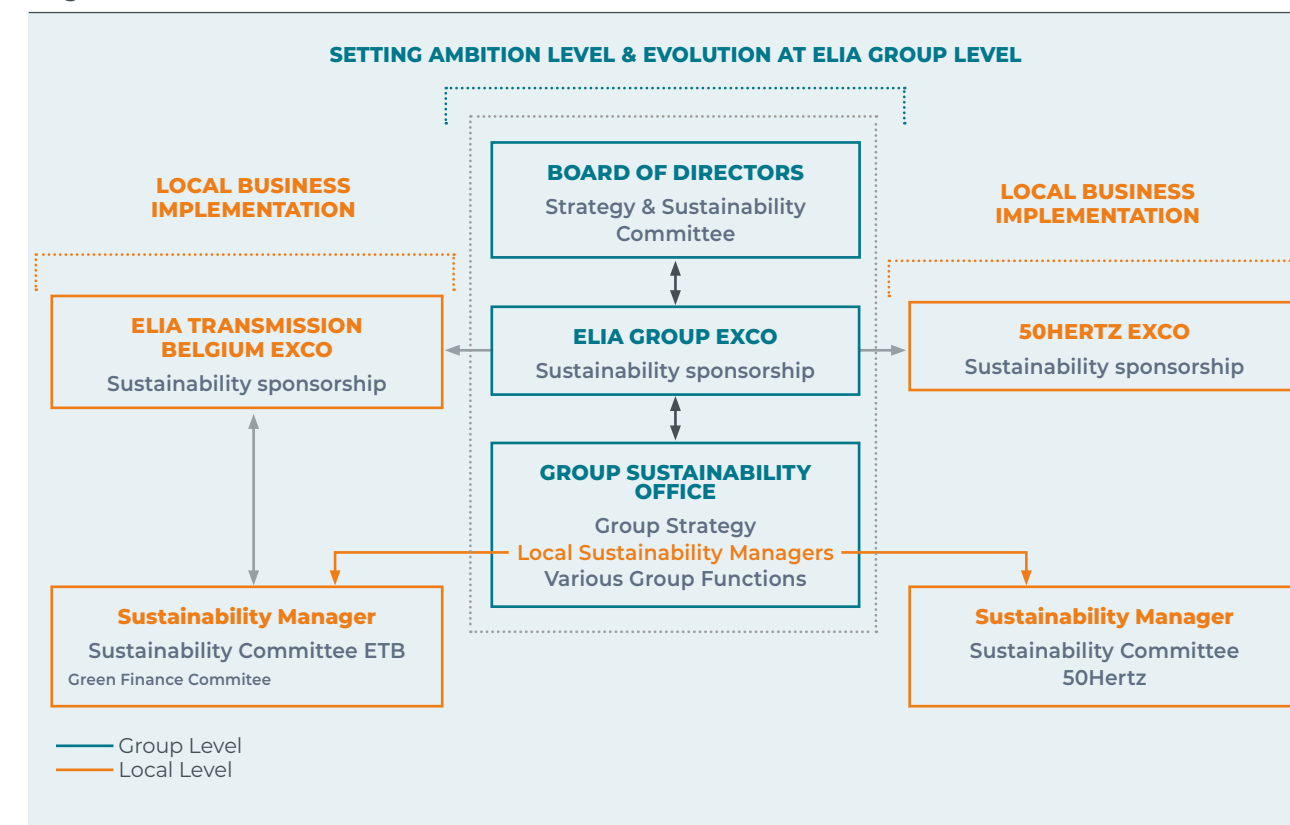


5.2 Sustainability policies and environmental management system

As presented in sections 2.1 and 2.2, Elia Group introduced a Group-wide sustainability programme called Act Now, the objectives of which ETB must contribute to fulfilling. To balance the need for consistency at Group level and the specificities of each subsidiary, a governance framework related to fulfilling the Act Now objectives was developed (see figure 8). This framework includes a central Group Sustainability Office that has the authority to carry out changes and select the priority sustainability topics that

are material to the Group as a whole. Once the most important topics have been selected, the local sustainability office in Belgium is then responsible for the execution of the programme across ETB. Its business units then have a mandate to develop, own, and manage local initiatives by deploying their own resources to achieve Group-wide goals. The Green Finance Committee is part of the Belgian Sustainability Committee and is responsible for dealing with all sustainable finance topics.

Figure 8



6. MANAGEMENT OF PROCEEDS

The Eligible Green Projects are subject to ETB's internal sustainability policies and management processes derived from the Group-wide ActNow programme.

Here are some examples:

Code of Ethics¹⁷: To ensure that sustainability remains one of our key areas of focus and is considered in all of our decision-making processes, we have to foster a sustainable mindset and set of behaviours.

- Integrity and ethics are key to our interactions. Through our Code of Ethics, we have defined what is considered to be proper ethical behaviour and have established a set of principles in order to avoid ethical breaches and conflicts of interest.
- The Code of Ethics outlines what we understand by bribery and corruption and explicitly states that Elia Group prohibits bribery in any form, alongside misuse of advance knowledge and market manipulation. Elia also provides training for our employees, which allows our employees to recognise behaviours or incidents where bribery or corruption may be at play, and provides them with information about how to access the safe, anonymous space set up to report any such matter (via our whistleblower programme).

Health and Safety Policy: All Elia Group companies have implemented a Health and Safety policy and undertake continuous safety analyses and promote a safety culture. Elia has been awarded a "Safety Culture Ladder 3" certification¹⁸.

Management processes used when identifying eligible projects

During the planning of projects and associated approval procedures, economic efficiency, the concerns of local residents and technology are all taken into account alongside the protection of flora and fauna. Environmental impact assessments are also carried out to minimise conflicts with nature conservation efforts at an early stage. A nature corridor is then identified along the exact route of the electrical line. Protection and compensation measures are then identified and implemented as part of a subsequent phase. All these investigations are carried out together with external environmental planners, routing experts and, if necessary, other science and nature conservation experts.

Elia has also established a list of guidelines for different types of projects with which our contractors must comply on our construction sites; these guidelines include relevant aspects of environmental legislation, i.e. which relate to soil removal, the sorting and disposal of waste and other environmental requirements.

The (net) proceeds from the issuance of Green Finance Instruments will be tracked and monitored through an internal tracking system.

ETB shall allocate proceeds to Eligible Green Projects, selected in accordance with the Eligibility Criteria and the Process for Project Evaluation and Selection presented above, within 24 months of issuance of the Green Finance Instruments.

Pending full allocation, unallocated (net) proceeds will be managed temporarily in accordance with ETB's liquidity guidelines (in cash, deposits or other money market instruments).



EU TAXONOMY PROJECT SELECTION

The following steps describe the process organized by the Green Finance Committee to evaluate and select the Green Eligible Projects. This process is being coordinated by the Treasury team, with the support of Group Controlling and Investor Relations.

- Information on CapEx, Assets and/or OpEx related to activities identified as taxonomy-aligned, is requested internally;
- Among the projects that have been identified, a project selection is made, based on eligibility. Elia will strive to include only those projects which are EU Taxonomy aligned on a best effort basis;
- The Elia team decides whether activities will be included based on capital and operating expenditures or based on the current asset book value;
- Projects that been financed in part with public subsidies or other sources of labeled funding will be included at their net amount, after deduction of such subsidies or labeled funding;
- Ahead of formal allocation, the Green Finance Committee decides whether projects will be allocated on a gradual approach basis or a portfolio basis;
- The Green Finance Committee will exclude any projects that no longer fulfill eligibility criteria, ensuring that updated information on taxonomy alignment is reflected on a timely basis.

17. To be found [here](#)

18. To be found [here](#)

7. REPORTING

ETB will publish a report on the allocation and impact of proceeds from Green Finance Instruments to Eligible Green Projects annually and at least until full allocation or until maturity. These reports will be made publicly available on ETB's website¹⁹.

ETB intends to align its impact reporting with the ICMA 'Handbook - Harmonized Framework for Impact Reporting' (June 2023 version²⁰).

ALLOCATION REPORTING

The allocation report will provide indicators such as:

- ▶ The size of the identified Eligible Green Projects;
- ▶ The balance (if any) of unallocated proceeds;
- ▶ The amount or the percentage of new financing and refinancing²¹;
- ▶ The geographical distribution of the projects, where feasible;
- ▶ The amount or the proportion of projects aligned with the EU Taxonomy Climate Delegated Act (Annex I).

IMPACT REPORTING

1) Environmental indicators:

- ▶ Estimated avoided CO₂ emissions [tCO₂e per year];

2) Operational environmental and social indicators:

- ▶ Average interruption time (SAIDI) [min];
- ▶ SF₆ leakage rate [%];
- ▶ CO₂ emissions from grid losses [CO₂e/kWh]
- ▶ Total Recordable Injury (TRI) rate [#].

Depending on availability and subject to confidentiality agreements, ETB might seek to complement above indicators with relevant case studies.

ETB may appoint specialized consultants to develop a methodology for the estimation and calculation of the impacts that was made publicly available.



19. To be found [here](#)

20. To be found [here](#)

21. New financing refers to projects financed over the previous reporting period

8. EXTERNAL REVIEW

8.1 Second Party Opinion (pre-issuance)

ISS-Corporate reviewed the alignment of ETB's Green Finance Framework with ICMA's 2021 Green Bond Principles (including the updated Appendix I of June 2022) and LMA/APLMA/LSTA's 2023 Green Loan Principles. **ISS-Corporate** provided a Second Party Opinion (SPO).

In addition, **ISS-Corporate** assessed the alignment of ETB's Green Finance Framework with the EU Taxonomy Climate Delegated Act (Annex I). The independent second party opinion is published on Elia's website.

8.2 Verification (post-issuance)

ETB will request on an annual basis, starting one year after issuance until full allocation or until maturity, a limited assurance report relating to the allocation of the Green

Finance Instrument's proceeds to Eligible Green Projects, which are provided by an external auditor (or any subsequent auditor).



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