



**FLUVIUS SYSTEM OPERATOR
ANNUAL REPORT
2020**

DRAFT
Stronger together!

Version 19.04.2021

Annual report – 18th financial year
1 January – 31 December 2020

Foreword

Dear Reader,

2020 was a remarkable year in many ways, but undoubtedly one that was dominated by the coronavirus pandemic. The pandemic was an incontrovertible demonstration of the need for continuity of service in our industry. The National Security Council described the energy and energy distribution sector as ‘crucial’ and described our services as ‘essential’ to looking after the vital needs of the population. More than ever in 2020, Fluvius and the services it provides in all utility sectors were at the beating heart of society.

The pandemic and the guidelines issued by the Security Council initially forced us to put a large part of our activities on hold. However, we were soon making every effort to ensure the continuity of services. This happened in stages, in accordance with what was possible or allowed.

The safety of our organisation, our employees and our customers was paramount in that process. Last year, Fluvius was able to count and rely on the unconditional readiness and staunch professionalism of all its employees. I wish to give my sincere thanks and appreciation for that, and I look forward, together with you, in hope towards a world without coronavirus.

In the meantime, we didn’t stand still in 2020 in other areas either. We continued to build a common culture within our company. We also worked hard on the further integration of processes and IT systems. These shared efforts are enabling Fluvius to deliver constantly improving services at lower costs.

We are reinforcing this aim by clearly delineating our core tasks and clearly defining where our focus lies. We want to:

- be *the* multi-utility operator of public grids in the public domain, for electricity, natural gas, heat, public lighting, data and telecoms, sewerage and water
- manage the associated data platforms
- help the municipalities to realise their energy saving projects
- and reliably perform the public service obligations that the government expects of us.

Fluvius has also drawn up a ‘vision memorandum’ on the network operation of the future. The leaders of the world have important choices to make, which will determine how our Earth will look in 30 years’ time. Europe is committed to becoming climate-neutral by 2050.

This target has an impact on the lives of everyone in Flanders. Zero emission essentially means a shift to a sustainable energy mix, in which electricity will become increasingly important. Smart meters are an indispensable instrument in this transition. As a specialist in the energy sector, Fluvius has a crucial role to play in all this, a responsibility which we must bear and which we will bear.

However, we will not be doing it alone: it’s not for nothing that ‘stronger together’ is one of the Fluvius values. We stand close beside the local authorities, with whom we work together on climate neutrality. We listen to their needs in relation to the climate targets and the transition to sustainable energy, and respond to them with appropriate initiatives and know-how. Examples include:

- switching public lighting to LEDs, an area in which we made decisive steps in 2020
- building heating networks
- continuing to expand the sewer system and stormwater management in order to cope with climate change
- future-proofing our energy networks via digitisation and automation
- enhancing our data net and thus responding to the growing demand for safe and reliable data traffic.

Thus we are strongly embracing the leading role that the residents and businesses of all 300 Flemish cities and municipalities expect of us, and lifting Flanders, so to speak, to a higher level on the way to a sustainable future.

You will find the results in this annual report. I am convinced that Fluvius, together with all its partners and employees, will maintain this momentum in the years to come.

Piet Buyse
Chair of Board of Directors

CONTENTS OF THE REPORT

In accordance with the law and the articles of association, we present this Annual Report on the activities of Fluvius System Operator cv ('Fluvius') during the past 2020 financial year.

This report is a combined report in which the Activity Report, the Financial Report and the Corporate Social Responsibility (CSR) Report are contained in a single document.

For reporting on specific aspects of CSR, we have applied the GRI Standards issued by Global Reporting Initiative (GRI) in this report.

➔ ***"This Annual Report is produced in accordance with GRI Standards: core option".***

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

In the Financial Report, we present the following documents:

- ✓ separate financial statements for the year ended 31 December 2020. These financial statements have been drawn up in accordance with Belgian accounting standards (BE-GAAP). They comprise the balance sheet, the profit and loss statement with comments, the explanatory notes, the distribution of the profits and the social balance sheet;
- ✓ the consolidated financial statements of the Fluvius group for the year ended 31 December 2020, drawn up in accordance with Belgian accounting standards (BE-GAAP);
- ✓ and also in accordance with International Financial Reporting Standards (IFRS);
- ✓ the reports by the Auditor on the financial statements for 2020 under BE-GAAP and IFRS;
- ✓ the declaration by the persons responsible for the financial statements and the annual report (*article 12, §2 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market*).

Fluvius System Operator at a glance

Fluvius, close to you

Fluvius System Operator cv (known operationally under the name 'Fluvius') is the Flemish multi-utility network operator that came into being on 1 July 2018 from the merger of Eandis System Operator cvba and Infracvba. On 1 April 2019, Integan o.v. also became part of Fluvius System Operator cv.

Fluvius is responsible for the construction, management and maintenance of distribution grids for electricity and natural gas, sewerage, cable distribution and heat. The company also manages the municipal public lighting system in Flanders.

In total, Fluvius manages over 230,000 kilometres of utility networks and 7.6 million connections. Fluvius is active in all 300 Flemish cities and municipalities, which means that all Flemings can benefit from the professional service provided by our 5,491 employees.

A vital link

In the free energy market in Flanders, Fluvius forms a vital link between power generators and transmission system operators (upstream) and energy suppliers and end users (downstream).

Working for our shareholders, the mandated associations

Fluvius System Operator is the operating company for eleven Flemish utility companies, each legally constituted as an intermunicipal 'mandated association', which together form the shareholders of Fluvius System Operator:

	electricity	natural gas	sewerage	cable TV
FLUVIUS ANTWERPEN	x	x	x	x
FLUVIUS LIMBURG	x	x	x	x
FLUVIUS WEST	x	x	x	x
GASELWEST	x	x		
IMEWO	x	x		
INTERGEM	x	x		
IVEKA	x	x		
IVERLEK	x	x		
PBE	x			x
RIOBRA			x	
SIBELGAS	x	x		

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

Fluvius works on behalf of the intermunicipal utility businesses listed in the table above. As shown in the table, the majority of these mandated associations are active in the regulated activity of 'energy distribution (electricity and/or gas)'. Consequently, a large part of Fluvius's business is subject to regulation by the authorised energy regulator VREG (Flemish Regulator of the Electricity and Gas Market).

The sewerage business is also regulated in Flanders, namely by the VMM (Flanders Environmental Agency).

The cable infrastructure business is supervised by the BIPT (Belgian Institute for Postal Services and Telecommunications) and the VRM (Flemish Regulator for the Media).

Fluvius functions as an operating company, working at cost price for its shareholders/customers and making no profit margin on the operational activities that it carries out. All of the company's direct and indirect operating costs, investments and public service obligations (staff, contractors, suppliers, financing costs) are recharged to the

distribution system operators in full each month. This is why the total in the financial statements of Fluvius System Operator always comes to zero.

Fluvius System Operator does not own the distribution infrastructure (distribution grids, substations, measurement infrastructure, etc.). Ownership remains with the various mandated associations.

Supported by three subsidiaries

Fluvius System Operator relies on a small number of subsidiaries and associates to carry out some of its work:

- De Stroomlijn cv: the customer communication centre that handles calls from our end customers
- Atrias cv: the federal clearing house platform for the energy sector in Belgium
- SYNDUCTIS cv: coordination and synergy for infrastructure works carried out by utility companies.

PRESENTATION OF THE COMPANY

Our mission, vision, strategy and values

The mission, vision and values of our company give Fluvius direction. We live and breathe them in all our dealings with our shareholders, employees, customers and partners.

Our mission

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

- **Fluvius connects society.** This involves not only the physical connection that we make via our networks. We also bring people together. And Fluvius is there for everybody.
- **We create sustainable connections.** We work for the long term, and we want to contribute to a better environment and climate. And we will support municipalities with forward-looking solutions that provide comfort and convenience not just over the short term, but over the long term, too.
- **Fluvius is a 'multi-utility', working in a range of different utility sectors.** Because we believe in the synergies and economies of scale this creates, for all cities, municipalities, citizens and businesses in Flanders.

Our vision

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

Fluvius aims to be the number one network operating company for the majority of utility sectors in Flanders.

When you think of utilities in Flanders, we want Fluvius to be the name that comes to mind.

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

Everything we do, we do for and with Flemish society. This means we always strive for consultation and cooperation. Openness and transparency are central for us.

This vision and mission provide the foundation for our four strategic pillars: One Fluvius, maximum synergy across networks, creating networks for the future, customers and employees first.

Our values

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

- Stronger together!
- Respect
- Commitment
- Driven by professionalism
- Customer first

Corporate Social Responsibility (CSR)

For a company like Fluvius, which only has public shareholders, Corporate Social Responsibility is an essential tool for expressing its mission in practice.

At the end of 2018 Fluvius completed a materiality analysis, which included a stakeholder survey. The survey was repeated among our own personnel in summer 2020. The overall results of these analyses are shown in graphical form in the materiality matrix below:



We have set out the concrete commitments that Fluvius has made in the areas of Corporate Social Responsibility (CSR) and sustainability in a Charter. The Board of Directors of Fluvius approved this Corporate Social Responsibility Charter on 4 December 2019. You can view this document here: <https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019.pdf>

In the 2020 Activity Report you will find numerous concrete examples of how Fluvius is putting CSR and sustainability into practice.

At the end of October 2020, Fluvius was certified as an ‘SDG Pioneer’. This certification is awarded by Unitar (the United Nations Institute for Training & Research), Cifal Flanders (the Flemish branch of Unitar) and VOKA to businesses that have successfully carried out at least ten actions over three years in relation to each of the 17 SDGs (Sustainable Development Goals) and at least four of the five pillars of Agenda 2030.

In 2020, Fluvius joined the ‘Belgian Alliance for Climate Action’. By joining, the company signals its agreement that climate action is urgently needed to meet the Paris Climate Agreement targets and commits to joining the Science Based Targets initiative (SBTi)¹ within two years. See the website: <https://www.belgianallianceforclimateaction.org/>

¹ The Science Based Targets (SBTs) are scientifically based targets for business aimed at keeping global warming below 2°C (in accordance with the Paris Climate Agreement). They form the necessary scientific framework for the transition to a low-carbon economy.

Administrative data

- The company was founded on 29 April 2002 under the name Electrabel Netmanagement Flanders nv. The name was later changed to Electrabel Netten Vlaanderen nv. On 30 March 2006, the legal form and name of the company were changed to Eandis cvba. The company was renamed Eandis System Operator cvba with effect from 1 January 2016.

On 1 July 2018, a merger by absorption took place whereby Eandis System Operator cvba took over its fellow utility operator Infracx cvba. With effect from that date, the name of the newly merged company was changed to Fluvius System Operator cvba.

- Legal form: cooperative company (cv) – since 1 January 2020 due to the revision of the various legal forms stipulated by the Code of Companies and Associations dated 23 March 2019 (published in the Belgian Official Gazette on 4 April 2019)
- Head office of the company: Brusselsesteenweg 199, 9090 Melle, Belgium
- Enterprise number 0477.445.084
- VAT BE 0477.445.084 - Ghent Register of Legal Entities, Ghent division
- Website: www.fluvius.be
- Address for correspondence:
Fluvius System Operator cv
Brusselsesteenweg 199
9090 Melle

Useful contacts

- For all information and specific queries about meter readings, premiums, connections, meter installation, capital projects, Social Supplier services, faulty streetlights and much more, you can find help on our website www.fluvius.be
On the website, you can also submit a query via a contact form or make a complaint.
- If you can't find the answers you need on our website, you can call us on the general information number 078 35 35 34, on weekdays from 8 a.m. to 8 p.m. and Saturdays from 9 a.m. to 1 p.m.
- For urgent calls, the following numbers are staffed 24/7:
 - Smell of gas 0800 65 0 65
 - Breakdowns and defects 078 35 35 00
 - People with a speech or hearing impairment can report smells of gas, breakdowns and defects by texting 8635: for more information, go to www.fluvius.be/contacten
- Faulty streetlights can be reported at www.straatlampen.be or in urgent cases by calling 0800 6 35 35
- Fluvius complaints department:
 - Online at <https://www.fluvius.be/nl/thema/storingen-a-werken/klachten>
 - Write to us at Postbus 60, 9090 Melle

FIGURES AND GRAPHS - 31 December 2020

	31.12.2019	31.12.2020
FLUVIUS		
Financial (consolidated figures under Belgian accounting standards)		
Balance sheet total (euros)	5155796287	5797285639
Turnover (euros)	1653391316	1622299622
Employees		
Number of employees of Fluvius System Operator	4616	4718
• managers	960	979
• operational	3656	3739
Full-time equivalents (FTE):	4403.22	4519.07
• managers	936.66	954.76
• operational	3466.56	3564.31
Additional employees from Fluvius Mandated Association		
• number	803	773
• FTEs	772.84	740.52
Total for Fluvius		
• number	5419	5491
• FTEs	5176.06	5259.59
Operations (carried out on behalf of the distribution system operators)		
Network Operation and Management		
Capital expenditure (gross, in EUR millions)	849.3	
Unavailability of supply (minutes per year per customer)	17 min 47 sec	19 min 28 sec
Natural gas		
Connections	2254033	2299555
Low-pressure network (km)	47991	47555
Medium-pressure network (km)	1100	10041
Total network length (km)	58091	57595
Electricity		
Connections	3492793	3535782
Low-voltage network (km)	86507	86263
Medium-voltage network (km)	47161	46567
Total network length (km)	133668	132830
Total lamps (public lighting and monument lighting)	1165665	1170986
Heating		
Network length (km)	20.0	58.7
Number of customers	1773	1796
Sewerage		
Sewer network (km)	11712	11761
Cable network infrastructure		
Connections	929440	1127105
Cable network (km)	27793	
Social public service obligations		
Active electricity budget meters	39142	35635
Active natural gas budget meters	26486	24460
Top-up locations for budget meter cards	minimum 1 per municipality	minimum 1 per municipality

Number of Social Supplier customers (electricity)	79757	77017
Number of Social Supplier customers (gas)	58217	56349
Installed smart meters	171026	562802
Customer contacts		
Average no. of visits to customer offices per month	8608	3585
Telephone calls to call centre	1738251	1968288
Average website visitors per month	365860	451798
Energy premiums		
Number of premiums paid	108707	92246
Total amount of premiums paid	€62 million	€48.14 million

Management Report of the Board of Directors

In accordance with the law and the articles of association, the Board of Directors of Fluvius System Operator cv ('Fluvius') hereby reports on the management activities of the company during the last financial year from 1 January 2020 to 31 December 2020.

Coronavirus: impact on Fluvius

The year 2020 will go down in history as the year of the coronavirus. Fluvius, too, had to deal with the consequences of the coronavirus outbreak and the restrictions imposed by the various public authorities in order to fight it.

During the first lockdown in Flanders (from mid-March 2020), the absolute top concern of Fluvius's management was to ensure the continuity of the critical services it provides to the general public – energy distribution, public lighting, sewerage, cable television etc. – without compromising the health and safety of its employees or the broader population. Some urgent adjustments were therefore made. Meter readings by Fluvius staff were postponed. Remote working became the norm for all non-technical personnel.

When operational activities were eventually resumed, technical interventions requiring only a single employee were the first to be restarted, under compliance with the strictest health and safety measures. Meter readings began to be taken again, where this could be done without any contact between the meter reader and end users. Starting at the end of April 2020, preparations for a gradual resumption of normal activities were made in consultation with trade unions, the in-house Health & Safety Department and external medical staff, in full compliance with the measures and guidelines introduced by the public authorities. All technical and customer-related activities were progressively restarted from mid-May.

The disruption inevitably led to small delays in some investment programmes. In public lighting, for instance, a backlog of around 12,000 lights arose in the roll-out of LEDs. However, that backlog was fully cleared by the end of the year.

A second, less severe, lockdown was announced in the autumn of 2020. This had a less substantial impact on Fluvius's operations. All technical and customer-related activities were carried out in this period as planned.

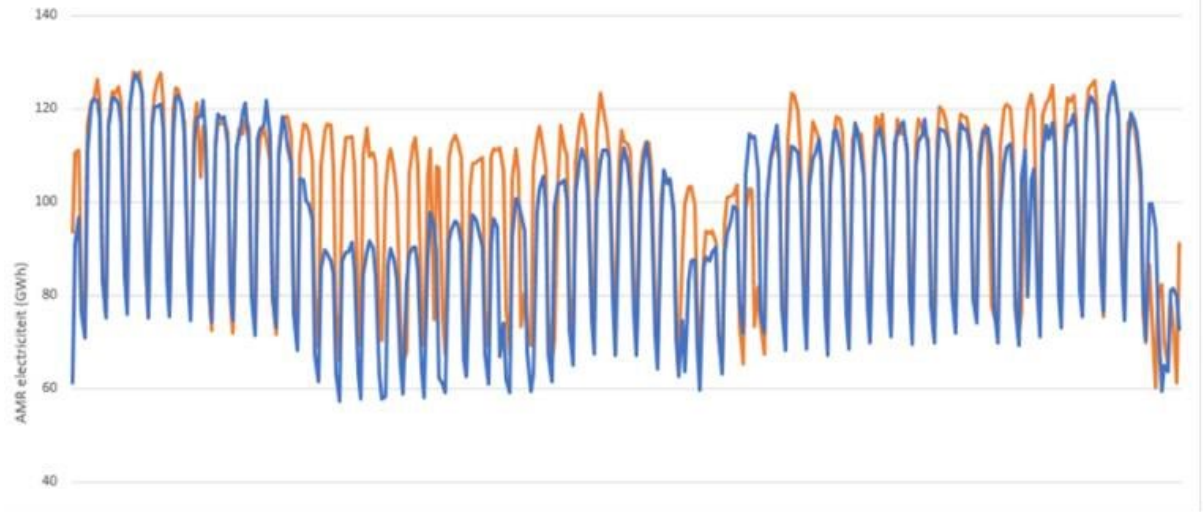
For Fluvius's administrative staff, working from home became standard in mid-March 2020 and remained so for the whole of 2020 (and into 2021). Senior management and the HR department – together with the communications department – took a whole swathe of measures in order to keep home workers informed about the company's operations and keep up a sense of team spirit with their colleagues. Fluvius organised itself so as to ensure that the various internal and external target groups were reached via digital means. The management and consultation bodies in the Fluvius Economic Group likewise adjusted to the circumstances.

Fluvius recorded the following impact on distributed energy volumes:

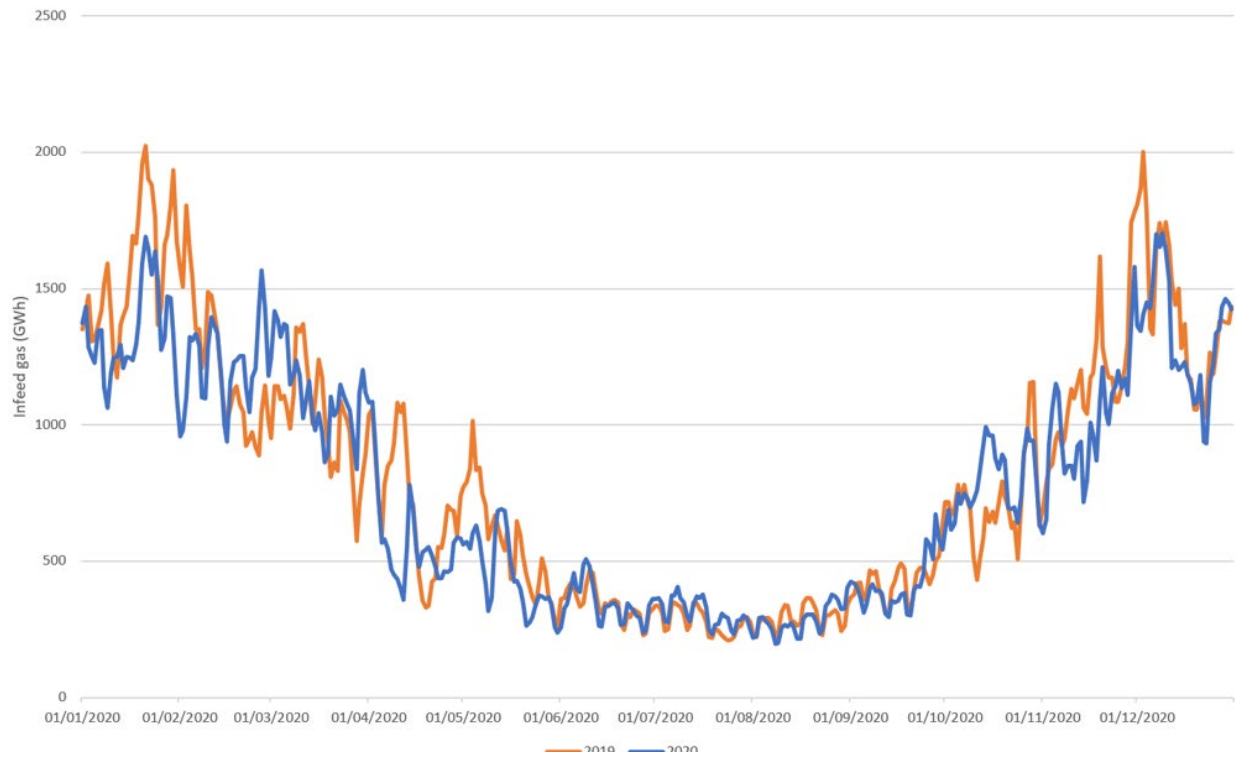
- Electricity volumes fell substantially during the first lockdown in spring; volumes resettled at a normal level as from June. There was a limited drop in volume at the start of the second lockdown.
- Gas volumes were less affected by the imposition of the lockdowns. During the first lockdown, Fluvius recorded only a limited fall in natural gas distribution volume; the same was the case at the start of the second lockdown. We find that natural gas volumes are mainly influenced by the temperature outdoors.

The two graphs below show the infeed volumes for electricity and gas over 2020 as a whole.

Volume AMR elektriciteit 2020 vs 2019 alle Fluvius DNBs



Volume infeed gas 2020 vs 2019 alle Fluvius DNBs (+ gedeelte grens DNB's)



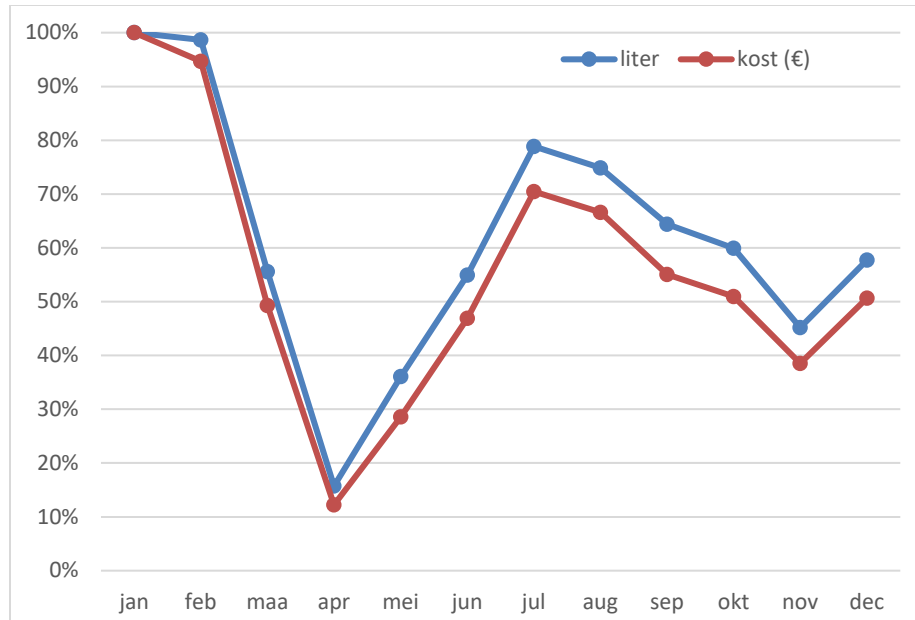
We remind you that the majority of the cash flows and financial results of the Fluvius Economic Group arise within a strictly defined regulatory context. Although falls in revenue due to lower energy consumption can affect the cash position of the Economic Group, Fluvius took care all times in 2020 to ensure that cash levels remained comfortably sufficient, notwithstanding the challenging circumstances. Falling revenues over a limited period due to volume differences (i.e. the difference between the estimated volumes provided in advance to the regulator in tariff proposals and the actual volumes recorded later on) can in principle be recovered in full in subsequent tariff periods.

From an operational perspective, the most significant consequences were:

- delays in regular infrastructure work, the roll-out of smart meters, the switch of public lighting to LED and the conversion from low-calorific to high-calorific gas;
- the roll-out of smart metering was – after the halting of work at customers’ premises from mid-March onwards – also hindered by problems in the supply chain for metering devices. A backlog of over 60,000 uninstalled meters had arisen by the end of May. The financial impact of the stoppage and subsequent restarted is estimated to be no more than EUR 440.000;
- the switch of municipal public lighting to LEDs was also delayed during the first lockdown, with a backlog of over 12,000 uninstalled devices relative to the schedule; however, the entire backlog was eliminated over the rest of the year, with the result that over the year as a whole 75,324 lights were switched to LEDs, 5.5% more than the annual target of 71,400;
- we noted a small decrease in the number of ‘social supplier’ customers, from 134,780 at the start of 2020 to 132,470 at the year-end. The same was the case for customers with a budget meter, numbers of whom fell from 65,628 to 60,269. These decreases were partly due to the legal requirements imposed under the coronavirus crisis, under which it was prohibited to cut off customers during the two lockdown periods and no new social supplier customers were activated. The payment pattern and rises in debts among this specific customer segment also showed no fundamental changes. We did, however, note an increase in the workload for Fluvius employees in order to manage all this.

A few more coronavirus-related facts and figures:

- all Fluvius employees remained on full pay throughout the lockdown periods;
- we invested in increasing the robustness and reliability of our IT systems in order to cope with large-scale working from home;
- the cost of Covid-related items (protective equipment, face masks, disinfection products, refitting office space etc.) was limited. The change in working arrangements for administrative staff also led to savings in the lighting and heating of office buildings, catering and so on. On balance, expenditure reduced by EUR 2.3 million;
- fuel consumption for company cars is a good factor by which to assess the impact of the extensive home working. We recorded a spectacular drop during both lockdowns and from March onwards consumption remained far below the level at the start of the year. This can be seen from the graph below, which shows fuel consumption and fuel costs with January 2020 equal to 100%;
- in order to maintain its outstanding partnerships with suppliers and contractors, Fluvius decided to cut the payment period for EUR 38 million of invoices from an average of 30 days to 14 days, which went some way towards alleviating the impact of the crisis on our business partners. This measure was terminated on 1 September;
- Fluvius was able to defer its monthly payments of VAT and payroll taxes for February, March and April for two months;
- the annual shareholders’ meetings of Fluvius System Operator and its shareholders were held in written form. An amount equal to the costs saved was donated to our Good Causes (Food Banks and Action Against Cancer). The Extraordinary General Meetings of Fluvius System Operator and its shareholders were also held online in December 2020.



Integration within Fluvius

In the course of 2020 work continued on the 'One Fluvius' integration process. We were able to reach a number of important milestones with regard to the unification of processes and IT systems, leading to efficiency improvements and cost savings.

The target is still to save EUR 110 million in recurring annual costs by 2024.

Ownership and group structure of Fluvius System Operator cv

The table below shows an overview of the shareholder structure of Fluvius System Operator cv on 31 December 2020. The allocation of shares is based on the number of EANs² per shareholder on 31 December 2016. In principle this allocation is subject to change.

FLUVIUS SYSTEM OPERATOR	voting shares	
	number	% of Fluvius
Fluvius Antwerpen	4688069	18.10%
Fluvius Limburg	4666524	18.02%
Fluvius West	1357143	5.24%
Gaselwest	2778997	10.73%
Imewo	3675610	14.19%
Intergem	1840902	7.11%
Iveka	1570114	6.06%
Iverlek	3486875	13.46%
PBE	945183	3.65%
Riobra	394394	1.52%
Sibelgas	497124	1.92%
TOTAL	25900935	100.00%

² EAN = European Article Number; one EAN corresponds to one connection for one utility.

Consolidation scope

The table below shows the entities included in the consolidated financial statements of the Fluvius group for 2020 under Belgian accounting standards. Fluvius System Operator is the consolidating company in each case.

consolidated company	consolidation method	percentage held by Fluvius System Operator
De Stroomlijn cv Brusselsesteenweg 199, 9090 Melle	full consolidation	62.17%
Atrias cv Kanselarijstraat 17A, 1000 Brussels	equity method	50.00%
SYNDUCTIS cv Brusselsesteenweg 199, 9090 Melle	equity method	34.47%

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

The equity interests held by Eandis System Operator in a number of regional business centres are not consolidated. This is because the company either has no decisive influence on policy or does not have the right to appoint a majority of the members of the board of directors. This concerns the holdings in the business centres in Waregem, the Flemish Ardennes, Bruges, Ghent and Ostend.

Fluvius System Operator also has a 4.35% equity interest in Duwolim (Duurzaam Wonen Limburg). This is also an unconsolidated equity interest.

The parent company Fluvius System Operator did not acquire any additional shares in subsidiaries or associates during 2020. The subsidiaries and associates also acquired no shares in their parent company.

Amendments to the articles of association

The amendments to the articles of association approved by the Extraordinary General Meeting of Shareholders of Fluvius System Operator on 23 December 2020 were published in the Annexes to the Belgian Official Gazette on 17 February 2021 under number 21210910. These amendments brought Fluvius's articles of association into line with the provisions of the revised Companies and Associations Code. The object of the company was brought into line with that of the mandated associations/shareholders, the section on data management was deleted and references to share capital were replaced by references to contributions and equity. An available equity account was established, by operation of law.

Changes to the field of operation

We note the following changes to the field of operation of Fluvius System Operator:

- the municipality of **Pittem** in West Flanders joined the system operator Fluvius West for sewerage management with effect from 1 January 2020;
- the municipality of **Lennik** in Flemish Brabant joined Riobra for sewerage management with effect from 1 January 2021.

Strategic choice of core tasks

On 22 January 2020 the Board of Directors gave its approval to the strategic choice of Fluvius for its core tasks: *'Fluvius wants to be the multi-utility operator of (public) grids in the public domain, to maximise synergy.'* This strategic choice applies to four sectors:

- energy (electricity, gas and heat)
- public lighting (street lights, lighting of public places and monuments, light-as-a-service)
- water (drinking water and/or sewerage), if opportunities arise in the region
- telecom (fibre, FttH/5G, cable etc.) with the aim of setting up collaboration frameworks with telecom operators.

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

Fluvius also carries out the public service obligations within its remit and offers the ESCO/EDLB service to support local authorities and help them make energy savings in municipal buildings.

VAT unit

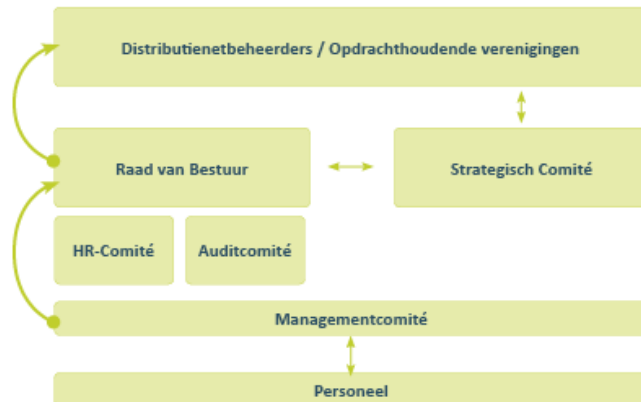
The VAT unit 'Economische Groep Fluvius' (Fluvius Economic Group) includes Fluvius System Operator cv and the associated companies De Stroomlijn and SYNDUCTIS. Fluvius System Operator cv acts as the representative for this VAT group.

Cash pooling

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

Composition of governing bodies and management

The diagram below summarises the various governing bodies within the Fluvius Economic Group and their relationships to each other:



BOARD OF DIRECTORS

The composition of the Board of Directors of Fluvius System Operator during 2020 was as follows:

Name	Function	Nominated by	Number of meetings attended	Public mandate
Piet BUYSE	Chair	Intergem	11	Dendermonde, Mayor
Koen KENNIS	1st Deputy Chair	Fluvius Antwerpen	10	Antwerp, Alderman
Christophe PEETERS	2nd Deputy Chair	Imewo	11	Ghent, Councillor
Hans BONTE	3rd Deputy Chair	Sibelgas	11	Vilvoorde, Mayor
Geert CLUCKERS	Director	PBE	12	Diest, Alderman
Lieven COBBAERT	Director	Gaselwest	11	Ichtegem, Alderman
David COPPENS	Director	Intergem	9	Aalst, Chair of Municipal Council
Jan DALEMANS	Director	Fluvius Limburg	11	Hechtel-Eksel, Mayor
Charlotte DE BACKER	Director	Imewo	11	Ostend, Councillor
Christof DEJAEGHER	Director	Gaselwest	10	Poperinge, Mayor
Jan DESMETH	Director	Iverlek	10	Sint-Pieters-Leeuw, Mayor
Wim DRIES	Director	Fluvius Limburg	11	Genk, Mayor
Ine FRANSSSEN (1)	Director	Fluvius Limburg	2	Maaseik, Councillor
Greet GEYPEN	Director	Iverlek	11	Mechelen, Alderman
Tom KERSEMANS	Director	Iveka	9	Lille, Alderman
Lies LARIDON	Director	Fluvius West	12	Diksmuide, Mayor
Nicky MARTENS	Director	Riobra	12	Tienen, Councillor
Rita MOORS (2)	Director	Fluvius Limburg	7	Lummen, Councillor
Guy VAN DE PERRE	Director	Iveka	11	Kasterlee, Alderman
Adinda VAN GERVEN	Director	Fluvius Antwerpen	12	Brasschaat, Alderman
Kristien VINGERHOETS	Director	Fluvius Antwerpen	9	Hemiksem, Alderman

- (1) Ms Ine Franssen was appointed as a temporary member of the Board of Directors on 12 November 2020 as a replacement for Ms Rita Moors; Ms Franssen was definitively appointed at the Extraordinary General Meeting of 2 December 2020.
- (2) Ms Rita Moors was a director until 28 September 2020. She resigned as a director after being elected to the Flemish Parliament.

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

Mr Nick Vandeveldt acts as secretary of the Board of Directors.

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

The Board of Directors of Fluvius System Operator has no independent directors within the meaning of article 7:87 of the Companies and Associations Code.

Independence guaranteed

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

Article 7:96 of the Companies and Associations Code provides for a specific procedure within the Board of Directors in the event of a possible direct or indirect conflict of interest of a proprietary nature in respect of a director, where there is a conflict with a decision or a transaction falling under the competence of the Board of Directors of the company. This legal provision was not required to be implemented in 2020.

AUDIT COMMITTEE

In accordance with article 24.B of the articles of association, the Board of Directors of Fluvius System Operator has set up an Audit Committee. Its members were as follows on 31 December 2020:

Name	Function	Number of meetings attended
Jan Desmeth	Chair	4
Lieven Cobbaert	Member	4
Lies Laridon	Member	5
Kristien Vingerhoets	Member	5

The Audit Committee met six times in the course of 2020. One of those meetings was conducted via the written procedure. The most important matters dealt with by the Audit Committee were the internal audits that were carried out (concerning inter alia the anti-fraud policy, decommissioning, the meter lab, pensions and compliance with welfare-at-work legislation). The Audit Committee also scrutinised the financial reporting, the appointment of a statutory auditor, the tariffs for the distribution system operators and the 2020 audit plan. The Audit Committee reports on its findings to the Board of Directors.

The Board of Directors has approved two charters directly related to audit: the Audit Committee Charter and the Internal Audit Charter. These documents set out the duties and responsibilities of both the Internal Audit Department and the Audit Committee.

HR COMMITTEE

As stipulated in the articles of association (article 24.C) the Board of Directors of Fluvius System Operator has also set up an HR Committee. Its composition on 31 December 2020 was as follows:

Name	Function	Number of meetings attended
Greet Geypen	Chair	7
Piet Buyse	Member	6

Rita Moors (1)	Member	5
Adinda Van Gerven (2)	Member	1
Kristien Vingerhoets	Member	7

- (1) The resignation of Ms Rita Moors as a director (see above) also ended her mandate as a member of the HR Committee.
- (2) Ms Adinda Van Gerven was appointed as a member of the HR Committee on 12 November 2020 as a replacement for Ms Moors.

Under the articles of association, the task of the HR Committee is to monitor developments in the HR policy of Fluvius System Operator and make recommendations to the Board of Directors. The HR Committee met seven times in the course of 2020. Matters discussed by the Committee included long-term incentives for management, the collective bargaining agreements (social programme for employees, implementation in agreement with managerial staff, CAO-90), the company car policy, the early retirement rule, Great Place to Work, the leadership pathway and the organisational structure.

The HR Committee also reports to the Board of Directors.

STRATEGIC COMMITTEE

At the end of 2020 the Strategic Committee was composed of the following members:

Name	Function	Number of meetings attended
Piet Buyse	Chair	5
Hans Bonte	Member	6
David Coppens	Member	6
Wim Dries	Member	5
Koen Kennis	Member	6
Christophe Peeters	Member	6

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

The Strategic Committee outlines the general strategy for Fluvius System Operator and the entire Fluvius Economic Group. Special attention is paid to the company's relationship with the authorities and regulator, with shareholders and with the other stakeholders in the operation of distribution systems in Flanders.

The Strategic Committee met six times in 2020. Matters discussed by the Strategic Committee included the political vision for natural gas and the general vision of network operation for 2050, the E&G tariff methodology for 2021-2024, negotiations with Telenet over the potential expansion of a data network, the roll-out of smart meters and the mandatory territorial swaps between network operators.

The Strategic Committee routinely discusses general developments in the market, legislation and broader environment for the distribution network operators and their operating company.

The Strategic Committee reports to the Board of Directors.

OPERATING COMMITTEE

Article 24.A of the articles of association of Fluvius stipulates that, if the Board of Directors is partly but not wholly composed of independent directors, it shall appoint an Operating Committee as a subcommittee of the Board.

The members of the Operating Committee must all be independent directors within the meaning of article 1.1.1.

§2, 74° of the Flemish Energy Resolution of 19 November 2010. They are appointed by the Board of Directors from among its members.

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

MANAGEMENT COMMITTEE

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

The composition of the Management Committee of Fluvius System Operator did not change during 2020. Its composition on 31 December 2020 was as follows:

Name	Title / Role
Frank VANBRABANT	CEO
Raf BELLERS	Director Supply Chain
Tom CEUPPENS	Director Customer Service
Guy COSYNS	Director Data Management
Wim DEN ROOVER	Director Network Operations
Jean Pierre HOLLEVOET	Director Network Management
David TERMONT	Director Financial Management and IT
Nick VANDELDE	Director Secretariat-General
Ilse VAN BELLE	Director HR
Filip VAN ROMPAEY	Director Strategy

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

Gender diversity in the administrative and management bodies (31 December 2020)

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

There are 37 men and seven women in the senior management of Fluvius System Operator.

Diversity policy

Remuneration in the company is wholly and exclusively dependent on the role performed by each employee. Their gender plays no role in determining their pay. The two-yearly pay gap report for Fluvius (dated 30 April 2019) contains a detailed analysis of the pay structure applied by the company in 2017-2018. This report is produced in accordance with the Law of 22 April 2012 on combating the pay gap between men and women and it is discussed

by the Works Council as a mandatory item. The Works Council then judges on the basis of the results in the pay gap report on whether action has to be taken to promote gender-neutral remuneration. The Works Council of Fluvius System Operator, after comprehensive discussion of the above-mentioned pay gap report, judged that no additional actions were needed: Fluvius maintains strict equality between candidates in regard to recruitment, promotion and the like, regardless of their sex, origin, beliefs etc.

Membership of the governing bodies (Board of Directors, Audit Committee, Strategic Committee) is subject to the rules stipulated in the articles of association, which essentially grant full autonomy to the shareholders to nominate candidates for the Board of Directors independently of each other.

The current composition of the Board of Directors complies with the rule that *“at least one-third of the members must be of the opposite sex to the remaining members”*.

Corporate governance statement

Fluvius System Operator endeavours to adhere in practice to the principles of corporate governance at all times. The Belgian Corporate Governance Codes for listed and unlisted companies serve as the benchmark for the quality of corporate governance. They also form the basis of Fluvius System Operator’s Corporate Governance Charter (in preparation). Like the two codes, our Charter is based on striking a balance between entrepreneurship and oversight, and between performance and compliance.

The Corporate Governance Charter is also drawn up taking into account the provisions imposed by legislators to ensure the correct operation of the energy market. Those provisions focus in the first instance on the relationship between network operators and users. The rules in this regard must ensure that all network users have non-discriminatory access to the gas and electricity distribution network.

The Fluvius Corporate Charter necessarily differs from the majority of Belgian charters on a number of points. This is primarily due to the specific laws and regulations applicable to Fluvius as an operating company for distribution system operators for gas, electricity and other utility grids. Such differences are also due to the company’s shareholder structure, namely the eleven mandated associations, each of which is exclusively owned by local authorities.

The Fluvius Corporate Governance Charter is set by the company’s Board of Directors.

The Board of Directors, the Audit Committee, the HR Committee and the Management Committee are aware of possible problems with regard to the application of the Charter. They take measures to correct such problems as required. Responsibility for the practical implementation of the Charter and compliance therewith lies with Fluvius’s directors and management and with its employees.

The Ethical Charter, our ethical compass

The Fluvius Ethical Charter describes how Fluvius and its shareholders must conduct themselves ethically in business matters. It thus provides our employees with an ethical compass for addressing moral issues, assessing complex situations correctly, making the right decisions and acting appropriately. It therefore supports the practical expression of our fundamental values and underpins ethically appropriate decision-making.

The Ethical Charter lays down clear guidelines on fighting corruption and preventing the commission of bribery by employees.

All our employees can contact their managers for advice on ethical questions.

Now that the two former operating companies have combined to form Fluvius, the former Eandis Ethical Charter is to be revised to create a new Fluvius Ethical Charter. The requirements of the Eandis Ethical Charter continue to apply until further notice.

Advice and reporting infringements of the ethical rules

Fluvius has a clear procedure for reporting unethical conduct. Any employee can report possible or suspected infringements of the Ethical Charter or external rules to the Ethics Group,

which ensures that all reports and complaints are handled in the strictest confidence. The Ethics Group is made up of specialists from different sections of our company and is chaired by the head of the Legal Department. When a report is made, the Ethics Group undertakes a thorough investigation of the facts. If the report is shown to be correct, the file together is passed to the head of HR together with recommendations for concrete action (sanctions, etc.).

During 2020, the Ethics Group received no reports of a potential infringement of ethical rules.

Sustainability policy

In 2020, Fluvius took concrete steps to add further strength and substance to its sustainability and social responsibility policy. A guiding principle in this process was achievement of the United Nations Sustainable Development Goals (SDGs).

The priorities for the next few years have been set.

At the end of October 2020, Fluvius was awarded ‘SDG Pioneer’ certification. This certification is awarded by Unitar (the United Nations Institute for Training & Research), Cifal Flanders (the Flemish branch of Unitar) and VOKA to businesses that have successfully carried out at least ten actions over three years in relation to each of the 17 SDGs (Sustainable Development Goals) and at least four of the five pillars of Agenda 2030.

Human rights policy

An active human rights policy is not regarded as a priority by Fluvius, given that the company operates solely in the Flemish Region and the majority of its activities are carried out within a strict legislative and regulatory framework.

With respect to human rights in relation to the materials we use, Fluvius’s procurement procedures and contract specifications include a number of measures aimed at preventing abuses, for instance with regard to the production of materials in low-wage countries. Candidate providers must therefore submit a sworn statement. From 2021, the Purchasing Department will examine how sustainability issues can be further incorporated into the Fluvius supply chain, as a spearhead of the CSR and sustainability policy.

Fluvius itself does not carry out any active checks on production locations in other countries.

Risks and risk management policy

Every company faces a number of uncertainties and risks. Fluvius addresses potential risks in a structured manner through an ‘integrated risk management’ methodology that applies to all our business areas. Permanent monitoring and various procedures contribute to establishing maximum control over these uncertainties and risks.

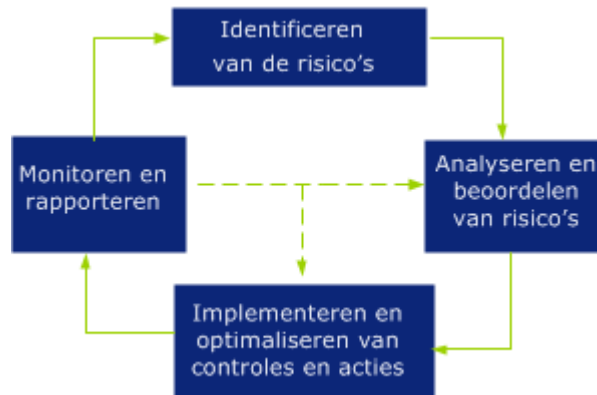
Risks are classified into five categories: (1) strategic risks, (2) business risks, (3) generic business risks, (4) operational risks and (5) generic operational risks. We only monitor risks that are relevant to one or more business processes.

The list of risks is updated annually. Adjustments to risks or risk scores can be made at any time if there are good reasons to do so. Risks are reported to the Management Committee and Audit Committee on a quarterly basis; ad hoc reports are also drawn up if required.

Assessing and addressing risks

The risk management method comprises four components:

- identification of risks
- analysis and assessment as to impact and probability
- implementation and optimisation of checks and actions
- monitoring and reporting.



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

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

The same method is used for the scoring of operational risks. Strategic risks are validated by the Board of Directors, business risks by the Management Committee and operational risks by the competent business process owner. The internal audit services carry out risk audits systematically and regularly for all business processes – including financial processes. Each recommendation is accompanied by a score to indicate its priority for remediation.

Internal audit at Fluvius System Operator works in accordance with international IIA standards. IIA is the Institute of Internal Auditors. This approach and certification ensures a high degree of professionalism in the internal audit work.

In 2020, an external audit was conducted of the Internal Audit department, as provided for in the IIA standards. Fluvius System Operator was found to be fully compliant.

Fluvius also has formal procedures that will come into play in the event of an emergency or disaster; they describe the tasks, responsibilities and procedures for responding to the emergency situation and restoring the normal functioning of the business. These procedures were fully activated at the onset of the coronavirus crisis. In emergency situations a core team at management level holds meetings to coordinate the necessary activities. These are based on four complementary basic documents: (1) a crisis management plan, including a communication plan, (2) emergency plans, (3) a disaster recovery plan and (4) business continuity plans.

Concern for the security of commercial information

A dedicated Information Security department coordinates measures to make IT systems secure and minimise these risks as much as possible. The company also provides training on this topic.

In 2019 Fluvius introduced amended 'Information Security' regulations. These regulations provide clear and binding guidelines for employees on the correct ways to handle commercial data. A leaflet summarises the key points in these regulations. The regulations on information security are also linked to the Employment Regulations.

Financial risks

The Board of Directors has identified the following financial risks:

- **Price risk**

As the operations company, Fluvius System Operator recharges all expenses in relation to operational activities within its scope of operations – in full and without any profit margin – to its shareholders/customers, i.e. the eleven mandated associations. The incomes of these mandated associations are subject to a regulatory system or bound by legal or contractual rules:

- For electricity and gas, the fee income of distribution network managers is set by the Flemish Regulator of the Electricity and Gas Market (VREG). There is therefore no significant price risk for these entities in the Fluvius Economic Group apart from the possible risk related to the rejection of certain costs.
- The income of mandated associations that carry out sewerage tasks derives from the applicable legislation, namely the Flemish Drinking Water Decree of 18 July 2003 (amended on 15 June 2018). Capital investment in this activity is paid for by the Flanders Environment Agency and the municipal authorities.
- For cable business, various contractual arrangements are in place with Telenet, a firm offering services commercially via the cable network owned by the relevant mandated associations.

The consolidated and unconsolidated companies in which Fluvius System Operator holds equity interests (namely De Stroomlijn, Atrias and SYNDUCTIS) also work in the same way. Each of them recharges the relevant proportion of its costs to Fluvius, which then includes these costs in its own total operating costs for the purpose of recharging them to the mandated associations.

- **Liquidity risk**

The financial services of Fluvius System Operator monitor the liquidity position of the Fluvius Economic Group on a daily basis. The cash pooling system between Fluvius System Operator, the various mandated associations, De Stroomlijn and SYNDUCTIS is an important tool in this regard.

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

Fluvius is certain that these financing resources are sufficient to adequately address liquidity risk in the short term.

- **Credit risk**

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

In the context of its operational tasks for the mandated associations, Fluvius System Operator – as the legal successor to Eandis and Infrac – has been an active issuer of various debt instruments over the past few years. Both Eandis System Operator and Infrac issued bonds in the past. This formed an integral part of a policy of diversifying between instruments, between counterparties, between instruments with or without regular capital repayments and so on.

Bank loans are also an essential component of financing for the Fluvius Economic Group. Such loans, however, are taken out directly by the mandated associations and thus do not represent a financial risk to Fluvius System Operator or by extension to the Fluvius group.

Fluvius actively manages its maturity profile in order to ensure that the necessary refinancing is spread over time as far as possible. See the financial accounts for more details on the amounts that are relevant to credit risk.

- **Collection risk**

Fluvius System Operator faces only a limited risk of bad debt, given that the company generates virtually all its income from recharging its operating expenses at cost to its customers. These are the eleven mandated associations, which are also the company's shareholders.

- **Currency risk**

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

Legal disputes

- On 18 December 2017 the Court of Appeal in Antwerp declared that a claim for compensation from telecommunications operator Proximus was without merit. This claim related to agreements that the then pure intermunicipal cable operators (in the former Infrac group) and Interkabel had made with the telecom operator Telenet.

At the end of June 2019 Proximus then filed an appeal at the Court of Cassation for the ruling of the Antwerp Court of Appeal to be overturned. The mandated associations with cable activities in the Fluvius Economic Group and Interkabel then submitted their pleadings to the Court of Cassation. Telenet has now also done this.

A ruling in cassation is not expected before the beginning of 2021.

- The Criminal Court of Turnhout acquitted the former company Eandis in relation to a fatal gas explosion on 23 November 2015.

- In 2015, the Criminal Court of Ghent found the former company Eandis guilty in relation to an industrial accident in 2015 involving one of its own employees. Eandis appealed against this ruling. The Court of Appeal, however, confirmed the earlier ruling of the Criminal Court. Fluvius is taking the necessary action to comply with the ruling. Fluvius is fully in agreement with the Labour Inspectorate.
- On 3 September 2019, a gas explosion occurred at Wilrijk, Antwerp, resulting in one fatality, three cases of severe injury and significant material damage. On 30 September 2020, the Raadkamer (preliminary chamber) in Antwerp referred Fluvius System Operator, the CEO of Fluvius and its Director of Network Operations to the criminal court on account of their potential involvement in events that led to this explosion. The case is due to come before the Criminal Court of Antwerp in March 2020. Fluvius believes that sufficient strong grounds exist to fully rebut the allegations made by the public prosecutor's office and in the expert report.

Key developments in the companies in which Fluvius System Operator holds an equity interest

De Stroomlijn

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

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

As of the end of 2020, De Stroomlijn had a workforce of 325.1 full-time equivalents. They are employed at four sites: Mechelen, Ypres, Ledeborg (Ghent) and Hasselt.

In 2020, De Stroomlijn recorded turnover of EUR 18.7 million (2019: EUR 17.0 million). Total balance sheet assets as at 31 December 2020 were EUR 3.3 million (2019: EUR 4.7 million).

Atrias

Atrias is responsible for the creation of a common data exchange platform for data exchange between all actors in the Belgian energy market, and also for the management, maintenance and operation of the market. Atrias is to replace all the separate data systems of Belgium's distribution system operators and centralise them in a single system organised at the federal level. The aim is to lay the foundations for a smoothly functioning free market in energy in Belgium.

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

A number of shortcomings were identified even during the preparatory activities and implementation of the system in 2018. This led to the initiation of a dispute resolution procedure with the external project partner Accenture. Ultimately, after negotiations, a renewed collaboration between Atrias and Accenture was agreed. The new implementation date was set at September 2021.

At the end of 2020, Atrias had 24 employees.

In 2020, Atrias recorded turnover of EUR 35.6 million (2019: EUR 27.0 million). Total balance sheet assets as at 31 December 2020 were EUR 83.4 million (2019: EUR 68.2 million) with shareholders' equity of EUR 18,600 (2019: same).

Atrias is treated as an associate for consolidation purposes, and is included in the consolidated financial statements of Fluvius System Operator using the equity method.

SYNDUCTIS

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

Fluvius System Operator holds 748 shares in SYNDUCTIS, out of a total of 2,170. The other shareholders in SYNDUCTIS are De Watergroep, IWVA, Aquafin, Pidpa, Proximus and TMVW/Farys. There is also close collaboration with the Flemish Administration for Roads and Traffic (AWV) and the Flemish transport company De Lijn on the basis of collaboration agreements between the parties.

On 24 January 2020, the Board of Directors of SYNDUCTIS resolved to redeem the shares held by IWVB. The decision was taken in connection with facilitating the final liquidation of IWVB.

SYNDUCTIS' business plan is founded on the notion of providing high-quality service to customers (local authorities, residents, shops and businesses). The creation of a high-performance IT platform is intended to contribute towards this aim.

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

SYNDUCTIS recorded turnover of EUR 1.9 million in the 2020 financial year, which is 13.6% higher than the turnover for 2019 which was EUR 1.7 million (rounded figure). Total balance sheet assets at the end of December 2020 stood at EUR 2 million (2019: EUR 1.7 million).

As an associate company, SYNDUCTIS is included in the consolidated financial statements of Fluvius using the equity method.

Audit carried out by and remuneration granted to the statutory auditor

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

EY's mandate has been extended by the General Meeting of Shareholders of Fluvius System Operator for a period of three years expiring at the end of the annual general meeting to be held in 2023. This EY mandate also covers reporting under IFRS.

The remuneration of the statutory auditor for audit work has been set at EUR 125,000 for the year. Additional services are charged at hourly rates. In 2020, no amounts were paid to the auditor for any supplementary audit procedures outside the scope of its engagement (in accordance with the 'one-to-one rule'). For 2020, the statutory auditor performed an audit of the financial statements (see the Financial Report) and a compliance check on the non-financial and diversity information that Fluvius must include in its annual reporting pursuant to the Law of 3 September 2017.

On 18 March 2020, EY Bedrijfsrevisoren formally declared to the Audit Committee that they are independent in the performance of their auditor mandate. An identical statement of independence was submitted at the General Meeting of Shareholders held on 27 May 2020.

Fluvius System Operator has also engaged the audit firm EY to report on its cash management, the valuation of the Regulatory Asset Base (RAB) and decommissioning. This mandate likewise expires at the end of the annual general meeting to be held in 2023.

Short review of the financial results

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

Annual financial statements for 2020 – Fluvius System Operator CV (consolidated, Belgian GAAP)

1. Profit and loss account

(in EUR million)	2019	2020	Change (%)
Operating income	1685.9	1716.8	+1.8
Operating costs	1673.3	1702.1	+1.7
Operating profit	12.5	14.6	+16.9
Financial income/expenses	-3.8	-7.7	+102.8
Taxes	8.7	7.0	-20.2
Profit for the year	0.0	0.0	-

2. Balance sheet

(in EUR million)	2019	2020	Change (%)
Fixed assets	9228.4	6547.6	-28.0
Current assets	5146.6	5790.7	+12.5
Total assets	5155.8	5797.3	+12.4
Equity	1.5	1.5	0.0
Provisions	258.5	288.4	+11.6
Long-term creditors	3821.1	3919.0	+2.6
Short-term creditors	1020.3	1530.5	+50.0
Total equity & liabilities	5155.8	5797.3	+12.4

No exceptional income or expenses were recording in 2020.

Investments in 2020

In 2020, Fluvius carried out gross investments of EUR 938.0 million. We note that this is a 9.2% increase on the investments made in 2019. This total amounts divides between:

- EUR 517.3 million for electricity (including investments in 70/36 kV grids),
- EUR 204.1 million for gas,
- EUR 62.0 million for public lighting,
- EUR 81.9 million for sewerage,
- EUR 58.8 million for cable and data communications infrastructure,
- and EUR 13.9 million for heating projects.

Financing of Fluvius System Operator

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

Bonds and similar debt instruments issued by Fluvius System Operator (and in the past by Eandis System Operator and Infrac) are guaranteed by the mandated associations/shareholders. These debt instruments are listed on the following stock exchanges:

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

In 2020, Fluvius introduced a Euro Medium Term Note (EMTN) programme for the issue of internationally placed bonds. The FSMA, as the competent financial regulator, approved the basic prospectus for the EMTN programme on 17 November 2020.

Fluvius made its first bond issue under this new programme on 30 November 2020. This was a “green” bond issue of EUR 600 million. The bonds have a 10-year term and an annual gross coupon of 0.250%. With interest shown by investors of more than EUR 2.5 billion, this was a successful transaction in every respect. It is also the largest green bond issue made by a Belgian company to date.

The funds received have been used to finance four green investment projects:

(1) the switch of municipal public lighting to LED technology, (2) expansion and replacement of sewerage systems, (3) smart metering for electricity and (4) adjustments to the distribution network for the connection of decentralised renewable energy generation capacity.

The green bond was within the scope of the Green Financing Framework adopted by the Board of Directors on 23 September 2020. The green aspects of Fluvius’s first green bond were independently attested in a ‘second party opinion’ given by the certification bureau ISS-ESG. As of January 2021, the Fluvius green bond forms part of the Bloomberg Barclays MSCI Green Bond Index, a leading global index of green bonds.

No stand-alone bond placements were carried out in 2020.

A 10-year retail bond with a 4.25% coupon issued by Eandis matured on 30 December 2020. The bond was repaid to the bondholders.

At the end of 2020, agreement was reached with the European Investment Bank (EIB) on a EUR 425 million loan facility. The facility will run from 2021 to 2024 and will be used to fund half the investments in smart electricity metering planned over that period. Fluvius can draw down the loan in several tranches; the drawdown of the first two tranches (totalling EUR 200 million) is scheduled to occur in spring 2021.

In 2020, Fluvius System Operator did not carry out any new transactions in derivatives.

The company discloses no transferred losses in its annual accounts, either in the non-consolidated or consolidated figures.

Change in the rating of Fluvius System Operator

Fluvius System Operator has two corporate ratings, namely from Moody’s Investors Service (Moody’s) and from Creditreform Rating AG (Creditreform).

The Moody’s rating remained at A3 for the whole of 2020. However, Moody’s revised the outlook for this rating from stable to negative on 10 September 2020. In brief, this decision was motivated by the consideration that in the absence of additional mitigating measures, the fall in revenues resulting from the 2021-2024 tariff methodology presented by the VREG, when combined with the need for increased capital investment to support the energy transition (including smart meters) and the current expected dividend yield, would lead to a rise in net debt that was no longer in line with the current rating.

The Creditreform rating also remained unchanged at A+ throughout 2020. Creditreform, too, however, adjusted the outlook for the rating from stable to negative (27 October 2020). Creditreform's reasons for revising the rating outlook were largely the same as Moody's.

Branches

Fluvius has no branches.

Research & development policy

Fluvius participates in the Internet of Energy ('IO.Energy'). Led by the Belgian energy system operators, this initiative brings together businesses, government bodies and academia and is focused on digitalisation, sustainability and innovation. The idea is to build a real-time, open, neutral communications platform that links 'prosumers' to local or central energy markets. The initiative fits in with the flexibility required for a future energy system in which decentralised, intermittent production will be a defining feature.

After an initial project phase in 2019, IO.E completed the 'sandboxing' phase³ for eight selected projects in October 2020. A further sandboxing phase will take place in 2021 with a focus on electric mobility and domestic applications.

Other policy elements

Data management

Data management encompasses the collection, management, processing, security and storage of measurement data at access points to the gas and electricity distribution grid, managing the access register, exchanging data between market participants, facilitating innovation and so on. This mission has been entrusted by decree at the Flemish level to the operating company, as an extension of the other duties of a distribution system operator. Data management is carried out completely separately from the operating activities and is invoiced separately from the other activities that Fluvius is required to carry out.

High-speed internet for every Fleming

The plan to provide 'high-speed internet for every Fleming' gained additional momentum in 2020. Starting in early 2019, Fluvius had previously carried out five pilot projects for the roll-out of fibre-to-the-home under the 'Fluvius Fibre' banner. The projects covered a total of 15,000 homes in Genk, Ghent, Poperinge, Diksmuide and Antwerp.

On 26 June 2020, after an open market consultation, Fluvius took the decision to enter exclusive talks with the telecom operator Telenet on the construction of an ultra-high-speed data network in Flanders. Fluvius has for some time been concerned that in the long term a new digital divide may arise in Flanders, with certain regions and customers gaining access to new, faster data connections while others lag behind.

The talks between Fluvius and Telenet form the starting point of a process to see if the two parties can reach an agreement on rolling out a high-speed data network based predominantly on FttH technology. An ambitious FttH project would be a logical next step towards building a next generation network that will guarantee Flanders a leading position in data infrastructure in the decades to come.

³ Sandboxing is a method in which computer programs and applications are tested in an isolated virtual environment so that they can operate without disrupting other processes.

Fluvius's main aims for the realisation of a data network of the future are:

1. that this data network of the future is available to all Flemish families and companies, both in urban and rural areas;
2. that it will be an open network; that the network has an open structure with non-discriminatory conditions allowing free competition between service companies;
3. that the new data network will, in the long term, allow even higher data rates than today;
4. that the roll-out can take place at the lowest social cost and in a sustainable way. At Fluvius, this activity is carried out completely independently of the regulated energy distribution activities.

As of early 2021, talks between Fluvius and Telenet had not been completed.

General Data Protection Regulation – GDPR

Fluvius is required to comply with the GDPR. The company has taken the necessary measures to deal correctly with data and the privacy of data subjects in accordance with GDPR rules.

One of these measures is the appointment of a data protection officer (DPO). The DPO has a direct line to the CEO. We have also clearly defined and assigned responsibilities for GDPR compliance in the various sections of the business. It should also be noted that Fluvius offers training on the GDPR to employees who are directly involved in matters related to the Regulation. In connection with the GDPR, a processing agreement has been entered into with Atrias regarding the specific activities that Atrias performs for Fluvius.

Important collaborations

Based on its strategic policy of entering into structural partnerships, Fluvius began a number of collaborative ventures in 2020:

- **De Lijn:** after a successful trial project in Leuven, Fluvius entered into a structural collaboration with the Flemish public transport operator De Lijn to create a charging infrastructure for electric buses in De Lijn's depots and maintenance workshops, and potentially also in public spaces. Each party will agree its investment plans with the other as much as possible. De Lijn is aiming to replace 1,200 buses with hybrid or electric vehicles by 2025.
- **Flanders expertise network for local energy and climate policy:** led by the Flemish government, an expert working group has been set up in connection with the energy saving standard for Flemish local authorities.
- **Sibelga:** Fluvius is collaborating on the smart metering chain with Brussels system operator Sibelga. This is in addition to a collaborative venture already in place with the Walloon system operators Ores and Resa.
- **water companies:** Fluvius is working on smart water meters with the water companies Farys, De Watergroep and Pidpa, as well as on coordinating the roll-out of smart water meters in synergy with the roll-out of smart energy meters for electricity and natural gas.

Equity interests in Publi-T and Publigas

Nine mandated associations from the Fluvius group hold an equity interest in the publicly owned holding company Publi-T. Five mandated associations also have an equity interest in Publigas. Publi-T is a key shareholder in the transmission grid operator Elia; Publigas is the majority shareholder in the gas transport company Fluxys.

Day-to-day management of the holdings in Publi-T and Publigas is entrusted to the financial services of Fluvius System Operator, as part of Fluvius's broader operational remit on behalf of its mandated associations/shareholders.

In 2019, Elia carried out a capital increase of EUR 435 million. Publi-T elected to subscribe EUR 195.11 million to this capital increase, in proportion to its existing shareholding. Of this amount, EUR 165 million was financed through via capital increase of its own. The nine mandated associations in the Fluvius Economic Group that are Publi-T shareholders subscribed EUR 79.3 million to the latter increase. This amount was funded from the cash pool, in anticipation of a structural loan. Definitive financing for the capital increase was put in place by the relevant mandated associations in the course of 2020. For a number of mandated associations, it was obtained by the issue of new Apt shares.⁴ When subscribing for Apt shares, the members of those mandated associations could choose between making a contribution from their own funds or using the liquidity available in the Apt and Apg account sectors (including capitalisation of retained earnings) and/or, if necessary, debt financing via a five-year fixed-rate bank loan. The new Apt shares were not definitively created and issued until March 2021; the bank loan was also not concluded until 2021, following a selection procedure. At other mandated associations (namely those from the former Infrax group), financing was obtained solely via a bank loan.

⁴ Apt shares are shares that were specifically created for holding equity interests in Publi-T. Mandated associations also hold Apg shares, which represent equity interests in Publigas.

REMUNERATION REPORT

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

Board of Directors

In 2020, the Board of Directors of Fluvius System Operator met a total of twelve times. Due to the coronavirus measures, eight of these twelve meetings were held online.

The remuneration of the directors of the company is based on the highest compensation that can be paid to municipal councillors in Flanders. For 2020, these attendance fees amounted to EUR 213.32 for each meeting actually attended.

A travel allowance of EUR 0.36 per km was granted in 2020 to directors for journeys to and from the locations of meetings of the Board of Directors (and other governance bodies).

The table below shows the attendance fees and travel allowances paid to each director in respect of the calendar year 2020. The amounts paid in 2019 are also stated, where applicable.

Amounts in euros	2019			2020		
	Attendance fee	Travel allowance	TOTAL	Attendance fee	Travel allowance	TOTAL
BONTE Hans	2133.20	127.68	2260.88	4266.40	164.16	4430.56
BUYSE Piet	4266.40	459.90	4726.30	3306.46	193.20	3499.66
CLUCKERS Geert	2336.56	485.78	2822.34	2559.84	99.36	2659.20
COBBAERT Lieven	1279.92	534.20	1814.12	2986.48	217.44	3203.92
COPPENS David	1493.24	171.84	1665.08	3839.76	128.88	3968.64
DALEMANS Jan	1066.60	348.40	1415.00	2346.52	129.60	2476.12
DE BACKER Charlotte***	426.64	162.72	589.36	2346.52	213.12	2559.64
DEJAEGHER Christof	1066.60	519.04	1585.64	2133.20	266.40	2399.60
DESMETH Jan	1279.92	69.64	1349.56	2773.16	73.44	2846.60
DRIES Wim	4896.40	0.00	4896.40	4053.08	-	4053.08
FRANSEN Ine	-	-	-	426.64	-	426.64
GEYPEN Greet	2986.48	340.20	3326.68	2879.82	131.04	3010.86
KENNIS Koen	2133.20	374.76	2507.96	3199.82	313.92	3513.74
KERSEMANS Tom	639.96	208.20	848.16	1919.88	122.40	2042.28
LARIDON Lies	4256.44	1373.20	5629.64	4053.08	346.32	4399.40
MARTENS Nicky	639.96	114.00	753.96	2559.84	142.56	2702.40
MOORS Rita	1706.56	423.90	2130.46	2133.20	144.72	2277.92
PEETERS Christophe	2133.20	374.08	2507.28	3626.44	156.96	3783.40
VAN DE PERRE Guy	1066.60	359.08	1425.68	2346.52	305.28	2651.80
VAN GERVEN Adinda	1066.60	248.72	1315.32	2773.16	141.84	2915.00
VINGERHOETS Kristien	1493.24	199.00	1692.24	2559.84	79.92	2639.76
TOTAL	58136.76	10717.74	68854.50	59089.66	3370.56	62460.22

For a correct interpretation of the table above, please note the following:

- the totals shown for each director are gross taxable amounts;
- the amounts shown are the total amounts paid to the directors concerned, including any amounts to which they were entitled for supplementary appointments (for instance, as members of the Audit Committee, HR Committee, the advisory committee for the negotiations with Telenet and/or the Strategic Committee).

Other than the amounts above, no additional benefits were awarded or paid to the directors either in cash or in kind during or in relation to the year 2020.

Management Committee

To maintain the privacy of the persons concerned, the company does not publish details of the performance of individual Management Committee members, and consequently does not provide details of the associated remuneration. The total gross salary cost for 2020 for the members of the Management Committee was EUR 3,925,132.36. The comparable gross salary cost for 2019 was EUR 4,479,039.37. This gross salary cost is made up of three components: (a) basic annual salary, i.e. gross salary, including holiday allowance and year-end bonus, before deduction of payroll taxes and social security contributions, (b) performance-based variable remuneration and (c) employer's pension costs, which totalled EUR 199,416 in 2020 (2019: EUR 347,676).

Basic salaries are based on the internationally recognised Hay method, the results of which are consistent with the Belgian market. Compensation paid to members of the Management Committee is approved each year by the shareholders in the appropriate governance bodies.

The variable remuneration paid to members of the Management Committee is linked to the company's score on a number of carefully selected performance indicators. These indicators are produced and validated by the HR Committee, which also annually evaluates and determines the scores achieved and the associated remuneration for the members of the Management Committee. In this way, the company wishes to emphasise the long-term perspective in the policy and encourage continuity.

A number of the aforesaid key performance indicators are directly linked to sustainability and corporate social responsibility:

- the degree of collaboration with local authorities for energy services (energy savings and energy efficiency)
- external customer satisfaction
- the number of second-line complaints
- accident statistics (frequency and severity, number of accidents involving electricity and natural gas)
- the ecological footprint
- the training percentage
- absenteeism.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR 2020

1. Constitutional Court annuls 'reversing electricity meter' rule

On 14 January 2021, the Constitutional Court struck down various provisions of the Flemish Energy Meter Decree.⁵ More specifically, the Court struck down the temporary maintenance of the compensation mechanism (the 'reversing electricity meter') and the prosumer tariff. The Court further annulled the charging to grid users of the costs of installing and smart meters and putting them into service, as well as the ability to cut off users from the electricity grid if they obstruct the installation of a smart meter, unless an opinion is first obtained from the Local Advisory Committee (LAC). Lastly, the Court held that every grid user should be able to choose to have wired communications to and from the smart meter rather than wireless.

The annulment takes effect from the publication of the judgment in the Belgian Official Gazette on 1 March 2021. It does not apply retroactively.

The judgment has far-reaching consequences for Fluvius and other market participants. In conjunction with the Flemish Minister for Energy and the Flemish energy regulator VREG, Fluvius has decided to temporarily suspend the accelerated switch to smart meters for existing prosumers and not to restart it until new, approved legislation is in place. Smart meters are still being installed in specific situations, such as replacements for faulty meters, overcoupling with voltage changes, tariff changes (from single hourly tariff to time-of-use tariff), enhancements or meters installed on request.

Fluvius has abandoned the target of providing smart meters to all solar panel owners by the end of 2022. They will now be included in the accelerated geographical roll-out and will receive smart meters over the period from 2021 to 2029. The general targets remain in place: 80% smart meters by 2024 and universal smart metering by 1 July 2029.

Prosumers who already have a smart meter will no longer receive the prosumer tariff. Once the judgment of the Constitutional Court is published in the Belgian Official Gazette (1 March 2021), their electricity bills will be based on the electricity that they actually draw from the grid (including energy cost, standing charges, kWh-based taxes and VAT). They will be able to obtain payment from their supplier for the electricity they feed in. This system also applies to new prosumers joining as from 1 January 2021.

The VREG has now adjusted the 2021-2024 distribution tariff methodology in line with the judgment of the Constitutional Court (VREG decision 2021-07). This change also takes effect on the publication date of the Constitutional Court judgment.

Further discussions are still ongoing with the Flemish government and the VREG on a number of points, such as the specific approach to customers who claim to be sensitive to electromagnetic radiation.

2. Covid: update

In early February 2021, management resolved to extend the safety measures that were in place in late 2020 and at the start of the year until the end of June 2021. In practical terms, this means that working from home is mandatory for administrative employees, that no group meetings or events may take place and that all board meetings will continue to be held online. Management will continue to monitor developments and ensure that the company's operations are fully in line with the measures that are imposed or recommended by the authorities.

⁵ Decree of the Flemish Region of 26 April 2019 amending the Energy Decree of 8 May 2009 in respect of the roll-out of digital meters and amending Article 7.1.1, 7.1.2 and 7.1.5 of that Decree introducing digital meters.

3. Court case relating to the Wilrijk gas explosion

At the hearing held on 17 March 2021 before the Antwerp Criminal Court, the Public Prosecutor's Office requested that both Fluvius managers be acquitted, on the grounds that in its opinion they could not be held liable for the events. For Fluvius System Operator itself, the prosecutor demanded a simple declaration of guilt.

Fluvius presented extensive arguments at this hearing to demonstrate that the company, its managers and its employees were not at fault in relation to these tragic events. A ruling is expected at the end of April 2021.

4. Judgment of the Court of Cassation in the case of Proximus v. Telenet/cable companies

Following the takeover by Telenet of the cable television customers and the establishment of a lease over the cable network, Proximus filed a complaint at the Court of First Instance in Antwerp calling for the contracts to be voided and claiming damages. The complaint was rejected at first instance (judgment of 6 April 2009). Proximus then appealed to the Antwerp Court of Appeal. Proximus had demanded the disclosure of all documents related to the agreement between Telenet, Interkabel and the cable companies. The company also demanded that these agreements be declared void and claimed EUR 1.4 million in damages on the basis of the expert report prepared at its behest. The liability of the cable companies under the agreements concerned is limited via a hold-harmless clause incumbent on Telenet. As a result, in the event of a ruling against them, Interkabel and the cable companies would in principle be obliged to compensate any losses incurred by Proximus only up to a maximum of EUR 20 million.

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

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

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

5. Great Place to Work

In January 2021, Fluvius was certified as a 'Great Place to Work'. This certification is granted to companies whose employees indicate in an official survey that they enjoy working for the business, have confidence in each other and are proud of their jobs. The survey is carried out together with an audit of corporate culture by the Great Place to Work Institute Belgium in cooperation with Vlerick Business School. For Fluvius, three factors emerged as particular pluses: the care taken by the business to ensure a good work-life balance, the camaraderie and the social relevance of the business.

The Board of Directors,
Brussels, 31 March 2021

Activity report

In this section we will briefly look at a number of notable projects, figures and results from 2020. These have supported three main objectives that guide our activities and illustrate how we as an organisation are 'stronger together' when we perform our activities – with our employees, for our customers and in society:

- **We put our employees first:** we are working to build a business which is a good place to work both today and tomorrow, for everyone who is on board with us.
- **We put our customers first:** we make every effort to ensure that we provide a service to everyone who calls on Fluvius that easily meets their needs and expectations. Here we are thinking of our shareholders (the cities and municipalities in Flanders), and also of the 6.5 million Flemish residents who put their trust in us in one way or another.
- **We create links:** Fluvius is firmly embedded in Flemish society. We make efforts to treat those around us with care and in a way that is socially responsible. We think about the environment and remember the wide range of stakeholders who are involved in our activities in one way or another, from contractors to the education sector.

We put our employees first

Fluvius aims to be a good employer, for our existing employees and also for those who will be with us in the future. We want to move towards being a Great Place to Work (GPTW). This international certification is awarded to companies where employees enjoy their work and maintain a sense of camaraderie. People who work for Fluvius are proud to do so. They take pride in themselves, their job, and in the team they work with. That is only possible when there is trust. That means trust in each other, but also trust in the management of the business.

Fluvius, a Great Place to Work

At Fluvius, we make a conscious choice to be a 'Great Place to Work' for all our employees. This fits in with our Focus 2025 strategy: we want to put our customers and our employees first. Via the Great Place to Work survey on the one hand, and the associated annual culture audit on the other, we seek to ask our employees what they really think about working here. The survey results tell us objectively what areas we can be pleased about, or indeed very pleased. Conversely, we also learn what's not so great: what should we be less pleased about, or not pleased about at all?

That gives us useful insights into where we need to continue making efforts. What we want to keep on doing, and also what we really need to do differently. The survey also gives everyone the chance to say a few words about how they find working for Fluvius. This is a real boon. Statistics make things objective, but we learn even more from a story. Every year, we look at what actions are needed to maintain the positives and be able to offer an even better working environment to our employees.

We can now already reveal that Fluvius was certified as a 'Great Place to Work' in January 2021, after the end of the year under review.

#allemaalfluvius

One of the key projects that is helping us become a GPTW is the #allemaalfluvius (it's all Fluvius) process.

#allemaalfluvius consists of two main clusters:

✓ Working on trust, culture and shared leadership

From these clusters, we are helping our staff to make the move from pure top-down leadership to a more self-organising team structure.

Put simply, this means that day-to-day decisions that are currently taken by managers or require a manager's approval will be taken as much as possible by the people who actually do the work. That leads to a win/win situation: it means giving employees trust, input and autonomy. This sense of ownership increases their engagement and they enjoy their work more. Customers are helped more quickly and effectively, without all the top-down focus on processes.

This choice requires a fundamental change in mentality among both leaders and employees. An intensive training process is taking place with all employees to allow them to find out about the new way of working.

We and our teams are searching for the values and convictions that help us evolve to a more shared style of leadership. And we offer techniques to help teams themselves find ways to work better and work better together.

✓ Being and remaining versatile in a flexible organisation

An employee who is flexible and versatile needs three things. To be and remain versatile, he or she must be able to work (fitness), willing to work (motivation) and have the right skills.

In a rapidly changing work environment, our aim is to evolve constantly with the times and educate ourselves. We are therefore working to help our employees to develop the right skills, for example through our own Fluvius Academy: the internal training centres. In 2020 Fluvius organised 16,320 training days for its own employees. In all, 3,960 employees attended at least one course. 65% of training courses were taken online.

Fluvius provided 3,130 training days for our contractors' employees. A total of 1,090 employees attended at least one course. No Easter placements took place in 2020. However, a dual learning course did begin – eight apprentices signed up in 2020 to follow the 'network installer' pathway via this type of training.

As well as providing traditional forms of training, we have published several e-learning modules in 2020. Fluvius now offers 104 training courses via e-learning.

Safety – the absolute top priority

- ✓ Working during the coronavirus pandemic

Upon the outbreak of the Covid-19 pandemic, the National Security Council identified energy and energy distribution as a 'crucial sector' and 'essential service' for the protection of the nation's vital interests and the needs of the population.

The pandemic and the guidelines issued by the Security Council initially forced us to put a large part of our activities on hold. However, gradually and in line with what was possible or allowed, we soon stepped fully and effectively into our role of ensuring continuity of service. The safe working of our organisation and the safety of our employees and customers were fundamental in this process.

Business Continuity Management, in conjunction with the Management Committee, constantly kept a very close watch on the situation and sought consistently to achieve as uniform an approach as possible within the industry.

To prevent infection, it was extremely important that our employees complied strictly with all health measures. Our technical staff were provided with all necessary personal protective equipment according to the type of work they performed. In addition, a checklist of 19 rules was drawn up, which they went through before the start of any job (distancing rules, use of PPE, use of tools, contact with customers, contact with sewage etc.). This was also made available to all our contractors.

Adapted procedures also ensured that our customer offices continued to operate and that meter readings continued to be taken on customers' premises. Home working was made mandatory for virtually all office workers. Meetings of all management bodies were held online.

- ✓ Safety is an absolute top priority at Fluvius.

In a culture of shared leadership this means everyone taking responsibility for their own safety and also that of colleagues and third parties.

Safe working starts with following the safety regulations that are described in our processes. However, there is more to it than that. Every Fluvius employee must think about safety, take additional safety measures and make decisions not to carry out the work if it cannot be done safely. We call this way of working the **STOP principle**.

One crucial element in this principle is that colleagues '**speak out**' to others who show unsafe behaviour. That requires trust between employees. We are familiarising our employees with this process of speaking out to colleagues through lunch & learn sessions and training courses.

We also involve the prevention advisers of our contractors in our safety policy by providing information on a regular basis. This enables them to deal with matters in their own team meetings. And we use an app to facilitate the coaching process (during site visits). This leaves more time for entering into dialogue with people.

✓ Industrial accidents

The most important parameters in terms of industrial accidents are severity and frequency. 2020 was not a good year, but it was better than the year before.

The graph below shows how the parameters have evolved over the long term.

Number / Year	2015	2016	2017	2018	2019	2020
Industrial accidents	66	86	76	88	128	101
Accidents at work involving absence	19	35	28	31	64	41
Days of absence	537	767	670	576	1199	735

In 2020 we achieved a frequency score (F) of 4.77. This figure corresponds to 41 accidents at work involving absence. The Severity score (S) this year is 0.09. That corresponds to 735 days of absence from work. Although our target is to achieve zero accidents involving electricity or natural gas, we had two of these in 2020.

We thus failed to achieve our targets of keeping F below 4.50 and S below 0.09.

Approximately one in two accidents is the result of slips, trips and falls. The number of days of absence from work due to these accidents amounts to about 30 per cent of the total. Through regular team meetings we raise this issue with all our employees every month.

✓ Accidents involving electricity or natural gas

These are accidents involving one of our basic products: electricity or natural gas. Our ambition is clear every year because we do not tolerate accidents of this kind. In 2020 there were two accidents involving electricity or natural gas.

Number / Year	2015	2016	2017	2018	2019	2020
Own staff	1	2	1	2	4	2
Contractors	2	2	1	1	6	9
Total	3	4	2	3	10	11

Welfare and well-being

Fluvius aims to have satisfied employees who feel comfortable in themselves. We think about welfare and well-being a lot and see it as important that everyone should keep their energy levels in balance.

✓ Human energy in balance

We use the metaphor of four batteries to refer to the distribution of human energy:

- the physical battery
- the mental battery
- the social battery
- the meaning battery.

Employees who are experiencing stress, relationship problems on the shop floor or health problems can contact one of our social workers. Fluvius also strongly believes in prevention. The switch has been made from a reactive to a proactive absence policy. Partly as a result of Covid-19, a number of initiatives have been developed and implemented faster than originally planned.

Through these structural initiatives we aim to ensure that all our colleagues at Fluvius stay happy and healthy:

- Well-being training in collaboration with a new external training provider
Following a tendering procedure, a new training provider was appointed for well-being training. The approach followed in updating the training courses was firstly to extend the audience from managers to managers and employees, in connection with the idea of shared leadership. In addition, the preventive aspect was also incorporated into the training courses. Topics covered are 'Boost your energy', 'Stress' and 'Absence policy – talking positively about being at work'.
- Well-being seminars
Covid-19 meant that desk-based employees had to work full-time at home day after day. Via internal webinars, colleagues offered tips and participants exchanged ideas about the power of positive thinking, self-care for you and your team, optimising focus, coping with anxiety, and moving from digi-stress to digi-happiness. These topics will still be relevant even after the Covid period ends, and they will therefore continue to be offered.
- Working with EnergyLab
Employees can have fitness tests and health scans carried out free of charge at Fluvius. Throughout the year we work with our partner EnergyLab to launch specific health campaigns to encourage our employees to have a healthier diet and get more exercise. Covid-19 meant that a number of scheduled events could not take place. EnergyLab quickly made the switch to online follow-ups and continued to motivate employees to keep up a healthy lifestyle.
- Well-being magazine: energy in your letterbox
This year every Fluvius employee again received the Well-being magazine. It is full of practical tips on ways to improve your energy levels. Employees can find inspiration in personal stories from colleagues who are managing their own well-being or helping others to do so.

- Well-being checks via the Intranet
To keep this subject in the spotlight, we send our colleagues a Well-being Check every month. The aim is to inform and inspire them to care for their well-being. In each issue we focus on one aspect of one of the four energy batteries. One example is 'motivation', which is an ingredient in the Meaning battery.

Specifically in response to Covid, the team of social workers made considerable efforts to check up on infected employees, as well as their line managers and colleagues and in some cases their family members, too. The team also paid extra attention to the technical staff, who were required to work in the field on a daily basis. In connection with the Good Causes, the welfare team took pro-health initiatives in collaboration with numerous staff members from across the whole company. A healthy cookbook was put together and a number of exercise and relaxation videos were made available. All proceeds went to the Food Banks.

We put our customers first

We put our customers first in every situation, whatever the question and whatever the job. That means responding quickly and getting the work done fast, while keeping waiting times and obstacles to a minimum, communicating well and responding to specific customer expectations. It means being close to our customers.

Customer satisfaction: a finger on the pulse for constant improvement

✓ General satisfaction

General satisfaction varies significantly between the different Fluvius processes. The 'metering' process (together with 'fault management' and 'premium applications') has the highest number of 'delighted' customers. The 'budget meter' and 'local generation' processes have the highest number of dissatisfied customers. For 'local generation', this is due to the exponential rise in the number of solar panel registrations that were made in order to benefit from the 'reversing counter principle', as a result of which our staff ran up a considerable backlog. The Constitutional Court ruling on this matter, and the resulting huge numbers of unhappy prosumers, means that a further heavy impact is likely in 2021.

These scores are measured online using the CAWI method. In comparison with other scores in the energy industry, they are in the top band.

CSAT annual result	
Process	2020
1.Premium applications	92%*
2.Fault management	86%
3.Budget meter	78%
4.Connections	86%*
5.Survey & installation	92%
6.Metering	95%*
7.Local generation	73%*
TOTAL	85.9%

* Significant difference relative to previous year

✓ Net promoter score

The net promoter score (NPS) is an important indicator of customer satisfaction. It indicates the extent to which a customer would recommend your company to others.

NPS annual result	
Process	2020
1.Premium applications	41*
2.Fault management	48
3.Budget meter	-1
4.Connections	25
5.Survey & installation	-3
6.Metering	53*
7.Local generation	-24*
TOTAL	20

Interpretation: score between -100 and +100-. The higher the score, the better

* Significant difference relative to previous year

‘Premium applications’, ‘fault management’ and ‘metering’ have the highest number of promoters and thus the highest NPS. ‘Budget meters’, ‘survey and installation’ and ‘local generation’ have a negative NPS, which means that they have more detractors than promoters.

✓ Customer effort score

The CES is an indicator of the experience customers have during their customer journey. It indicates the extent to which customers feel they have had to make an effort to get something done in relation to the benefits that come from that action.

Customer effort score annual result	
Process	2020
1.Premium applications	16*
2.Fault management	44
3.Budget meter	3
4.Connections	9
5.Survey & installation	n/a
6.Metering	63
7.Local generation	-32*
TOTAL	15

Interpretation: CES: The higher the score, the better -

a high score means that customers feel that they were not required to make much effort

* Significant difference relative to previous year

The customer effort score for the 'metering' process is significantly higher than all other processes: in other words, customers do not have to put much effort in.

✓ Company effort score

The CoES is an indicator of the extent to which the customer considers that the company has made an effort to help them.

Company effort score annual result	
Process	2020
1.Premium applications	28*
2.Fault management	55
3.Budget meter	-6
4.Connections	19
5.Survey & installation	4
6.Metering	26*
7.Local generation	-51*
TOTAL	10

Interpretation: CES: The higher the score, the better -

a high score means that customers feel that the company made a lot of effort to help them

* Significant difference relative to previous year

The 'Fault management' process has a significantly higher Company Effort Score than the other processes: In other words, Fluvius has put a lot of effort in. For the 'budget meter' and 'local generation' processes in particular, customers feel that they themselves make quite a lot of effort while Fluvius makes relatively little.

✓ Dealing with complaints

In 2020 Fluvius received 18,940 first-line complaints, as compared with 17,583 the previous year. This represents a small rise of 8%. An increase can mainly be seen in our activities relating to 'Connections', 'Faults and defects', 'Local generation' and 'Meter reading and consumption'. The trend for the other products and services is mainly downward in terms of the number of complaints received. There were 1,522 second-line complaints. In 2019 there were 1,178.

	2017	2018	2019	2020
First line	21535	21862	17583	18940
Second line	2036	1772	1178	1522
Total for Fluvius	23571	23634	18761	20462

✓ Some customer achievements in the spotlight

○ Customer insights and research

In 2020, we made further efforts to systematically capture information from our customers, both through conducting surveys and actively involving customers in developments and by analysing existing data such as queries, complaints and website use.

● Compliments and suggestions field on website

Since October 2020, our customers have been able to use our website to send us compliments or suggestions. The feedback and suggestions received are valuable customer insights that we can take on board for improvements or new projects. Examples of compliments received:

"Terrific work by the intervention team who fixed the big power cut in Wijnegem on Sunday 4 October! The power was back on in less than 90 minutes."

"We are very happy with the telephone operators, the on-call staff and the team that carried out the repair. Very quick, professional and competent approach. Superb!!"

"I got help on the phone from customer service. Aline explained to me in detail how I have to register my solar panels. The explanation about the premium for super-insulating glass was superb!"

● Rapid satisfaction feedback after interactions: one click surveys

We use one-click-surveys to ask our customers about their satisfaction level 24 hours after an interaction. The results are followed up directly by the relevant departments and enable them to make rapid adjustments where the feedback indicates this is appropriate.

- Customer-focused communication and channels

Customer focus goes hand in hand with customer-focused communication. Customers want proactive, relevant and accessible communication. They want to receive it or consult it via the channels of their choice at a time that suits them. In 2020, we took the following steps in this direction:

- Persuasion unit

Fluvius is responsible for the roll-out of smart meters. As we found that some customers were refusing to take smart meters due to inaccurate information or a lack of understanding, we have set up a 'persuasion unit'. The unit's employees contact these customers, find out their reasons for saying no to a smart meter and give answers to all their questions.

In 2020 we contacted some 900 customers, 40% of whom we persuaded after one contact. Of those customers who were not immediately convinced, around 30% contacted us within 30 days to arrange an appointment for the installation of a smart meter.

- Customer channels

At Fluvius, we follow an omnichannel policy. That means we make our information and services available via several different channels. We are strongly committed to self-service and digitisation, as a large number of our customers expect it and because it enables us to assist them 24/7. However, we continue to provide maximum support to non-digital customers.

In 2020, we expanded our digital channels to include Messenger and WhatsApp for queries about green electricity, energy supplies, premiums and smart meters. A total of over 30,000 customer conversations took place.

We also began a trial run of our virtual chatbot Finn. Finn helps customers on our website and offers answers to the most frequently asked questions.

The Fluvius customer portal officially went live at the end of June 2020. Customers can already use the portal to manage their smart meters, open and close smart meter ports, and for premiums.

Managing networks

Fluvius is a network business. We build public networks for electricity, natural gas, public lighting, sewerage, cable TV, telecom and heating. We give customers access to these public networks. And we provide services all around our utilities in safety, day and night. Reliability and affordability are the areas we focus on.

✓ Network reliability

In 2020, the average Fluvius low voltage customer had to put up with 19 minutes and 28 seconds of cuts in supply from our distribution networks as a result of interruptions to the low-voltage and medium-voltage grid.

✓ Changes in distribution network tariffs

Income from distribution grid tariffs for electricity will fall by EUR 140 million overall in 2021, while income from natural gas will rise by EUR 32 million. For households, electricity distribution grid tariffs are falling for the fourth year in a row. The fall is due to the elimination of past balances, the savings imposed on Fluvius by the VREG and the new 2021-2024 tariff methodology, including the adjusted capital cost charges for the Regulatory Asset Base (RAB).

In 2021 households will be paying an average of EUR 16 less for electricity distribution grid tariffs, and EUR 2 more for natural gas distribution grid tariffs. The prosumer tariff will rise by an average of 5 per cent.

Businesses will also see falling distribution grid tariffs in 2021. Compared to last year, an SME with standard usage will pay an average of EUR 249 less for electricity distribution grid tariffs, and EUR 41 less for natural gas distribution grid tariffs. For larger businesses using medium-voltage power, electricity distribution grid tariffs will actually fall by an average of 24 per cent.

Feed-in tariffs will be falling alongside purchase tariffs. The average fall for feed-in customers who are connected to medium voltage will be more 19%. A feed-in tariff for biomethane will also take effect in 2021.

✓ Local generation rising

Fluvius is not responsible for generating any electricity at all. However, we play a crucial role in the conversion of the Flemish electricity system to more sustainable, low-carbon energy. We take care of the connection of decentralised (= local) energy sources, which are often renewable. And we distribute the electricity that is generated via our networks.

The locally installed capacity on our grids is steadily increasing. Solar panels and wind turbines make up a large majority of the renewable energy on our grids.

2020	installed decentralised capacity	%	kW
	solar panels <= 10 kW	38.6%	2440977
	solar panels > 10 kW	20.7%	1313190
	CHP	14.5%	918508
	wind turbines	18.9%	1198108
	bio-CHP	3.8%	241609
	biomass	1.4%	91392
	other	2.0%	126518
		100.0%	6330301

2019	installed decentralised capacity	%	kW
	solar panels <= 10 kW	34.5%	1876371
	solar panels > 10 kW	21.6%	1174674
	CHP	15.7%	853258
	wind turbines	20.6%	1123046
	bio-CHP	3.9%	212946
	biomass	1.6%	89722
	other	2.1%	114908
		100.0%	5445038

✓ A few notable projects

- Technical first for wind energy at Katoen Natie

Fluvius achieved a technical first at logistics group Katoen Natie in Kallo. Two Wind aan de Stroom wind turbines were directly connected to the logistics site's electricity substation. In combination with the existing solar panels, Katoen Natie now obtains nearly 70% of its electricity from local renewable energy sources. A sustainable leap forward.

- Fluvius gets an electrical lifebuoy

Since July 2020, network operator Fluvius has its own 'mobile emergency point'. This is a mobile power station that can be activated in major incidents that might otherwise lead to power cuts lasting several days. The emergency point can be set up within 24 hours and is kept on standby at the Fluvius distribution centre in Lokeren.

- Carloads of wind power

In the port of Zeebrugge at the end of summer 2020, the final touches were put on the construction of the ICO Windpark, the biggest onshore wind park on a single industrial site in Flanders. The eleven powerful wind turbines are located on the site of International Car Operators (ICO), one of Europe's most important gateways for traditional and electric vehicles arriving by ship. Fluvius provided the connection from the wind park to the Elia high-voltage station, through the technical design and installation of two 36 kV electricity cables over a distance of 4 km from the ICO site.

- Pimped-up Fluvius boxes brighten up 'staycation'

Last summer, plenty of local residents saw 'pimped-up' utility boxes appearing in their neighbourhoods. Both neighbourhood and professional artists painted or decorated the grey 'pavement boxes' in many towns and communities, conjuring up some real artistic gems. They included over 200 electricity and telecom boxes belonging to network operator Fluvius, which supported towns and municipalities with the preparation of such projects. Many local authorities turned them into real art trails, perfect for anyone who was unable to travel this year.

- De Lijn and Fluvius sign collaboration agreement

In 2020, transport company De Lijn and network operator Fluvius signed a structural collaboration agreement to build charging infrastructure for electric buses in Flanders. De Lijn is making a firm decision to use 'e-buses' to green its bus fleet. In total, De Lijn intends to replace a good 1,200 buses with hybrid or electric vehicles by 2035. Charging them all will require a lot of electrical power at a number of locations. As De Lijn's partner, Fluvius will help to achieve this aim.

- ✓ Growing number of heating projects

Heat is one of the areas in our multi-utility vision. As part of the energy transition, we want to support local authorities with using heat as an energy source, wherever it is possible and economically profitable to do so. At the end of 2020, we had more than 58.7 km of heating networks with 1,796 connected customers in 15 municipalities across Flanders. We are also seeing an increase in the number of heating projects. During construction, Fluvius takes care of the laying and operation of the heating grid.

- ✓ All-round vision of heating networks

As a company that is wholly owned by the 300 Flemish cities and municipalities, Fluvius is formulating a strategic vision for heating networks in Flanders. Fluvius is in favour of leaving as much as possible to the free market where it is possible and useful to do so: in heat generation, in supplying heat and in laying heating networks on private land. We do not see a role for Fluvius in new private heat projects.

However, we are convinced that the installation, management and maintenance of heating grids in the public domain should be regulated, just like the electricity and gas markets. The installation of such a grid is always the responsibility of one party. It therefore seems obvious to us that heating networks in the public domain should be owned by public entities.

A regulated approach of this kind offers a solution to a number of risks and social issues. A single grid operator for public heating grids would also allow the overall completion of these projects to be optimised from an economic point of view. Because there is no doubt that a consistent long-term investment policy is extremely important for heating networks.

- ✓ Significant heating projects in 2020

- In Roeselare, a heating grid has already been in place for around 30 years which circulates surplus heat from the incineration plant from the intermunicipal refuse collector Mirom to parts of the town. Last summer, we extended that network to the new Roobaertpark district, where over the next few years different developers will be building a total of nearly 1,000 new homes within several zones. We are installing a heating grid in each zone. We have also laid around two kilometres of supply lines to provide hot water to each one.

- Last year, we signed a memorandum of intent with Pepsico on connecting the surplus heat from the production of potato crisps at their Veurne site to our heating grid in the new Suikerpark development. Connection has been scheduled for spring 2022.
- As the heating partner of the City of Antwerp, Fluvius intends to build public heating networks in an ecological, economical and socially acceptable way. Antwerp and Fluvius have developed a heating plan in order to make sharing heat as easy and sustainable as possible. Based on the presence of large heat consumers or sustainable local heat sources in the city, the zones which will be the first to receive a heating grid are being mapped out.

✓ Cable TV and telecom activities

Fluvius manages the cable distribution network in 103 Flemish cities and municipalities. The cable TV network has a total length of 27,830 km and over 1.1 million connections. As the multi-utility operator of (public) grids in the public domain, Fluvius aims to maximise synergy. This strategic choice also applies to the ‘telecom’ business, which covers both cable TV and the FttH (fibre-to-the-home) pilot project, with the aim of forming joint ventures with telecom operators in this regard.

✓ Data networks of the future – Project Tramontana

We are convinced that we can add value at the infrastructure level, primarily in terms of fibre optic cabling, that will help prevent the emergence of a digital divide and give everyone in Flanders access to high-speed internet at the lowest possible social cost. This fits in with Fluvius’s aim to be a ‘multi-utility’ that manages both network infrastructures and data grids. In 2019, this led to the setting-up of five fibre-to-the-home pilot projects.

Following on from these pilot projects, Fluvius System Operator then sought one or more operational partners, proceeding from the aim of creating a high-speed internet for the whole of Flanders at reasonable cost within a reasonable timeframe. In spring 2020, after a public tendering process, negotiations were held on this subject with major players active in the Flemish telecom market. On 26 June 2020, Telenet was officially chosen for the start of talks aimed at fleshing out the targets, starting points and details of the potential collaboration.

✓ Fluvius is Flanders’ biggest sewer system operator

The municipality of Pittem in West Flanders engaged Fluvius to manage its sewer system as from 1 January 2020. The municipality of Lennik also decided in 2020 to engage Fluvius with effect from 1 January 2021. As of that date, Fluvius will manage the sewer systems of 86 Flemish cities and municipalities, making it Flanders’ biggest sewerage operator with a network of more than 11,700 km.

By joining forces with other municipalities, Fluvius is in a stronger position to step up the improvement of water management and focus even more on increasing the treatment level of wastewater. As a multi-utility operator, Fluvius sees itself as having a strategic role to play in water management, not only in sewerage but also in relation to drinking water if opportunities arise in the region.

Fluvius is working with 53 cities and municipalities on a stormwater plan. This plan will ensure the proper drainage of stormwater, which can prevent droughts and flooding.

✓ IMPAKT! stormwater project

Three years ago, Fluvius along with the Flanders Environment Agency, Aquafin and the Netherlands-based water company De Dommel joined a European project aimed at improving water quality in the Dommel valley. The project was made possible by the support of Interreg (European Regional Development Fund). The project was successfully concluded this year. In the project, the Eindhoven buffer basins were expanded in order to increase capacity in the event of heavy rainfall. A new type of aeration was adopted on the Dommel river in order to maintain oxygen levels during heavy showers. Lastly, a special valve was installed at an industrial site in Tongeren to prevent pollution.

Public Lighting

✓ Light-as-a-service: accelerated investment in conversion to LED

Together with the local authorities (our shareholders), Fluvius is working hard to modernise public lighting with the installation of interactive LED lighting units. The goal is to complete the process by 2030, in accordance with the Flemish Coalition Agreement. A memorandum of intent has also been signed with other stakeholders such as VVSG and the Agoria technology federation in this regard. More than 19% of our public lighting now uses LEDs.

The new 'mandated association 2.0' offering was launched in 2019 to address demand for interactive lighting, energy savings (in accordance with the Mayors' Covenant) and flexible management. There is also demand from local authorities for financial support and for the greater peace of mind that comes from the technical design and development of a standardised offering for the whole of Flanders.

In 2020, another 23 local authorities opted for our 'light-as-a-service' plan. By the end of 2020, 89% of all Flemish cities and municipalities had thus already decided to take up the offer to continue upgrading their public lighting, with positive results in terms of energy savings, CO₂ reductions and convenience for citizens.

Data management

Fluvius manages a great deal of energy data. This includes the consumption data of householders and businesses, but also a lot of related data, such as addresses, technical information, relocation information and the energy contracts of each customer. Fluvius ensures that each energy supplier receives accurate information in a timely manner so as to enable them to draw up the annual final invoices. This is an important behind-the-scenes task, crucial to the operation of the energy market.

✓ Smart meters: essential for the energy transition

The introduction of smart meters is crucial in the context of the energy transition, and also because we are no longer allowed to install mechanical meters, insofar as they are still made. Smart meters offer significant basic functions for every customer, such as remote meter readings and more information about the energy consumption in a building or apartment.

In addition, smart electricity meters have two user ports to which customers can connect their own 'smart' devices to monitor their energy consumption in detail or control other electrical equipment such as smart washing machines or electric cars. Customers will therefore be able to control their own usage and those who generate their own electricity will be able to control the amount fed in to the grid.

The 'smart possibilities' of digital meters are becoming increasingly apparent. Smart devices and apps are on offer from increasing numbers of commercial firms. For an overview, go to maakjemeterslim.be.

✓ Online platform for your smart meter

In early 2020, Fluvius launched a new online customer portal, mijn.fluvius.be, which every household can use free of charge to check their usage details and so gain a better view of their energy consumption. If you have solar panels, you can also see your daily feed-in figures. In the course of 2020, Fluvius also made it possible to see your figures by quarter-hour (electricity) or hour (gas).

In an amendment to the Energy Resolution passed on 17 July 2020, the Flemish government set a target of replacing all traditional meters in Flanders with digital energy meters by 1 July 2029, with 80% to be replaced by 2024. In late 2020, Fluvius completed the award of contracts to three contractor groups who will help achieve this accelerated target.



Working together on sustainability

Fluvius aims to make its expertise available in service of society. Working in conjunction with a large number of different partners, we are working towards a sustainable world.

We use our knowledge and capabilities as a lever to help use the natural resources of our planet (water, energy, etc.) in a rational way. We want to generate more renewable energy, reduce CO₂ emissions in Flanders and keep the consumption of kWh to a minimum. As a facilitator, we put our knowledge to maximum use and work in collaboration with other parties.

✓ 'BENOVation': supporting sustainable investment

In 2020, the watchword was once again: 'BENOVation, renovate even better'. The intention is to put more effort into total renovation and bring down barriers by offering support with collective renovation.

Anyone making energy efficient investments can apply to Fluvius for a grant (a 'premium'). In 2020, we paid out 92,246 premiums with a total value of around €48 million.

In addition to these grants, since 2017 investors in residential buildings have also been eligible for extra 'total renovation bonuses' if they combine three or more measures in an overall renovation project. People who find running a renovation project off-putting can join a Neighbours Premium project. The Neighbours Premium provides support for home renovations. If you renovate together with at least nine other people in your municipality, you will be supported by a professional BENOVation coach. The coach will do a lot of the work for you. They will provide renovation advice, help you carry out tasks in the right sequence, compare offers for you, provide advice on implementation and apply for all the premiums on your behalf. Fluvius pays the BENOVation coaches for their work via the Neighbours Premium.

Fluvius also takes care of training the BENOVation coaches. Qualified and approved BENOVation coaches are now at work in every Flemish municipality.

✓ BENOVation media campaign

In autumn 2020, BENOVation was the subject of a radio and online ad campaign. This had a tangible impact on the recognition and embeddedness of BENOVation. More specifically, the campaign reached one in every three Flemings who were carrying out a renovation project. That helped to create a number of stronger connections:

- Ideas such as warmth and comfort are now more strongly associated with BENOVation.
- The online blogsite has also succeeded in acquiring strong associations. The potential of the blogsite remains considerable.
- The majority of people who saw the campaign were interested in the various tips and tricks offered by Fluvius.

✓ Energy-saving plan for public buildings

Fluvius is helping cities and municipalities to achieve the 2030 and 2050 climate targets by taking care of making their buildings energy-efficient. As well as carrying out energy saving projects for approximately half of all Flemish cities and municipalities, Fluvius's other services in 2020 included preparing new energy-saving plans for 23 cities and municipalities. The plans set down the potential for achieving energy savings in public buildings. The energy-saving plan that we prepared and executed for the town of Ostend between 2016 and 2018 resulted in the approval of a new plan in early 2021, which set out a total of 66 measures aimed at making 38 municipal buildings energy-efficient.

In 2020, 1,700 unique consumers found their way to our E-lyse energy management platform and we provided services to 98% of local authorities, of which 50% were completed and coordinated by Fluvius. Despite Covid, we achieved sales of EUR 37 million in relation to energy saving projects.

Combating energy poverty

As one of the 'social public service obligations' which the government has assigned to Fluvius, we accept customers who have been terminated or 'dropped' by their commercial suppliers. We are constantly trying to improve the extensive range of services we provide to ensure that customers remain or become debt free. This allows them to take out a new contract with a commercial supplier.

We also go further than this. Fluvius wants to combat poverty in general and energy poverty in particular. Our expertise allows us to make a contribution in this area. We are addressing this challenge together with a large group of partners.

We are also targeting energy efficiency for more vulnerable target groups: by promoting energy-aware behaviour and also by encouraging energy-aware investments.

✓ Energy scans for disadvantaged households

In 2020, 11,450 energy scans were carried out, allowing households in the vulnerable target group to receive specific tips on how to reduce their energy costs. In addition, a range of small-scale energy-saving measures (LED bulbs, water-saving shower heads, draught excluder strips etc.) are installed each time a scan is carried out.

We also encourage people in the target group to invest in energy-efficient appliances. In 2020, 6,481 discount vouchers, each worth EUR 150, were used by this customer group to help buy an energy-saving fridge or washing machine.

✓ Smart budget meter

At the end of 2020, a total of 60,269 budget meters were active, of which 25,028 (42%) were smart meters. Over 80% of all payments made for active smart budget meters are made online via mijndigitalebudgetmeter.be (the web portal). These customers now make payments from home and no longer need to travel to a customer office or charging point.

✓ Fluvius prepaid

In 2020, we fundamentally redesigned the process for our role as social supplier. This led in early 2021 to the launch of 'Prepaid', our new service whereby customers pay for their energy in advance. What's new is that you can join Prepaid immediately as soon as you are dropped by your commercial supplier. Under the previous budget meter process, that was only possible if you were already behind in your payments to Fluvius as well.

We now also install a smart meter as soon as a customer is dropped by their commercial supplier. A major benefit of this is that we can activate the Prepaid function remotely as soon as the customer begins to fall behind in their payments to us. This substantially shortens the period in which the customer can build up a debt with us. In addition, there is no longer any difference in appearance between a normal smart meter and one for which the Prepaid function has been activated, which reduces the associated stigma.

This new service has also been given its own communication style and a separate website (prepaid.fluvius.be) tailored to the target group.

✓ Info sessions for OCMWs

Coronavirus restrictions meant that the annual Info Sessions for OCMWs (public social welfare centres), which are traditionally held at six locations in Flanders, were replaced in 2020 by a single online webinar conducted from the Fluvius studio at Melle. Under the appropriate title "At a distance, but together more than ever for a warm society!" invitations were issued to the chairs of the Local Advisory Committees of the 300 Flemish OCMWs as well as various partners and government bodies, including Samenlevingsopbouw, Interfederaal Steunpunt Armoedebestrijding, the Federal Energy Ombudsman Service, VEKA and VVSG. Held on 10 December 2020, the online meeting was attended by a total of 480 people.

The most significant topics were prepaid smart meters (status and conversion of the remaining old-style budget meters to smart meters), the internal reorganisation of our Energy Supply department, a smooth appointment system for contacting our customer offices during the Covid period, and whether an online app could be used to speed up applications from the target group for discount vouchers for energy-saving fridges.

The new website prepaid.fluvius.be was also presented at the meeting. This is a single central location where customers can find all the information they need and where OCMW employees can also find all kinds of practical guidance.

We provide sustainable connections

In the previous sections we have looked at efforts made by Fluvius to provide effective support to both employees and customers. These are major challenges, but we are looking further. We can also play a major significant role in society in general, and for a number of specific stakeholders in particular. Corporate social responsibility is an integral part of the way we run our business. Our choices to work in ecological and sustainable ways and to engage in collaboration demonstrate our care for the environment.

Corporate social responsibility

✓ Electric First: a focused choice in favour of sustainable mobility

Fluvius has followed an Electric First policy for its company vehicles for several years. This greening policy also applies to leased vehicles. In the past year we replaced 290 diesel and petrol cars with full electric, CNG or plug-in hybrid vehicles.

In the next few years Fluvius will be replacing about 800 company vehicles and it will always choose the greenest alternative available. If there is a 100 per cent electric model on the market that is suitable for the job in terms of range or charge capacity, then electric is the first choice for Fluvius. At present that is mainly the case for passenger cars and small vans. In specific cases, such as larger vans, CNG is a more suitable alternative at present. This is mainly for those who have higher mileage or carry heavier equipment. The decision to go 'as green as possible' and 'electric when possible' means that Fluvius will eventually be saving more than 1 million litres of diesel per year.

Number of sustainable company vehicles at Fluvius

	2017	2018	2019	2020
CNG	74	175	246	315
Electricity	27	61	61	102
Plug-in hybrid	62	116	206	386

✓ Dealing with environmental incidents

Our environmental department received eight incident reports in 2020. There were 20 environmental complaints, which can be analysed as follows:

Light nuisance	11
Odour nuisance	0
Electromagnetic radiation	7
Noise nuisance	2

✓ Green deal: ecological choices for our business management

Two years ago the partnership Flanders Circular created the 'Green Deal', which is a voluntary agreement between (private) partners and the Flemish Government to start up a green project together. This pursues environmental goals that are consistent with sound business management.

A Green Deal is a best effort obligation, with all parties undertaking to do everything in their power to make the project work. The length of the deal should ideally be no more than three to four years. Through collaboration between our Environmental Department, our Waste Management department and our Purchasing department in a single project team, Fluvius has engaged in Green Deals spanning a number of areas. Here are some details on one of them:

○ Green Deal Circular T-shirts

The purchase of new Fluvius corporate clothing marked the end for the clothing inherited from its predecessor companies, which was collected for sustainable recycling. A proportion of those items are T-shirts and polo shirts made from high-quality fabrics. We are recycling these into 'circular' T-shirts or sweaters. We completely break down these T-shirts and polo shirts into the smallest fragments of fibre. The fibres are then spun back into yarn, which is then used to make a brand new Fluvius T-shirt or sweater. What will it look like? We will certainly be going for ecodesign. That means designing them in the most ecological way possible, so that they can be recycled again even after this second life. For example it is necessary to avoid printing on excessively large areas, because printed parts cannot be reused.

Fluvius has a warm heart for good causes

Under the name "Fluvius - Good Causes", Fluvius has continued its sustained long-term collaborations with "De Voedselbanken" (Food Banks) and "Kom op tegen Kanker" (Action against Cancer), even during the pandemic. A shared commitment and good relationships between our employees and the good cause remain the keys to success.

✓ Food banks and Fluvius

Our partnership is not based purely on financial support, but rather on structural help whereby what Fluvius mainly provides is people. That way, we strengthen and inspire each other by supporting the thousands of volunteers at De Voedselbanken, even in difficult times.

The circumstances inevitably restricted our 'normal' human and material support for the food banks. Physical team activities were impossible and internal moves were virtually non-existent. Despite this, we were still able to help four associations in West Flanders with old office furniture from our site in Torhout.

In spite of, or rather because of, the coronavirus, we showed our warm heart in 2020 by giving the De Voedselbanken:

- 700 packs of chocolate and 200 packs of biscuits that had been intended for Kom op tegen Kanker fundraising activities
- 6,000 packs of Easter eggs donated by employees of Fluvius & De Stroomlijn
- advertising space in Het Nieuwsblad

- financial support for each of the five regional headquarters of the Voedselbanken from the funds originally budgeted for the organisation of physical directors' meetings, which were necessarily held online in 2020.

✓ The warmest week

Fluvius employees also did their bit for fundraising in the course of the company's 'Warmste week' (Warmest Week) campaign. It was no sure thing in the coronavirus period, but we made an effort nonetheless to raise money via online campaigns. This included making and selling a Fluvius cookbook, exercise and relaxation classes, and an 'Art on your fridge' calendar. With the proceeds of these activities, along with donations from incentive budgets and contributions from the 'Kilometre Challenge' among other things, we were able to hand over a cheque for EUR 38,620 to De Voedselbanken.

✓ Action against Cancer

The annual Kom op tegen Kanker campaign, which has been part of Fluvius - Good Causes since 2019, also fell prey to the coronavirus. With a heavy heart, both the '100 km run' in March and the eleventh '1,000 km for Kom op tegen Kanker' were cancelled. Here, too, however, Fluvius didn't just sit around. Through internal initiatives and with support from management we still managed to donate fully EUR 76,000 thanks to (virtual) participation in the Kom op tegen Kanker campaigns.

✓ 3,000 laptops for Digital For Youth

The Covid crisis meant that young people with no computer at home were at risk of falling behind in their learning. After last year's big PC replacement, which resulted partly from the merger of Eandis and Infrac to form Fluvius, some 3,000 'wiped-clean' devices were ready to be sold. Fluvius is now responding to a warm request from Digital For Youth, a professional organisation that provides PCs and accessories to disadvantaged families. This meets a third of their target of collecting 10,000 laptops in one fell swoop. Digital For Youth will now equip each device with the necessary software and licences, so that disadvantaged young people can get cracking right away.

✓ Fluvius donates 1,120 face masks

In the early phase of the coronavirus pandemic, Fluvius donated 1,120 face masks to the strategic reserve of the Federal Public Health Service. This was more than half of an order we had placed at the start of the coronavirus outbreak specifically to protect our staff. As Fluvius had to temporarily scale back activities as a result of the virus, and because there was an urgent need in the care sector, we thus made a small contribution to towards helping to reduce the shortages.

Close links with the education sector

✓ Dual learning at Fluvius

Fluvius offers training courses and work experience in the form of dual learning. We have had students from the 'Logistics' course with us since the 2018-19 academic year. In the 2020-21 academic year we started a new 'Utilities Installer' course.

In our Fluvius Academy we prepare our engineers to build our grids, repair them and maintain them and also connect customers to them. The students on this dual course will regularly attend the Academy to learn the tricks of the trade in a structured way. They will then be able to use the knowledge they have acquired in practice, with supervision from experienced technicians.

✓ Internships with Fluvius

All internships were cancelled as from March 2020, unless it was possible to continue them under safe conditions. A few apprentices and students were able to complete an internship just before the lockdown: 3 HBO5 students, 2 bachelor's degree students and 2 apprentices in secondary education.

In autumn 2020, we also were able to provide help remotely to one student studying for a master's degree in electrical engineering and one electromechanics student was able to do his bachelor's degree training in central network operations/technology. 1 HBO5-student studying Electromechanical Technology began his internship in September (2 days a week on the shop floor) and from October onwards staff members endeavoured to give him support and assign him tasks remotely.

✓ Top Days

Every year in February, the Education working group organises a Spitsdag ('Top Day'). On that afternoon, teachers of technical subjects are given an insight into our company's latest developments, a particular specialism, a current hot topic, or a similar theme.

This networking opportunity enables staff members from the regions, regional managers and recruiters to make contact with technical teaching staff, technical advisers at schools and employees of the Regional Technology Centres.

In order to give every school in Flanders the opportunity to take part, we hold the Spitsdag at three different locations and at three different times. At the Spitsdagen, we reach around 40% of all technical schools.

✓ Online training for contractors

Since autumn 2020, accredited Fluvius contractors have been able to consult our online training courses and sign up their own employees directly. We also now offer an online self-study programme through our 'Working on connections' learning track. The programme can be followed wherever and whenever you want and serves as a necessary and mandatory preparation for training courses at the Fluvius Academy.

GRI table

Disclosure	Content	Comments
GRI 103	Management approach	
103-1	Explanation of the material topic and its Boundary	Aan de hand van een materialiteits- en maturiteitsanalyse (eind 2018) heeft Fluvius materiële thema's geïdentificeerd en gekwantificeerd. Het Fluvius Charter Maatschappelijk Verantwoord Ondernemen beschrijft de engagementen van de onderneming ten aanzien van een brede waaier aan MVO- en duurzaamheidsaspecten. Zie Activiteitenverslag 2018 voor meer info. Zie MVO Charter op https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019.pdf
103-2	Approach, purpose, and components (policies, commitments, goals & targets, responsibilities, resources, grievance mechanisms, specific actions)	The Management Committee has set up an internal CSR Board (chaired by the secretary-general) with the mission to coordinate and assist in the CSR and sustainability policies at Fluvius. The Management Committee reports to the Board of Directors. Also see the Activity Report.
103-3	Evaluation of the management approach	There is no formal evaluation.
GRI 201	Economic performance	Fluvius works at cost price for its shareholders, being 11 intermunicipal mission entrusted associations. As such, it does not realise any profits. The economic performance of the Fluvius shareholders (allowed remuneration in the form of dividends) are primarily determined by regulation.
GRI 202	Market presence	Fluvius has operations in all 300 Flemish cities and municipalities.
GRI 203	Indirect economic impact	As a multi-utility company, Fluvius has an impact through multiple utility services (energy, sewerage, cable infrastructure, district heating etc.). The economic impact is on the level of grid infrastructures (building, maintenance, replacement) and the necessary funding and direct/indirect employment
GRI 204	Procurement practices	More than 90% of the purchasing by Fluvius is subject to the law on Public Procurement.
GRI 205	Anti-corruption	Anti-corruption is part of Fluvius's Ethical Charter and CSR Charter. Also see the Activity Report
GRI 206	Anti-competitive behaviour	Not applicable, in view of the regulatory framework for the company's core activities
GRI 301	Materials	Is part of the company's global environmental plan.
GRI 302	Energy	Is part of the company's global environmental plan.
GRI 303	Water	Is part of the company's global environmental plan.

GRI 304	Biodiversity	Is part of the company's global environmental plan.
GRI 305	Emissions	Is part of the company's global environmental plan.
GRI 306	Effluents and waste	Is part of the company's global environmental plan.
GRI 307	Environmental compliance	Is part of the company's global environmental plan.
GRI 308	Supplier environmental assessment	is included in the terms of reference used in purchasing
GRI 401	Employment	No specific actions taken; labour legislation is rigorously implemented internally. External assurance is possible.
GRI 402	Labour/Management relations	Consultation employer/employees is organised conforming the principles enshrined in Belgian labour legislation(Works Council, Committees Safety & Prevention in the Workplace, local trade union delegations)
GRI 403	Occupational health and safety	Specific department is responsible for the safety policies. Direct reporting to the CEO. Committees for Safety & Prevention in the Workplace have been installed, as laid down in law.
GRI 404	Training and education	Employees can make use of a wide range of career development, additional training, career reorientation etc. Frequent performance review meetings with hierarchy are foreseen.
GRI 405	Diversity and equal opportunity	
GRI 406	Non-discrimination	
GRI 407	Freedom of association and collective bargaining	All employees are covered by national, sectoral and company-specific Collective Bargaining Agreements. Social elections are organised conforming to labour legislation in Belgium. Trade unions have all rights to set up their activities.
GRI 408	Child labour	is part of the terms of reference used by the Purchasing Dept.
GRI 409	Forced or compulsory labour	is part of the terms of reference used by the Purchasing Dept.
GRI 410	Security practices	see Activity Report
GRI 411	Rights of indigenous peoples	Not applicable in view of the company's operational area
GRI 412	Human rights assessment	is part of the terms of reference used by the Purchasing Dept.
GRI 413	Local communities	not applicable
GRI 414	Supplier social assessment	is part of the terms of reference used by the Purchasing Dept.
GRI 415	Public policy	Lobbying is focused on defending the legal and economic interests of the company and the Economic Group at the competent law and regulatory bodies. There is a strict prohibition on donations to political parties.
GRI 416	Customer health and safety	not applicable

GRI 417	Marketing and labelling	Marketing information is focussed on raising awareness at end consumers of the rational use of energy, renewable energy, subsidies for energy efficiency etc. Multiple channels are being used: website, social media, magazine, info sessions.
GRI 418	Customer privacy	Fluvius has a separate Data Management department. Data privacy is an absolute priority. This also holds true for the subsidiary Atrias. Also see the Report by the Board of Directors.
GRI 419	Socioeconomic compliance	Compliance with all relevant laws and regulations (also in the socio-economic area) is a minimum requirement for Fluvius's operations.

Code	Description	2019	2020	Remarks / References
102-1	Name of the organisation	Fluvius System Operator		
102-2	Activities, brands, products, and services	distribution of electricity and gas; sewerage; cable TV infrastructure; data management; district heating; public lighting		
102-3	Location of headquarters	Brusselsesteenweg 199, B-9090 Melle (Belgium)		
102-4	Location of operations	all 300 Flemish cities and municipalities		
102-5	Ownership and legal form	cooperative society with limited liability - 100% of the share capital in each intermunicipal mission entrusted association is held by the Flemish cities and municipalities	cooperative society - 100% of the share capital in each intermunicipal mission entrusted association is held by the Flemish cities and municipalities	as from 1 January 2020 the legal form was changed into 'cooperative society' due to changes to the Belgian Code of Companies and Associations
102-6	Markets served	our customers are households, SMEs, large enterprises and public authorities, exclusively within the Flemish Region		
102-7	Scale of the organisation	4.616 employees (including Fluvius OV: 5.419) / revenue 1,69 billion € / balance sheet total 5,16 billion € / equity 1,5 million €	4.718 employees (including Fluvius OV: 5.491) / revenues 1,72 billion € / balance sheet total 5,80 billion € / equity 1,5 million €	BE-GAAP; consolidated
102-8	Information on employees and other workers	contract unlimited duration: 4.373 - limited duration: 233 - focus groups: 10 / M: 3.302 - F: 1.314 / full-time: 3.647 - part-time: 969	contract unlimited duration: 4.466 - limited duration: 236 - focus groups & apprenticeship contracts: 16 / M: 3.350 - F: 1.368 / full-time: 3.786 - part-time: 932	figures about Fluvius System Operator / Fluvius engages subcontractors for part of its activities
102-9	Supply chain	Fluvius integrates sustainability and CSR criteria in its terms of reference as exclusion and awarding criteria	Fluvius integrates sustainability and CSR criteria in its terms of reference as exclusion and awarding criteria. Fluvius has joined the Ecovadis platform to better and more deeply integrate sustainability criteria into its supply chain	also see 308-1
102-10	Significant changes to the organisation and its supply chain	take-over of Integan (activities and staff) on 1 April 2019	none	see Report by the Board of Directors
102-11	Precautionary principle or approach	Fluvius has implemented an integral risk management policy		
102-12	External initiatives	Fluvius is a signatory to the E.DSO Sustainable Grid Charter. E.DSO is the European association of distribution grid operators.	Fluvius has joined the Belgian Alliance for Climate Action: Fluvius commits itself to implementing science-based targets within a period of two years.	https://www.belgianallianceforclimateaction.org/
102-13	Membership of associations	Fluvius is a member of (1) the federal sector organisation Synergrid, (2) E.DSO, the European association of distribution grid operators, (3) The Shift, Belgian network for the transition towards a sustainable society and economy		www.synergrid.be / www.edsoforsmartgrids.eu / www.theshift.be
102-14	Statement from senior decision-maker	see Preface by the Chairman of the Board		
102-15	Key impacts, risks, and opportunities	see Report of the Board of Directors (policy on risks and risk management)		
102-16	Values, principles, standards, and norms of behaviour	Mission, vision, strategy and values are laid down in documents. Norms of behaviour are included in the Ethical Charter.		see company website https://over.fluvius.be/nl/thema / see Report by the Board of Directors
102-17	Mechanisms for advice and concerns about ethics	The Ethical Charter is used as a guide for ethical behaviour. Unethical behaviour can be signalled. Art. 25 of the Labour regulation guarantees an independent and objective treatment of reported infringements.		
102-18	Governance structure	All shareholders are represented in the General Assembly. The highest governing body is the Board of Directors. The Board is assisted by the Audit Committee, the HR Committee and the Strategic Committee. Day-to-day management of the company is entrusted to the Management Committee. On specific CSR topics, the Management Committee is assisted by the internal CSR Board.		also see the Report by the Board of Directors for detailed information
102-19	Delegating authority	Sustainability policy is part of the general operational duty of the management; the CSR Board coordinates and advises the CSR and sustainability policies.		also consult the CSR Charter

102-20	Executive-level responsibility for economic, environmental, and social topics	The general responsibility is with the Management Committee. The CSR Board is chaired by the secretary-General (member of the Management Committee).		see 103-2
102-21	Consulting stakeholders on economic, environmental, and social topics			see 103-1
102-22	Composition of the highest governance body and its committees			see Report by the Board of Directors
102-23	Chair of the highest governance body	The Chair of the Board of Directors and the CEO are separated functions		
102-24	Nominating and selecting the highest governance body	The General Assembly appoints the members of the Board of Directors on nomination by the shareholders. A compulsory rule of 2/3-1/3 is applied on gender diversity of the directors.		
102-25	Conflicts of interest	The Corporate Governance Charter includes relevant stipulations. The energy regulator, as an external party, is closely monitoring on a permanent basis.		
102-26	Role of highest governance body in setting purpose, values, and strategy	The Board of Directors establishes the mission, vision, strategy and the performance indicators. Management is to implement these.		
102-27	Collective knowledge of highest governance body	After the complete renewal of the Board of Directors (spring 2019) the directors received an extensive training.	No specific actions.	
102-28	Evaluating the highest governance body	No formal evaluation takes place		
102-29	Identifying and managing economic, environmental, and social impacts	see the materiality and urgency analysis based on a stakeholder dialogue (end 2018)		also see 102-21
102-30	Effectiveness of risk management processes	Risk management is part of the integral risk management monitored by the Board of Directors and the Audit Committee. Fluvius has its own independent Internal Audit department, which reports its findings and recommendations directly to the CEO and the Audit Committee/Board of Directors.		
102-31	Review of economic, environmental, and social topics	This has not been formally established, but is part of the frequent review process of the corporate strategy.		
102-32	Highest governance body's role in sustainability reporting	The Board of Directors - on proposal of the Management Committee - approves the annual Activity Report/CSR Report.		
102-33	Communicating critical concerns	The Management Committee reports to the Audit Committee and the Board of Directors.		
102-34	Nature and total number of critical concerns	No critical concerns have been signalled to the Board of Directors during 2019.	No critical concerns have been signalled to the Board of Directors during 2020.	
102-35	Remuneration policies			see Remuneration Report in the Report by the Board of Directors
102-36	Process for determining remuneration	The general remuneration policy is based on sectoral collective bargaining agreements, with annual detailed reporting to the HR Committee. Variable remuneration for Management Committee members is based on a number of LT KPIs. Collective Bargaining Agreement 90 for executive staff and employees allows for a bonus on condition that some predefined targets are met.		
102-37	Stakeholders' involvement in remuneration	Stakeholders are not involved in the remuneration policies		
102-38	Annual total compensation ratio	data not available		
102-39	Percentage increase in annual total compensation ratio	data not available		
102-40	List of stakeholder groups			see Activity Report and materiality analysis
102-41	Collective bargaining agreements	100%		
102-42	Identifying and selecting stakeholders	Identification and selection of stakeholders took place prior to the materiality analysis		also check 102-21

102-43	Approach to stakeholder engagement	The stakeholder inquiry (end 2018) was an online questionnaire		also check 102-21
102-44	Key topics and concerns raised			see 102-21
102-45	Entities included in the consolidated financial statements	Fluvius System Operator is the consolidating entity. Are being consolidated: De Stroomlijn, Atrias, Synductis. The consolidated entities are not included in the CSR reporting		see for more details the Report by the Board of Directors
102-46	Defining report content and topic Boundaries	The selection and definition of topics are primarily determined by the corporate strategy laid out and the elements indicated by the materiality analysis		
102-47	List of material topics	Identification and selection of material topics was the object of the materiality analysis		see 102-21
102-48	Restatements of information	none		
102-49	Changes in reporting	none		
102-50	Reporting period	01.01.2019-31.12.2019	01.01.2020-31.12.2020	
102-51	Date of most recent report	25/03/2020	31.03.2020	
102-52	Reporting cycle	per calendar year		
102-53	Contact point for questions regarding the report	e-mail: investors@fluvius.be		
102-54	Claims of reporting in accordance with the GRI Standards	This report is compiled in accordance with the GRI Standards, core option.		
102-55	GRI content index	see this table		
102-56	External assurance	Assurance by the external auditor on the presence of the non-financial information, as imposed by the law of 3 September 2017. The auditor's findings are included in the Auditor's Report.		
103-1	Explanation of the material topic and its Boundary	The material aspects have been identified in the materiality analysis		see 102-21
103-2	The management approach and its components			see Report by the Board of Directors
103-3	Evaluation of the management approach	not applicable		
201-1	Direct economic value generated and distributed	Turnover: 1,65 billion € / materials & services: 1,2 billion € / wages: 456,8 million € / financial costs: 128,6 million €	Turnover: 1,62 billion € / materials & services: 1,2 billion € / wages: 454,8 million € / financial costs: 129,3 million €	BE-GAAP, consolidated; more details are to be found in the financial statements
201-2	Financial implications and other risks and opportunities due to climate change	Fluvius wants to assist the Flemish local authorities with hands-on advice and projects to help them obtain their climate objectives (Covenant of Mayors and others). Fluvius is aware of the following LT trends: energy transition towards a carbon-low, flexible and renewable energy system, the potential future of natural gas as a fossil fuel, investments in clean surface and river water. The exact financial impact has not been calculated.		
201-3	Defined benefit plan obligations and other retirement plans			see financial reporting
201-4	Financial assistance received from government	no assistance of financially material scope		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	data not available		
202-2	Proportion of senior management hired from the local community	100% (local community = Flemish Region)		

203-1	Infrastructure investments and services supported	The company invests on behalf of its shareholders in maintenance, development, safety and reliability of the grid infrastructure for several utility services. Gross investments 2019 in infrastructure and related items: 859,4 million €.	The company invests on behalf of its shareholders in maintenance, development, safety and reliability of the grid infrastructure for several utility services. Gross investments 2020 in infrastructure and related items: 938,1 million €.	For more financial details on investments, see financial reporting and Report by the Board of Directors
203-2	Significant indirect economic impacts	Fluvius's value propositions describe how and in which areas the company wants to bring about a positive impact on Flemish society. The Flemish local authorities are being supported by Fluvius in their efforts towards energy savings, energy efficiency and realizing their climate objectives.		
204-1	Proportion of spending on local suppliers	no data available		local market = Belgium
205-1	Operations assessed for risks related to corruption	100%, through the terms of reference in procurement procedures		
205-2	Communication and training about anti-corruption policies and procedures	The Ethical Charter was introduced to all employees. The Purchasing Dept. offers specific training for its employees.		published on website (see 102-16)
205-3	Confirmed incidents of corruption and actions taken	no known cases	no known cases	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	none	none	
301-1	Materials used by weight or volume	not applicable		
301-2	Recycled materials used	not applicable		
301-3	Reclaimed products and their packaging materials	not applicable		
302-1	Energy consumption within the organisation	due to the merger into Fluvius and as a consequence of different methods of measuring at the former companies, no reliable data are available at this moment		
302-2	Energy consumption outside of the organisation	data not available		
302-3	Energy intensity	data not available		
302-4	Reduction of energy consumption	see remark at 302-1		
302-5	Reductions in energy requirements of products and services	not applicable		
303-1	Water withdrawal by source	not applicable		
303-2	Water sources significantly affected by withdrawal of water	not applicable		
303-3	Water recycled and reused	not applicable		
304-1	Operational sites owned, leases, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	not applicable		
304-2	Significant impacts of activities, products, and services on biodiversity	public lighting may have an impact on fauna - Fluvius investigates new technology to reduce this impact to a minimum level. The general roll-out of led in public lighting creates more opportunities for dimming and active switching-off, which positively impacts the surroundings.		
304-3	Habitats protected or restored	not applicable		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	not applicable		
305-1	Direct (scope 1) GHG emissions	Data on emissions scope 1-3 are bundled in one single calculation of the ecological footprint. Due to the merger	Data on emissions scope 1-3 are bundled in one single calculation of the ecological footprint. Due to the merger	

305-2	Energy indirect (scope 2) GHG emissions	Eandis/Infrac and the fact that both ex-companies used different methods of calculation for GHG emissions, we currently do not have validated data available.	Eandis/Infrac and the fact that both ex-companies used different methods of calculation for GHG emissions, we currently do not have validated data available.	
305-3	Other indirect (scope 3) GHG emissions			
305-4	GHG emissions intensity	not applicable		
305-5	Reduction of GHG emissions			see 305-1
305-6	Emissions of ozone-depleting substances (ODS)	not applicable		
305-7	NOx, SOx and other significant air emissions	not applicable		
306-1	Water discharge by quality and destination	not applicable		
306-2	Waste by type and disposal method	no validated data available - Fluvius maximises the use of separate waste streams. Fluvius also actively raises awareness with employees and subcontractors.		
306-3	Significant spills	not applicable		
306-4	Transport of hazardous waste	excavated soil is treated according to all legal dispositions		
306-5	Water bodies affected by water discharges and/or runoff	not applicable		
307-1	Non-compliance with environmental laws and regulations	3 environment-related incidents reported	8 environment-related incidents reported	
308-1	New suppliers that were screened using environmental criteria	compulsory exclusion grounds: fraud, child labour, illegal labour / facultative exclusion grounds: infringements on environmental, labour and social laws / similar clauses in terms of reference / collaboration with social inspection authorities / major suppliers of products (80 suppliers and 128 production sites): check of CSR policies and frequent onsite audits (2019: approx 80 site visits)	compulsory exclusion grounds: fraud, child labour, illegal labour / facultative exclusion grounds: infringements on environmental, labour and social laws / similar clauses in terms of reference / collaboration with social inspection authorities / major suppliers of products (80 suppliers and 136 production sites): check of CSR policies and frequent onsite audits (2020: approx 18 site visits, a lower amount due to covid-related restrictions). Digital supplier screenings have taken place as well.	
308-2	Negative environmental impacts in the supply chain and actions taken	since 2019, Fluvius is affiliated with the Ecovadis platform for the screening of suppliers	20 key suppliers have been surveyed in Ecovadis campaign 2020, of which 17 with positive results.	
401-1	New employee hires and employee turnover	936 hires (785 full-time, 151 part-time) / 194 exits (165 full-time, 29 part-time)	313 hires (313 full-time) / 214 exits (174 full-time, 40 part-time)	also see Social Balance Sheet in financial reporting
401-2	Benefits provided to full-time employees that are not provided temporary or part-time employees	All pay-outs and benefits for full-time employees are also available, on a pro rata basis, for part-time employees		
401-3	Parenting leave	3.236 days of parenting leave (= 0,28% of total number of labour days)	2.594 days of parenting leave (= 0,21% of total number of labour days)	all employees in parenting leave remain employed, so a 100% retention rate
402-1	Minimum notice periods regarding operational changes	fully conforming to Belgian labour legislation - not applied in practice: no lay-offs due to operational changes have been carried out		
403-1	Workers representation in formal joint management-worker health and safety committees	100% of employees is represented through elected Committees for Prevention & Protection at the Workplace, conforming to Belgian labour legislation	100% of employees is represented through elected Committees for Prevention & Protection at the Workplace, conforming to Belgian labour legislation. Most recent social elections took place on 19 November 2020.	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational accidents: frequency: 10,02 / gravity: 0,14 / number of lost labour days: 1.093 / number of occupational accidents with labour days lost: 80. Illness: 58.345 days of illness / no work-related fatalities	Occupational accidents: frequency: 4,77 / gravity: 0,09 / number of lost labour days: 735 / number of occupational accidents with labour days lost: 41. Illness: 53.179 days of illness / no work-related fatalities	

403-3	Workers with high incidence or high risk of diseases related to their occupation	Fluvius registers employees with risk of possible exposure to lead or asbestos, but the company is of the opinion that this does not involve a high risk of occupational disease. Fluvius implements an active policy of maximum risk reduction.		
403-4	Health and safety topics covered in formal agreements with trade unions	Conforming the existing Collective Bargaining Agreements valid for the sector of gas and electricity companies in Belgium		
404-1	Average hours of training per year per employee	25,29 hours/employee	21,53 hours/employee	also see Social Balance Sheet in financial reporting
404-2	Programmes for upgrading employee skills and transition assistance programmes	is part of the entire scale of training programmes on offer		
404-3	Percentage of employees receiving regular performance and career development reviews	All employees (management, executives, others) are involved in performance evaluation. There is a wide offer of career development available for all our employees		
405-1	Diversity of governance bodies and employees	as to diversity, we ensure that societal diversity in society is also being reflected in the company itself. For the composition of the Board of Directors, Fluvius complies with the legal rule of 'at least 1/3 of directors is of a different sex than the majority of directors'.		see Report by the Board of Directors and CSR Charter
405-2	Ratio of basic salary and remuneration of women to men	Wages at every level are completely independent of the employee's gender. the bi-annual Wage Gap Report (2017-2018) has shown that (1) gender neutrality is guaranteed (2) that salary is only determined by the nature of the executed job ('method of qualification') and (3) no action plan is needed. The Wage Gap Report is extensively discussed by the Works Council.		
406-1	Incidents of discrimination and corrective actions taken	none	none	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	no operations with such risk		also see 102-41
408-1	Operations and suppliers at significant risk for incidents of child labour	no operations with such risks		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	no operations with such risks		
410-1	Security personnel trained in human rights policies or procedures	not applicable		
411-1	Incidents of violations involving rights of indigenous peoples	not applicable		
412-1	Operations that have been screened to human rights reviews or impact assessments	not applicable		
412-2	Employee training on human rights policies or procedures	not applicable		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	In administrative terms of reference conditions are included in line with the norms of the International Labour Organisation (ILO). Potential suppliers underwrite a Code of Conduct, which also involves their own (sub)contractors, suppliers and holders of licences.		
413-1	Operations with local community engagement, impact assessment, and development programmes	Fluvius is an active partner for the Flemish local authorities (300 cities and municipalities).		
413-2	Operations with significant actual and potential impact on local communities	not applicable		
414-1	New suppliers that were screened using social criteria	data not available	Fluvius integrates social criteria in its terms of reference to a maximum degree and within the boundaries set by the public procurement legislation.	
414-2	Negative social impacts in the supply chain and actions taken	see 308-2		also see 407-1, 408-1 and 409-1
415-1	Political contributions	none	none	
416-1	Assessment of the health and safety impacts of product and service categories	Fluvius is well aware of the potential hazards of electricity and gas. That is why the company aspires for a full-fledged safety culture within the organisation. Externally, all necessary safety precautions are implemented.		

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	none	none	
417-1	Requirements for product and service information and labeling	not applicable		
417-2	Incidents of non-compliance concerning product and service information and labeling	not applicable		
417-3	Incidents of non-compliance concerning marketing communications	no incidents reported	no incidents reported	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	none	none	
419-1	Non-compliance with laws and regulations in the social and economic area	no incidents reported during 2019	no incidents reported during 2020	