

fluvius.



In transition

**FLUVIUS SYSTEM OPERATOR
ANNUAL REPORT
2021**

19th financial year
1 January - 31 December 2021

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In transition

FOREWORD

Dear Reader,

Once again, we had another year full of twists and turns in 2021. Fortunately, after an unprecedented year of the coronavirus, our operations gradually returned to a more normal state of affairs in the first half of the year. But, of course, with constant attention to the safety and health of our staff and customers. Together, we clearly demonstrated that we could safeguard continuity of service and help our customers unabated. A big thank you to all the staff for all of this! So, in 2021, we continued to collectively build a stronger Fluvius in the world of energy that is in full transition.

Changing energy landscape

We are facing important challenges. For Fluvius, the energy transition and climate objectives are our future challenges. These represent a major technical, economic, and certainly social revolution. With *Fluvius Vision 2050*, we are responding to this and are closely following the developments together with all stakeholders. After all, the necessary contributions to the realisation of the energy transition must fit into a collective, uniform, and efficient approach.

The five basic premises for that 'grid management of the future' are based on social responsibility, ecological responsibility, financial realism, technical feasibility based on mature technology, and safeguarding customer comfort. We want to use these foundations to make the necessary adjustments and investments in our systems, grid infrastructure, and operations to help create tomorrow's future-proof energy and climate environment.

Importance of energy data

The digital meter is an essential tool that allows customers to monitor and adjust their consumption and align consumption and production. These are essential elements in making the energy transition a success and achieving the climate objectives on time. In the meantime, we installed the one and a half millionth digital meter in early 2022! This milestone shows that our roll-out is now at cruising speed.

But the project had a rough ride at times. The 2021 ruling of the Constitutional Court put an end to the principle of the reversing meter and created more headwinds in the field for the arrival of the digital meter. This led to a delay. Which is why we launched a large-scale campaign in October 2021 that clearly explains the how and why of the energy transition. We are doing so jointly with the Flemish government. This will help us increase support and once again provide the required confidence in the digital meter.

The Atrias central data platform was launched on 1 November. I cannot emphasise enough how important this step is for the energy landscape of tomorrow. A future in which we will be using more and more electricity. And it will be generated entirely from renewable sources. Atrias' central data platform, the digital meter, and the capacity tariff announced by VREG will help both our customers and ourselves to be ready for that future.

Multi-utility

Our core tasks go beyond electricity and natural gas. For example, consultations with Telenet resulted in a non-binding agreement that is currently being elaborated into definitive agreements. For 'heating', we continue to advocate a regulated framework. Concerning Public Lighting, the replacement programme is cruising along. And concerning sewerage, we are involved in the Blue Deal initiative, an initiative of the Flemish Government aimed at structurally tackling the problems related to water shortages and flooding.

Integration within Fluvius

The merger that led to the creation of Fluvius in mid-2018 gave rise to the profound integration process 'One Fluvius'. Customer friendliness, cost efficiency, and flexibility are paramount. The company's synergy plan to achieve this goal comprises more than one hundred different initiatives. In 2021, we once again achieved some important successes and thus continue the work on finally completing the integration, as planned, by 2024.

These efforts demand a lot from all staff. So, Fluvius wants to distinguish itself as a caring company with a good balance between work and private life and with camaraderie among our colleagues. The response rate to the employee survey in 2021 was particularly high, which indicates strong commitment. It taught us that we have to adjust as a company and also showed us which successes we can celebrate. It was an encouragement to keep on working on One Fluvius!

A strong example of camaraderie and collegiality was seen last summer when many Fluvius employees spontaneously volunteered to help the victims of the floods in Wallonia. Our gesture was greatly appreciated by our colleagues at the Liège grid operator and, of course, by the customers. A strong example of craftsmanship and solidarity!

In 2021, a lot was achieved that we can absolutely be proud of. Together, we have built a better Fluvius and that benefits everyone.

Piet Buyse
Chair of the Fluvius 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 2021 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.'

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

In the Financial Report, we present the following documents:

- ✓ separate financial statements for the year ended 31 December 2021. 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 2021, 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 2021 under BE-GAAP and IFRS;
- ✓ the declaration by the people 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*).

This report also includes an analysis of the business activities, and in particular of their eligibility according to the EU Taxonomy, cf. Article 8 of the relevant Regulation.

FLUVIUS SYSTEM OPERATOR AT A GLANCE

Fluvius, close to you

Fluvius System Operator cooperative society (known operationally under the name Fluvius) is the Flemish multi-utility network operator that came into being on 1 July 2018 as a result of the merger of Eandis System Operator cvba and Infracvba. On 1 April 2019, the former Integan ov joined the Fluvius Economic Group when acquired by ex-Iveg (now Fluvius Antwerpen).

Fluvius is responsible for the construction, management and maintenance of distribution grids for electricity and natural gas, sewerage, cable distribution and heat. The company also manages the municipal public lighting system in Flanders with 1,171,490 lighting points.

In total, Fluvius manages 231,634 kilometres of utility lines. Fluvius is active in all 300 Flemish cities and municipalities, which means that all Flemings can benefit from the professional service provided by our 5,497 employees.

A vital link

In the free energy market in Flanders, Fluvius, as an operator of the distribution grid, is a vital link connecting energy producers, energy consumers, and transmission grid operators. Fluvius also plays an important/vital role in local water management at the locations where it manages the sewer system.

Working for our shareholders, the mandated associations

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

	electricity	gas	sewerage	cable TV	public lighting
FLUVIUS ANTWERPEN	x	x	x	x	x
FLUVIUS LIMBURG	x	x	x	x	x
FLUVIUS WEST	x	x	x	x	x
GASELWEST	x	x			x
IMEWO	x	x			x
INTERGEM	x	x			x
IVEKA	x	x			x
IVERLEK	x	x			x
PBE	x			x	x
RIOBRA			x		
SIBELGAS	x	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 substantial part of Fluvius' business is subject to regulation by the authorised energy regulator VREG (Flemish Regulator of the Electricity and Gas Market).

The Fluvius sewerage business is also regulated in Flanders, namely by the VMM (Flemish Environment 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 acts as an operating company for its shareholders/principals and does so at cost price, i.e. no profit margin is charged on the operating tasks carried out. Each month, Fluvius' direct and indirect operating costs,

investments, and public service obligations (staff, contractors, suppliers, financing costs) are recharged to the distribution system operators. This is why the total in the financial statements of Fluvius System Operator always comes to zero.

Fluvius System Operator is not the owner of the grid infrastructure (cables, pipelines, cabins, pumping stations, metering installations, etc.). Ownership remains with the various mandated associations.

Supported by three subsidiaries

Fluvius System Operator engages 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.

Our mission, vision and values

Our company's mission, vision and values 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 first 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.

Based on this vision and mission, we focus on four strategic pillars:

1. We are fully committed to One Fluvius
2. We create maximum synergy across the different networks
3. We provide future-oriented networks
4. We put the customer and the employee first

Our business values

Our business values came from suggestions made by our staff. They make clear 'who we are' and 'what we stand for' - in short: the things that characterise us and make us what we are. They guide our behaviour and determine how we, as an organisation and as employees, will carry out the tasks set out in our mission to realise our vision.

These values are:

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

Administrative details

- 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 society (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 Journal 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 am to 8 pm and Saturdays from 9 am to 1 pm.
- 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 way of a text code message to 8635.
- Faulty streetlights can be reported at www.straatlampen.be or in urgent cases by calling 0800 6 35 35.
- Fluvius complaints committee:
 - via the website <https://www.fluvius.be/nl/thema/storingen-en-werken/klachten>
 - Write to us at Postbus 60, 9090 Melle

FIGURES AND GRAPHS – 31 DECEMBER 2021

	31.12.2020	31.12.2021
FLUVIUS		
Financial (consolidated figures under Belgian accounting standards)		
Balance sheet total (euros)	5,797,285,639	6,458,715,953
Turnover (euros)	1,622,299,622	1,747,722,202
Employees		
Number of employees of Fluvius System Operator	4,718	4,780
• managers	979	972
• operational	3,739	3,808
Full-time equivalents (FTE):	4,519.07	4,586.28
• managers	954.76	949.53
• operational	3,564.31	3,636.75
Additional employees from Fluvius Mandated Association		
• number	773	717
• FTEs	740.52	691.93
Total for Fluvius		
• number	5,491	5,497
• FTEs	5,259.59	5,278.21
Operations (carried out on behalf of the distribution system operators)		
Network Operation and Management		
Capital expenditure (gross, in million euros)	938.1	1,110.3
Supply unavailability (minutes/year/customer)	19 min 28 sec	19 min 51 sec
Natural gas		
Connections	2,299,555	2,334,895
Low-pressure network (km)	47,555	47,727
Medium-pressure network (km)	10,041	10,060
Total network length (km)	57,595	57,788
Electricity		
Connections	3,535,782	3,560,313
Low-voltage network (km)	86,263	87,070
Medium-voltage network (km)	46,567	46,841
Total network length (km)	132,830	133,911
Total lamps (public lighting and monument lighting)	1,170,986	1,171,490
Heating		
Network length (km)	58.7	67.2
Connections	1,796	1,756 ¹
Number of municipalities with Fluvius heat customers	15	15
Sewerage		
Sewer network (km)	11,761	11,861
Cable network infrastructure		
Connections	1,127,105	1,140,992
Cable network (km)	27,832	28,007

¹ The decrease is due to the transfer of some customers to the respective social housing companies.

Social public service obligations		
Active electricity budget meters	35,635	36,136
Active natural gas budget meters	24,460	25,003
Top-up locations for budget meter cards	minimum 1 per municipality	minimum 1 per municipality
Number of Social Supplier customers (electricity)	77,017	68,907
Number of Social Supplier customers (natural gas)	56,349	50,556
Installed smart meters	562,802	1,270,458
Customer contacts		
Average no. of visits to customer offices per month	3,585	3,107
Telephone calls to call centre	1,968,288	2,564,892
Average website visitors per month	451,798	661,460
Energy premiums		
Number of premiums paid	92,246	96,956
Total amount of premiums paid (euros)	48.14 million	68.03 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 2021 to 31 December 2021.

Integration within Fluvius

The merger that led to the creation of Fluvius System Operator in mid-2018 gave rise to the profound integration process 'One Fluvius'. It was decided that to gain the maximum financial and efficiency benefits from the merger of the former Eandis and Infrac entities, it was necessary to align the processes, procedures, and IT systems. The priorities are cost efficiency, customer friendliness, and flexibility. The company's synergy plan contains 169 different initiatives with a total annual savings potential of EUR 120 million by the end of 2024. Ninety-two of these initiatives are staff-related and 77 affect processes or systems.

In 2021, we were once again able to make some important achievements in unifying processes and IT systems.

The tariff decisions of energy regulator VREG required additional savings by Fluvius and the distribution system operators.

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 2021. The allocation of shares is based on the number of EANs² per shareholder. The only change made in 2021 was a transfer of 91,474 shares (0.35% of the total number of shares) from Gaselwest to Imewo due to the city of Deinze (territory of ex-Deinze) transfer from Gaselwest to Imewo. The total number of shares remained unchanged.

FLUVIUS SYSTEM OPERATOR	voting shares	
	number	% of Fluvius
Fluvius Antwerpen	4,688,069	18.10%
Fluvius Limburg	4,666,524	18.02%
Fluvius West	1,357,143	5.24%
Gaselwest	2,687,523	10.38%
Imewo	3,767,084	14.54%
Intergem	1,840,902	7.11%
Iveka	1,570,114	6.06%
Iverlek	3,486,875	13.46%
PBE	945,183	3.65%
Riobra	394,394	1.52%
Sibelgas	497,124	1.92%
TOTAL	25,900,935	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 2021 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 holds a 2.99% equity stake in De Stroomlijn cv.

Fluvius System Operator also has a 4.35% equity stake in Duwolim (Duurzaam Wonen Limburg).

Moreover, Fluvius participates in these business centres at the request of some DSOs:

Company	DSO	% of the total number of shares
Kortrijk business centre	Gaselwest	24.52
Flemish Ardennes business centre	Gaselwest	3.29
Waregem business centre	Gaselwest	6.66
Bruges business centre	Imewo	13.36
Ghent business centre	Imewo	5.87

None of the companies or business centres in which Fluvius System Operator cv participates is regarded as an energy producer or supplier. The equity interests held by Fluvius System Operator in the five named 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.

The shares in the Ostend Business Centre were sold in June 2021.

The parent company Fluvius System Operator did not acquire any additional shares in subsidiaries or associates during 2021. The subsidiaries and associates also acquired no shares in their parent company.

Amendments to the articles of association

The articles of association of Fluvius System Operator were not amended during 2021. The current version of the articles of association was approved on 23 December 2020 and published in the Annexes to the Belgian Official Journal on 17 February 2021 under the number 21310975.

Changes to the field of operation

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

- the municipality of Lennik in Flemish Brabant joined Riobra for sewerage management with effect from 1 January 2021.
- the entire territory of the East Flanders city of Deinze has been connected to Imewo since 1 January 2021, for both electricity and natural gas. The city of Deinze (formerly a member-shareholder of Gaselwest) merged on 1 January 2019 with the municipality of Nevele (member-shareholder of Imewo); the municipal authorities of the merged municipality decided to become a member-shareholder of Imewo for the distribution of electricity and gas for the entire territory of the merged municipality.

Strategic choice of core tasks

At the beginning of 2020, the Board of Directors approved Fluvius' strategic choice regarding 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 (streetlights, 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 energy services for local authorities to support them in jointly implementing 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.

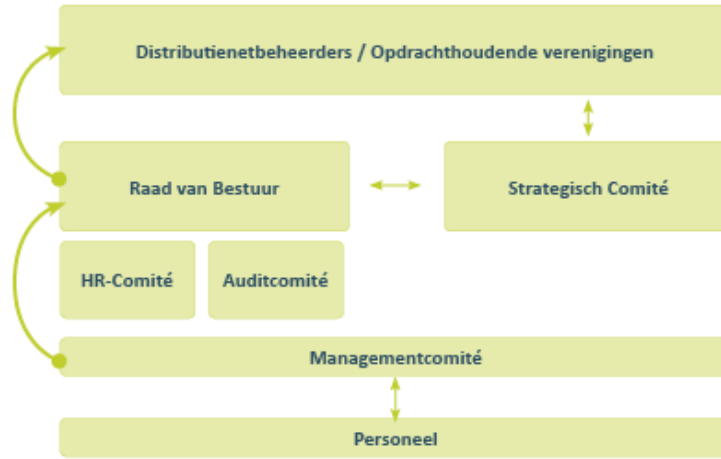
Cash pooling

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 participants in the cash pooling at Fluvius are the operating company Fluvius System Operator itself, the subsidiaries De Stroomlijn and SYNDUCTIS, Fluvius Opdrachthoudende Vereniging, and the eleven mandated associations/shareholders.

Interkabel Vlaanderen, the permanent partnership between all so-called 'pure' cable intermunicipal companies in Flanders, joined the cash pooling of the Fluvius Economic Group on 18 November 2021.

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:



<u>Distributienetbeheerders/Opdrachthoudende verenigingen</u>	<u>Distribution system operators/Mandated associations</u>
<u>Raad van Bestuur</u>	<u>Board of Directors</u>
<u>Strategisch Comité</u>	<u>Strategic Committee</u>
<u>Hr Comité</u>	<u>HR Committee</u>
<u>Auditcomité</u>	<u>Audit Committee</u>
<u>Managementcomité</u>	<u>Management Committee</u>
<u>Personeel</u>	<u>Employees</u>

BOARD OF DIRECTORS

The composition of the Board of Directors of Fluvius System Operator during 2021 was as follows:

Name	Title	Nominated by	Number of meetings attended	Public mandate
Piet BUYSE	Chair	Intergem	12	Dendermonde, Mayor
Koen KENNIS	First Vice President	Fluvius Antwerpen	10	Antwerp, Alderman
Christophe PEETERS	Second Vice President	Imewo	10	Ghent, Councillor
Hans BONTE	Third Vice President	Sibelgas	8	Vilvoorde, Mayor
Geert CLUCKERS	Director	PBE	12	Diest, Alderman
Lieven COBBAERT	Director	Gaselwest	11	Ichtegem, Mayor
David COPPENS	Director	Intergem	9	Aalst, Chair of Municipal Council
Jan DALEMANS	Director	Fluvius Limburg	10	Hechtel-Eksel, Mayor
Charlotte DE BACKER	Director	Imewo	11	Ostend, Councillor
Christof DEJAEGHER	Director	Gaselwest	11	Poperinge, Mayor
Jan DESMETH	Director	Iverlek	10	Sint-Pieters-Leeuw,

				Mayor
Wim DRIES	Director	Fluvius Limburg	12	Genk, Mayor
Ine FRANSEN	Director	Fluvius Limburg	12	Maaseik, Councillor
Greet GEYPEN	Director	Iverlek	12	Mechelen, Alderman
Tom KERSEMANS	Director	Iveka	8	Lille, Alderman
Lies LARIDON	Director	Fluvius West	11	Diksmuide, Mayor
Nicky MARTENS	Director	Riobra	12	Tienen, Councillor
Guy VAN DE PERRE	Director	Iveka	12	Kasterlee, Alderman
Adinda VAN GERVEN	Director	Fluvius Antwerpen	12	Brasschaat, Alderman
Kristien VINGERHOETS	Director	Fluvius Antwerpen	6	Lummen, Councillor

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 all other members of the Board of Directors.

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

Guaranteed independence

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

Article 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 to be applied in 2021.

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 2021:

Name	Title	Number of meetings attended in 2021
Jan Desmeth	Chair	5
Lieven Cobbaert	Member	5
Lies Laridon	Member	5
Kristien Vingerhoets	Member	3

The Audit Committee met six times during 2021, of which five were digital meetings and one meeting by written procedure. The most important matters that the Audit Committee dealt with were the internal audits carried out (including those on the invoicing of work performed, decommissionings, the implementation of the public lighting strategy, the Q-factor (quality of service), pensions, and compliance with environmental legislation). The Audit Committee also scrutinised the financial reporting, the tariffs for the distribution system operators, and the 2021 audit plan.

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

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 2021 was as follows:

Name	Title	Number of meetings attended in 2021
Greet Geypen	Chair	6
Piet Buyse	Member	5
Adinda Van Gerven	Member	6
Kristien Vingerhoets	Member	4

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 six times in 2021, each time digitally or by written procedure. Matters discussed by the Committee included The New Way of Working, the update feedback process, the 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, Great Place to Work, the leadership pathway, and the organisational structure. The HR Committee also reports to the Board of Directors.

STRATEGIC COMMITTEE

The Strategic Committee consisted of the following persons at the end of December 2021:

Name	Title	Number of meetings attended in 2021
Piet Buyse	Chair	2
Hans Bonte	Member	4
David Coppens	Member	1
Wim Dries	Member	5
Koen Kennis	Member	4
Christophe Peeters	Member	4

The articles of association of the company stipulate that 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. Moreover, special attention is paid to the company's relationship with the authorities and regulator, shareholders, and with the other stakeholders in the operation of distribution systems in Flanders.

The Strategic Committee met six times in 2021, of which five times online. No physical meetings took place. The Strategic Committee discussed, among other things, the mitigating measures related to the E&G 2021-2024 tariff methodology, the mission and core tasks of Fluvius in the context of the transposition of the 4th Electricity Directive, the negotiations with Telenet on the possible development of a data network, the harmonisation of costs, the future structure, and governance.

Fixed items on the agenda of the Strategic Committee are general developments in market operations, legislation, and the broader context for the distribution system operators and their operating company.

The Strategic Committee reports to the Board of Directors.

It is worth mentioning that the Advisory Committee met seven times in 2021, either digitally or in writing. On behalf of the Board of Directors, this committee closely monitors the negotiations with Telenet on the possible collaboration for the development of a superfast data network. See also the section, 'Non-binding declaration of intent with Telenet on the evolution of the superfast data network of the future', in this annual report for a more detailed discussion.

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 Operation Committee must all be independent directors in the sense of Article 1.1.1. §2, 74° of the Flemish Energy Decree of 19 November 2010. They are appointed by the Board of Directors from among its members.

To date, the provision regarding the 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 2021. Its composition on 31 December 2021 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 VANDEVELDE	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 also have no voting rights within the Board of Directors. The Management Committee generally meets weekly.

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. Furthermore, the majority of its activities are carried out within a strict legislative and regulatory framework.

Nevertheless, as an important purchaser of materials and technical products, Fluvius pays due attention to respecting human rights, particularly in its supply chain. Concerning the human rights aspects related to the materials used and the entire supply chain, Fluvius' purchasing procedures and specifications provide for measures to prevent abuses, such as production in low-wage countries. For example, candidate suppliers must submit a solemn declaration. As one of the spearheads in its CSR and sustainability policy, the Purchasing Department has started a broad project to make its own supply chain more sustainable as of 2021.

An important resource in achieving this is our association with the sustainability platform Ecovadis. This allows us to screen suppliers by their sustainability profile. Fluvius itself is also screened by Ecovadis.

As regards the monitoring of its suppliers, Fluvius itself does not carry out any active checks on production locations in other countries. The extension of a supply contract motivated Fluvius to have an independent research agency carry out an audit for the first time in April/May 2021 on the working conditions at a Chinese production site. Such audits will be organised regularly in the future.

Financial risks

The Board of Directors has identified the following financial risks:

- **Price risk**

As the operations company, Fluvius System Operator recharges all expenses related 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 latter is subject to a regulatory system or statutory or contractual arrangements regarding their income:

- For electricity and gas, the fee income of distribution network managers is set by Flemish Regulator of the Electricity and Gas Market (VREG). So, there is no significant price risk for these entities in the Fluvius Economic Group apart from the possible risk related to the rejection of certain costs.
- The revenues of the mandated associations that perform sewerage tasks stem from the applicable legislation, namely the Flemish Drinking Water Decree of 18 July 2003 (coordinated on 15 June 2018). Capital investment in this activity is paid for by the Flanders Environment Agency and the municipal authorities.
- 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 meterparties, 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**

The Fluvius System Operator operating company 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. In the energy distribution sector, these derive their income from charging network fees to the commercial suppliers active in the Flemish market.

However, there is a certain collection risk for the DSOs associated with the emergency supplier activity imposed by decree because the particular end users must pay their consumption bills directly to Fluvius.

- **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

Following the takeover by Telenet of the cable television customers and the establishment of a lease over the cable network, Proximus filed a complaint with the Court of First Instance in Antwerp calling for the contracts to be declared void and claiming damages. This claim was rejected at first instance (judgment of 6 April 2009). Proximus appealed to the Antwerp Court of Appeal. Proximus demanded the disclosure of all documents related to the agreement between Telenet, Interkabel, and the cable companies. The plaintiff also sought the annulment of these agreements and EUR 1.4 billion damages based on an expert report it commissioned. The liability of the cable companies in the Fluvius group 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 only concerns 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.

On 3 September 2019, a gas explosion occurred at Wilrijk, Antwerp, resulting in one fatality, three cases of severe injury and significant material damage. The Raadkamer (preliminary chamber) in Antwerp had referred the company Fluvius System Operator and two of its managers (namely the CEO and director of Network Operations)

to the Correctional Court on account of their potential involvement in events that led to this explosion. The Antwerp Correctional Court in April 2021 acquitted both Fluvius managers because the court did not consider them personally responsible for the events. The court did find the company Fluvius System Operator guilty of the events and passed a suspended sentence. Fluvius is and remains of the opinion that the company, its managers, and staff are not at fault in the tragic events, and that insufficient account was taken of the evidence and arguments presented by Fluvius in the course of the proceedings, which should prove that Fluvius is not at fault. Based on these considerations, the company has appealed against this ruling by the Antwerp correctional court.

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 2021, De Stroomlijn had a workforce of 343.8 full-time equivalents. They are employed at four sites: Mechelen, Ypres, Ledeborg (Ghent) and Hasselt.

In 2021, De Stroomlijn recorded a turnover of EUR 19.9 million (2020: EUR 18.7 million). Total balance sheet assets as at 31 December 2021 were EUR 2.7 million (2020: EUR 3.3 million).

Atrias - Central data platform launched

Atrias is responsible for the creation and operation of a common data exchange platform between all actors in the Belgian energy market. Atrias connects all power suppliers, the transmission system operators Elia and Fluxys, and the distribution system operators in Belgium. This involves more than 10 million connection points and 300 million meter readings. This is how Atrias replaces the separate data systems of the Belgian distribution system operators and centralises everything into a single, federally organised system. This forms the basis for a smoothly running free energy market in Belgium.

The launch of the Atrias platform has been a significant milestone for the Belgian energy sector. After several years of preparation with many ups and downs, Atrias launched its central data platform (CMS) and the associated communication rules (MIG6) on 1 November 2021. From that date onwards, the mutual exchange of market data (such as meter readings and invoicing data) and market processes (such as relocations and supplier changes) will take place via the CMS of Atrias based on MIG6.

After the CMS launch, the Atrias challenge will be to capture the many and rapid evolutions in the Belgian energy market and translate these appropriately into its systems and protocols.

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%).

At the end of 2021, Atrias had 25 employees (24.1 full-time equivalents). In 2021, Atrias recorded a turnover of EUR 40.8 million (2020: EUR 35.6 million). Total balance sheet assets as at 31 December 2021 were EUR 87.9 million (2020: EUR 83.4 million) with shareholders' equity of 18,600 euros (same as 2020).

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 remaining shareholders in SYNDUCTIS are: De Watergroep, IWVA/Aquaduin, Aquafin, Pidpa, Proximus, and TMVW/Farys. Moreover, SYNDUCTIS has a close collaboration with the Flemish Administration for Roads and Traffic (AWV) and the Flemish transport company De Lijn based on collaboration agreements between the parties.

On 6 December 2021, the Autonoom Gemeentelijk Stadsontwikkelingsbedrijf (AGSO) Knokke-Heist decided to join SYNDUCTIS.

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 a turnover of EUR 1.9 million in the financial year 2021 (financial year 2020: EUR 1.9 million). Total balance sheet assets at the end of December 2021 stood at EUR 1.6 million (2020: EUR 2.0 million).

Fluvius consolidates SYNDUCTIS 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.

The EY current three-year mandate runs until after the 2023 annual meeting. 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 2021, 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'). The auditor was also responsible for auditing the first allocation and impact report relating to the green bond issued by Fluvius at the end of 2020.

For 2021, 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.

EY Bedrijfsrevisoren formally declared to the Audit Committee on 24 March 2021 that they are independent in the performance of their auditing duties. An identical statement of independence was submitted at the General Meeting of Shareholders held on 26 May 2021.

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 also expires after the annual meeting 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 accounts financial year 2021 – Fluvius System Operator CV (consolidated, BE-GAAP)

1. Profit and loss account

(in EUR million)	2020	2021	Change (%)
Operating income	1,716.8	1,916.9	+11.2
Operating costs	1,702.1	1,901.7	+11.2
Operating profit	14.6	15.3	+10.5
Financial income/expenses	-7.7	-8.1	-6.1
Taxes	7.0	7.1	+10.1
Profit for the year	0.0	0.0	/

2. Balance sheet

(in EUR million)	2020	2021	Change (%)
Fixed assets	6,547.6	5,041.9	-7.7
Current assets	5,790.7	6,453.7	+11.4
Total assets	5,797.3	6,458.7	+11.4
Equity	1.5	1.5	/
Provisions	288.4	196.6	-6.8
Long-term creditors	3,919.0	4,810.5	+12.3
Short-term creditors	1,530.5	1,401.8	-9.2
Total equity &	5,797.3	6,458.7	+11.4

liabilities			
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No exceptional income or expenses were recorded in 2021.

Investments in 2021

In 2021, Fluvius carried out gross investments of EUR 1,110.3 million. This is an increase of 18.4% compared to the investments in 2020 (EUR 938.1 million). This total amounts divides between:

- EUR 641.6 million for electricity (including investments in 70/36 kV grids),
- EUR 239.3 million for gas,
- EUR 72.7 million for public lighting,
- EUR 89.5 million for sewerage,
- EUR 57.0 million for cable and data communications infrastructure,
- and EUR 9.8 million for heating projects.

Financing of the Fluvius System Operator

Fluvius System Operator is publicly offering securities. The relevant laws and regulations therefore apply. Fluvius consequently complies with market abuse regulations.

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

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

In 2020, Fluvius introduced a Euro Medium Term Note (EMTN) programme for issuing internationally placed bonds. The FSMA, as the competent financial regulator, approved the original basic prospectus for the EMTN programme on 17 November 2020. The FSMA approved an updated version of the EMTN basic prospectus on 9 November 2021.

Under this EMTN programme, Fluvius realised the following financing transactions in 2021:

- on 30 March, a private placement of EUR 100 million with a maturity of 12 years and an annual fixed interest rate of 0.810%;
- on 7 June, a EUR 500 million bond with a maturity of 7 years and an annual fixed coupon rate of 0.250%;
- on 15 November, a EUR 600 million bond with a maturity of 10 years and an annual fixed coupon rate of 0.625%.

On 8 November 2021, Fluvius repaid an EMTN bond from ex-Eandis to the bondholders at maturity. This was a EUR 500 million bond with a maturity of 10 years (2011-2021) and a coupon rate of 4.50%.

Thanks to the transactions mentioned, Fluvius managed to extend the maturity of its outstanding bond loans and reduce the weighted average interest rate.

At the end of 2020, Fluvius reached agreement with the European Investment Bank (EIB) on an initial EUR 425 million loan facility. The facility will run from 2021 to 2024 and can be used to fund half the investments in smart electricity metering planned over that period. Fluvius can draw down the loan in several tranches. On 22

April 2021, Fluvius took up the first two tranches of this loan for a combined amount of EUR 200 million. The interest rate is 0.137% for a loan term of 7 years.

On 16 December 2021, Fluvius then concluded a second loan programme with the EIB for a total amount of EUR 350 million. This second programme finances investments in the energy transition (electricity part), such as the connection of charging infrastructure at the public transport company De Lijn or in the public domain through a cooperation with the Flemish Agency for Roads & Traffic (AWV). Changes to the grid (expansions, reinforcements, etc.) are also required to connect the growing deployment of decentralised renewable energy (solar and wind), so the distribution grid can also be financed with this programme. In 2021, Fluvius has not yet drawn on this second loan programme.

In 2021, 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.

The Fluvius System Operator rating

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

Moody's

The Moody's rating remained at A3 for the whole of 2021. However, Moody's revised the outlook for this rating from negative to stable on 29 October 2021. This decision about the change in outlook followed the decision of the governing bodies of the Fluvius Economic Group to approve a package of so-called mitigating measures. These measures are intended to offset the negative consequences of the 2021-2024 tariff methodology imposed by the regulator VREG. This package of mitigating measures includes stricter qualitative and quantitative requirements for capital expenditures, additional savings in operating costs, the request for advance payments for the accelerated roll-out of the digital meter, and a modified dividend policy (as of 2022).

In 2021, Moody's assigned ESG scores for the first time to the companies for which they provide credit ratings. ESG stands for Environmental, Social, and Governance. Moody's indicates with this score, the credit impact score (CIS), the extent to which they consider risks relating to the environment and climate, social aspects, and governance can have an impact on the credit profile of the company. Moody's assigned Fluvius a CIS-3 rating on a scale of 1 (positive) to 5 (highly negative). According to the rating agency, this score means that there is a moderately negative ESG risk to Fluvius' overall credit profile. Fluvius' partial scores are: E-3, S-3, and G-2 where 2 stands for 'neutral to low' and 3 for 'moderately negative'.

Creditreform

Fluvius' rating with Creditreform remained unchanged at A+ with a negative outlook through 2021. Creditreform last confirmed this rating and the rating outlook on 28 October 2021.

Branches

Fluvius has no branches.

Research & development policy

Digital meter data

About eight companies have already shown interest in working with the digital meter data that Fluvius can make available. So, these companies can develop new services and products that can help the end customer save energy

or use it more sustainably and flexibly. In any case, the consumer himself must always explicitly agree to his consumption data being made available.

Internet of Energy

Fluvius participates in the Internet of Energy (IO.Energy) project. 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.

Five projects were selected in May 2021 after an initial IO.E project phase (2019) and the sandboxing phase³ (2020). A total of 30 companies from different sectors are involved. The grid operators act as facilitators. These projects aim at new customer-oriented services:

- the development of software that allows the manager of an energy community to optimise the energy needs of the energy community;
- an application to reduce problems of local congestion on the energy grid;
- an application that provides maximum relief for electric vehicle drivers;
- linking electricity consumers who want to use green electricity with prosumers who want to dispose of a surplus of generated electricity;
- a system that warns end users of peak capacity.

E.DSO Power Award for meter data exchange

Fluvius was awarded the E.DSO Power Award in the Customer Engagement category on 1 December 2021. E.DSO is the European organisation for energy grid operators. Fluvius was awarded this prize because of the accessibility of digital meter data. This data exchange is the crucial tool for a smooth energy transition. We developed several data products that support active customers and offer this kind of data quickly and clearly. There is the customer portal, which already provides over 170,000 customers (including 115,000 families) with quarterly and hourly values. But third parties too – already 26 and growing – can develop services based on the data from the digital meters.

Flanders Digital Award

Flanders also gave Fluvius an award for its project 'exchanging digital meter data'. The top prize for Digital Flanders 'API⁴ of the year' went to Fluvius for unlocking digital consumption data of customers. Of course, only after they give explicit approval. More details are available on the website www.maakjemeterslim.be.

Development of in-house apps

Fluvius is constantly looking for ways to make its business processes simpler, more efficient, and more robust.

Apps are playing an increasingly important role in this. Some interesting apps saw the light of day in 2021.

The first app, called LAPP, helps our technicians and contractors manage their stock of materials. Simply scanning the materials taken from the warehouse is sufficient for the IT systems to register it immediately. Forms and intermediaries are eliminated, which improves the speed of administrative processing and reduces the error rate.

The second self-developed app (Mobi-Reg) is an evaluation tool for site inspections.

Finally, we have the app for the inspection of outdoor electrical cabinets. There are about 86,000 outdoor electrical cabinets spread across Flanders and these must be checked every five years. This user-friendly app helps this inspection programme approach the work efficiently.

³ Sandboxing: (literally 'playing in the sand') is a method in which computer programmes and applications are tested in an isolated virtual environment so that they can run without disrupting other processes.

⁴ API: application programming interface, an automatic data link accessing data via the customer portal with external databases.

Fluvius was involved in the development of a decentralised open source solution for battery life cycle management. The other project partners were Bebat (a Belgian non-profit organisation for the collection and recycling of batteries) and the Swiss Energy Web. This innovative solution must be framed against the background of the European Union's Battery Directive⁵.

Other innovative projects

Fluvius actively participates in the Green Energy Park in Zellik (Flemish Brabant). This site will have a 20 MW energy test bed with smart living and working units, district batteries with a capacity of 2 MW, fast chargers for electric vehicles, solar panels, and wind turbines. It is the combination of all these elements that will be the subject of the study. Fluvius will also participate in a research project initiated by Green Energy Park, namely, OPTIMESH (Optimized Thermal Prosumer Integration in a Multi Energy System). This project will further investigate 6th generation heat networks. The Green Energy Park is an initiative of the Vrije Universiteit Brussel (VUB) and the University Hospital of Brussels.

In our role as grid operator, Fluvius is actively participating in the RE/Sourced project at the Transfosite in Zwevegem. The aim is to tackle the complete redevelopment of the site in such a way that it can be fully powered by locally produced renewable energy.

Fluvius also collaborates and provides its expertise to the Leuven 2030 NPO, which aims to make Leuven and its districts ready for climate neutrality.



Fluvius cooperates with Vito and KU Leuven within the framework of the Thor Park regulatory zone. Experiments with direct current (DC) grids and energy communities are carried out in the no-regulation zone. Fluvius provides support to this endeavour in its role as grid operator and data manager.

Prepaid is an updated service for the customers of the social provider that was launched at the beginning of 2021. This includes its own communication style for letters and the website. This communication campaign was nominated for the 'Heerlijk Helder' prize awarded by the Flemish government. It rewards government communication that is a model of clear language.

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. The Flemish legislator has entrusted this task to the operating company in keeping with the other sub-tasks of distribution system management. 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.

At the end of 2021, the Flemish energy regulator VREG published an initial report on data management, a task assigned to Fluvius. The key points are:

⁵ Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC.

- Fluvius largely meets the requirements set by the government and regulator for this activity. These requirements include independence, transparency, confidentiality, and risk management;
- Compliance with the General Data Protection Regulation (GDPR);
- Fluvius is encouraged to further develop the web portal with consumption data from the digital meters.

The VREG report on data management acknowledges that major challenges await in the coming years, such as flexibility, energy communities, and energy sharing. These developments will also have major consequences for data management.

A socially committed company and staff: spontaneous solidarity with the Walloon region hit by floods

In the summer of 2021, large parts of Belgium, especially the Walloon province of Liège, were hit by unprecedented and devastating floods. The human and material toll was immense. This spontaneously elicited a true wave of solidarity from Fluvius staff. Many colleagues immediately showed their willingness to place their big hearts and expertise at the disposal of the affected residents and grid operator Resa. They were mainly used for repairing and checking house connections for gas and electricity and cleaning up outdoor electrical cabinets, cabins, and meter rooms. Fluvius' relief action was coordinated from a temporary crisis centre. This assistance eventually lasted several weeks. A total of 160 Fluvius colleagues helped in one way or another.

Non-binding declaration of intent with Telenet on the evolution of a superfast data network of the future

Mid-2020, after an open market consultation, Fluvius decided to enter exclusive talks with the telecom operator Telenet on the construction of an ultra-high-speed data network in Flanders. Fluvius had 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 other regions and customers would lag behind.

On 28 October 2021, Telenet and Fluvius announced in a joint press release that, after intense mutual discussions, they signed a non-binding declaration of intent for the evolution of their hybrid fibre coax (HFC) network infrastructure in Flanders. By signing this agreement, both parties have taken the next step towards the realisation of the 'data network of the future', including Fibre-To-The-Home (FTTH) technology. That network of the future will be open, provide ultra-performance, and be accessible to businesses and families in both urban and rural areas. And it will be built with the lowest possible social costs. To this end, the two companies will jointly establish a new self-financing infrastructure company (NetCo) in which they will place their existing HFC and fibre assets as well as the new fibre infrastructure to be developed in the future. Thanks to Telenet's existing customer relationships and the incremental traffic generated by its wholesale partners, NetCo wants to operate a fully open access network and expects high utilisation from the start. The partnership is open to additional collaboration with strategic and/or financial parties to develop this ambitious 'data network of the future'. Based on the general agreements in principle laid down in the declaration of intent, both parties are negotiating further on the specific elements of their future cooperation. The final legal agreements should be completed in spring 2022.

Today, Telenet operates its own HFC network in approximately two thirds of the Flemish territory and parts of Brussels. Fluvius currently owns its own HFC network in the remaining part (one third) of Flanders. Telenet's ground lease agreement – running until 2046 – can offer telecom services to residential and business customers on Fluvius' network, thus serving all of Flanders and parts of Brussels.

These best-in-class high-speed networks are already leading the way in Europe thanks to targeted proactive investments. Telenet has already included a mix of HFC and fibre in its network strategy in recent years. To also offer future generations the best digital experience, both Telenet and Fluvius want to gradually introduce more fibre into their existing networks, especially for the last mile, from the street to the customer's home. This will ensure the creation of an effective Fibre-To-The-Home network.

Telenet and Fluvius share the conviction that universal access to high-quality, fast data connections is crucial for the Flanders of tomorrow. The 300 towns and municipalities of Flanders, all indirect shareholders of Fluvius,

consider this access a social necessity. They fully support NetCo's ambition to offer fibre-optic connectivity to the vast majority of Flanders. In the other parts of the Flemish region, NetCo will provide fast internet connections based on coax technology.

NetCo will combine the expertise and know-how of Telenet and Fluvius. NetCo's shareholders are convinced that this joint initiative will create many growth opportunities given NetCo's robust post-incorporation financial profile and its long-term market ambitions.

Emergency supplier regulation

In 2021, Fluvius was called in twice as an emergency supplier. This first instance occurred on 7 December 2021 when the electricity and gas supplier 'Vlaamse Energieleverancier', which supplied approximately 129,000 EANs, went bankrupt. The emergency supplier procedure was invoked a second time on 21 December 2021 following non-payment by power supplier Watz (with about 34,000 EANs). Watz also applied for protection from its creditors; this application was approved and the proceedings were opened in early January 2022. In both cases, Fluvius – with the approval of the regulator VREG – was forced to stop the pertinent supplier's access to the energy market. These suppliers' customers will then immediately, albeit temporarily, be serviced by Fluvius within the scope of the statutory 'emergency supplier' regulation. The intention is that these customers conclude a contract with another supplier as soon as possible to minimise the period in which they must be supplied by Fluvius. In any case, no end customer ever had to do without electricity or natural gas.

The financial problems faced by both suppliers were a direct consequence of the sharp price increases on the energy markets in the second half of 2021.

The financial risks and consequences for Fluvius are mainly in the area of overdue gridfee payments, the risk of default of customers in the emergency supplier regulation, and the unexpected purchase of additional volumes of electricity and gas.

Important collaborations

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

- **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. The investment plans of both partners are coordinated to the maximum extent 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 grid operators Ores and Resa.
- **Water companies:** Fluvius is working on smart water meters with the Flemish 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. The operational start of this collaboration is planned for the beginning of 2022.

Equity interests in Publi-T and Publigas

Nine mandated associations from the Fluvius⁶ group hold an equity interest in the publicly owned holding company Publi-T. Five mandated associations⁷ also have an equity interest in Publigas. Publi-T with 44.82% is a key shareholder in the electrical transmission grid operator Elia; Publigas with 77.48% is the majority shareholder in the gas transport company Fluxys.

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

The financial aspects are important for the mandated associations participating in Publi-T and/or Publigas. Publigas paid a stable dividend in 2021; Publi-T's dividend increased by 2%. Specifically, the five Publigas mandated associations received a dividend of EUR 31.61 million; the nine Publi-T mandated associations received a total dividend of EUR 22.06 million. A substantial part of the dividend that these mandated associations can pay to their participating municipalities comes from these participations.

Elia completed a capital increase of EUR 435 million in 2019. Publi-T had 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 a 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. In anticipation of a structural loan, this amount was funded from the cash pool of Fluvius System Operator. Definitive financing for the Publi-T capital increase was put in place by the relevant mandated associations in the course of 2021.

This was done by issuing new Apt shares for Fluvius Antwerp, Gaselwest, Imewo, Intergem, Iveka, and Iverlek. When subscribing for these Apt shares, the participants could choose between financing through equity, financing through the OV, and/or, if necessary, debt financing through a bank loan. After a selection procedure, a 5-year bank loan with fixed annual annuities was concluded on 26 January 2021. The new Apt shares were definitively created in March 2021 and allocated to the subscribers.

To finance the new Publi-T shares, Fluvius Limburg, Fluvius West, and PBE joined the aforementioned package deal that Fluvius System Operator concluded with the bank concerned. The remainder of their participation in Publi-T (the investments before 2019 amounting to EUR 73.23 million) continued to be financed by the Fluvius cash pool. So, they decided in June 2021 to also structurally finance this amount with a part of the bond issued by Fluvius System Operator on 14 June 2021.

Constitutional Court annuls 'reversing electricity meter' rule, with far-reaching consequences

On 14 January 2021, the Constitutional Court struck down various provisions of the Flemish Energy Meter Decree.⁸ More specifically, the Court struck down the temporary maintenance of the compensation mechanism (better known as the 'reversing electricity meter') and the prosumer tariff. The Court further annulled the charging to grid users of the costs of installing 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). Finally, the Court considers that each network user must be able to choose wired communication to and from the digital meter rather than a wireless system.

This annulment took effect on 1 March 2021, the date on which the judgment was published in the Belgian Official Journal. It does not apply retroactively.

⁶ These are: Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, and PBE.

⁷ These are: Fluvius Antwerpen, Gaselwest, Imewo, Intergem, and Iverlek.

⁸ 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.

The judgment has far-reaching consequences for Fluvius and other market participants. Initially, Fluvius decided – in consultation with the Flemish Minister for Energy and the Flemish energy regulator VREG – to temporarily suspend the accelerated conversion of digital meters for existing prosumers. Initially, this postponement applied until the beginning of April 2021, but later the Flemish energy minister decided to extend it to 1 July 2021. The conversion programme would only restart once new, approved legislation was in place. In specific situations, digital meters were still being installed, such as in the event of the replacement of defective meters, overcoupling with voltage changes, tariff changes (from single to dual), reinforcements, or meters on demand.

The target of providing smart meters to all solar panel owners by the end of 2022 was abandoned. This specific target group will now be included in the accelerated geographical roll-out and will receive smart meters over the period from 2021 to 2029. However, the overall objectives remained the same: 80% smart meters by 2024 and universal smart metering by 1 July 2029.

Prosumers who already had a smart meter will no longer receive the prosumer tariff. As of 1 March 2021, their electricity bills will be based on the electricity that they actually draw from the grid (including energy cost, network tariffs, kWh-based taxes, and VAT). For the electricity that prosumers generate and feed into the distribution grid, they can receive a feed-in tariff from their supplier. This system also applies to new prosumers joining as from 1 January 2021.

The Flemish government introduced a retroactive investment premium for solar panel owners for whom the mechanism of the virtual reversing meter was terminated. This allowed this segment of grid users to maintain some kind of return on their PV investment. The practical processing of this premium occurred via the Fluvius customer portal. As of 20 July 2021, customers could apply for the retroactive investment premium, which immediately led to a considerable peak load: a daily peak of more than 11,000 file applications was registered. Fluvius' IT systems were able to process this rush of applications without any noteworthy problems thanks in part to good preparation.

The regulator VREG, for its part, has adjusted the 2021-2024 tariff methodology for electricity distribution to the ruling of the Constitutional Court (decision 2021-07). This amendment went into effect on 1 March 2021.

As a result of all of the prosumers' commotion about the reversing meter, Fluvius and other market parties noted a serious loss of confidence in the digital meter among the general public. Nevertheless, the digital meter is an essential tool in making the energy transition a success and achieving the European climate objectives on time. In the autumn of 2021, a wide-ranging communication campaign 'meemetdeestroom.be' was launched at the initiative of Fluvius, the VREG, the Flemish government and other partners. The communication states the importance of the energy transition and stresses the need for the digital meter for a feasible and affordable energy transition. In particular, the role that every citizen can play in helping to realise this revolution is highlighted with the slogan 'more economical, smarter, and greener – every effort counts for a large effect'.



MEE MET DE STROOM.BE	GO WITH THE FLOW (MEEMETDESTROOM.BE)
ZUINIGER, SLIMMER ÉN GROENER	MORE ECONOMICAL, SMARTER, AND GREENER

A technical solution with wired communication from and to the digital meter is planned to start 2023.

By the end of December 2021, a total of 1,270,458 digital meters had been installed at end consumers' premises. This far exceeds the symbolic mark of one million meters. Each year, we observe an increase of 703,919 devices (+124.3%). Despite all the uncertainties and difficulties of this investment programme in 2021, Fluvius' technical teams and the contracted contractors managed to significantly increase the roll-out speed.

Switching public lighting to LEDs is on schedule

The large-scale investment programme for the conversion of municipal public lighting in Flanders to LED is fully on schedule. At the end of 2021, Fluvius achieved 330,951 converted lighting points. This means that 28.25% of the light points are already equipped with LED technology. This means Fluvius is making a significant contribution to the climate issue because energy-efficient LED lighting generates considerable savings in electricity consumption and thus CO₂ emissions. Moreover, this technology offers local authorities more opportunities to actively control public lighting with dimming, switching on and off based on motion detection, and so on.

Evolutions in the legislative and regulatory framework

Below, we summarise the most important evolutions in the legislative and regulatory framework for Fluvius.

- The public lighting obligation expires on 1 January 2022. This means that these costs will no longer be passed on via the distribution grid tariffs.
- The requirement for distribution system operators to read consumption meters on site every two years is replaced by an annual meter reading with the maximum use of the digital meter.
- The Decree of 2 April 2021⁹ regulates innovative concepts related to energy communities, energy sharing, the market roles in terms of flexibility, the networks that the distribution system operators (DSOs) are allowed to operate, and the activities that the DSOs are allowed to perform. Following on from this, the Decision of 3 December 2021 regulates a number of implementation modalities. Thanks to electrical grid flexibility, grid users have more options to coordinate consumption, generation, injection, and storage of electricity.
- The Flemish Energy Decree was amended several times in 2021. Among other things, amendments were adopted on the social and RUE public service obligations and measures aimed at the gradual reduction of natural gas consumption, such as a ban on a natural gas connection in new buildings from 2026.
- The VREG has decided to postpone the introduction of the capacity tariff until 1 July 2022. When the capacity tariff is introduced, part of the distribution grid tariff will be calculated based on the network capacity (kW) used. This is a move away from charging distribution costs solely based on consumption (kWh). The distinction between day and night tariff will also disappear because network tariffs will no longer be influenced by the time of consumption. The capacity tariff is introduced to encourage

⁹ in full: Decree of 2 April 2021 amending the Energy Decree of 8 May 2009 partially transposing Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources and transposing Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 concerning common rules for the internal market in electricity and amending Directive 2012/27/EU.

consumers to use the grid as efficiently as possible. Those who cause high peaks will pay more than those who spread out their consumption.

- The Flemish Energy and Climate Plan: on 5 November 2021, the Flemish Government took additional measures to combat climate change over and above those in the existing Flemish Energy and Climate Plan 2021-2030. So, Flanders is a pioneer on the road to a cleaner environment and less greenhouse gas emissions. Flanders has increased its ambition and wants to reduce greenhouse gas emissions by 40% by 2030 (instead of 35% as in the original plan from 2019) compared to 2005. This affects all sectors except for heavy industry, energy production, and aviation.
- Charge points plan: the Flemish government has a charge points plan ready in which – besides the approximately 5,000 existing installations – another 30,000 (semi-) public charge points on public property by 2025 and 100,000 (semi-) public charge points by 2030 will be provided. This corresponds to 1.5 charge points per 100 residents. Fluvius and the distribution system operators are involved when it comes to the connection of the charging infrastructure and the impact on the distribution grid, including problems of local congestion or determining the appropriate location for public charging infrastructure. In particular, a fast-charging infrastructure can have a significant impact on local distribution grids.
- The Flemish Government has drawn up a vision paper on energy poverty.
- Heat Plan: on 10 December 2021, the Flemish Government approved 26 actions and measures in the Heat Plan 2025. The aim is to make the transition to sustainable heating and the greening of energy carriers. So, the plan ensures the implementation of the green heat and residual heat objectives in the Coalition Agreement 2019-2024, the Energy Policy Paper 2019-2024, and the Flemish Energy and Climate Plan 2021-2030.

COVID: update

Given the epidemiological situation, management in early February 2021 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 meant compulsory telework for administrative staff. Group meetings or events were also not allowed and all board meetings continued to take place digitally. Management continued to follow developments closely and tried to respond flexibly to ever-changing circumstances: business operations were constantly brought into line as much as possible with the measures imposed or recommended by the government.

By 2021, Fluvius will no longer have experienced any significant operational impact from the coronavirus pandemic. All activities could be carried out as planned, albeit with due attention to appropriate precautionary measures (disinfection, keeping a distance, wearing a face mask, etc.).

Moreover, Fluvius did not experience any material financial impact from the coronavirus pandemic in 2021. As part of our cooperation with subcontractors based on the framework contracts, Fluvius has paid them financial compensation. As compensation for contractors' fixed costs, a total of EUR 2.9 million was paid out for 2020/2021. Moreover, Fluvius paid for extra start/stop costs and additional COVID-related costs during interventions, respectively EUR 360,000 and EUR 240,000. See also annual report 2020.

In the meantime, teleworking has become an established practice. It was agreed with the trade unions that up to four days of teleworking on a voluntary basis will be the new policy for the approximately 3,500 administrative staff even after the coronavirus crisis. All of the necessary facilities were made available. The teams use team charters to determine when they are definitely expected in the office and when they can work from home on a voluntary basis. Fluvius is convinced that this arrangement facilitates an appropriate work-life balance.

Fluvius has actively contributed to the vaccination campaign, mainly by arranging the utilities for temporary vaccination centres, such as the Park Spoor Oost vaccination centre in Antwerp. The vaccination centres were also given priority treatment in the event of power outages in the area to ensure their operation was disrupted as little as possible.

Activity – 'heat'

Antwerp North Heat Network – At the end of 2021, Fluvius, Indaver, Port of Antwerp, Boortmalt, Woonhaven, and the City of Antwerp signed a cooperation agreement for the construction of a heat network in the north of Antwerp. In the first instance, a basic network will be established to connect industrial customers. This network will be fed with industrial residual heat from the port. On behalf of the municipal authorities, Fluvius will then connect a residential heat network (3,200 houses and flats of the social housing company Woonhaven in the Luchtbal and Rozemaai neighbourhoods) to the industrial heat project. The initiators want to develop this heat network into the first open access network in Belgium where other heat producers and suppliers can operate in the future.

Antwerp South heat network – Work continues in Antwerp on the heat network between the Boombekelaan industrial zone (Hoboken district) and the Nieuw Zuid residential site. The various 'heat islands' in Antwerp will eventually be linked together to form one large citywide heat network.

Suikerpark heat network, Veurne – Fluvius was involved in the heat project 'Suikerpark' in the West Flanders town of Veurne. This new residential area will be the first heat network in Belgium to run entirely on residual heat from the food company PepsiCo. The houses and flats in Suikerpark will no longer need an individual heating system. This project will reduce CO₂ emissions by an estimated 1,456 tonnes over the next ten years.

Turnhout Heizijde Velden – Fluvius, the city of Turnhout, and a property developer signed a cooperation agreement for the construction of a new heat network in the Heizijde Velden residential zone at the end of 2021.

Towards the use of green gas

At the beginning of December 2021, a new biomethane plant was inaugurated in Kielsbroek (Antwerp). This technical tour de force, a first for Belgium, injects green gas originating from the water treatment process of Aquafin's sewage treatment plant into Fluvius' natural gas distribution grid. An upgrading unit converts raw biogas from the fermentation of sewage sludge into biomethane before injecting it into the grid. Fluvius was responsible for the development and installation of the technology for the qualitative and safe injection of biomethane. If this plant fulfils its promises, it can serve as an example for other biomethane production plants.

Activity – sewage

All stakeholders agree that Flanders needs a global approach to the different aspects of the water issue. The rainwater and drought plans that Fluvius develops for the benefit of the local authorities offer an attractive and climate proof solution for managing rainwater. With this initiative, Fluvius fully endorses the Flemish Blue Deal. In the 86 municipalities where Fluvius is responsible for sewerage management, 83 plans have now been initiated. By the end of 2021, such plans had already been completed for four municipalities, and for 16 municipalities the plans are being finalised.

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

Fluvius fully subscribes to the Flemish action plan 'Municipal Sewerage Management'. This plan, with the participation of the Flemish government, the municipal governments, Aquafin, and the sewerage managers, focuses on three priorities:

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

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

Customer satisfaction

In 2021, we again measured the level of customer satisfaction. Overall satisfaction decreased from 85.9% in 2020 to 79.6% in 2021. There are significant differences between the scores for the seven processes examined. For example, the processes 'fault management' and 'metering' score well, but 'budget meter' and 'local production' score significantly lower in terms of satisfaction. In 'local production', the effect of the commotion surrounding the abolition of the reversing meter played a major role. The results of this survey also indicate that there is still room for improvement in terms of communication. The customers give a positive evaluation of the friendliness and willingness of our staff, the cleanliness of the works, and the efforts to limit inconvenience.

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 was carried out together with an audit of company culture by the Great Place to Work Institute Belgium in cooperation with Vlerick Business School. The most significant pluses for Fluvius: the care taken by the business to ensure a good work-life balance, the camaraderie, and the social relevance of the business.

In the second survey at the end of 2021, the total score was lower than in the first survey at the end of 2020: 65% compared to 70.3%. The response rate for the 2021 survey, at 81%, was significantly higher than for the 2020 survey (71%), indicating strong employee commitment. The detailed results of the Great Place to Work survey are discussed openly within all teams, including the scores per business unit.

REMUNERATION REPORT

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

Board of Directors

In 2021, the Board of Directors of Fluvius System Operator met a total of twelve times. Due to the coronavirus measures, eight of these meetings were held online and one in writing.

The remuneration of the directors of the company is based on the highest compensation that can be paid to a municipal councillor in Flanders. For 2021, these attendance fees amounted to EUR 213.32 for each meeting actually attended, regardless of whether a physical or online meeting takes place.

A travel allowance is granted to directors for journeys to and from the venue of physical meetings of the Board of Directors (and other governance bodies) at a rate of 0.36 euro cents per km in the first half of 2021; at a rate of EUR 0.37 per km in the second half.

The table below shows the attendance fees (ATT) and travel allowances (TRA) paid to each director in respect of the calendar year 2021. The corresponding amounts for 2020 are also given for comparison.

	2020			2021		
	ATT	TRA	TOTAL	ATT	TRAREISV	TOTAL
Bonte Hans	4,266.40	164.16	4,430.56	0.00 ¹⁰	10.36	10.36
Buyse Piet	3,306.46	193.20	3,499.66	5,706.31	77.70	5,784.01
Cluckers Geert	2,559.84	99.36	2,659.20	2,559.84	153.18	2,713.02
Cobbaert Lieven	2,986.48	217.44	3,203.92	3,413.12	170.94	3,584.06
Coppens David	3,839.76	128.88	3,968.64	3,626.44	0.00	3,626.44
Dalemans Jan	2,346.52	129.60	2,476.12	2,133.20	133.20	2,266.40
De Backer Charlotte	2,346.52	213.12	2,559.64	2,346.52	176.12	2,522.64
Dejaegher Christof	2,133.20	266.40	2,399.60	2,346.52	198.32	2,544.84
Desmeth Jan	2,773.16	73.44	2,846.60	3,199.80	9.62	3,209.42
Dries Wim	4,053.08	0.00	4,053.08	5,119.68	0.00	5,119.68
Franssen Ine	426.64	0.00	426.64	2,559.84	266.40	2,826.24
Geypen Greet	2,879.82	131.04	3,010.86	3,839.76	62.16	3,901.92
Kennis Koen	3,199.82	313.92	3,513.74	4,977.46	69.56	5,047.02
Kersemans Tom	1,919.88	122.40	2,042.28	1,706.56	0.00	1,706.56
Laridon Lies	4,053.08	346.32	4,399.40	4,906.36	193.88	5,100.24
Martens Nicky	2,559.84	142.56	2,702.40	2,559.84	111.00	2,670.84
Peeters Christophe	3,626.44	156.96	3,783.40	4,693.31	41.44	4,734.75
Van de Perre Guy	2,346.52	305.28	2,651.80	2,559.84	138.38	2,698.22
Van Gerven Adinda	2,773.16	141.84	2,915.00	3,626.44	148.74	3,775.18
Vingerhoets Kristien	2,559.84	79.92	2,639.76	2,559.84	0.00	2,559.84
TOTAL	56,956.46	3,225.84	60,182.30	64,440.68	1,961.00	66,401.68

¹⁰ Compensation based on distance.

Please take into account the following remarks so you can correctly interpret this table:

- the totals shown for each director are gross taxable amounts;
- the amounts for 2021 for Piet Buyse, Greet Geypen, Koen Kennis, Christophe Peeters, and Kristien Vingerhoets contain a correction for the year 2020.
- 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 related to the financial year 2021.

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 2021 for the members of the Management Committee was EUR 4,198,119.89. The comparable gross salary cost for 2020 was EUR 3,925,132.36. 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 205,203.00 in 2021 (2020: EUR 199,416.00).

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

The variable remuneration paid to members of the Management Committee is linked to the company's score on a number of carefully selected performance indicators. The evaluation of the members of the Management Committee is validated annually within the appropriate governance bodies. 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 (for 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.

The group of executives can also obtain a result-related bonus (CBA 90) upon achieving predetermined overall results. Customer satisfaction, the number of kilometres driven for service trips, and the number of kilometres driven with leased vehicles fit this list.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

For a company like Fluvius, which only has public shareholders, Corporate Social Responsibility (CSR) is an essential tool for expressing its mission in practice. As an energy and utility company, sustainability in the broad sense of the word is an integral part of our strategy and core business, with a clear focus on energy efficiency and flexibility in energy use.

Strategic approach

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:



1. Netwerkbetrouwbaarheid	Grid reliability
2. Klantentevredenheid	Customer satisfaction
3. Privacy van gegevens	Data privacy
4. Bestrijding energiearmoede	Energy poverty policy
5. Samenwerking en partnerschappen	Collaboration and partnerships
6. Kennisdelen	Knowledge sharing
7. Rationeel energiegebruik door eindverbruikers	Rational energy use by end users
8. CO₂ voetafdruk eigen activiteiten	CO₂ footprint of its own operations
9. Lokale biodiversiteit	Local biodiversity
10. Circulair afvalbeheer	Circular waste management
11. Veiligheid van eindverbruikers en omwonenden	Safety of end users and local residents
12. Maatschappelijk aanvaardbare tarieven	Socially acceptable tariffs
13. Integraal (afval)waterbeheer	Integrated (waste) water management
14. Deugdelijk bestuur	Good governance
15. Duurzaam aankoopbeleid	Sustainable procurement policy
16. Actief minder hinder beleid	Active less hindrance policy

17. Veiligheid van medewerkers	Employee safety
18. Welzijn van medewerkers	Employee health and well-being
19. Opleiding en ontwikkeling	Training and development
Invloed op stakeholderbeoordeling en -beslissingen	Influence on stakeholder evaluation and decisions
Belang van de economische, milieu- en sociale impacts van de organisatie	Importance of the organisation's economic, environmental and social impacts

We have set out the concrete commitments that Fluvius has made in the areas 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 at <https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019.pdf>

In the 2021 Activity Report, you will find numerous concrete examples of how Fluvius is putting CSR and sustainability into practice.

Fluvius performance in the area of sustainable and socially responsible business was honoured with the 'SDG Pioneer' certificate (October 2020), which was awarded by Unitar (the United Nations Institute for Training & Research), Cifal Flanders (the Flemish branch of Unitar), and the VOKA employers' organisation. This certificate rewards businesses that have successfully carried out at least ten actions over three years related to each of the 17 SDGs (Sustainable Development Goals) and at least four of the five pillars of Agenda 2030.

Fluvius has 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 implementing the Science Based Targets (SBTi)¹¹ within two years. See the website: <https://www.belgianallianceforclimateaction.org/>

Sustainability policy

In 2021, Fluvius took concrete steps to add further strength and substance to its sustainability and social responsibility policy. A guiding principle in this process was the achievement of the United Nations Sustainable Development Goals (SDGs).

Fluvius has set its priorities within its sustainability policy for the coming years. Key points for the coming years are (1) the reduction of the ecological (CO₂) footprint of our own activities and (2) the sustainability of the supply chain. These are part of the SDGs 13 (climate action) and 12 (sustainable production & consumption).

Fluvius has also decided in principle to fully align its Fluvius Economic Group investment policy with the Flemish Energy & Climate Plan 2021-2030¹². All investment decisions in the future will have to contribute to the general climate objectives that Flanders has laid down in this plan. Currently, this general policy decision is being quantified in terms of its budgetary impact and financing needs. Concrete investment projects are also being further outlined.

Business activities in the light of the EU Taxonomy

¹¹ 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.

¹² Approved by the Flemish Government on 9 December 2019. Among other things, this plan aims to reduce greenhouse gas emissions by 35% in 2030 compared to 2005, to save 84,062 TWh of energy, and to achieve a share of renewable energy of 28,512 GWh in 2030. For the full document see: https://emis.vito.be/sites/emis/files/articles/3331/2019/2019-12-09_VEKP.pdf

The European Union has developed and issued a taxonomy for sustainable business activities¹³. Based on the transparency rule contained in Article 8 of the relevant Regulation, Fluvius assessed its business activities to the existing definition of sustainable activities. The company arrived at the following findings.

A. Fluvius consolidated group

Fluvius System Operator, and by extension the Fluvius consolidated group, acts as the operating company for its eleven shareholders/associations. The turnover recorded by the operating company consists of the full settlement, without profit margin, with the mandated associations of all investment and operational expenditure commissioned by and for these entities. There are (almost) no own investments for the Fluvius consolidated group and all operational expenses are included in the turnover. Concerning the (re)allocation of costs and revenues, the necessary reporting tools will be set up to provide more refined data from the 2022 financial year onwards. The company currently considers that zero per cent of turnover, zero per cent of capital expenditure, and also zero per cent of operating expenditure are eligible under the rules of the EU Taxonomy.

B. Fluvius Economic Group

Concerning the Fluvius Economic Group, the company voluntarily wants to report on the eligibility of its business activities. To this end, Fluvius will refine its reporting capabilities as of the reporting of the financial year 2022, partly in the light of evolving reporting requirements.

Thus, based on the currently available data and according to the current state of development of the EU Taxonomy and derived documents, Fluvius states the following:

- for the activity of electricity distribution:
This activity is included in the list of taxonomy-eligible activities because it contributes to climate mitigation and adaptation, taking into account the current technical screening criteria¹⁴. The percentage of sustainable turnover related to total turnover for this activity, as well as the corresponding percentages for capital expenditure (capex) and operational expenditure (opex) can still be reported with insufficient certainty for the 2021 financial year. Fluvius will set up the necessary reporting for the 2022 financial year based on its systems;
- for the gas distribution activity:
Certain activities in gas distribution are included in the list of taxonomy-eligible activities subject to a number of strict conditions¹⁵. As with electricity distribution, Fluvius will set up the necessary reporting for the 2022 financial year.
- for the heat activity:
This activity is included in the list of taxonomy-eligible activities. Fluvius assumes that 100% of the turnover, 100% of the capital expenditure, and 100% of the operational expenditure in this activity is considered to be sustainable because these substantially contribute to climate mitigation, taking into account the predefined technical screening criteria.

¹³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework for enhancing sustainable investments and amending Regulation (EU) 2019/2088

¹⁴ These technical screening criteria have been provisionally elaborated in 'Commission Delegated Regulation (EU) .../... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives'.

¹⁵ Based on an additional Delegated Act on nuclear power and gas power, approved in principle by the European Commission on 2 February 2022.

- for the sewage activity:
It is taxonomically unique as it contributes to the prevention and control of pollution and makes a substantial contribution to the sustainable use and protection of water and marine resources (Article 12.1 of the Regulation), in particular through the collection of domestic and industrial waste water and its conveyance to waste water treatment plants. Fluvius assumes that 100% of the turnover, 100% of the capital expenditure, and 100% of the operational expenditure in this business activity is sustainable.
- for other business activities:
These are not included in the list of eligible activities.

A. Environmental factors

We would like to refer to the section Activity Report for concrete examples of Fluvius' environmental performance, such as the unambiguous choice for 'Electric First', the renewed waste policy, the circular approach to the processing of dismantled fittings for public lighting, the recycling of old workwear, the realisation of a competence centre on sustainability in our purchasing dossiers, etc.

B. Social aspects

Gender diversity in the administrative and management bodies (31 December 2021)

	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 51 men and 9 women in the senior management team of Fluvius System Operator.

The low percentage of women in the company's management committee and senior management positions is still largely due to the historical fact that (most) 'technical' positions were mainly held by men.

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. Fluvius' biennial pay gap report examines in great detail the remuneration structure used by the company. This report is produced in accordance with the Act of 22 April 2012 on combating the pay gap between men and women and is discussed by the Works Council as a mandatory item. The Works Council then decides – based on the results in the pay gap report – whether action has to be taken to promote gender-neutral remuneration.

The most recent report 2019-2020 concludes that the performance process (i.e. remuneration based on performance) is gender neutral, that there are only very minor differences in the percentage distribution between men and women and that there is no structural disadvantage vis-à-vis female employees.

Furthermore, it is concluded that the selection and promotion process is gender neutral: any employee can and may apply internally based on a defined selection process and the predetermined profile for the vacant position. That Fluvius employs more men in senior technical positions and many operational technical positions are held by men is a direct consequence of the fact that (1) more men than women graduate in technical studies, (2) that, as a result, fewer women enter positions with a technical profile, and (3) that this type of entry-level position is a necessary basis for advancement to senior technical positions.

The Works Council of Fluvius System Operator, after a comprehensive discussion of the above-mentioned pay gap report 2019-2020, judged that no additional actions were needed.

The current composition of the Board of Directors complies with the imposed rule that '*at least one third of the members must be of a different sex from the other members*'.¹⁶

The age of the candidate plays no role in Fluvius' recruitment process. The recruitments during 2021 were distributed across the various age categories:

	%
<20	4.4%
20-29	34.8%
30-39	34.5%
40-49	16.7%
50-59	8.5%
60+	1.0%
	100.0%

Safety at work

Important parameters in occupational safety are frequency and severity figures stating the number of accidents at work involving absence and the number of days of absence respectively in proportion to the number of hours worked per annum. In 2021, the frequency rate was 4.65, which unfortunately fell short of the target of 4.50. The majority of accidents is due to falling, stumbling, and slipping. Both our technicians and our meter readers often enter unknown territory at customer premises or sites where we are not the main contractor.

The severity rate came to 0.10 while the target is 0.09. In several cases, the lack of minimum safety measures at the customers' premises or slippery surfaces proved to be the cause of the most serious accidents.

C. Governance aspects

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 companies¹⁶ serve as the benchmark for the quality of corporate governance. These two texts were the inspiration for the Fluvius System Operator's own Corporate Governance Charter, which the Board of Directors approved on 17 June 2021. Like the two codes, the Fluvius Charter is based on striking a balance between entrepreneurship and oversight, and between performance and compliance.

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

¹⁶ This is the Belgian Corporate Governance Code for listed companies (Code 2020) and the one for unlisted companies (Code Buysse).

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 Governance 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 utilities. 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 Board of Directors, the Audit Committee, the HR Committee, and the Management Committee pay attention to potential problems related to the use 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' directors and management and with its employees.

The Fluvius Ethical Charter, our ethical compass

The Board of Directors approved an updated Ethics Charter for Fluvius in June 2021. This charter defines what integrity and ethics are involved in the execution of our assignments. It describes in detail how Fluvius and its shareholders must conduct themselves ethically in business matters. You could say that it provides staff 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.

Fluvius' Ethical Charter also establishes an independent and easily accessible procedure for reporting possible unethical behaviour. Such reports can be made using a variety of channels: to management, via the website, or by post. A strictly independent and multidisciplinary ethics group handles all internal and external reports. See also the item below.

This document is freely viewable at: <https://over.fluvius.be/nl/thema/onze-missie-visie-waarden-charters>

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 is passed to the head of HR together with recommendations for concrete action (warning, sanctions, etc.).

In the spring of 2021, Fluvius summarily dismissed an employee after he published a hateful and racist message on social media. An aggravating element was that the name of Fluvius was also mentioned in the message. The company has spoken out in the strongest possible terms against such statements, which are completely at odds with its own corporate values. Fluvius, as an aggrieved party, has incidentally lodged a complaint.

During 2021, the Ethics Group received no further reports of a potential infringement of ethical rules.

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.

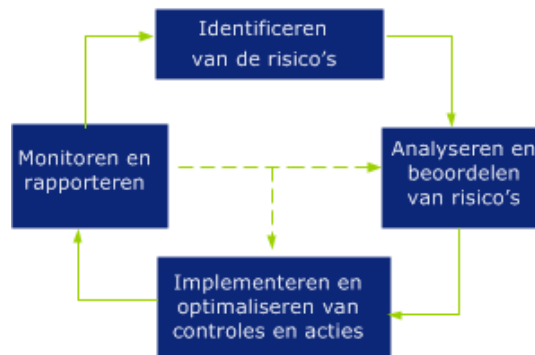
Risks are classified into five categories: (1) strategic risks, (2) business risks, (3) generic business risks, (4) operational risks and (5) generic operational risks. We only monitor risks that are relevant to one or more business processes.

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.



Identificeren van de risico's	Identifying risks
Monitoren en rapporteren	Monitoring and reporting
Analyseren en beoordelen van risico's	Analysing and assessing risks
Implementeren en optimaliseren van controles en acties	Implementation and optimisation of checks and actions

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 ensure a high degree of professionalism in the internal audit work.

In 2021, an external audit was conducted of the Internal Audit department, as provided for in the IIA standards. Fluvius System Operator was found to be fully compliant.

Fluvius also has formal procedures that will come into play in the event of an emergency or disaster; these 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 emergencies, 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.

The 'Information Security' regulations of 2019 contain clear and binding guidelines for staff on how to handle company data correctly. These regulations are also linked in content to the Working Regulations.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR 2021

After the close of the 2021 financial year on 31 December 2021, the following important facts and developments occurred.

Adjusted emergency supplier regulation

In January 2022, the Flemish Parliament amended the emergency supplier decree. In particular, the period during which Fluvius must act as an emergency supplier for the household customers of suppliers losing their supply licence due to financial difficulties was extended from 60 days to 12 months. The new regulation was introduced retroactively from 7 December 2021.

New partner for SYNDUCTIS

The Board of Directors of SYNDUCTIS accepted the accession of AGSO Knokke-Heist on 28 January 2022.

Emergency supplier regulation is in use again

On 18 March 2022, Fluvius became an emergency supplier for the gas customers of AECO/Energie2030. This supplier had to be denied access to the distribution grid because it could no longer fulfil its contractual obligations.

Volatility in (energy) markets

As of the last quarter of 2021 and even more so during the first quarter of 2022, we have seen increased volatility in the financial and energy markets. This is due to, among other things, rising inflation and interest rates, and steeply increasing prices for electricity and especially gas. These evolutions have manifested themselves even more strongly since the start of the armed conflict in Ukraine.

For Fluvius, the above evolutions mean, among other things, that:

- future (re-) financing for the (entities of the) Fluvius Economic Group will probably be more expensive than was the case in the recent past when interest rates were at very low levels;
- the current fair value of the investments and the value of the pension funds have decreased significantly compared to the year-end 2021;
- the affordability of electricity and gas will become problematic for more Flemish end users, increasing the risk of non-payment, and more users may temporarily find themselves in the social supplier system (i.e. the distribution system operator);
- in these circumstances, certain power suppliers may find themselves in financial difficulties, such that they must be denied access to the distribution grid and Fluvius must act as an emergency supplier for the end customers concerned;
- for the period January/February 2022, a remarkable decrease in gas consumption was observed. Compared to the same period in 2021, gas consumption decreased in absolute terms from an average of 95 kWh/day to 80 kWh/day in January, and from 82.5 kWh/day to 67.5 kWh/day in February. In percentage terms and taking into account the temperature differences between the two years, monthly consumption was 5% and 16% lower respectively. These consumption figures are based on the anonymous data of 100,000 digital gas meters. Declining gas consumption is observed for all types of end customers. Perhaps the high gas prices have prompted end consumers to change their consumption patterns;
- the global impact of the outlined market circumstances cannot be fully assessed at present; the management follows these evolutions very closely and will – where and when useful and necessary – take appropriate policy measures in consultation with the stakeholders involved.

The Board of Directors,
Brussels, 30 March 2022

ACTIVITY REPORT

1. Focus on employees

We are working on creating a company that is pleasant for everyone to work in, now and in the future. After achieving the Great Place to Work certification in January 2021, we will strive to raise our organisation one level higher as a workplace. Trust between staff and management is central to this. Also important: pride in one's own and collective achievements and fun and camaraderie in the workplace.

- **Great Place to Work**

We want Fluvius to be a 'Great Place to Work' (GPTW) for all our employees. At a workplace with the GPTW quality mark, everyone prioritises professional pride, camaraderie, collegiality, and trust. In practice, we do this by talking to our staff. What do they like about Fluvius and what could be improved? We draw up actions based on this feedback with our choice of shared leadership as a common thread.

- **GPTW survey 2021: decreased results**

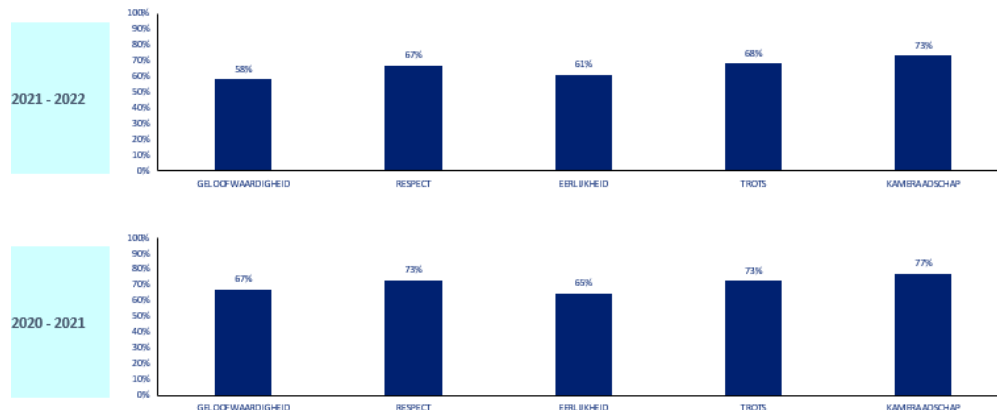
Every year, we ask all employees how much they experience Fluvius as a great place to work. They give their opinion on 62 different aspects. This year, we achieved a response rate of no less than 81%, which makes the results highly representative. For 2021, we achieved an overall final rating of 65% (70.3% in 2020). Although this is not enough for a new GPTW certification, we learned a lot about employee satisfaction and dissatisfaction. We also know what makes them (less) enthusiastic and what they experience as points for improvement or sore points because they were also able to explain their scores.

'Final rating of 65% is not enough for a new GPTW certification, but we learned a lot about employee satisfaction and dissatisfaction.'

- **Working on trust**

The Great Place to Work (GPTW) and Well-being survey measures five dimensions: credibility, respect, honesty, pride, and camaraderie. In 2021, we lost ground on all fronts. Only the camaraderie pillar again achieved the GPTW standard of 70% or more.

Executives are the most satisfied with a score of over 70% on all pillars. A distance has been created between the management, on the one hand, and the team leaders and clerks on the other. In 2022, we want to restore the trust of the employees in the management.



GELOOFWAARDIGHEID

CREDIBILITY

RESPECT	RESPECT
EERLIJKHEID	HONESTY
TROTS	PRIDE
KAMERAADSCHAP	CAMARADERIE

- **#allemaalfluvius**

If there's one project above all that makes our organisation a Great Place to Work, it's #allemaalfluvius: working together on shared leadership, long-term employability, and the New Way of Working.

- ***Working on trust, culture, and shared leadership***

We're helping departments evolve from more hierarchically organised structures into self-organising teams. To put it simply, the employees who do the work decide as much as possible about the day-to-day things.

That creates a win-win-win situation:

- Employees get more confidence and are given a say and more autonomy. This ownership leads to greater commitment and more job satisfaction.
- Customers are helped even more quickly because employees can make their own decisions.
- The managers have more time for strategic matters.

- ***Learning to work differently***

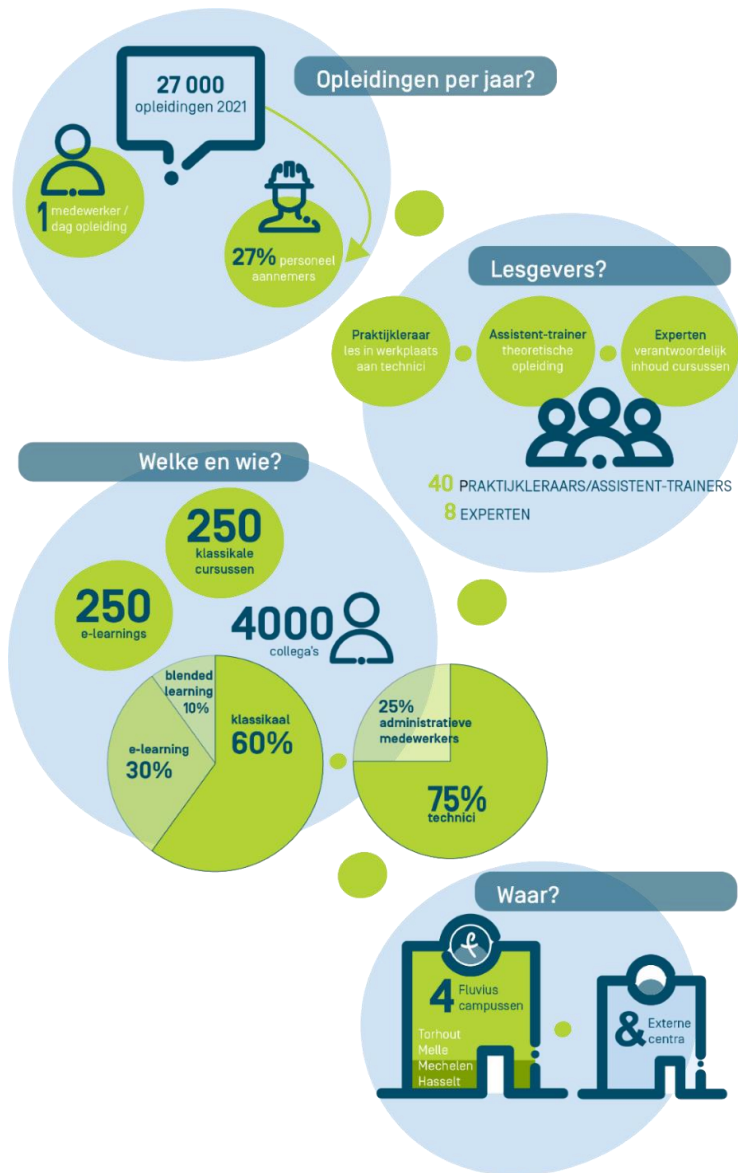
Opting for self-organising teams requires a fundamental change in mentality, both among managers and staff. There is an intensive training process underway that will let everyone get to know the new way of working.

The teams work with internal coaches to find out what values and convictions are crucial for more [shared leadership](#). We also offer concrete techniques for working better and cooperating better.

- ***Being and remaining versatile in a flexible organisation***

In a rapidly changing professional environment, we want to keep evolving all the time and keep on training everyone. We are therefore working to help our employees to develop the right skills. An employee who is flexible and versatile needs three things.

- fitness – being able to work
- motivation – wanting to work
- the right skills to remain employable.



Opleidingen per jaar?	Courses per year?
27 000 opleidingen 2021	27,000 courses in 2021
1 medewerker/dag opleiding	1 employee/day of training
27% personeel aannemers	27% contractors' staff
Lesgevers?	Instructors?
Praktijkleraar	Practical instructor
Les in werkplaats aan technici	Workshop instruction for technicians
Assistent-trainer	Assistant trainer
Theoretische opleiding	Theoretical training
Experten	Experts
Verantwoordelijk inhoud cursussen	Responsible for course content
40 PRAKTIJKLERAARS/ASSISTENT-TRAINERS	40 PRACTICAL INSTRUCTORS/ASSISTANT TRAINERS
8 EXPERTEN	8 EXPERTS
Welke en wie?	Which one and who?
250 klassikale cursussen	250 classroom courses
250 e-learning	250 e-learning

4000 collega's	4,000 colleagues
60% klassikaal	60% classroom
25% administratieve medewerkers	25% administrative staff
75% technici	75% technicians
Waar?	Where?
Fluvius campussen	Fluvius campuses
& Externe centra	& External centres

In 2021, our very own Fluvius Academy – our internal training centres as a whole – was able to present the following impressive figures:

- **Safety first**

Working safely remains at the top of Fluvius' list of priorities. Also in 2021, COVID-19 required us to take additional safety measures into account.

- **Working in COVID times**

As a Flemish grid operator, we followed the Generic Guide instructions and ensured that our employees were spared from infection at work. No expense was spared to provide everyone with adequate high-quality protective equipment. Telework for sedentary staff was firmly established in the principles of the New Way of Working.

We install CO₂ meters in all meeting rooms and customer offices, among other places. We also used adequate measures to protect our customers from infection during work.

- **Safety = top priority**

Everyone is responsible for their own safety and that of colleagues and third parties.

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

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

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

- **Workplace accidents**

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

In 2021 we achieved a **frequency score** of F = 4.65. Unfortunately, this result fell short of our target of 4.50, but we did make progress compared to 2020 (4.77). The majority of accidents are due to falling, tripping, and slipping. Our technicians and meter readers often work in unfamiliar territory, in customers' homes, or on sites where we are not the main contractor.

In 2021, the **severity figure** was S = 0.10, whereas we were aiming for less than 0.09. Lack of minimum safety measures at customers' premises (e.g. a handrail) or slippery ground were the causes of the most serious accidents.

We have a policy of zero tolerance for **accidents** involving either of our basic products (electricity and natural gas). Nevertheless, we recorded two accidents in 2021, the same number as in 2020.

'In a culture of shared leadership, everyone takes responsibility for their own safety and that of their colleagues.'

- **Keeping working on well-being**

Fluvius aims to have satisfied employees who feel comfortable in themselves. We pay close attention to everyone's well-being and energy balance, and continue to work on it constantly.

- **Human energy in balance**

Humans' energy reserves are split across four 'batteries': Our initiatives always focus on at least one of these four.



Fysiek	Physical
Beweging	Movement
Ergonomie	Ergonomics
Slaap	Sleep
Voeding	Food
Mentaal	Mental
Concentratie	Concentration
Creativiteit	Creativity
Efficiëntie	Efficiency
Mentale veerkracht	Mental resilience
Positief denken	Positive thinking
Zelfsturing	Autonomy
Sociaal	Social
Empathie	Empathy
Samenwerking	Collaboration
Sociaal Engagement	Social Engagement
Verbinding	Connection
Zingeving	Meaningfulness
Motivatie	Motivation
Persoonlijkheid	Personality
Talenten	Talents
Waarden	Values

- **Safety first!**

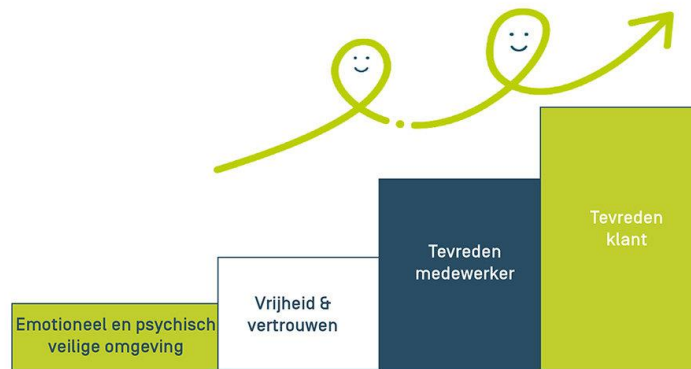
Employees who are stressed or have health problems or conflicts at work can turn to our social assistants. All of our team coordinators and social assistants have also been trained as stress and burnout coaches.

But above all, we've got faith in prevention. In concrete terms, we use these structural activities to work on the health and happiness of every Fluvius employee.

– **Well-being webinars**

Frequent telework, initially introduced to combat the coronavirus, later became a standard working style and now enjoys our full support. The internal webinars that started in 2020 were followed up on. Staff gave each other tips and exchanged ideas about the power of positive thinking, taking care for yourself and your team, optimising focus, coping with anxiety, and moving from digi-stress to digi-happiness.

We also placed the most discussed topics – in the individual sessions with the social assistants – on the agenda for everyone in the form of webinars. The digital lectures 'working on self-confidence', 'you can learn to worry less', 'dealing with emotions and mourning & loss', attracted a great deal of interest.



Emotioneel en psychisch veilige omgeving	Emotionally and psychologically safe environment
Vrijheid & vertrouwen	Freedom & trust
Tevreden medewerker	Satisfied employee
Tevreden klant	Satisfied customer

– **Training in well-being**

The introduction of the revamped welfare courses was done digitally and with success. Managers and staff learned skills so they could work reactively and proactively on well-being. Examples of our courses include 'Boost your energy', 'Stress', and 'Absence policy – talking positively about being at work'.



Gemotiveerd Team	Motivated Team
Gedeeld leiderschap binnen een team zorgt voor tevreden en gemotiveerde medewerkers.	Shared leadership within a team ensures satisfied and motivated staff.
Positieve Resultaten	Positive results
Een gemotiveerd team zorgt voor veilig, efficiënt en klantgericht werk.	A motivated team ensures safe, efficient, and customer-oriented work.
Tevreden Klanten	Satisfied Customers
Goede resultaten zorgen voor positieve feedback.	Good results ensure positive feedback.

– ***Fitness testing and health scans***

We offer our staff free fitness tests and health scans. Those who wish to do so can be accompanied by a health coach for several months on the topics of nutrition, exercise, and sleep. Together with partner Energy Lab, we encouraged as many employees as possible to partake in sporting challenges, and launched specific campaigns on healthier eating and dealing with stress.

– ***Cross-border behaviour***

The results of the welfare survey at the end of 2020 showed that a number of employees had been victims of transgressive behaviour. We talked to colleagues from different regions to obtain clarity on what this term exactly means, to see where everyone's boundaries lie, and to make agreements for the future.

– ***Monitoring corona virus infections***

The team of social assistants continued monitoring employees infected with coronavirus very closely, as well as their managers and colleagues, and sometimes their family members too. Additional attention was also paid to the welfare of technicians who had to go out into the field every day.

2. Focus on customers

No matter what job we are doing, at Fluvius we always provide the best possible service. That means a service that fully lives up to the customer's needs and expectations. More specifically, it means quick, precise answers, rapid execution with minimal waiting times and disruption, and clear communications. We strive to achieve this for the 6.5 million Flemish residents who put their trust in us, as well as for our shareholders (the Flemish cities and municipalities).

- **Close to the customer**

At Fluvius, we start from the expectations of our customers for everything we do. Goal: to make the **customer Experience (CX)** as consistent and positive as possible in every customer contact, regardless of the process, channel, or employee.

- **What does the customer want?**

Customer expectations for new applications and processes are evolving rapidly under the influence of commercial actors in the energy market. So, it is important to respond to this. Which is why in 2021 we set up a customer service team, **the CX-team**. This is a team of 5 experts that collects customer insights, converses with customers, detects opportunities, and works together with colleagues across the company to adapt daily operations to the most ideal customer experience.

We focus on four service promises for our customers to meet the needs of our customers even better. We want every employee to know these promises and to make these real each day.



Elke medewerker staat voor je klaar	Every employee is there for you
We kennen jou en jouw situatie	We know you and your situation
We geven je begrijpbare informatie	We provide you with understandable information
We bieden je gepersonaliseerd advies	We offer you personalised advice

We focus on four service promises for our customers to meet the needs of our customers even better. We want every employee to know these promises and to make these real each day.

Our customers also notice the difference. Since last year, we have had the opportunity to pay tribute to our colleagues on the website. And so do the customers: in 2021, we received more than 300 compliments.

Some examples:

- *'Huge kudos to Peggy from the technical back office. Always quick in its service, always clear, and super customer-oriented. An employee to cherish.'*
- *'Really satisfied with the way our file was done and speed it was followed up on. Also very satisfied with the carrying out of the works. Kudos to the Fluvius staff. Really customer focused!'*
- *'The conversation and handling by Carine to regularise an estimated meter reading deserve sincere CONGRATULATIONS. Can you congratulate the person concerned?'*

- **Customer survey: high marks for studies & installation and premium requests**

In last year's online customer survey, 'studies and construction' scored best (92% satisfied customers), closely followed by 'metering' (86%), 'premium requests' (85%), and 'fault management' (84%).

Customers are less satisfied with 'local production' (64%) and 'prepayment' (67%). 'Connections' score average is 78%.

For 'local generation', our service ran behind schedule at the end of 2020 due to the sudden, exponential rise in the number of solar panel registrations. So, also in 2021 many customers had to wait longer than foreseen for their installation to be approved. Moreover, customers say that the application procedure is not easy.

Under prepayment, we follow up on customers with payment difficulties by installing a digital meter at their property according to the prepaid principle. This helps customers to avoid getting further into debt and to keep control over their energy spending. Given the issue involved, however, this topic usually scores lower.

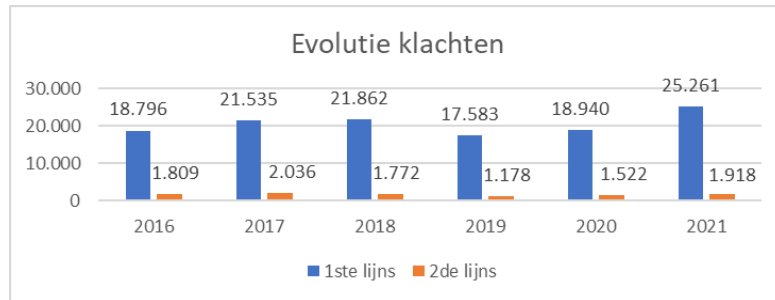
General customer satisfaction: annual result

Service type	2020	2021
Studies & installation	92%	92%
Metering	95%	86%
Available subsidies	92%	85%
Failure management	86%	84%
Connections	86%	78%
Prepayment	78%	67%
Local Generation	73%	64%
TOTAL	86%	80%

– **Dealing with complaints**

In 2021, we received a total of 25,261 first-line complaints and 1,918 second-line complaints. This is an increase of 33.3% (6,321 complaints) and 26% (396) respectively compared to 2020. The number of first-line complaints received is the highest in the last 5 years. The biggest impact on our operations came from the Constitutional Court ruling on the reversing meter for digital meter customers.

A second-line complaint is when customers tell us they are not satisfied with how their original complaint was handled.



Evolutie klachten	Evolution of complaints
1 ^{ste} lijns	First line
2 ^{de} lijns	Second line

– **Customer-focused communication**

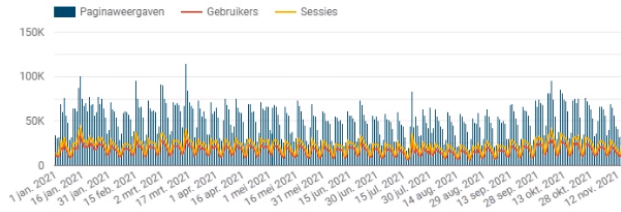
In 2021, we took further steps towards even more customer-oriented communication. To this end, we work on pro-activity, relevance, and accessibility

We communicate our information and services via an 'omnichannel policy' to a broad target group of customers. Self-service and digitalisation are key here, so that a large proportion of our customers can contact us 24/7. At the same time, we also continue to provide maximum support to non-digital customers. We are committed to the customer channel strategy Avoid-Click-Call-Face, in which a customer contact is preferably not necessary. For example, because it is clear to the customer, the customer is helped online, contacts our call centre, or visits a customer office. We want to use the available resources as efficiently as possible.

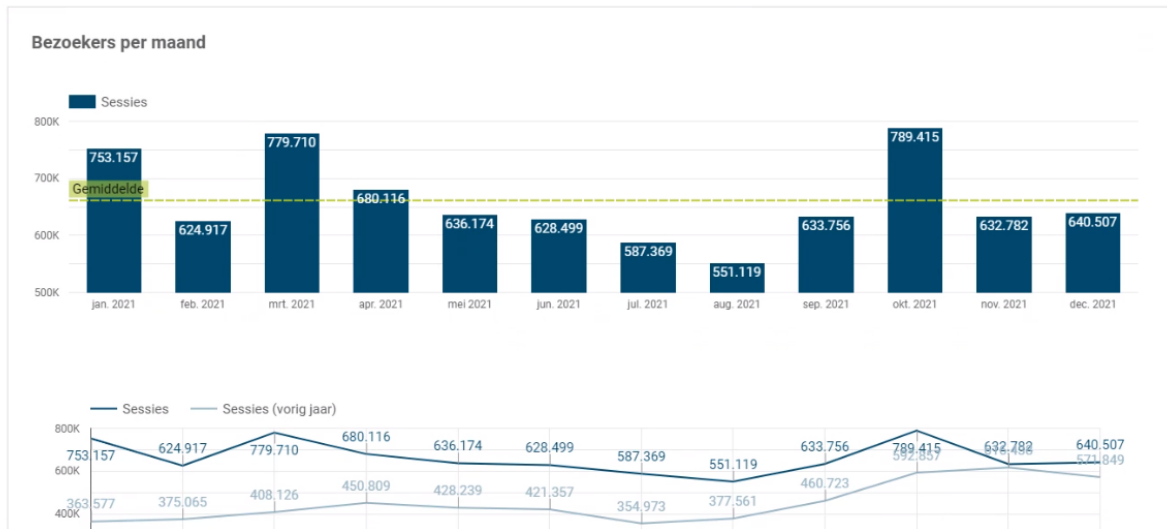
– **Customer channels**

The Fluvius [website](#) had 7,938,521 visitors, while the [mini-site for Prepaid](#) was visited 96,380 times.

[Website visitor numbers](#)



Gebruikers	Sessies	Paginaweergaven
3.845.042	7.937.521	19.136.681
Gem. tijd van een bezoek	Pagina's/sessie	
00:02:05	2,41	



Paginaweergaven	Page views
Gebruikers	Users
Sessies	Sessions
Gem. tijd van een bezoek	Avg. time of visit
Pagina's/sessie	Pages/session
Bezoekers per maand	Visitors per month
Sessies (vorig jaar)	Sessions (previous year)

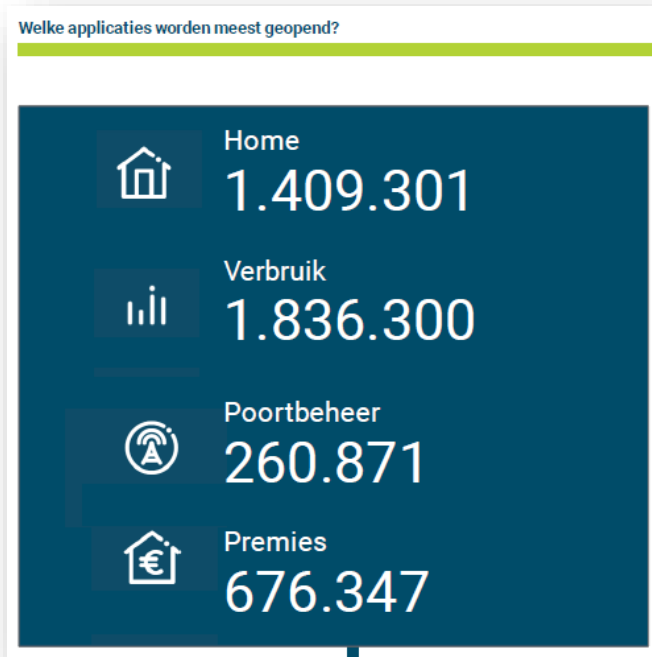
Customers contacted us **by phone** over 2,250,000 times in the past year. This is an increase of about 190,000 calls compared to 2020 and 360,000 calls compared to 2019. We handled just over 208,000 **contact forms** from the website.

Our direct messaging channels (WhatsApp, Facebook Messenger, web chat, Twitter) are gaining ground. We have already recorded a total of over 98,000 customer conversations. Customer satisfaction on these digital channels is also high (average score 4.23/5).

Fluvius practises social listening: when customers ask questions about Fluvius publicly on **social media**, a team of customer advisors formulates an answer to these questions or remarks.

More and more customers are finding their way to [My Fluvius](#). This online app enables customers to track their own usage, open and close their smart meter data ports, and [apply for premiums](#). The number of customers who registered a new account increased to a total of 279,898 in 2021. Moreover, these customers regularly consult My Fluvius: in total, we counted 2,048,508 sessions. The 'Consumption' tile is visited most often by customers (1.8 million times).

[My Fluvius: which applications do customers open the most?](#)



Welke applicaties worden meest geopend?	Which applications are opened the most?
Verbruik	Consumption
Poortbeheer	Gate management
Premies	Premiums

We counted 37,000 customer visits to the 30 **customer offices**. This figure continues to fall year on year. In 2022, we will reduce the network of customer offices to 14 distributed across Flanders. These customer offices have long opening hours and customers can visit them without an appointment.

- **Looking after networks**

Fluvius is a network business. We build public networks for electricity, natural gas, public lighting, sewerage, cable TV, telecom and heating. We then give customers access to these public networks. And we provide services all around these utilities day and night. The focus is on reliability and affordability.

- **Two goals: reliable and affordable**

- **Reliable:** in 2021, the average Fluvius low-voltage customer was without an electricity supply for just 19 minutes and 51 seconds due to interruptions to the low-voltage and medium-voltage grid. That puts Flanders right at the top of the European table. , And it shows how we contribute to the convenience of our customers.
- **Decrease in distribution grid tariffs:** these tariffs are calculated according to a new tariff methodology since 2021 and determine how much revenue the Flemish grid operators are entitled to receive. This so-called allowed income will fall by 20% for electricity and 6% for natural gas in 2022 compared to last year. This is partly due to government decisions on the sale of green certificates, the way public service obligations are charged, and the transformation of some federal surcharges into a special excise tax.

For households with average consumption, the distribution grid tariffs in 2022 for electricity will fall by 87 euros (including transmission) and for natural gas by 18 euros (and the trend for companies is similar). As with every year, the actual situation differs from one distribution system operator to the next.

– **Smart network management**

We continue to invest in technically advanced ways of monitoring our grids in real time and controlling them as flexibly as possible. With such a system, we can allow much more green energy on our existing grids, keep our grid reliability high, and avoid some heavy grid investments. All this is crucial for the [energy transition](#).

A good example of this 'smart' network management is the steady phased roll-out of the Distribution Management System (DMS). Since our start as a merged company in 2018, we have been working on gradually converting the various systems into a single, smart network management system for all of Flanders. This process was successfully completed in 2021.

– **Local generation rising**

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

The locally installed capacity on our grids, which comes mainly from solar panels and wind turbines, is steadily increasing.

Installed decentralised capacity 2020 - 2021

	% 2020	kVA 2020	% 2021	kVA 2021
Solar panels ≤ 10 kVA	38.6%	2,440,977	38.4%	2,668,016
Solar panels > 10 kVA	20.7%	1,313,190	21.7%	1,504,499
Combined heat & power (CHP)	14.5%	918,508	14.3%	991,146
Wind turbines	18.9%	1,198,108	18.6%	1,291,327
bio-CHP	3.8%	241,609	3.6%	252,994
Biomass	1.4%	91,392	1.5%	105,687
Other	2.0%	126,518	1.8%	126,554
TOTAL	100%	6,330,301	100%	6,940,222

– **Notable Fluvius network projects in 2021**

- More power for James Ensor
At the beginning of 2021, close to the coastline in Ostend, two residential towers, [the 'Ensor Towers'](#), were erected as an experiment. These have 110 flats each and are equipped with two large transformers instead of four smaller ones. We examine the load on these transformers, which allows us to devise the best energy supply approach for the residential units.
- Extra power for extreme rollercoaster at Plopsaland
We created additional power for a new, spectacular attraction at Plopsaland in De Panne. ['The Ride to Happiness by Tomorrowland'](#) is almost 1 kilometre long and reaches a top speed of 90 km per hour.
- Vaccination centres prioritised during power outage
Failures in vaccination centres always received [priority treatment](#). Moreover, we arranged additional power or electricity supplies for some centres, such as Park Spoor Oost in Antwerp.

We also postponed all non-urgent work around the 95 Flemish vaccination centres to a later date so these could be reached as much as possible.

- Spectacular dive for utility lines under the Brussels Ring Road
We had to [move a lot of utility lines](#) to make room for the foundations of a new bridge over the Brussels Ring Road. With three spectacular underpasses, we brought the gas, electricity, water, and telecom pipelines from one side of the Ring to the other.
- Electrical grid upgrades completed in Retie, Dessel, and Mol
Via, among other things, an underpass of the Kempen Canal [we laid extra-heavy power cables](#) in Retie, Dessel, and Mol. These have to carry the power from the six new wind turbines next to the E34 in Retie to the transformer station in Mol.
- Unique energy test bed in Zellik under power
In the spring of 2021, [we installed two oversized electricity cabins](#) on the site of Green Energy Park in Zellik. In this unique in Europe 'energy test bed', companies will be able to test their new energy technologies in a 'live' energy community.
- Transformer station in Bree modernised
In Gerdingen (Bree), [we renovated our transformer substation](#), which is crucial for supplying northern Limburg. We not only erected a new building there for the 10 kV cells, but also modernised the corresponding 70 kV components in the open air.
- A 2.3-km trench in the port of Antwerp for more green power in Beveren (Kallo)
In the port of Antwerp, [we dug a two-metre wide trench over a total distance of 2.3 kilometres](#). It contains cables for various companies that want to significantly increase their green electricity production from biogas.
- Important natural gas supply for Ghent city centre renewed
On the Afrikalaan in Ghent, [we carried out impressive work on the natural gas network](#). We replaced five obsolete gas valves and laid new pipelines, among other things, to guarantee the switching function of two important supply pipelines for Ghent city centre.
- Future-proof electrical grid in Ronse
At the end of November, [we completed major renovation work on the electricity grid in Ronse](#). We built two brand-new substations connected to a fully modernised transformer station.
- Belgian first: greener natural gas with biomethane from waste water
[Green gas from the water treatment process now also flows through the natural gas network](#). For the new upgrading unit in Antwerp South that converts raw biogas into biomethane, we ensured a high-quality and safe gas injection.

– ***Heat networks: on the rise***

More and more local authorities are using heat as an energy source. At the end of 2021, we had more than 67.2 km of [heat networks](#) in 15 Flemish municipalities with 1,756 connected customers. The number of new heating projects is rising, too. Since heat forms part of our multi-utility vision, we take care of the installation and operation of heating grids.

– ***Fluvius' role: heating grids in the public domain***

We want to make every effort to realise the maximum available potential of heat networks in Flanders. We propose that the construction and management of heat networks be regulated in the Flemish public domain under the supervision of a Flemish regulator. In this case, the network would be owned by the municipality (or a group of municipalities). This approach resolves a number of risks and social issues.

Wherever it makes sense, we want to leave as much as possible to the free market when it comes to generating and supplying heat and laying heat networks on private land.

– **Our most notable heating projects in 2021**

- Antwerp North heat network: the port
At the end of 2021, we signed a [cooperation agreement](#) with Indaver, the Port of Antwerp, Boortmalt, Woonhaven, and the City of Antwerp [on the construction of a heat network in the north of Antwerp](#). It will be supplied with industrial residual heat from the port. On behalf of the City of Antwerp, Fluvius is connecting a residential heat network to this industrial network, which will supply heat to 3,200 houses and flats belonging to the social housing company Woonhaven.
- Hoboken heat network: Boombekelaan industrial zone
Last year, we carried out major works in Hoboken to lay a transport heat network from the Boombekelaan industrial zone to the Nieuw Zuid residential site and the Blue Gate sustainable business site.
- Suikerpark heat network in Veurne: Pepsico crisps manufacturer
In the spring of 2021, we concluded an agreement for the purchase of residual heat from our heat network in the new Suikerpark subdivision. The heat producer is [the oven of crisps manufacturer Pepsico](#).
- Turnhout heat network: deep geothermal energy
At the end of 2021, in collaboration with the City of Turnhout and developer Vooruitzicht, we signed a cooperation agreement for the construction of a heat network in the new subdivision 'Heizijdse Velden'. The heat is extracted from deep geothermal energy, the natural heat deeper under the earth's surface.

– **Data networks of the future: fibre optics**

We are using fibre optic ([fibreglass](#)) to provide rapid and affordable internet access to everyone in Flanders. This is part of our multi-utility goal of managing all public network infrastructures and data networks and creating maximum synergy. Fibre optic creates a huge benefit for our cable distribution operations. We already manage the cable TV network for 103 cities and municipalities, with a total length of 27,830 km and over 1.1 million connections.

Making the choice for fibre optic led to five successful fibre-to-the-home pilot projects in 2019. Bringing fibre optic cabling right into the customer's home massively increases the data carrying capacity. **In 2021**, we **successfully completed the pilot projects**.

To build on this success, we sought to identify one or more operational telecom partners. After a public tendering process and negotiations with major players in the Flemish telecom market, we selected Telenet on 26 June 2020. On 28 October 2021, Fluvius and Telenet signed a non-binding agreement to jointly develop the **data network of the future**. The criteria are open, ultra-performance, accessible to businesses and families in both urban and rural areas, and built at the lowest possible cost to society.

– **Water management: Flanders' biggest sewer system operator**

We want to play a strategic role in [water management](#), both for sewerage and for ground and drinking water. Joining forces with municipalities enables sewage to be processed even better.



86 Vlaamse steden en gemeenten kozen ervoor hun rioolnetbeheer aan ons toe te vertrouwen.	Eighty-six Flemish cities and municipalities have chosen to entrust management of their sewerage to us.
11 800 kilometer riool hebben we in totaal onder onze hoede. Daarmee zijn we de grootste rioolnetbeheerder van Vlaanderen.	In total, we take care of 11,800 kilometres of sewers, making us the biggest sewer system operator in Flanders.

– **Dommel River contract**

The droughts and floods of recent years make it clear that there is work to be done in the field of [climate-proof water management](#).

So, in 2021, we signed the Dommel River Contract together with 17 partners. This is how we are committing ourselves to collaborating in 46 actions concerning flooding, drought, water quality, and water collection in an area around the river Dommel and spread across the municipalities of Pelt, Peer, Hechtel-Eksel, and Lommel.

The actions are not limited to the watercourses, but extend to the entire Dommel river basin. Appropriate interventions in canals and fields should make our water system more resistant to climate change.

– **Blue Deal**

In Flanders, we alternate between water shortages and flooding. It is both too wet and too dry. Our nature is highly fragmented, which also puts pressure on ecosystems.

The Flemish Government launched the Blue Deal in 2020 to tackle these problems in a structured way. This is the collective name for [a large number of projects and initiatives](#) that focus on, among other things, softening, re-wetting, circular water use, cooling, and greening.

• **All lights to LED**

Today, one in four streetlights (27%) in Flanders already has an LED lamp. Together with our shareholders, the local authorities, we are working hard on the modernisation of public lighting.

– **Systematic replacement with LED**

[By 2030, we will systematically replace all analogue public transport lights with interactive LED lighting](#) as stated in the Flemish coalition agreement. In this regard, we have signed a memorandum of intent with VVSG and the Agoria technology federation.

– ***Light-as-a-service: accelerated investment in LED conversion***

Since 2019, local authorities have been signing up to our '[light-as-a-service](#)' offering, under which we take charge of converting their lights to LEDs. In 2020 and 2021, another 24 local authorities opted for the 'OV 2.0' light-as-a-service plan.

This means that 89% of all Flemish cities and municipalities have decided to take up the offer, which meets their demand for financial and technical support with the LED switchover.

It also responds to local authorities' need for interactive, flexible control over their lighting and for energy savings and CO₂ reductions.

'Today, one in four streetlights in Flanders already has an LED lamp.'

• **Data management**

We manage a lot of energy data, from consumption data of households and companies to related data, such as addresses, technical data, relocation info, and the energy contracts of each customer. Fluvius ensures that each energy supplier receives the right information to draw up their annual final invoices. This behind-the-scenes task is crucial to the operation of the energy market.

– ***Flanders and Europe award Fluvius for its exchange of digital meter data***

In November 2021, we received [the award for 'API of the year' on the Digital Flanders meeting day](#). We received the award for the exchange of consumption data between us and external energy service providers via the digital power meters. This means that every Fleming can get tailor-made energy advice: an important step towards more economical, smarter, and greener use of energy. This is important for the energy transition. [We also won prizes at the European E.DSO Awards](#).

An API (Application Programming Interface) handles the automatic data connection exchanged between the customer portal my.fluvius.be and external databases. As of March 2021, certain companies have been able to access customers' digital consumption data. Of course, only after the latter's explicit approval. This is how we as a network company have opened the gate to [a new generation of \(online\) energy services and tailored advice](#). By the end of 2021, a total of 26 companies were already connected to the system.

– ***Accelerated roll-out of digital meters***

In early 2021, a ruling by the Constitutional Court overturned the principle of the reversing meter for households with solar panels (PV installation). This decision sent shock waves, especially among those who generate their own energy (prosumers). We halted the roll-out of the digital meter for a few months because the legislative framework was unclear after the ruling. Customers without solar panels were also suddenly reluctant to use the meter, so the roll-out of the digital meter in Flanders was significantly delayed.

Nevertheless, we still aim to install a digital meter in 80% of the Flemish population by the **end of 2024**. Everyone must have a digital meter in their home **by the end of June 2029**.

In the spring of 2021, we will take it up a notch with a geographic conversion process. We will replace the meters municipality by municipality, district by district, and street by street. [Three groups of contractors](#) set to work to help realise this 'acceleration'. On 23 September, we reached the milestone of [one million digital meters in Flanders](#).

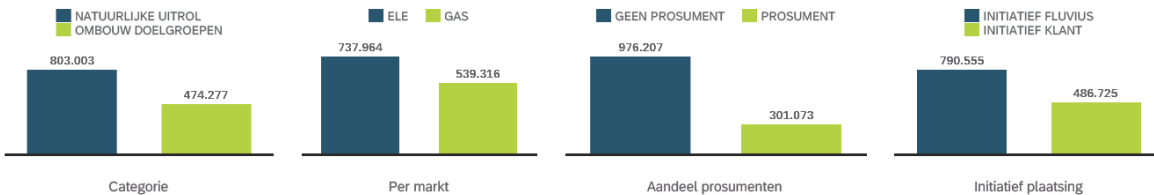
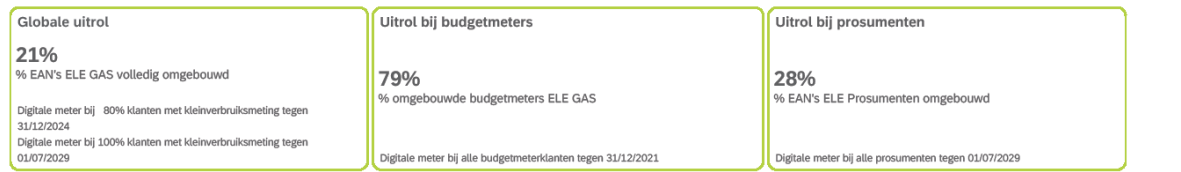
To bolster the support base for the energy transition and [digital meters](#) in Flanders, we launched the [communication campaign 'Go with the flow'](#), on 21 October 2021 in collaboration with the Flemish government.

Finally, since the summer, we have also been making inroads on all requests for the [retroactive investment premium](#). This is the premium that the Flemish Government grants to a large group of solar panel owners who lost the right to the reversing meter. The payment is made by VEKA, the Flemish Energy and Climate Agency.

– **How many digital meters will Flanders have by the end of 2021?**

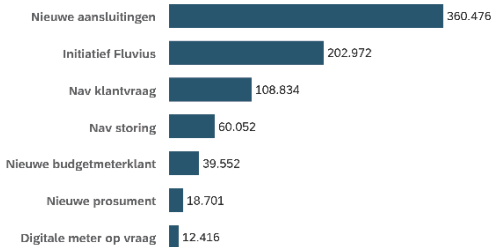


Stand van zaken over de periode April 2019 - December 2021



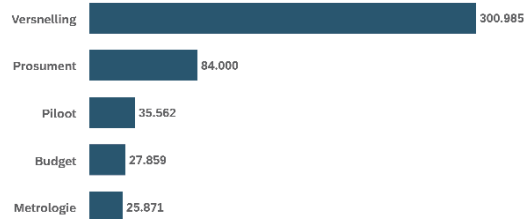
Natuurlijke uitrol

803.003
Meters natuurlijke uitrol



Ombouw doelgroepen

474.277
Meters ombouw doelgroepen



Dashboard Uitrol Digitale meters ELE & GAS	ELE & GAS Digital Meter Roll-out Dashboard
Aantal digitale meters	Number of digital meters
Meters bij prosumenten	Meters with prosumers
Geactiveerde gebruikerspoort	Activated user port
Verbruikshistoriek	Consumption history
Klanten mandaat toegekend	Customer mandate granted
Actieve accounts	Active accounts

Stand van zaken over de periode April 2019 – December 2021	State of play for the period April 2019 – December 2021
Globale uitrol	Global roll-out
21% EAN'S ELE GAS volledig omgebouwd	21% EAN'S ELE GAS fully converted
Digitale meter bij 80% klanten met kleinverbruiksmeting tegen 31/12/2024	Digital meter at 80% of customers with small consumption measurement by 31/12/2024
Digitale meter bij 100% klanten met kleinverbruiksmeting tegen 01/07/2029	Digital meter at 100% customers with small consumption measurement by 01/07/2029
Uitrol bij budgetmeters	Budget meter roll-out
79% omgebouwde budgetmeters ELE GAS	79% converted budget meters ELE GAS
Digitale meter bij alle budgetmeterklanten tegen 31/12/2021	Digital meter for all budget meter customers by 31/12/2021
Uitrol bij prosumenten	Prosumer roll-out
28% EAN's ELE Prosumenten omgebouwd	28% EAN's ELE Prosumers converted
Digitale meter bij alle prosumenten tegen 01/07/2019	Digital meter at all prosumers by 01/07/2019
NATUURLIJKE UITROL	NATURAL ROLL-OUT
OMBOUW DOELGROEPEN	CONVERSION TARGET GROUPS
ELE	ELE
GAS	GAS
GEEN PROSUMENT	NO PROSUMER
PROSUMENT	PROSUMER
INITIATIEF FLUVIUS	FLUVIUS INITIATIVE
INITIATIEF KLANT	CUSTOMER INITIATIVE
Categorie	Category
Per markt	By market
Aandeel prosumenten	Number of prosumers
Initiatief plaatsing	Installation initiative
Natuurlijke uitrol	Natural roll-out
Ombouw doelgroepen	Conversion target groups
803.003 Meters natuurlijke uitrol	803,003 Meters in normal roll-out
Nieuwe aansluitingen	New connections
Initiatief Fluvius	Fluvius initiative
Nav klantvraag	Due to customer request
Nav storing	Due to breakdown
Nieuwe budgetmeterklant	New budget meter customers
Nieuwe prosumert	New prosumers
Digitale meter op vraag	Digital meters on demand
Ombouw doelgroepen	Conversion target groups
474.277 Meters ombouw doelgroepen	474,277 Metres converted target groups
Versnelling	Acceleration
Prosumert	Prosumer
Piloot	Pilot
Budget	Budget
Metrologie	Metrology
803.003 Meters natuurlijke uitrol	803,003 Meters in normal roll-out
Nieuwe aansluitingen	New connections
Initiatief Fluvius	Fluvius initiative
Nav klantvraag	Due to customer request
Nav storing	Due to breakdown
Nieuwe budgetmeterklant	New budget meter customers
Nieuwe prosumert	New prosumers

Digitale meter op vraag	Digital meter on demand
474.277 Meters ombouw doelgroepen	474,277 Metres converted target groups
Versnelling	Acceleration
Prosument	Prosumer
Piloot	Pilot
Budget	Budget
Metrologie	Metrology

- ***My Fluvius: free online access to your digital consumption info***

We launched [My Fluvius](#) at the beginning of 2020. This online app enables every household to check their usage details online free of charge and so gain a better picture of their energy consumption. The digital meter sends these data to My Fluvius.

Once the digital meters are installed, the application provides the consumption history information per day as standard, both for electricity and gas. And customers can also request detailed data, per hour for gas and per quarter of an hour for electricity. The free provision of this information is an important step in making every Fleming more aware and conscious of the more economical, smarter, and greener use of energy.

Almost two years after the launch of My Fluvius, we surveyed its use and the profile of its users. By the end of 2021, [115,000 families were already actively using the online application](#). Interestingly, no less than 67% of these users have solar panels, and in 25% of cases, external energy service providers provide customised advice.

- **Collectively for a sustainable world**

We work with a large number of different partners to put our expertise to use for society as a whole and help create a sustainable world. We use our knowledge and capabilities as a lever to help use the natural resources of our planet (water, energy, etc.) in a rational way. Our goal is to produce more renewable energy, reduce CO₂ emissions in Flanders, and encourage people to use energy and water rationally.

- ***97,000 premiums***

Anyone making energy efficient investments can apply to us for [a premium](#). In 2021, the Flemish Energy and Climate Agency (VEKA) paid out almost 97,000 premiums for a total amount of over 68 million euros.

- ***Continuous attention for BENOveren***

After the [BENOveren](#) campaign in 2020, we continued to promote Better Renovation in 2021. This was done with a newsletter and [blogs about BENOveren](#).

At the end of 2021, we launched a campaign with free information sessions on BENOveren.

- ***Free online information session 'Save on your energy bill'***

With energy prices soaring, it is best for all of us to limit our energy consumption to avoid a high final bill. Which is why we organised the online session 'Save on your energy bill' in October 2021 in collaboration with the Bond Beter Leefmilieu.

An energy specialist gave practical information in a one and a half hour session on how to use energy more efficiently. The tips went beyond just putting on a thicker jumper or putting a lid on your pot while cooking. Participation was free.

- ***Energy-saving plan for public buildings***

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

- 72% of local authorities called upon our services.
- Eighteen cities and municipalities received a new energy-saving plan from us in 2021.
- 1,995 unique users have since found their way to our energy management platform E-lyse
- 161 project recommendations delivered to 49 cities and municipalities
- 36% of Flemish towns, cities, and municipalities receive our support for their energy-saving projects.

- **Fighting energy poverty**

If customers cannot obtain an energy supply contract from their commercial supplier due to payment difficulties, they can come straight to us. As the social power supplier, we offer a broad monitoring and support service and try to ensure that these customers become and remain debt-free so that they can switch to a commercial supplier over time.

We are going further, however, and take action to drive down energy poverty. With our expertise, and together with a large group of partners, we can make a contribution in this area. We are also targeting energy efficiency for more vulnerable target groups, by promoting energy-conscious behaviour and encouraging energy-saving investments.

- ***Energy scans for disadvantaged households***

In 2021, we carried out 12,179 [energy scans](#), enabling vulnerable households to receive specific tips on how to reduce their energy bills. We also made a few small energy-saving interventions: LED bulbs, water-saving shower heads, draught excluders etc.

In 2021, 7024 discount vouchers, each worth 150 euros, were used by this customer group to help buy an energy-saving fridge or washing machine.

- ***Fluvius Prepaid***

We have also 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 customers can join Prepaid immediately as soon as their commercial supplier cancels their supply agreement. Previously, that was only possible if customers were already behind in their payments to Fluvius as well.

We now also install a smart meter straight away when customers are dropped by their commercial supplier. This means 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 debts can build up. In addition, there is no longer any visual difference between a normal smart meter and one that has been switched to Prepaid, which reduces the associated stigma.

Prepaid has also been given its [own house style and website](#) tailored to the target group.

- ***Digital Meter with Prepaid***

At the end of 2021, our meter stood at 51,235 activated digital meters with Prepaid. Moreover, another 10,345 analogue budget meters will be replaced by digital meters with prepaid functionality in the course of 2022.

More than 84% of the payments of the activated digital meters with Prepaid occur online via [mijndigitalebudgetmeter.be](#).

Customers make payments from home and no longer need to travel to a customer office or charging point.

- **Fluvius emergency supplier for customers of Vlaamse Energieleverancier and Watz**
At the beginning of December 2021, the Brussels commercial tribunal declared [Vlaamse Energieleverancier](#) bankrupt. Our company became the temporary 'emergency supplier' of the 66,000 electricity customers and 63,000 gas customers of this power supplier. In the meantime, they can look for a new commercial supplier. It was only the second time that the emergency supplier regulation had to be implemented in Flanders.

Barely two weeks later, the Flemish Electricity and Gas Market Regulator (VREG) asked us to deny power supplier [Watz](#) access to the Flemish distribution grids for gas and electricity. This was because Watz no longer fulfilled its contractual obligations. We also acted as an emergency supplier for the 22,000 electricity customers and 12,000 gas customers of Watz.

- **Fraud prevention**
We consider detecting fraud as our public service obligation. We have been focusing on fraud detection for years and continued to do so in 2021. It is important work from a social perspective because anyone committing fraud is actually stealing money from other customers. It is also crucial for the safety of the electrical grid.
In 2021, we recovered 11.8 million euros for green certificate fraud and 540,000 euros for unregistered solar panels.
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 -We recovered 1.2 million euros for green certificates (partly from 2020) and 357,000 euros for unregistered solar panels.
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 -In addition, we estimate that we have been able to prevent the undue payment of 16 million euros in certificates and at least 61,000 euros in premiums.
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3. Focus on connecting

The role as a grid operator means Fluvius has to have and maintain a feeling for society in Flanders. We make efforts to treat those around us with care and in a socially responsible way. We think about the environment and remember the numerous sectors, companies and organisations that are involved in our activities, from contractors through to the education sector.

- **Ecological project**

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

- **Electric First: the choice for sustainable mobility**
We have had an [Electric First policy](#) for our company vehicles for some years now. We are replacing existing petrol and diesel vehicles with the most environmentally friendly alternative available at the time. If a fully electric model meets the needs in terms of action radius or load capacity, then electric is our first choice.

Over the past year, we replaced several hundred company vehicles running on petrol and diesel – including leased vehicles – with fully electric, plug-in hybrid or compressed natural gas (CNG) models. By the end of 2021, there were 14 fully electric, 460 plug-in hybrid, and 45 CNG cars in lease. For the service vehicles, this included 98 fully electric and 205 using CNG. In 2021, only one diesel lease car was ordered. All other lease cars ordered were 100% electric or plug-in hybrids.

Over the coming years, we will be renewing around 800 company vehicles in total. Electric is currently the best alternative for cars and small vans. For larger vans that drive many kilometres or transport heavy equipment, CNG is more suitable as yet. The decision to go 'as green as possible' and 'electric when possible' means that we will eventually save more than 1 million litres of fossil fuels a year.

'1,000,000: that's how many litres of fossil fuel we want to save by opting for sustainable mobility.'

– **Renewed waste policy for contractors**

In 2021, we launched an upgraded waste policy for contractors together with the relevant internal stakeholders. Moreover, the contractor is also responsible for properly disposing of all waste materials that comes free during their work for Fluvius. Examples: residual waste, paper and cardboard, hard plastics, asbestos, old public lighting fixtures (see below), as well as copper cables, mixed metals, etc. Exceptions are the materials that meet the circular economy criteria or recyclable materials that are specifically mentioned in the technical specifications.

The implementation process of the upgraded waste policy is ongoing and will be completed in 2022.

– **Handling public lighting using a social enterprise company**

An example of circular materials are old public lighting fixtures. We were contractually permitted to gradually process the old lighting waste flow ourselves following the principle of circular economy. In 2021, the local social enterprise company W-Technics in Zele carried out some pilot tests on dismantling these light fixtures. They ensure the recycling and waste flow is cleaner thanks to the better sorting of the source materials.

This pilot project was evaluated positively both financially and socio-ecologically. This means the processing principle will be further expanded and continued from 2022 onwards. We are now starting a similar exercise for the other seven contractors in this contract.

– **Circular procurement: from old T-shirt to eco clothing**

In 2019, we submitted a project to Circular Flanders. [The project processes old workwear sustainably](#). We did not want to waste the old clothing that was collected when we bought new workwear for the newly merged organisation Fluvius.

So, we explored several avenues together with our partners Centexbel and Design Atelier van den Boorn - Pour. In the end, we found a circular solution for the old T-shirts and polo shirts where the clothing was first shredded into high-quality fibres and then processed into new yarns. We have new clothes made from them. The principles of eco-design have been taken into account in the design, so that recycling is possible again. For example, before the official project end in December 2021, we succeeded in having a [circular hoodie, hat, and scarf](#) produced by local players in the textile industry.

Staff could buy these clothes to benefit the Food Banks. In the spring of 2022, as part of Kom Op tegen Kanker (Fight Against Cancer), we will also be offering a [sweater and stockings](#) that are also made of this circular yarn.

– **Sustainability Competence Centre**

As a part of Fluvius' Corporate Social Responsibility (CSR) charter, when we purchase work materials, goods, services, and ICT, we are guided by the principles of socially responsible procurement (SRP), such as sustainability and social justice. We screen and assess (candidate) suppliers in terms of environmental and social aspects. And which, where possible, are also included in the selection and award criteria for purchasing dossiers.

We established a **Sustainability Competence Centre (SCD)** to put this procurement policy into practice. So, we try to gather and share as much knowledge as possible about sustainability and how to integrate it into a purchase dossier. We wrote a **practical guide** that provides useful tips and tricks for each phase of the purchase procedure to further include sustainability in the purchase dossier.

The SCD also advises colleagues on certain procurement issues and organises brainstorming sessions on the subject.

The SCD takes five focus areas into account:

- positive ecological footprint
- local growth
- respect for employee conditions
- social economy
- circular procurement.

In the coming years, we will focus even more on these themes and the [UN Sustainable Development Goals \(SDGs\)](#), namely, sustainable procurement policy and CO₂ footprint our own activities.

- **Fluvius' Good Causes**

Even in times of the ongoing coronavirus, we continue our long-term cooperation with [our charities](#). We organised actions for the [Food Banks](#) and [Kom op tegen Kanker \(Action against Cancer\)](#). A sense of commitment and good interaction between our staff and the charities are key factors.

- ***Fluvius warm heart***

In October 2021, we launched a new internal end-of-year campaign under the name 'Fluvius gaat hart' (Fluvius warm heart) to raise money for the [Food Banks](#). The coronavirus created an extra challenge because we had to resort to online promotions. We also tried to encourage the connections between colleagues as much as possible. For example, the [WarmHartenMarket](#), an online auction for and by colleagues, was very popular. Moreover, the sale of unique, in-house designed gift paper and recycled workwear was also successful. The Fluvius staff also showed their warm hearts by donating generous gifts.

To top it all off, Facility Management donated the proceeds totalling 27,948.35 euros from a furniture auction to the campaign.

These initiatives, supplemented by donations from teams and contributions from, among others, the Kilometre Challenge, yielded no less than **a total of 100,222.35 euros for the food banks**.

- ***Action against Cancer***

The annual Action against Cancer campaign was once again hit by the coronavirus. This forced us to replace the traditional 1,000 km with the individual event 'Everyone 1000'. As part of this campaign, we all travelled 23,276 km by bike... a fantastic outcome.

Fortunately, the 100 km run on Sunday, 5 September 2021 was able to go ahead. Our 20 brave runners added a nice sum to the considerable amount we had already raised through donations and the sale of gadgets.

The result: **a final amount of 72,528.40 euros**, which we handed over to the board of [Action against Cancer](#).

- ***Assistance to Walloon grid operators in the event of flooding***

In July 2021, unprecedented floodings hit large parts of Belgium. Especially in Wallonia, this natural disaster took an extremely heavy human and material toll. Some 160 Fluvius employees spontaneously and voluntarily volunteered to help in this chaotic and dangerous situation. They made themselves useful mainly by checking and repairing the house connections for gas and electricity. They also cleaned numerous cabinets and meter rooms.



A Fluvius employee who travelled to the affected area: 'The Walloon colleagues and residents welcomed us with open arms. They needed lots of helping hands and were very grateful.'

- **Education and training**

Because we believe training and development are very important, we cooperate closely with the education sector. As well as internships, we also offer [dual learning](#) for students from specific disciplines. At the annual 'Spitsdagen' (Top Days), the various education-sector players get to know our organisation and each other better. Additionally, we make our internal training offer available to partners and contractors.

- **Dual learning at Fluvius**

Fluvius organises a combination of education and work experience in the form of a dual-learning course. We have had students from the 'Logistics' course with us since the 2018-2019 academic year. In the 2020-2021 academic year, we started a new 'Utilities Installer' course. For the school year 2021-2022, we started a new course 'Utility Installer' with 21 students.

At our **Fluvius Academy**, we teach our technicians to build electricity grids and to repair and maintain them, as well as connecting customers to them. The students on this dual course attend the Fluvius Academy to learn the ins and outs of the trade, step by step. They then use the knowledge they have acquired in practice, with supervision from experienced technicians.

- **Internships with Fluvius**

The coronavirus crisis meant that all internships from March 2020 onwards were cancelled unless it was possible to continue them under safe conditions. For the school year 2021-2022, seven students completed their internships: 1 technical master, 1 technical HBO5, 1 technical bachelor, 2 law masters, 1 ICT student, and 1 administrative profile via VDAB training.

- **Top Days**

In February every year, Fluvius' Education Working Group organises the [Spitsdagen](#), or Top Days. During this networking opportunity, teachers of technical subjects are given an explanation of our company's latest developments, a particular specialism, a current hot topic, or a similar theme. To give all colleges in Flanders the opportunity to take part, we organise a total of three days at various times and locations. We reach about 40% of all technical schools with it. Fluvius' regional

managers and recruiters can make contacts there with technical teaching staff, technical advisers at the colleges and the staff of the Regional Technology Centres.

'Fluvius offers a combination of education and work experience in the form of a dual-learning course.'

– **Online training for contractors**

In 2021, our accredited partners and contractors were also able to access the Fluvius curriculum online as well as enrol their staff for courses. We also now offer an online self-study programme through our 'Working on connections' learning track.

You can follow it wherever and whenever you want and it is a necessary and mandatory preparation for training courses at the Fluvius Academy.

GRI TABLE

Code	Description	2019	2020	2021	Comment/Reference
102-1	Name of the organisation	Fluvius System Operator			
102-2	Activities, brands, products, and services	electricity and gas distribution; sewerage management; cable TV network management; data management; heat networks; 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 (cvba) - 100% of the share capital is owned by Flemish cities and municipalities through inter-municipal mandated associations	cooperative society (cv) - 100% of the share capital is owned by Flemish cities and municipalities through inter-municipal mandated associations		on 1/1/2020, the legal form switched to a 'cooperative society' (CV) following amendments to the Company Code.
102-6	Markets served	customers are households, SMBes, corporations, and public authorities, that are solely based in the Flemish Region			
102-7	Scale of the organisation	4,616 employees (incl. Fluvius OV: 5,419)/ company revenue €1.69 billion / total balance sheet assets €5.16 billion / shareholders' equity €1.5 million	4,718 employees (incl. Fluvius OV: 5,491)/ company revenue €1.72 billion / total balance sheet assets €5.80 billion / shareholders' equity €1.5 million	4,780 employees (incl. Fluvius OV: 5,497)/ company revenue €1.92 billion / total balance sheet assets €6.5 billion / shareholders' equity €1.5 million	BE-GAAP, consolidated;
102-8	Information on employees and other workers	open-ended contract: 4,373 - fixed-term contract: 233 - employability focus groups: 10 / M: 3,302 - F: 1,314 / full-time: 3,647 - part-time: 969	open-ended contract: 4,466 - fixed-term contract: 236 - focus groups and learning agreements: 16 / M: 3,350 - F: 1,368 / full-time: 3,786 - part-time: 932	open-ended contract: 4,509 - fixed-term contract: 246 - focus groups and learning agreements: 25 / M: 3,359 - F: 1,421 / full-time: 3,851 - part-time: 929	figures for Fluvius System Operator / Fluvius works with subcontractors for parts of its activities

102-9	Supply chains	Fluvius integrates sustainability and CSR criteria into its specifications as exclusion and award criteria.	Fluvius integrates sustainability and CSR criteria into its specifications as exclusion and award criteria. Fluvius has joined the Ecovadis platform to integrate sustainability criteria even more and more deeply into its supply chain.		see also 308-1
102-10	Significant changes to the organisation and its supply chain	acquisition of Integan (activities and workforce) on 1/4/2019	none	none	
102-11	Precautionary principle or approach	Fluvius applies an integrated risk policy.			
102-12	External initiatives	Fluvius has signed the E.DSO Sustainable Grid Charter. E.DSO is the European association of the largest and leading DSOs.	Fluvius has joined the Belgian Alliance for Climate Action. Fluvius hereby commits itself to the Science Based Targets within 2 years		https://www.belgianallianceforclimateaction.org/
102-13	Membership of associations	Fluvius is a member among others of the (1) federal industry body Synergrid, (2) E.DSO, the association of European DSOs, (3) The Shift, a 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 Foreword by the Chairperson of the Board of Directors (annual report)			
102-15	Key impacts, risks and opportunities	See Report of the Board of Directors (Risks and risk management policy)			
102-16	Values, principles, standards and norms of behaviour	Mission, vision, strategy, and values are explained in documents. The Code of Conduct is included in the Ethical Charter.	Mission, vision, strategy, and values are explained in documents. Standards of behaviour are included in the Corporate Governance Charter and the Ethics Charter, both revised in June 2021		See company website https://over.fluvius.be/nl/thema ; see also the Report of the Board of Directors
102-17	Mechanisms for advice and concerns about ethics	The Ethical Charter serves as a guideline for ethical conduct. Unethical conduct may be reported. Art. 25 of the working regulations guarantees the independent and objective handling of reports of infringements.			

102-18	Governance structure	All the shareholders are represented in the General Shareholders' Meeting. The highest governing body is the Board of Directors. The Board of Directors is assisted by the Audit Committee, the HR Committee, and the Strategic Committee. The Management Committee is tasked with the company's daily management. The Management Committee is advised by an internal CSR Board on specific CSR themes.			See also Report of the Board of Directors for more detailed information.
102-19	Delegating authority	Sustainability policy is part of the operating mission of the management; a CSR Board coordinates and advises on the CSR and sustainability policy.	Sustainability policy is part of the operating mission of the management; a CSR Board coordinates and advises on the CSR and sustainability policy. A CSR coordinator has been appointed.		
102-20	Executive-level responsibility for economic, environmental, and social topics	The Management Committee has overall responsibility. The CSR Board is presided by the Secretary-General (who is also a 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 governing body and its committees				See Report of the Board of Directors
102-23	Chair of the highest governing body	Chairmanship of the Board of Directors and CEO are separate roles.			
102-24	Nomination and selection process/criteria for the highest governing body	The General Meeting of Shareholders appoints the members of the Board of Directors, who are proposed by the shareholders. The compulsory 2/3-1/3 rule applies in terms of the diversity of the directors.			
102-25	Conflicts of interest	The Corporate Governance Charter contains specific provisions on conflicts of interest. The energy regulator carries out permanent supervision as an external body.			

102-26	Role of highest governing body in determining the purpose, values and strategy	The Board of Directors determines the mission, vision, strategy, and performance indicators. Implementation is the responsibility of the Management Committee.			
102-27	Collective knowledge of highest governance body	After the complete recomposition of the Board of Directors (spring of 2019), the directors were offered extensive training.	No specific action taken.	No specific action taken.	
102-28	Evaluating the highest governing body's performance	No formal evaluation.			
102-29	Identifying and managing economic, environmental, and social impacts	See the materiality and urgency analysis based on a stakeholder survey (end of 2018, partly resumed in 2020).			See also 102-21
102-30	Effectiveness of risk management processes	Risk management is part of the integrated risk management system which is monitored by the Board of Directors and the Audit Committee. Fluvius has an independent Internal Audit service, which directly reports its findings and recommendations to the CEO and the Audit Committee/Board of Directors.			
102-31	Review of economic, environmental, and social topics	This is not formally defined. It is part of the regular evaluation of the general business strategy.			
102-32	Highest governing body's role in sustainability reporting	The Board of Directors approves the combined annual Activity and CSR report that is submitted by the Management Committee.			
102-33	Communication about critical concerns	The Management Committee reports to the Audit Committee/HR Committee and the Board of Directors.			
102-34	Nature and total number of critical concerns	No critical concerns reported to the Board of Directors in 2019.	No critical concerns reported to the Board of Directors in 2020.	No critical concerns reported to the Board of Directors in 2021.	
102-35	Remuneration policy				See remuneration report in the Report of the Board of Directors

102-36	Process for determining remuneration	The general remuneration policy is based on sectoral collective agreements with annual detailed reporting to the HR Committee. The variable remuneration of the members of the Management Committee is based on a number of KPIs in the long term. CAO-90 for executives/employees enables the company to grant them a bonus based on the achievement of predefined objectives.			
102-37	Stakeholders' involvement in remuneration	Stakeholders are not involved in the remuneration policy.			
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	Identification and selection of stakeholders	Stakeholders were identified and selected in the margin of the materiality analysis.			see also 102-21
102-43	Approach to stakeholder engagement	The stakeholder survey (end of 2018) consisted of an online survey.			see also 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. Consolidated: De Stroomlijn, Atrias, Synductis. The consolidated entities are not included in the CSR reporting.			see the Report of the Board of Directors for more details
102-46	Defining report content and topic boundaries	The selection and boundaries of the topics are primarily determined by the mapped out corporate strategy and the elements that emerged from the materiality analysis.			
102-47	List of material topics	Stakeholders were identified and selected in the margin of the materiality analysis.			see 102-21
102-48	Restatements of information	none		none	
102-49	Changes in reporting	none		none	
102-50	Reporting period	01.01.2019-31.12.2019	01.01.2020-31.12.2020	01.01.2021-31.12.2021	

102-51	Date of most recent report	25.03.2020	31.03.2021	30.03.2022	
102-52	Reporting cycle	per calendar year			
102-53	Contact point for questions regarding the report	by email: investors@fluvius.be			
102-54	Claims relating to reporting in accordance with the GRI Standards	This annual report is produced in accordance with GRI Standards: core option.			
102-55	GRI content index	see this table			
102-56	External assurance	Review by auditor for the presence of non-financial information in application of the Law of 3/9/2017. The findings are included in the auditor's report.			
103-1	Explanation of material topics and their boundaries	The material topics were identified in the materiality analysis.			see 102-21
103-2	Management approach and its components				see Report of 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 / wage cost: €456.8 million / financial cost: €128.6 million	Turnover: €1.62 billion / materials & services: €1.2 billion / wage cost: €454.8 million / financial cost: €129.3 million	Turnover: €1.75 billion / materials & services: €1.3 billion / wage cost: €468.7 million / financial cost: €123.2 million	BE-GAAP, consolidated; more details in the annual accounts
201-2	Financial implications and other risks and opportunities related to climate change	Fluvius wishes to assist the Flemish local authorities with specific advice and projects to achieve climate goals (Covenant of Mayors, etc.). Fluvius is aware of the following long-term trends: energy transition to a low-carbon, flexible and renewable energy system, the possible future of natural gas as a fossil fuel, investments in pure surface and river water. The financial impact has not been calculated.		Fluvius has also decided in principle to fully align its Fluvius Economic Group investment policy with the Flemish Energy & Climate Plan.	
201-3	Goal to be achieved, obligations and other pension plans				see Financial Reporting

201-4	Financial support from the government	No support that is of financial material importance Fluvius works in a regulated environment.			
202-1	Ratios of the standard wage by gender, compared with the local minimum wage	data not available			
202-2	share of senior management from the local community	100% (local community is Flemish Region)			
203-1	Investments in infrastructure and services supported	On behalf of its shareholders, the company invests in the development, maintenance, safety, and reliability of the infrastructure for the various utility activities. Gross investment 2019 in infrastructure and related activities: €849.3 million	On behalf of its shareholders, the company invests in the development, maintenance, safety, and reliability of the infrastructure for the various utility activities. Gross investment 2020 in infrastructure and related activities: €938.1 million.	On behalf of its shareholders, the company invests in the development, maintenance, safety, and reliability of the infrastructure for the various utility activities. Gross investment 2021 in infrastructure and related activities: €1109.9 million.	For more financial details about investments, see Financial Reporting and the report of the Board of Directors.
203-2	Significant indirect economic impact	The Fluvius value propositions describe how and in which areas the company wants to create a positive impact on Flemish society. Fluvius provides support to the Flemish local authorities in their pursuit of energy savings, energy efficiency and achieving their climate goals.			
204-1	Share of spending with local suppliers	no data available			local market = Belgium
205-1	Risk assessment if activities for corruption	100%, through specifications			
205-2	Communication and training relating to anti-corruption policy and procedures	The Ethical Charter has been presented to all the employees. The Procurement Department provides specific education/training to all its employees.			published on website (see 102-16)
205-3	Confirmed corruption incidents and measures taken	no cases known	no cases known	no cases known	

206-1	Lawsuits due to anti-competitive behaviour, anti-trust and monopoly practices	none	none	none	
301-1	Materials used by weight or volume	not applicable			
301-2	Recycled used input materials	not applicable			
301-3	Returned products and their packaging material	not applicable			
302-1	Energy consumption within the organisation	following the merger into Fluvius, there are currently no reliable data available - as a result of the different methods applied by the former companies			
302-2	Energy consumption outside the organisation	data not available			
302-3	Energy intensity	data not available			
302-4	Reduction of energy consumption	see comment under 302-1			
302-5	Reduction in demand for energy for products and services	not applicable			
303-1	Water withdrawal by source	not applicable			
303-2	Water sources for which water withdrawal has significant consequences	not applicable			
303-3	Recycled and reused water	not applicable			
304-1	Operational sites owned, leased, operated, or situated near protected areas and areas with high biodiversity value outside protected areas	not applicable			
304-2	Significant consequences of activities, products, and services on biodiversity	Public lighting may have an impact on wildlife. Fluvius is investigating new techniques for reducing this impact as much as possible. The generalised installation of LED in public lighting creates more options for dimming and active shut-off, which has a positive effect on the environment.			

304-3	Protected or restored habitats	not applicable	
304-4	Species listed on the IUCN Red List and species on national protection lists with habitats in areas impacted by business activities	not applicable	
305-1	Direct emissions of greenhouse gases (GHG scope 1)	The data relating to scope 1-3 emissions are contained in one single calculation of our carbon footprint. Following the merger of Eandis/Infrax and the fact that both former companies used different calculation methods for emissions of greenhouse gases, there are currently no validated data available.	
305-2	Indirect emissions of greenhouse gases (GHG scope 2)		
305-3	Other relevant indirect emissions of greenhouse gases (GHG scope 3)		
305-4	Intensity of greenhouse gas emissions	not applicable	
305-5	Reduction of greenhouse gas emissions		See 305-1
305-6	Emissions of substances that break down ozone	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 method of removal	no validated data available Fluvius works with separated waste streams as much as possible. The company is also committed to raising awareness among staff and subcontractors.	
306-3	Significant discharges	not applicable	
306-4	Transport of hazardous waste	earthmoving is carried out in accordance with all the legal regulations	
306-5	Water basins impacted by water discharges and/or withdrawals	not applicable	

307-1	Non-compliance with environmental legislation and regulations	3 environmental incidents reported	8 environmental incidents reported	10 environmental incidents reported	
308-1	New suppliers that were screened for environmental criteria	mandatory grounds for exclusion: fraud, child labour, illegal employment / optional grounds for exclusion: violation of environmental, labour, and social law / similar provisions in specifications / cooperation with social inspectorates / main product suppliers (80 suppliers and 128 production facilities): access to CSR policy and regular onsite audits (2019: approx. 80 company visits)	mandatory grounds for exclusion: fraud, child labour, illegal employment / optional grounds for exclusion: violation of environmental, labour, and social law / similar provisions in specifications / cooperation with social inspectorates / main product suppliers (80 suppliers and 136 production facilities): access to CSR policy and regular onsite audits (2020: approx. 18 company visits, decrease due to COVID restrictions). Digital supplier screenings have also taken place.	mandatory grounds for exclusion: fraud, child labour, illegal employment / optional grounds for exclusion: violation of environmental, labour, and social law / similar provisions in specifications / cooperation with social inspectorates / main product suppliers (80 suppliers and 136 production facilities): access to CSR policy and regular onsite audits (2021: approx. 28 company visits, decrease due to COVID restrictions). Digital supplier screenings have also taken place.	
308-2	Negative environmental impact in the supply chain and actions taken	Fluvius joined Ecovadis in 2019 in order to be able to screen suppliers.	20 key suppliers surveyed in the Ecovadis 2020 campaign, of which 17 with positive results.	45 key suppliers and contractors were surveyed in the Ecovadis 2021 campaign, of which 38 responded positively. The campaign consisted of evaluating new suppliers and re-evaluating the existing portfolio (Campaign 2020).	

401-1	Recruitments and employee turnover	936 entrants (785 full-time, 151 part-time) / 194 leavers (165 full-time, 29 part-time)	313 entrants (313 full-time) / 214 leavers (174 full-time, 40 part-time)	279 entrants (275 full-time) / 252 leavers (206 full-time, 46 part-time)	See also Social Accounts in financial reporting.
401-2	Payments to full-time employees that are not available to temporary or part-time employees	All payments and benefits received by full-time employees are also available (pro rata) to part-time employees.			
401-3	Parental leave	3,236 days of parental leave (= 0.28% of the total number of workable days)	2,594 days of parental leave (= 0.21% of the total number of workable days)	3,640 days of parental leave (= 0.30% of the total number of workable days)	All employees on parental leave remain in service, i.e. 100% retention.
402-1	Minimum notice periods due to operational change	principles fully compliant with Belgian labour law - not used in practice: no cancellations due to operational changes			
403-1	Employee representation in formal health & safety committees with employers and employees	100% of employees represented by elected Committees for Prevention and Protection at Work (Comités voor Preventie en Bescherming op het Werk - CPBW's), in accordance with Belgian labour legislation.	100% of employees represented by elected Committees for Prevention and Protection at Work (Comités voor Preventie en Bescherming op het Werk - CPBW's), in accordance with Belgian labour legislation. The most recent social elections took place on 19.11.2020.		
403-2	Nature and frequency of injuries, occupational diseases, days lost, absenteeism and number of work-related fatalities	Accidents at work: frequency: 10.02 / seriousness: 0.14 / total number of working days lost: 1,093 / number of accidents at work with absence: 80. Illness: 58,345 sick days / no work-related fatalities.	Accidents at work: frequency: 4.77 / seriousness: 0.09 / total number of working days lost: 735 / number of accidents at work with absence: 41. Illness: 53,179 sick days / no work-related fatalities.	Accidents at work: frequency: 4.79 / seriousness: 0.13 / total number of working days lost: 1,052 / number of accidents at work with absence: 39. Illness: 58,956 sick days / no work-related fatalities.	

403-3	Employees with many occupational diseases or a high risk of such diseases	Fluvius maintains a list of employees at risk of exposure to lead or asbestos, but the company considers that this does not constitute a high risk of occupational disease. Fluvius pursues an active policy of maximum risk limitation.			
403-4	Agreements on health and occupational safety set down in formal agreements with trade unions	In accordance with the current collective bargaining agreements for the gas and electricity sector in Belgium			
404-1	Average number of hours of training per year per employee	25.29 hours per employee	21.53 hours per employee	25.64 hours per employee	See also Social Accounts in financial reporting
404-2	Programmes to promote employee skills and assistance programmes for transitions	Forms part of the total training offer.			
404-3	Percentage of employees who are regularly informed about performance and career development	All employees (management, executives, operatives) are involved in a performance assessment system. Wide-ranging career development support is available to all employees.			
405-1	Diversity in governing bodies and among employees	We ensure that the diversity in society is reflected in our own company. For the composition of the Board of Directors, Fluvius respects the legally prescribed rule of 'at least one third of the directors are of a different gender than the majority of the directors'.			see Report of the Board of Directors and CSR Charter
405-2	Ratio of basic wage and remuneration of women compared with men	The salary is completely independent of the employee's gender on every level. The biennial Wage gap report (2017-2018) demonstrated that (1) gender neutrality is guaranteed, (2) that remuneration is solely based on the category of the duties performed ('qualification method') and (3) that no action plan is required. The Wage gap report is discussed extensively by the Works Council.	The salary is completely independent of the employee's gender on every level. The biennial Wage gap report (2019-2020) demonstrated that (1) gender neutrality is guaranteed, (2) that remuneration is solely based on the category of the duties performed ('qualification		

				method') and (3) that no action plan is required. The Wage gap report is discussed extensively by the Works Council.	
406-1	Incidents involving discrimination and corrective measures	none	none	none	
407-1	Activities and suppliers involving a risk relating to the freedom of association and collective bargaining	no activities that involve such a risk			see also 102-41
408-1	Activities and suppliers with a major risk of incidents involving child labour	no activities that involve such a risk			
409-1	Activities and suppliers with a major risk of incidents involving forced labour	no activities that involve such a risk			
410-1	Safety personnel trained on human rights policy or procedures	not applicable			
411-1	Incidents involving infringements of the rights of the indigenous population	not applicable			
412-1	Activities that were assessed for human rights infringements or impact	not applicable			
412-2	Employee training on human rights policy and	not applicable			

	procedures			
412-3	Important investment agreements and contracts with human rights clauses or for which human rights were screened	Conditions are imposed in administrative specifications in accordance with the standards of the International Labour Organisation (ILO). Candidate suppliers subscribe to a Code of Conduct, also covering their (sub)contractors, suppliers and licensees.		
413-1	Activities with local community outreach, impact assessment, and development programmes	Fluvius is an active partner of the Flemish local authorities (300 cities and municipalities).		
413-2	Activities with a significant potential and actual negative impact on the local community	not applicable		
414-1	New suppliers that were screened for social criteria	data not available yet	Fluvius integrates social criteria into its contract documents to the maximum extent possible and within the limits of the public procurement contract legislation	
414-2	Negative social impact in the supply chain and actions taken	See 308-2		see also 407-1, 408-1, and 409-1
415-1	Political contributions	none		
416-1	Assessment of the health and safety impact of product and service categories	Fluvius is aware of the potential dangers of electricity and natural gas. That is why the company pursues a full-fledged safety culture in-house. All the necessary safety measures are taken outside the company.		
416-2	Incidents involving non-compliance relating to the health and safety consequences of products and services	none	none	none
417-1	Product and service information and labelling requirements	not applicable		

417-2	Incidents involving non-compliance relating to product and service information and labelling	not applicable			
417-3	Incidents involving non-compliance relating to marketing communication	no incidents reported	no incidents reported	no incidents reported	
418-1	Justified complaints about customer privacy breaches and loss of customer data	none	none	none	
419-1	Non-compliance with social and economic legislation and regulations	no incidents reported for 2019	no incidents reported for 2020	no incidents reported for 2021	