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Elia Group presents its sustainability action plan: ACT NOW

- ACT NOW focuses on five key dimensions which are aligned with United Nations' Sustainable Development Goals.
- Elia Group is committed to driving the decarbonisation of the power sector and its own activities – and has set clear targets for itself for 2030 and 2040.
- Numerous projects are being developed in collaboration with local partners to limit the impact of our infrastructure on the environment.
- Health and safety, diversity and inclusion are key areas of interest for the Group.
- Increasing our focus on good governance is essential for ensuring our sustainable long-term success.

In recent years, sustainability has become a core part of Elia Group's strategy. Our ACT NOW plan defines concrete and measurable objectives which outline how we will embed sustainability into our business processes in the years ahead. This wide-ranging and multifaceted action plan includes five key dimensions which are each related to one or more of the United Nations' 17 Sustainable Development Goals (SDGs). The SDGs are a compass that will help us ensure that our daily processes and activities are being carried out with the right focus in mind.



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Dimension 1

Climate action – the most important key area



We have set ourselves four major goals which are aligned with the European Green Deal and will guide our actions. The key role we are playing in the decarbonisation of the power sector is the best way we can contribute to meeting the Green Deal targets. We see this as our societal challenge and this is what we need to focus on. As part of our corporate challenge to reduce our own emissions*, we are committed to operating a carbon-neutral power grid by 2040, making our own activities carbon-neutral by 2030, assessing and reducing the carbon footprint of our supply chain and setting up an internal carbon price for our new investments.

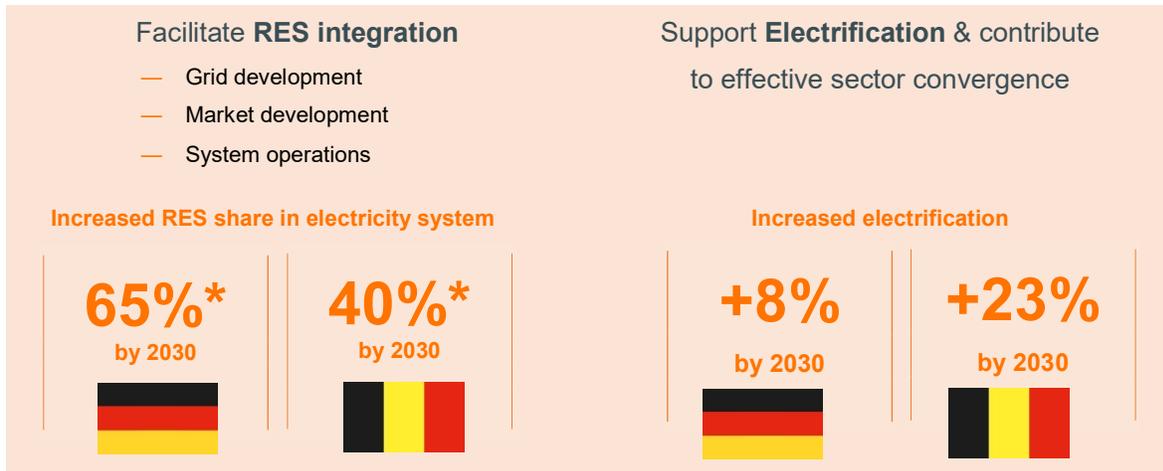


*Excluding balancing and redispatch (emissions not on a TSO CO₂ balance according to GHG protocol)

Objective 1: Accelerating the decarbonisation of the power sector

We are enabling the decarbonisation of the power sector through our grid development projects. The German and Belgian governments have set targets to ensure that renewable energy covers 65% and 40% of the electricity mix in their respective countries by 2030. We will contribute to meeting these targets by expanding our grids, continuing to develop market products that facilitate the integration of renewable energy sources into them and improving the operation of our systems, so they are ready for a world led by green energy.

* Figures based on reference year 2019



*Objectives set by governments

We are also preparing our infrastructure for increased electrification across society, which will be essential for decarbonising Europe. The potential for the electrification of industrial processes is being explored in order to find solutions to meet industry’s growing electricity needs. We are analysing appropriate locations for new data centres and hydrogen production facilities to accelerate their deployment and ensure the system is ready to accommodate them. We are also developing new projects with industrial partners, such as energy islands off the Belgian coast and in the Baltic Sea. We are taking quick steps to harness the potential of offshore energy in Europe, which, by 2030, is expected to result in a 20 TWh additional increase in renewables in the Elia and 50Hertz systems. Finally, we have developed a new market design which is more focused on consumers and fully recognises the importance that lies behind the decentralisation of generation units.

Objective 2: Establishing a carbon-neutral grid by 2040

Power losses along lines and cables are an inevitable and inherent part of electricity transmission, as well as a source of CO₂ emissions related to grid operation. This will continue to be the case until power generation is completely carbon-neutral.

Despite the inevitable rise in grid losses related to the integration of renewables, we have pledged to reduce CO₂ emissions from line losses in our control areas by 28% by 2030. We will achieve this by carrying out impact assessments when making investment decisions, by deploying specific grid maintenance and operation measures and using greener electricity to cover the remaining losses. Integrating more renewable energy sources into the grid will be the best way to reduce emissions from line losses.

Grid losses emissions reduction target by 2030

-28%

Objective 3: Making our own activities carbon-neutral by 2030

Achieving a 90% reduction in mobility-related emissions by 2030

To do this, we will reduce our mobility-related emissions by 90% by 2030. To that end, we have implemented a new mobility policy which aims to reduce staff commuting and business trips. In addition to gradually electrifying our fleet of vehicles, we offer our employees innovative solutions for getting to work and encourage sustainable business travel.

Achieving a 30% reduction in emissions linked to buildings since 2018

Building management plays an important role in reducing our emissions. Over the last few years, both Elia and 50Hertz have met high environmental standards when constructing new buildings and upgrading existing ones. For example, the Monnoyer building in Brussels was designed so that it used 40% less electricity and produced 45% less CO₂ emissions than it would have otherwise (this was achieved through the use of green roofing, ecological materials and 4,500 m² of photovoltaic panels). The 50Hertz head office in Berlin was awarded a Leadership in Energy and Environmental Design (LEED) Gold status and a Gold certificate from the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB) for its environmentally friendly design.

Ensuring our assets are SF₆-free in 50% of all new facilities by 2030

Finally, with regard to substations and assets insulated with SF₆ gas (a compound which is harmful to the environment), we are committed to using SF₆-free assets in 50% of all new facilities by 2030. We have also pledged to continuously improve our monitoring and management of leaks in order to stay well below the 0.25% leak rate target.

Objective 4: Making progress towards a carbon-neutral value chain

With respect to new assets and construction work, we will improve the CO₂ accounting process in order to better identify the sources of emissions, enabling us to focus our efforts on addressing and reducing them. We will also transition from using internal carbon pricing (ICP) on a case-by-case basis in our purchasing decisions to integrating ICP into all parts of the investment decision-making process.



Ensuring compliance with European taxonomy and SBTs

Under the new European Taxonomy Regulation approved by the European Commission, the vast majority of our transmission system operator's activities are viewed as key catalysts and enablers for decarbonising the energy sector. We strongly believe that our grid development projects will meet the criteria outlined in this new regulation. Our first Taxonomy report in 2022 will set a good benchmark and will be key for the future financing of our CAPEX programme. With regard to our objectives for reducing our greenhouse gas emissions, we pledge to have them validated by the Science Based Targets initiative (SBTi).

Dimension 2

Environment and circular economy



We design our infrastructure in accordance with three principles: avoiding, reducing and offsetting environmental impacts. We are aware that grid development has a considerable impact on the surrounding landscape, flora and fauna. However, grid infrastructure can also be developed while implementing measures that are positive for ecosystems and biodiversity. To that end, we are increasing the number of ecological activities that we undertake with local partners.

Banning herbicides from our properties by

2022

Percentage of project budget dedicated to ecological measures

6%

Reaching ISO 14001 certification by

 **2022**  **2023**

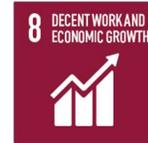
About 6% of overhead line project costs (including mandatory activities) are spent on ecological projects. We will also ban the use of herbicides from 2022 onwards and we are aiming to be ISO 14001 certified by 2022 in Germany and 2023 in Belgium. We are laying the foundations for integrating circularity and eco-design into the decision-making processes for new pieces of infrastructure and we plan to further increase our recycling rate when decommissioning assets.

A few concrete examples

- We want to reduce the negative impact of our power lines on birds. To that end, we have joined forces with local NGOs to identify the most dangerous lines for birds and we have started to install bird diverters along them. By 2030, 50Hertz is aiming to install markers along an additional 120 km of its lines, bringing the total up to 400 km. Elia is aiming to install markers along 200 km of its lines by 2030 (compared with 44 km today).
- In woodland areas, we are creating corridors on either side of our power lines. We have developed an ecological corridor management scheme within the framework of the European LIFE programme for these parts of our grid. This approach allows natural habitats to be restored while maintaining the operational security of our grid. By 2030, Elia and 50Hertz will manage 90% of all forest corridors in a way that promotes biodiversity. By 2030, the areas managed in this manner by 50Hertz and Elia will reach 4,150 hectares (up from 3,870) and 1,150 hectares (up from 562) respectively.
- Having nearly achieved a 100% recycling rate for our transformers and pylons, we are now exploring how to increase the recycling rate for other parts of our infrastructure.

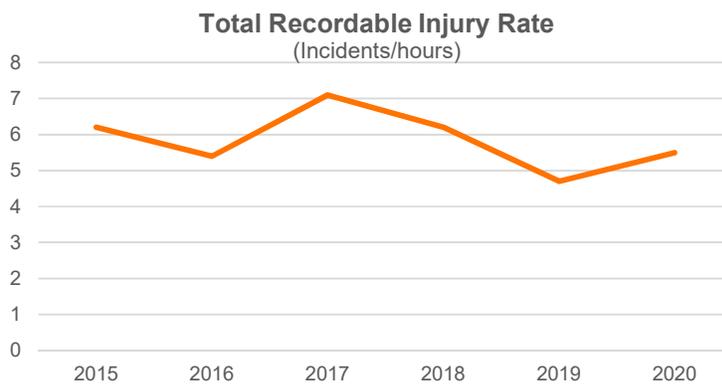
Dimension 3

Health and safety



As a group of electricity transmission system operators, our main activities involve work carried out at height, on electrical structures and (increasingly) in marine environments. The risk of severe accidents is high in our industry and we place a strong focus on the health and safety of our staff at the centre. Our licence to operate is closely linked to safety, as is the need to achieve operational excellence.

Our safety culture has been firmly established for a very long time. Not only do we implement strict safety procedures and organise regular safety training sessions and campaigns, we also consistently work on improving our technical and digital solutions in order to reduce the risk of accidents occurring. Our goal is zero accidents - not just for our own staff, but also for our subcontractors.



Elia Group Sickness Rate compared to industry average of 5%

3%

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 approach involves providing our staff with a wide range of external medical services, including hotlines which employees can use anonymously to discuss any fears and concerns they may have, and more general methods of support such as employee surveys and the regular sharing of best practice across the Group. These initiatives have been successful and have led to our sickness absence rate being just 3% (which is well below the industry average of 5%).

Dimension 4

Diversity, equity and inclusion



Our workforce has increased to comprise 38 nationalities, which represents an increase of 41% over the past two years. We see and understand the benefits of being an international organisation. Exchanges between different cultures and nationalities have enriched how we think and act – a key success factor in achieving our growth ambitions.

We also want to support women working in the energy industry. Our recent efforts to increase the proportion of women in our workforce have already produced good results: the number of women occupying management positions has risen by 7% over the last two years.

Number of nationalities in Elia Group over the last 2 years

+41%

Increase of women in senior leadership over the last 2 years

+7%

In order to embed our diversity charter across the organisation, we involved all key stakeholders, from HR through to our employees and management teams. Our recruitment and promotion processes have been reviewed and updated to address unfair obstacles faced by applicants and staff members. Elia Group serves the community and our teams must be representative of the diversity of that community.

Special training and workshops are provided for managers, who focus on establishing a culture of inclusion for all employees and promote our new leadership model, which includes diversity as a key element. We have also reviewed our flexible working, parental leave, sabbatical and working from home policies. These are key areas for maintaining a healthy work-life balance and retaining the best talent.

Dimension 5

Governance, ethics and compliance



Good governance is essential for ensuring our sustainable long-term success.

Our Board of Directors provides effective oversight and we have strong internal controls, a solid approach to risk management and carry out effective audits to ensure we always comply with all relevant legal, regulatory and internal requirements while also preventing and avoiding fraud.

We have developed a Code of Ethics, which sets out guidance for staff conduct across the Group, and have implemented policies to ensure integrity in our work with contractors and suppliers. We have also appointed a member of staff to act as a confidential point of contact for anti-discrimination issues, anti-corruption measures and human rights violations (this person can be contacted anonymously).

Being open and transparent and engaging in genuine dialogue with our stakeholders not only strengthens our license to operate and our roots in society, but also increases the impact of our activities while leveraging the expertise of our partners in order to develop better solutions. We are, therefore, committed to developing our corporate reporting (through publications like our annual report) so that it embodies a 'value to society' approach.'

We apply a participatory approach when carrying out grid development projects, regularly engaging with civil society and local residents. Whenever we plan to build new infrastructure in a particular area, we disseminate and collect information and suggestions through our 'dialogue tours' in order to establish the best possible technical and routing solutions. We also give stakeholders a chance to engage with our projects digitally.

About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and northeastern Germany (50Hertz), we operate 19,276 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational system and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

MORE INFORMATION: eliagroup.eu

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