Towards sustainable energy for all

N.V. Eneco Annual Report 2023

Contents

2023 in brief

Assets

Production
Managed sustainable electricity production
17,696 GWh

Belgium 4,150 GWh	**Germany** 1,998 GWh
Netherlands 10,582 GWh	**United Kingdom** 966 GWh

Heat
Total installed sustainable capacity
216 MWth

Installed capacity
Total installed sustainable capacity in ownership
2,178 MWe

Belgium 629 MWe	**Germany** 52 MWe
Netherlands 1,281 MWe	**United Kingdom** 216 MWe

Realising and managing assets
Taking *CrossWind/ Hollandse Kust Noord* offshore wind farm into operation;
Developing *Ecowende* offshore wind farm proceeding on schedule.

Customers

Introduction of Eneco Dynamisch: where customers follow the daily market prices for electricity and gas.

Temporary Energy Emergency Fund: thanks to the combined efforts of Eneco, other energy suppliers, societal organisations and the government, last winter eligible customers could again claim financial relief on their energy bills under the Temporary Energy Emergency Fund

Growing the installed base of hybrid heat pumps, including the introduction of a pump rental proposition.

Introduction of Eneco SlimLaden to help our customers to cut their energy costs by charging their electric vehicles at lower rates during off-peak hours.

Integration

Development of our own Virtual Power Plant (VPP)
At present we can control around 4,000 MW worth of assets from our trading floor in real time through our Virtual Power Plant Myriad.

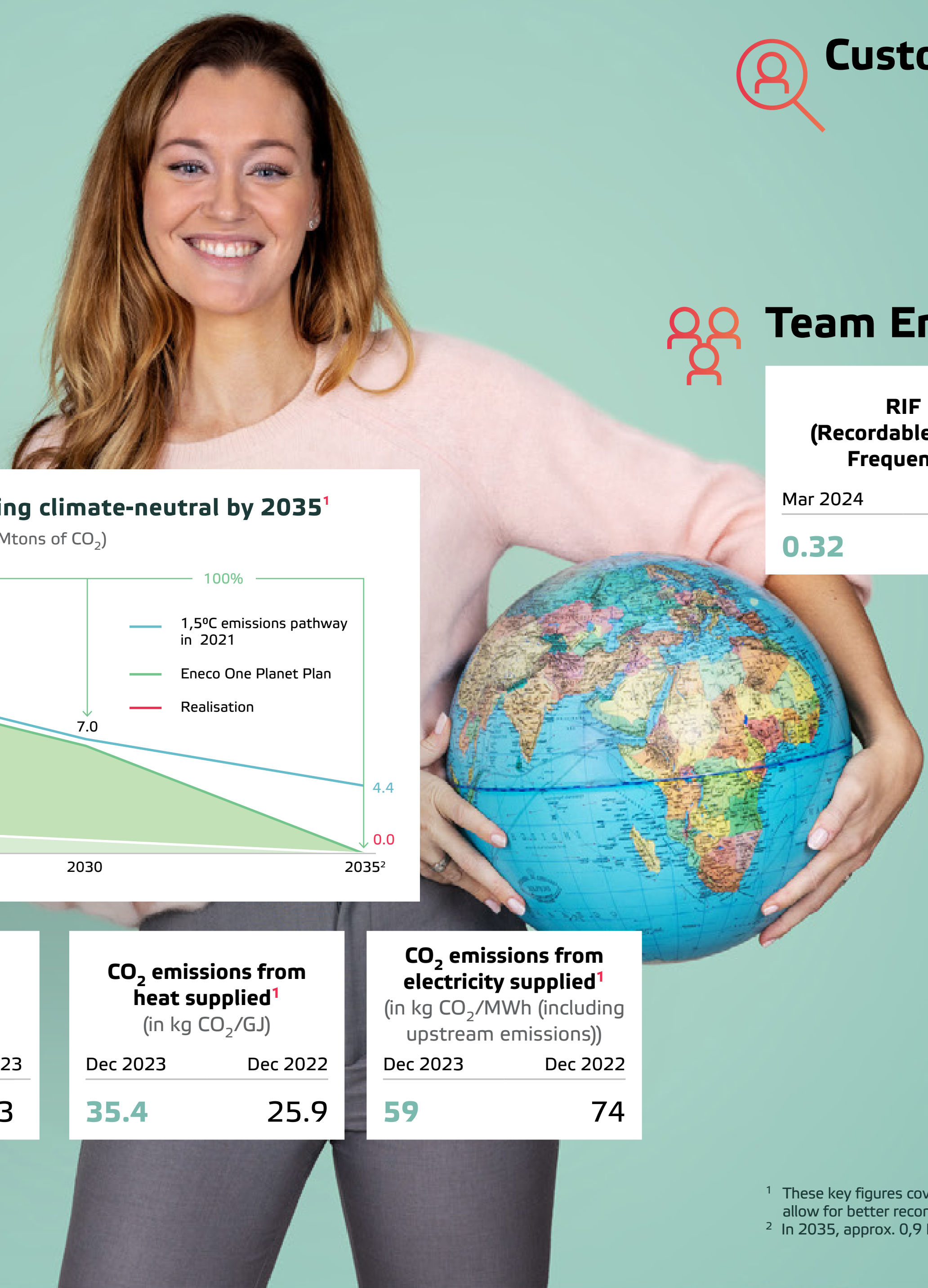
Investment in the Battery Energy Storage System (BESS)
The system will be realised in Ville-sur-Haine in Belgium, with 53 Tesla battery units providing a total of 200 MWh in storage capacity.

First battery system for a business customer at Oegema Transport
The energy from the battery is used both locally and on energy markets to improve the balance in the electricity grid.

Corporate Power Purchase Agreements (cPPAs)
Almost the entire future production of the Ecowende wind farm has been sold to large business customers in the Netherlands, such as Albert Heijn, KPN and Google under cPPAs.

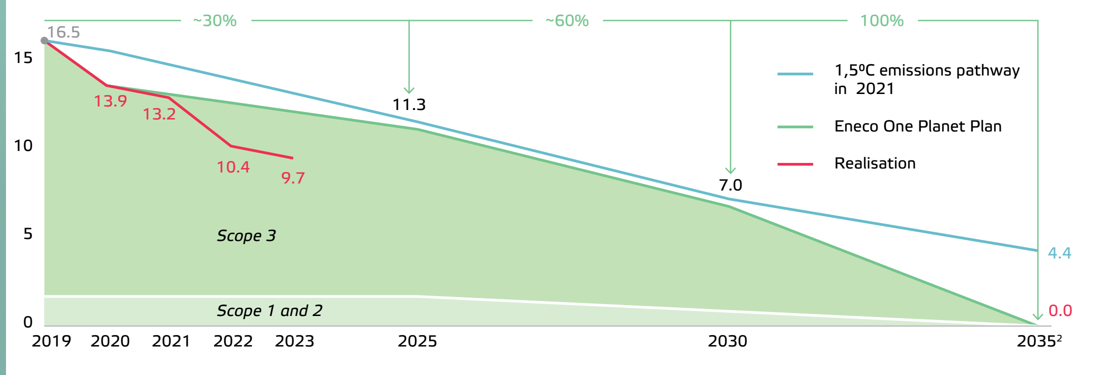
Key figures

One Planet



Eneco's emissions on the road to becoming climate-neutral by 2035[1]

Emissions in Scopes 1, 2 and 3 (Mtons of CO_2)



Installed sustainable capacity (in MW)	
Mar 2024	Mar 2023
2,394	2,121

Sustainable electricity production (incl. PPAs) relative to the total electricity supply (in %)	
Mar 2024	Mar 2023
77	53

CO_2 emissions from heat supplied[1] (in kg CO_2/GJ)	
Dec 2023	Dec 2022
35.4	25.9

CO_2 emissions from electricity supplied[1] (in kg CO_2/MWh (including upstream emissions))	
Dec 2023	Dec 2022
59	74

Customers

Customer contracts (x 1,000)	
Mar 2024	Mar 2023
5,229	5,430

Customer satisfaction (in %)	
Mar 2024	Mar 2023
84.3	84.0

Team Eneco

RIF (Recordable Injury Frequency)	
Mar 2024	Mar 2023
0.32	0.27

eNPS (Employee Net Promoter Score)	
Mar 2024	Mar 2023
54	55

Diversity (% women in leadership positions)	
Mar 2024	Mar 2023
34.9	30.9

Rankings

Ecovadis CSR Rating	
	Most recent
	Gold

CDP score (Activity group: Renewable power generation)	
	Position
Leadership	A-

Sustainalytics rating ESG Risk (Industry group: Utilities)	
	Most recent
	Medium

Sustainable Brand Index (Industry group: Energy)	
Position	Previous year
4	4

For the definitions of the various key performance indicators (KPIs), revised definitions (where applicable) and the reporting policy, see the *Annexes* accompanying this annual report.

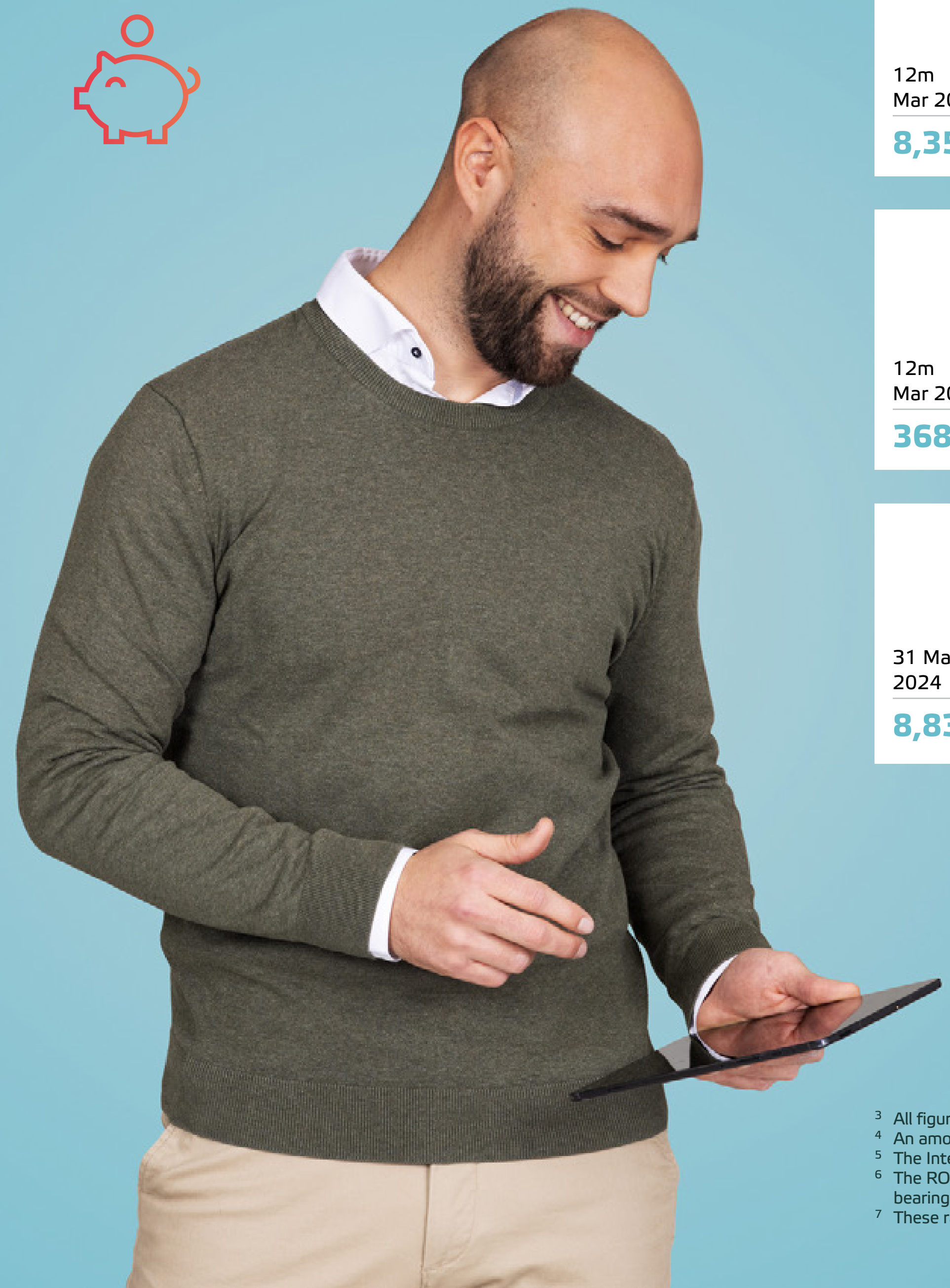
[1] These key figures cover the reporting period from 1 January to 31 December 2023, to reduce the need for estimates and to allow for better reconciliation with the mandatory reports.

[2] In 2035, approx. 0,9 Mtons of CO_2 emissions will be neutralised..

Key figures

Financial results[3]

(x €1 million)



	12m Mar 2024	12m Mar 2023	15m Mar 2023
Total revenue	8,359	**10,903**	13,359
Gross margin and other revenue	1,756	**1,627**	2,040
Operating profit (EBIT)	394	**345**	480
Operating profit before depreciation and amortisation (EBITDA)	771	**743**	969
Profit after income tax	368	**272**	380
Cash flow from operating activities	29	**1,029**	1,054[4]
Investments and acquisitions	748	**553**	642
ICR (Interest Coverage Rate)[5]	9.4	**12.8**	12.3
ROACE (Return on average Capital Employed)[6] (in %)	7.8	**7.2**	n/a[7]
Net debt / EBITDA	1.91	**0.77**	n/a[7]

	31 Mar 2024	31 Mar 2023
Balance sheet total	8,832	10,389
Group equity	3,657	3,329
Interest-bearing debt (incl. lease obligations)	1,874	1,011
Credit Rating	A-	A-
Group equity / total assets (in %)	41.4	32.0

3 All figures marked "12m Mar 2023" are unaudited pro forma figures.
4 An amount of €16 million was reclassified from cash flows from operating activities to cash flows from financing activities.
5 The Interest Coverage Rate is the operating result (EBIT) divided by the financial expense.
6 The ROACE for the reporting period reflects how (EBIT plus income from JVs and associates, less corporate income tax) relates to the average of (fixed assets plus adjusted net working capital, less non-interest-bearing long-term debt at the balance sheet dates).
7 These ratios have been measured and compared over a period of 12 months.

Foreword

We spent the last financial year again working hard to supply our customers with affordable, reliable and sustainable energy. Our continued efforts to develop sustainable production will make the country's energy system less dependent on fossil fuels from abroad, and also less vulnerable. Making smarter and more efficient use of energy will prevent waste, and allow us to benefit from lower costs when wind and sun are abundant. Another key factor is that we are making good progress with reducing our emissions on the road to becoming climate-neutral by 2035.

From left to right:
As Tempelman,
Yasuyuki Asakura,
Selina Thurer,
Karen de Lathouder,
Kees-Jan Rameau and
Jeanine Tijhaar

Importance of accelerating the pace of the energy transition

Having a keen interest in the latest developments in climate change, I find the Copernicus Climate Change Service (https://climate.copernicus.eu/) to be an excellent source. The message in the 2023 annual report of that European service is not good news. Last year the temperature was 1.48 degrees Celsius higher than the average between 1850 and1900. During the latter half of the year, in particular, temperatures reached new all-time highs every month. As the planet becomes warmer, the effects will become more and more extreme, with high temperatures, long wet or dry periods, heavy rainfall and destructive storms. Even so, the worldwide demand for fossil fuels will only continue to grow during the years ahead. Still, we have reason to be optimistic: investments in sustainable energy systems are surging, and the International Energy Agency expects the peak for gas, oil and coal to be reached by 2030.

Against this backdrop, I want to highlight again and again how important it is for the energy transition to be completed successfully. For us to leave a habitable planet for the generations that come after us, we need to become a climate-neutral society even sooner. That goal poses numerous challenges. What can we do to ensure that the energy supply remains reliable and affordable for everyone? What can we do to maintain the right balance between production, demand and transmission capacity? Where do we find the right people and the capacity in the supply chain to realise the transition?

Everyone's sustainable energy
Eneco's mission is to make 'everyone's sustainable energy' a reality. We do this by producing more sustainable energy and by offering our customers products and services that make it possible for them to actively contribute to the evolution into a fully sustainable energy supply. Our impact on ecosystems is a matter of great concern to us, so I am pleased with our goal that every new onshore project from 2025 onwards should boost biodiversity. Another parameter is societal inclusion: we want all our customers to be able to rely on us.

Falling energy prices
After a difficult period, a measure of peace and quiet returned to the energy markets last financial year. Energy prices, in particular, fell and remained more stable after the unprecedented volatility of 2022. Even so, the prices are still higher than they were, and we continue to do our best to help people caught in energy poverty, for example through our valuable contributions to the Temporary Energy Emergency Fund. We are also pleased that we were able to offer fixed contracts once again as the financial year progressed, as well as the new dynamic pricing contracts. Consumers with solar panels had less peace of mind during the year, with all the political commotion surrounding the net metering scheme. Unfortunately it was decided in political circles to leave the scheme in place until 2027. Not only does this carry significant implications for the profitability of our customer operations, it also means that Eneco and other providers incur additional costs, which they are forced to pass on to owners of solar panels. It is important to remember, however, that the returns on an investment in solar panels remain interesting, despite the adjustment.

Increased sustainable production and storage capacity
We are on schedule to achieve our target of doubling our renewable production capacity to 2,794 Megawatt (MW) by 2025. A further 273 MW was added during the financial year, predominantly from solar and offshore wind, with the Hollandse Kust Noord offshore wind farm becoming operational. We also announced the first steps towards developing the Eneco Elektrolyser: a factory for producing green hydrogen in Rotterdam's Europoort industrial estate, which should have a maximum capacity of 800 MW. Further promising news involves the development of our largest battery (50 MW). It is being realised in Belgium and will be used to store and convert sustainable electricity for balancing the electricity grid. In partnership with Equinor, we put in a great deal of hard work to put together a competitive bid for the IJmuiden Ver offshore wind farm sites. Unfortunately surging costs, higher market interest rates and the high level of risks meant that we could not, in all prudence, adopt a resolution to invest in the project.

Reduced CO_2 emissions
An absolute highlight is that we are reducing our CO_2 emissions faster than predicted. One reason is that, after the spectacular drop in 2022, our customers have continued to use less gas. This is helped by the rising popularity of hybrid and non-hybrid heat pumps, and by the greater proportion sustainable electrivcity supplied to our customers, which currently stands at 85.7%.

Healthy financial results
We also made progress with the other elements of our strategy. Our financial results were better than ever. Our trade division contributed a great deal by making excellent use of opportunities on the market. The results were also boosted by one-time revenue items in Germany and the sale to our shareholder Chubu Electric Power of the majority of our stake in the Hollandse Kust West offshore wind farm. However, our heat and customer operations in the Netherlands were less profitable than hoped. While we do not expect that we will be able to maintain our performances at the same level during the years ahead, the outlook is nevertheless positive. Cost control is an issue for the entire organisation.

Focus on digitalisation
Digitalisation is vital for Eneco's continued success moving forward, not least to help us integrate production, storage and supply and the related energy management solutions. With this in mind, it is an important milestone that nearly all our production locations are now connected to our Virtual Power Plant.

The 2023 financial year was a good one for Eneco, and on behalf of the entire Management Board I want to express my heartfelt gratitude to all our colleagues for their unflagging hard work and their commitment to Eneco's mission.

As Tempelman,
Chief Executive Officer

About Eneco

Profile

Eneco's goal is to lead the way in the energy transition. With our One Planet Plan, we want to become climate-neutral by 2035: not only in own operations, but also in the energy that we supply to our customers. We help our customers in their sustainability efforts, we want to produce more sustainable energy, and we strive for balance and optimisation in the energy system. We have operations in the Netherlands, Belgium, Germany and the UK.

Our brands

Eneco is a multinational energy company working hard to accelerate the pace of the energy transition. Under our One Planet Plan, it is our ambition to become fully climate-neutral by 2035, in terms of both the energy that we use ourselves and the energy that our customers use. Our focus is on three climate actions: helping our clients to become more sustainable, producing more sustainable energy, and balancing and optimising the energy system. Together, we are working to supply everyone's sustainable energy.

Oxxio is a low-cost operator that supplies 100% green electricity, from the belief that energy can be made simpler and more fun. Using a smart app and clear communications, Oxxio makes sure that energy contracts occupy as little of its customers' time as possible, leaving them with more energy for other things.

WoonEnergie hhelps housing corporations and their tenants to save energy and so reduce their energy bills and housing costs.

AgroEnergy focuses primarily on glasshouse farmers. It helps customers in the agricultural sector to procure their sustainable energy at the best available price.

LichtBlick is a green and innovative energy company. In Germany, where it is established, it is a market leader in supplying green electricity to consumers.

Our participations

Eneco also owns interests in various other companies:

Greenchoice supplies sustainable energy to companies and households.

Nordgröön provides services in energy optimisation, synchronisation and integration of sustainable energy assets in Germany. This company sells energy on the German market on behalf of the owners of wind turbines, solar farms and biogas installations.

Installion provides a platform for installation work on the German market, using smart solutions to link sustainability businesses to local installation partners.

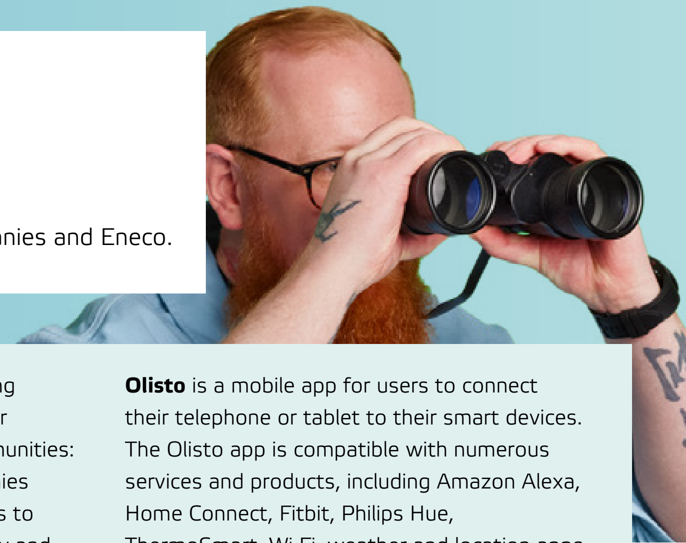
Eneco Ventures

Eneco Ventures invests in promising start-ups and scale-ups with the potential to help move the energy transition forward.

Mission of Eneco Ventures

Eneco Ventures uses its backing from Eneco to invest in these companies to:

1. accelerate the pace of the energy transition and so help us to achieve our One Planet Plan;
2. generate financial returns;
3. realise strategic partnerships and knowledge exchanges between the companies and Eneco.



Portfolio

At present, our portfolio is made up of the following companies:

Solar Monkey Solar Monkey's innovative software accurately calculates how much energy solar panels will produce, so that the installers can do their work more efficiently. Solar Monkey's reliable and award-winning solution makes it possible for installers to design solar panel systems, calculate the energy yield and draw up a price quote in no more than 90 seconds. This helps to bring the costs of acquisition down significantly. Solar Monkey also provides efficient monitoring services to assure that the solar panel installations perform optimally.

Fusebox Customers can use the Fusebox platform to monitor and optimise a wide range of energy-producing assets and other devices, and automatically trade their flexible capacity on the energy markets and the TSO capacity markets. Fusebox can communicate not only with the large production facilities (wind and solar farms) but also smaller objects such as HVAC systems, compressors, pumps, cooling infrastructure and battery systems.

Gradyent Gradyent's software solution maps out heating grids in the form of a 'digital twin'. The software uses AI to develop scenarios to optimise temperature and shut-off settings for existing and future situations.
With the digital twin, the heating grid can be optimised in real time. Future situations can also be simulated to reduce heat loss by as much as 15%, while also achieving considerable reductions in CO_2 emissions, fuel costs and capital expenditure.

Sunvigo integrates rooftop solar panel systems with helpful energy contracts.
By combining two conventional products – a contract for green electricity and a tangible product – Sunvigo provides energy-as-a-service solutions that actually make it significantly easier for consumers to join the energy transition.

Winst Uit Je Woning (WUJW) works with municipal authorities to analyse possibilities for homeowners to improve their homes. The analysis is paid by the municipality/homeowner, and carried out by an independent external adviser on behalf of WUJW.
If the homeowner decides to implement the suggested improvements, WUJW posts the entire project on its platform. More than 200 installers are already on WUJW's platform.

Klimate offers companies an extensive portfolio of comprehensively tested technologies for permanent high-quality removal of CO_2 from the atmosphere. Its goal is to finance new removal projects by entering into quasi-PPA contracts that create a meaningful connection between companies and initiatives for removing CO_2.

WeSmart is a Belgian company offering a digital one-stop-shopping solution for setting up and managing energy communities: organised groups of people or companies sharing local renewable energy sources to foster sustainability and self-sufficiency and help reduce grid congestion.

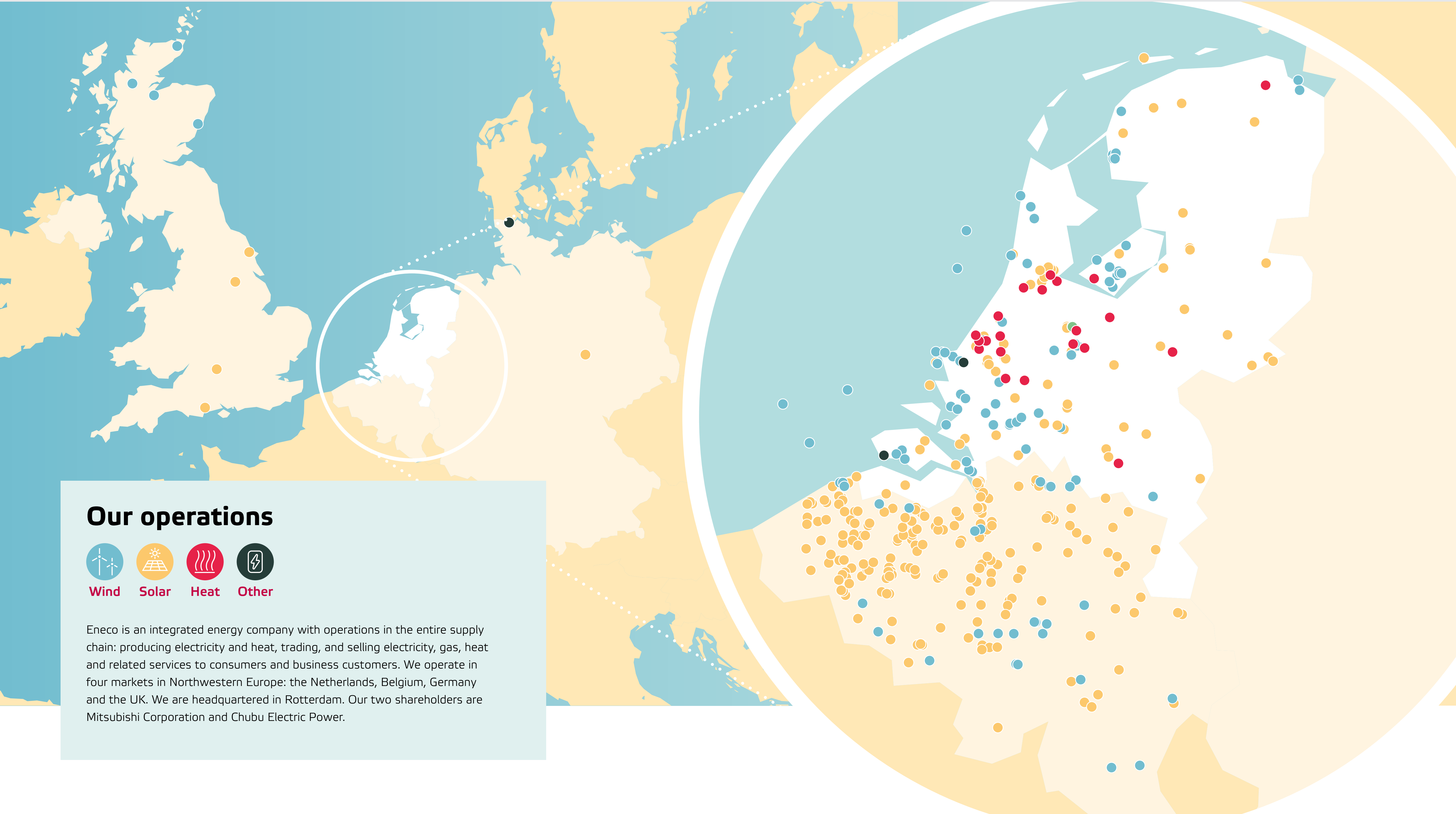
42watt is a one-stop digital platform that helps homeowners in Germany with energy-efficient renovations. 42watt facilitates the installation process by bringing together homeowners, installers and financiers on a fully digital platform to simplify the complicated process of retrofitting installations. This platform offers homeowners a streamlined solution, and helps to accelerate the pace of transitioning to climate-neutral homes.

Lance Free is a marketplace for freelancers where companies can find, rate and hire freelancers with technical skills. The freelancers can sign up for whatever projects they want without any administrative hassle.

Olisto is a mobile app for users to connect their telephone or tablet to their smart devices. The Olisto app is compatible with numerous services and products, including Amazon Alexa, Home Connect, Fitbit, Philips Hue, ThermoSmart, Wi-Fi, weather and location apps and popular social media apps such as Instagram, Facebook, X and Google Services.

Roamler specialises in using a pool of self-employed professionals to carry out contracting jobs properly and efficiently. The three platforms that use Roamler's data and location-driven technology are RoamlerRetail, RoamlerTech and RoamlerCare.

Rockstart is an accelerator that invests in start-ups to support focused business in three domains: AgriFood, Energy and Emerging Technologies. With its investments, Rockstart gives start-ups access to capital, the market and expertise, by putting them in touch with other investors, mentors, partners and Rockstart's vast network. Rockstart has invested in more than 260 start-ups that by now represent a combined value of almost €1 billion.



Our operations

Wind | Solar | Heat | Other

Eneco is an integrated energy company with operations in the entire supply chain: producing electricity and heat, trading, and selling electricity, gas, heat and related services to consumers and business customers. We operate in four markets in Northwestern Europe: the Netherlands, Belgium, Germany and the UK. We are headquartered in Rotterdam. Our two shareholders are Mitsubishi Corporation and Chubu Electric Power.

Important events

2023

April

13 Google and Eneco sign a 10-year corporate Power Purchase Agreement for Eneco to supply approx. 0.5 TWh of sustainable electricity per year.

May

22 The Dutch Ministry of Infrastructure and Water Management starts using wind energy from Eneco's Maasvlakte 2 wind farm. Part of the approx. 316 GWh from the near-shore wind farm's 22 turbines will be used to supply the Ministry with 100% sustainable electricity.

25 Eneco celebrates the 100-year anniversary of Utrecht's heating grid.

June

7 Eneco announces an investment in its largest battery power station (50 MW), in Ville-surHaine in French-speaking Belgium. The power station is expected to become operational near the end of 2024, and will be used principally for balancing the electricity grid. The project is a partnership with Tesla.

July

7 Eneco Belgium launches the Eneco Smart Meter app that helps customers to monitor much more accurately how much energy they are using.

August

31 Enexis and Eneco sign a contract for avoiding peak hours in the electricity grid. Under this contract, Eneco reduces its production of wind energy at those peak moments, in exchange for a fee from Enexis.

September

4 Eneco introduces dynamic energy contracts, Eneco Dynamisch, under which the prices follow the hourly prices on the electricity markets and the daily prices for gas. Another contract was added in November, Eneco Dynamisch & Vast, which offers gas at a fixed price for one year.

October

5 Eneco and Impuls Zeeland's venture capital fund Zeeuws Participatiefonds invest in Lance Free, a platform that links technology companies with self-employed workers in the same field.

12 MercedesBenz and Eneco set up a partnership for smart charging solutions for electric vehicles in the Benelux countries. The solution is available to both business customers and consumers.

20 The 69th and final turbine of the CrossWind (Hollandse Kust Noord) offshore wind farm is installed, with the wind farm becoming fully operational on 20 December. The total installed capacity is 759 MW, which will supply approx. 2.8% of the total annual electricity demand in the Netherlands.

November

15 In Rotterdam's Waalhaven port, Boskalis begins using a shore power installation that was realised by Rotterdam Shore Power, a joint venture between Eneco and the Port of Rotterdam. This is projected to reduce CO_2emissions by 1,600 tonnes per year.

20 Eneco submits an initial permit application for realising the Eneco Elektrolyzer in the Europoort industrial estate to produce green hydrogen. The maximum capacity will eventually reach 800 MW.

December

7 Eneco and Albert Heijn agree on a long-term partnership for Eneco to supply sustainable electricity from the new Ecowende offshore wind farm that is under construction, which will supply half of Albert Heijn's own electricity requirements starting in 2027.

20 LichtBlick takes over Solargrün, a company that specialises in developing solar energy projects.

2024

January

5 Eneco starts to rent out hybrid heat pumps, putting these gas-saving devices within the grasp of a larger group of consumers.

18 In the first issue of its white paper series Eneco Change of Course, Eneco advocates introducing a five-year transition programme to fight energy poverty in the Netherlands.

22 Eneco and Corre Energy sign a provisional agreement for a partnership to develop a compressed air storage project in Germany.

February

2 Eneco sells 30 percent of its stake in the Ecowende offshore wind farm to Chubu Electric Power, one of Eneco's shareholders and strategic partners. The proceeds from the sale will be invested in sustainable energy projects.

March

28 Eneco calls for changes to the bidding requirements in calls for tenders for developing offshore wind farms. At the same time, Eneco and its partner Equinor announce that they will not tender for the IJmuiden Ver sites.

Strategy and value

Eneco's ambition is to become climate-neutral by 2035 to help limit global warming to below the threshold of 1.5 degrees Celsius. This ambition is at the heart of our One Planet Plan.
To achieve this, we are helping our customers to become more sustainable, we are producing more sustainable energy and we are working hard to balance and optimise the energy system, based on our values of 'Drive the change', 'Deliver the plan' and 'Make each other successful'.

Mission and values

Our mission is to make '*everyone's sustainable energy*' a reality. We do this by producing more sustainable energy and by offering our customers sustainable energy and services that make it possible for them to actively contribute to the evolution into an emission-free society. Key parameters in our efforts are affordability and security of supply.

It is important for us to be responsible in how we use natural resources and to minimise pollution. We want to leave a healthy planet for future generations, which is why we are accelerating the pace of the energy transition.

The principal goal in our One Planet Plan is for Eneco to be climate-neutral by 2035, both for our own operations and for the energy that our customers use.

Another goal is that every new onshore project from 2025 onwards should boost biodiversity. Other important pillars are social inclusion and circularity.

Every day, we put our passion into working with our customers and our partners to make a difference. Our values play a vital role here. The first of those values, '*Drive the change*', highlights our clear vision for the future and our decision to act now. '*Deliver the plan*' means that everyone should have an impact and realise their goals. '*Make each other successful*' reflects how much weight we give to safe, inclusive and constructive teamwork along the entire value chain.

Ambition and priorities

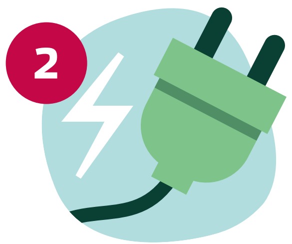
Our goal of climate-neutral production and delivery of energy by 2035 is an ambitious one. To achieve it, we have defined 3 strategic priorities (see below). How confident are we in our ability to achieve our strategic goals for 2035 and beyond? It is important to highlight that the speed of change remains uncertain. The ambitious climate goals set at the European and national levels can only be achieved through radical electrification of the energy system and by rapidly scaling up the production of sustainable biogas and hydrogen. In that scenario, the assumption is that by 2035 no hydrocarbons will be burned for electricity production, sufficient transmission capacity will be available to distribute energy from renewable sources, and subsidies and the costs of carbon will trigger a large-scale move away from natural fossil fuels across all sectors of the economy. Energy efficiency and storage will become major factors.

Under those conditions, Eneco will be in an excellent position to produce and supply much more energy than we do today, including to sectors that are currently serviced primarily by others (e.g. transport). We also envisage that we will play an even larger role on the energy and capacity markets, by leveraging our unique platforms, storage capacity and trading capabilities. New value chains and revenue lines will emerge, such as hydrogen, electric mobility, home energy management and energy solutions for business customers.

However, we need to remain alert to alternative scenarios. The energy transition could face unwelcome delays that would force us to adjust our plans. It is too early at present to tell, however, and for now our focus is on making progress towards becoming climate-neutral by 2035 while staying agile in the face of continuous societal change.

Helping our customers to switch from natural gas to alternatives

Direct electrification will be key in these efforts, for example by replacing gas-fired boilers by hybrid and non-hybrid heat pumps or electric boilers. In the transport sector, EV charging stations and shore power will facilitate electrification. Where full electrification is impossible, we will focus on green gas and green hydrogen. In many built-up areas, heating grids also offer a viable and sustainable alternative moving forward.



Increasing our sustainable production capacity

Large-scale sustainable electrification is possible only if green electricity is available on a similarly large scale. The demand for green gas and green hydrogen will see a surge, and heating grids will need to be fed from sustainable heat sources. With this in mind, we will continue to invest in the production of sustainable electrons, sustainable molecules and sustainable heat.

Improving the flexibility of the energy system and optimising the balance between supply and demand

Since the ability to produce sustainable energy depends heavily on the weather, storage and demand control are becoming more important. Digitalisation is a key factor here, for example for the further development of our algorithm-based Virtual Power Plant and to help us balance supply and demand. We will also continue to innovate our data-driven services such as dynamic pricing, smart charging facilities and energy management at home. We will continue to invest in large-scale batteries and facilities for storing thermal energy.

Market trends

The energy transition presents numerous opportunities. Changes and innovations are following one another at high speed. A number of market trends can be identified in the energy transition: decarbonisation, decentralisation, digitalisation and democratisation. At the same time, factors such as geopolitics are creating more volatile commodity prices and leading to increasing government regulation of the energy market.

Economy

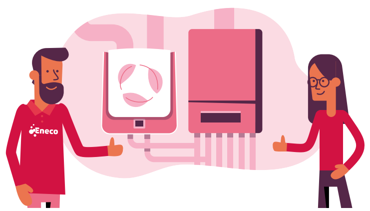
Starting in 2021, the conflict in Ukraine, and Russia's use of natural gas as a political weapon, caused gas and electricity prices to surge to unprecedented levels, with a high degree of volatility. Energy prices fell in 2023, and the exceptional volatility also diminished. With the limited gas supply from Russia and the use of LNG as an alternative, however, prices and volatility are expected to remain above pre-energy crisis levels for the present. In addition, costs of investment projects have been forced up by shortages in the supply chains and by the higher core inflation. Grid congestion and the nitrogen crisis are making permits more difficult to obtain. As a result, the investment climate is more uncertain than it was.

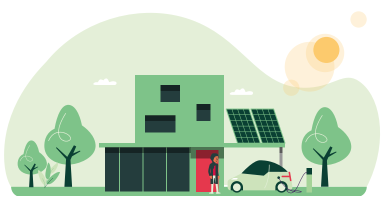
Politics

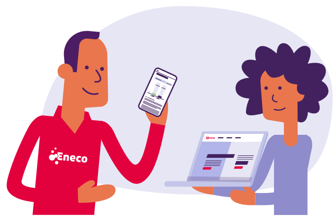
For the energy transition to succeed, we need a strong and decisive government that provides the market with clearly defined parameters. A stable long-term policy is essential here, given the distant investment horizons for renewable energy assets and heating grids, for example. In the Netherlands, the recent election results, the formation of a new government Cabinet and the implications for legislation could create uncertainty for short-term policy, for example the new heating legislation, the net metering scheme and subsidies. In the longer term, the energy transition is expected to carry forward its present momentum in our markets.

This is driven by European ambitions and legislation and by the increasingly ambitious climate goals of neighbouring European countries, as illustrated by the recent EU proposal to achieve a 90% CO_2 reduction by 2040 relative to 1990. At the same time Europe's competitive position is under pressure from various sides, including the US Inflation Reduction Act, which is drawing large flows of capital to the US.

Energy transition trends







Decarbonisation
Energy from renewable assets is quickly occupying a larger and large share, causing CO_2 emissions to go down. Due to the rise of electric transport and alternative heat sources such as heat pumps, the demand for electricity is also rising, to replace fossil fuels. Looking slightly further ahead, hydrogen, green gas and other sources can also help to reduce CO_2.

Decentralisation
As cheap and efficient technologies become more available, new energy sources are more likely to be decentralised. Large centralised production plants are making way for local installations for private use. It is becoming increasingly common for people to produce their own electricity, particularly with solar panels.

Digitalisation
The energy transition cannot succeed without digital solutions. Digital systems can be used to constantly improve the match between production and consumption. As information becomes more and more accurate, it will make it easier to predict energy requirements to help to supply energy when and where it is needed, at the lowest cost. Digital tools also make it easier to save energy.

Democratisation
With decentralised energy production, consumers and cooperatives of private individuals can now invest in, or even own, production installations. In many instances they are supported by companies. Cooperatives are taking on a more and more active role in matching supply and demand. Although their growth in terms of numbers is slowing down, their production capacity is increasing, with more and more local residents becoming involved.

Value creation model

Input

Natural resources
- Wind
- Solar
- Natural gas
- Biomass

People
- Some 4,000 purpose-driven employees in 4 countries
- Employee and leadership development
- Safety-first mindset

Partners and suppliers
- 90% has signed the code of conduct
- Participating in 15 start-ups and scale ups that contribute to the energy transition

Intellectual capital and innovation
- Data & analytics, products & platforms (e.g. VPP)
- Technical trading and marketing capabilities

Financial strength/ investment
- Strong balance sheet and credit ratings
- Strategically engaged shareholders

Societal capital
- Societal support for energy transition
- Supportive legal and regulatory framework

How we add value

CUSTOMERS
Consumer and business customers in the Netherlands, Belgium and Germany
- Supplying energy and offering excellent customer experience
- Supplying and installing energy hardware
- Providing energy services (digital)
- Ensuring social inclusiveness

INTEGRATED ENERGY
Trading organisation with broad access to European markets
- Sourcing and market making
- Optimising portfolio value and risk
- Generating value in Asset Backed Trading
- Balancing long and short positions
- Steering supply and demand, leveraging flex and Power-to-X
- Build out Virtual Power Plant platform (VPP)

ASSETS
Growing share of renewables in asset base
- Building solar, wind, hydrogen production
- Building battery and flex capacity
- Expanding renewable heat networks
- Decarbonising legacy assets
- Top safety performance
- Operational excellence

Attract, develop and retain diverse talent

Output*

Customers
- Supplying energy products and services while offering an excellent customer experience
- 5.2m customer contracts
- Sustainability brand index position 4
- >200k "smart" customer connected assets
- 86% of electricity supplied to all our customers is renewable
- 184k eMobility charge points and charge cards

Integration
- >8 TWh renewable power sourced***
- Important provider of flexibility services to TenneT
- >1 GW new PPAs signed (own & third party assets)
- Growing battery capacity (50 MW newly developed)

Assets
- 2.5 GW renewable power capacity operated
- 2.2 GW renewable power capacity owned
- 0.2 GW renewable heat capacity
- Planning application submitted for Eneco Electrolyzer submitted

Competitive returns to shareholders
- Return on average capital employed (ROACE): 8%

Impact*

One planet plan
Climate change

Climate neutrality by 2035
- 41% CO_2-eq reduction in emissions across scope 1, 2 and 3 (2023 compared with 2019)
- Since 2019, our emissions (scope 1, 2 and 3) were below our One Planet Plan and the 1.5C pathway carbon budgets

Biodiversity & nature

Positive biodiversity impact for all new onshore assets by 2025
- 6 pilot projects completed that aim for 110% nature recovery
- Ambition for all new onshore projects to result in a net positive impact on biodiversity from 2025 onward

Circularity

Circular company by 2050
- Member of International RBC Agreement for the Renewable Energy Sector**
- First pilot projects completed to formulate circularity roadmap towards 'Circular company in 2050'

Society & community

Addressing energy poverty

In 2023, some 50,000 households received support from the Emergency Fund with paying their energy bills; Eneco is one of the initiators of this fund

People
- eNPS of 54
- 35% women in management positions
- Recordable Injury Frequency 0.32

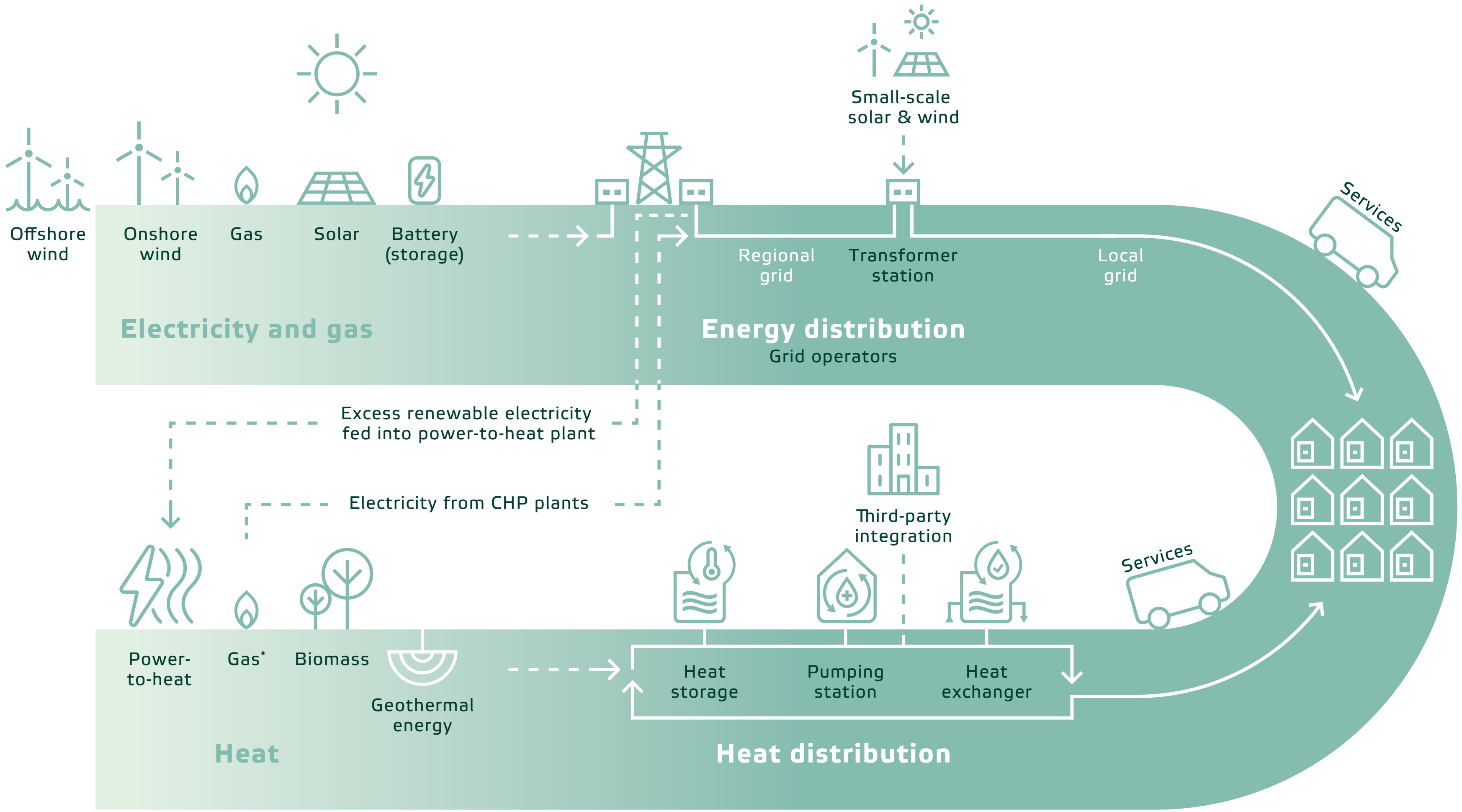
* Items shown do not represent an exhaustive overview

** A joint commitment of a broad coalition of solar and wind energy companies, industry associations, the Dutch government, knowledge institutions, NGOs and trade unions, to making international value chains more sustainable). Misschien ook een link erbij naar https://www.imvoconvenanten.nl/en/renewable-energy

*** excl. separately purchased Guarantees of Origin

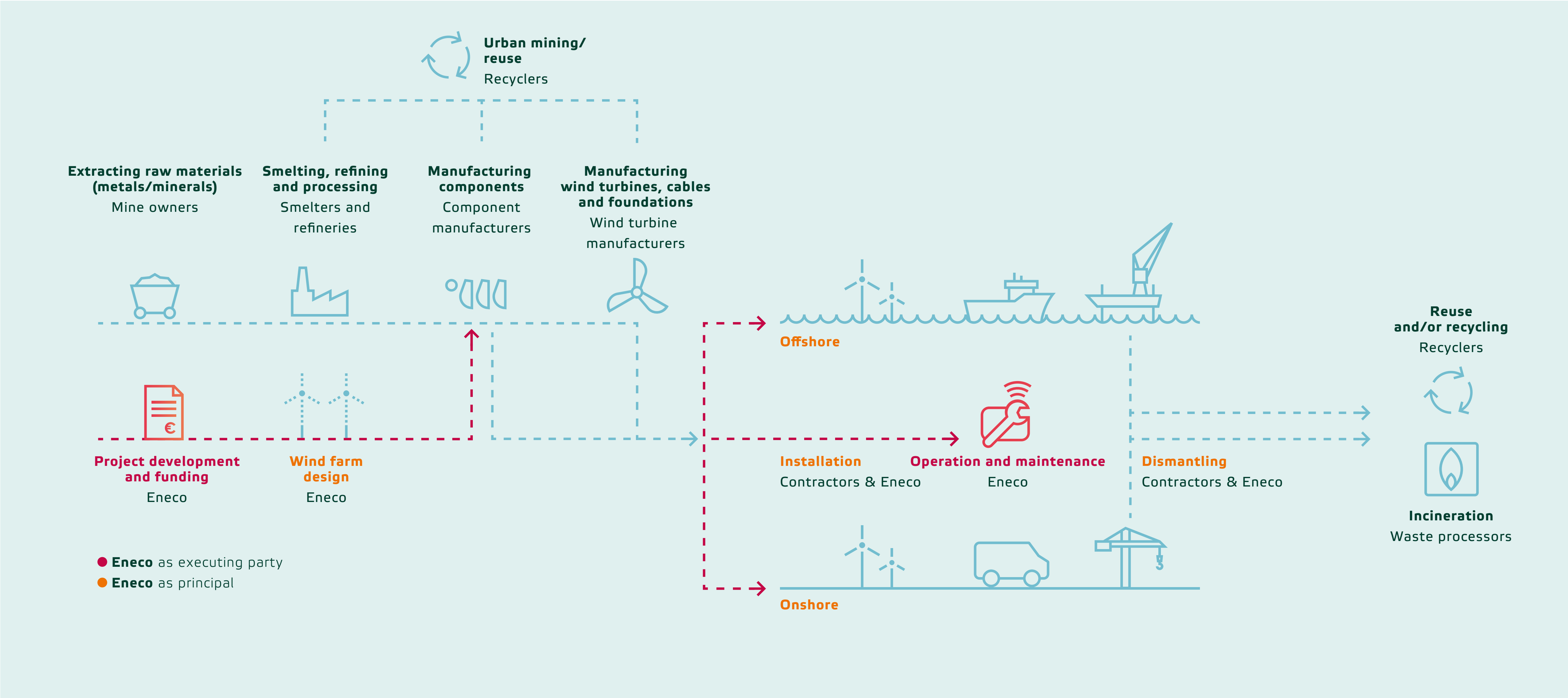
Value chain

This page explains how our energy reaches our customers. The following pages show the value chains for wind and solar energy.

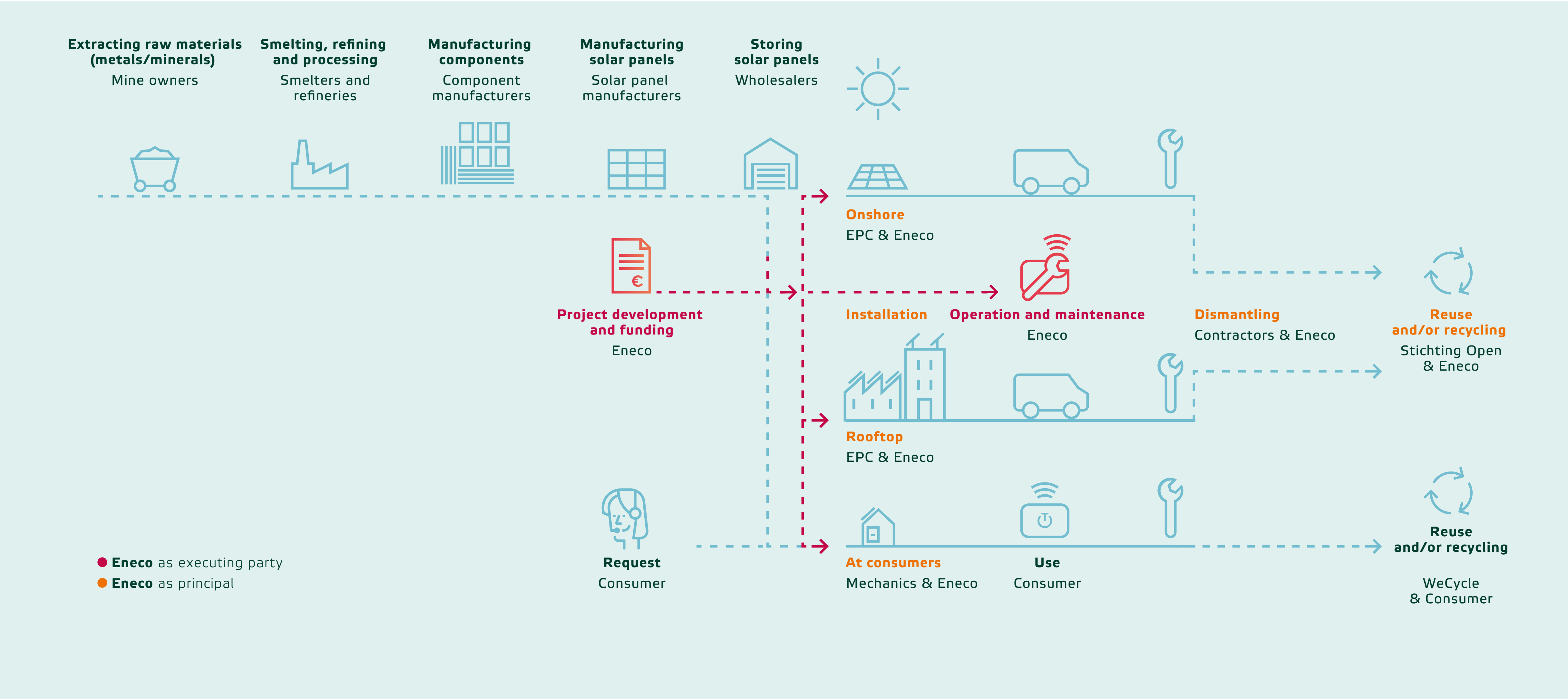


* Eneco is een reseller van gas, geen producent

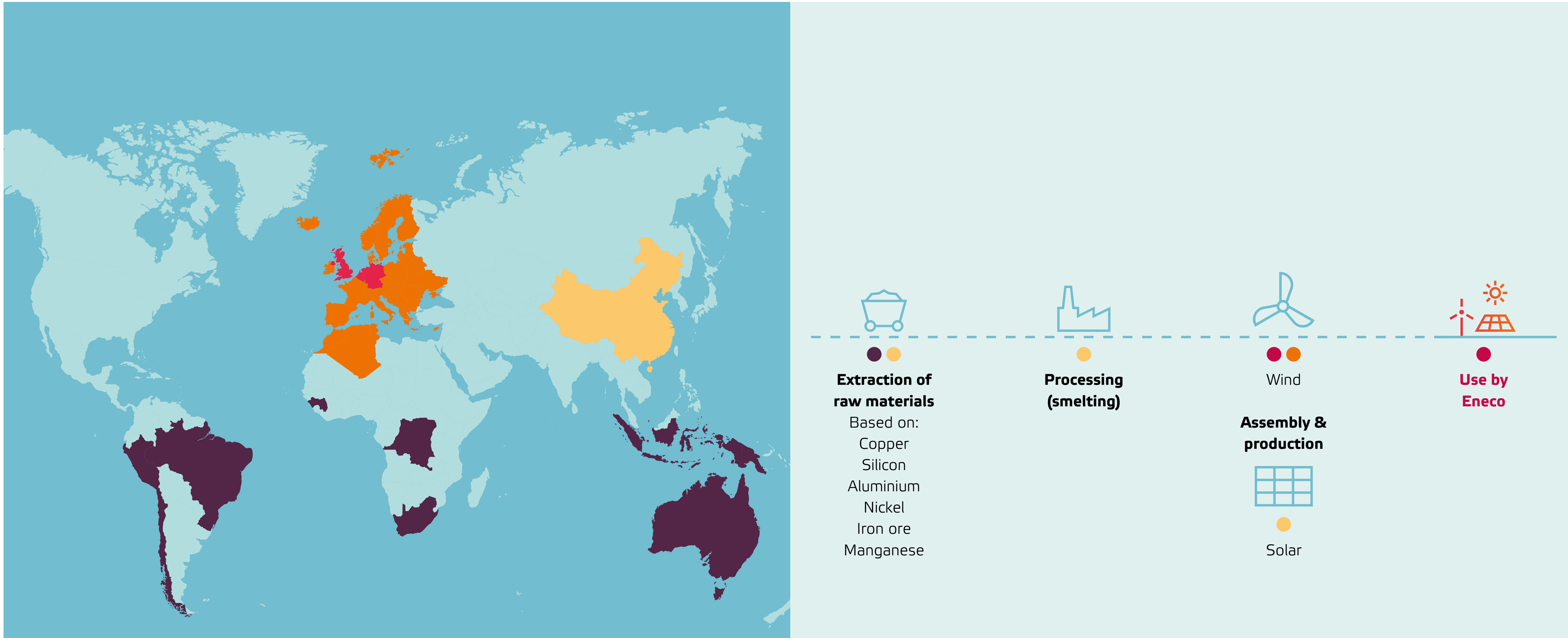
Value chain wind



Value chain solar



Global sourcing



Source: https://rmis.jrc.ec.europa.eu/rmp/ and https://rmis.jrc.ec.europa.eu/uploads/CRMs_for_Strategic_Technologies_and_Sectors_in_the_EU_2020

Operating results

While prices were still higher than prior to crisis, the market did stabilise in 2023. However, our customers still felt the effects of the volatility in 2022 during the present financial year. We made good progress in our strategic domains of Assets and Integration, we lowered the prices for our customers, we made improvements and we established exciting new partnerships.

Customers

Offering an excellent customer experience

Energy costs remained an important topic of conversation for our customers last year, as well as in the media and political circles. This was reflected in the number of questions and customer contact interactions with our colleagues of the Customer Service department and along our digital channels. Interactions were structurally 20% higher than before the energy crisis, with numerous peaks triggered by media attention. The principal causes for the greater numbers of interactions with and questions from our customers were the higher energy prices and the changes on the energy market, for example the price ceiling, the renewed availability of fixed contracts, the introduction of new types of contracts such as contracts with dynamic pricing and the effect of increased sustainable solutions on energy costs. In 2023, customers were concerned mostly with confirmation that they had made the right choices.

Particularly during the first six months of the year, the energy price ceiling, swiftly implemented by the energy sector in partnership with the authorities, eased the higher energy costs of many customers. With gas prices falling, by the second half of 2023 the prices for new contracts were once more below the price ceiling, and soon this was true for almost all existing contracts as well. Although prices continued to fall steadily, they were still significantly higher than pre-energy crisis, and the market remains highly volatile. On 1 June 2023 the Netherlands introduced stricter rules for fixed contract cancellation fees, and we once again began to offer fixed contracts for longer durations. Many customers opted for the assurance that this offers, and decided to switch from variable contracts to fixed 1- or 3-year contracts. In Belgium we began to offer new fixed contracts in May 2023.

We also help our customers to lower the amount of gas that they use and to make their homes more sustainable, for example by installing a hybrid or non-hybrid heat pump. To offer this option to a broad group of customers, in late-2023 we also introduced the possibility of renting a heat pump. This allows customers to cut their gas bills without having to make a major investment.

This year we kicked off a project to make our communications (for example our financial statements) more understandable and more relevant. We also developed a large series of informational videos and other content to inform our customers proactively and on time about the latest developments in the energy market, or if the supply is interrupted. We now have a solid process in place for notifying all our customers on time, across a variety of communication channels.

Customer satisfaction

March 2024

84.3%

March 2023 **84.0%**

Support for customers experiencing energy poverty

Even with energy prices falling, our customers' energy costs are still higher than before the energy crisis – partly because of rising taxes and grid costs – and more and more of them are struggling to pay their bills. To support those customers, we have adopted a responsible debt collection policy and lenient payment schedules. We also often refer customers to the Geldfit platform of our debt management partner Nederlandse Schuldhulproute (NSR), which offers them the appropriate assistance for their financial situation. We are also pleased that the Temporary Energy Emergency Fund could be extended into 2024, thanks to a partnership between Eneco, other energy suppliers, social organisations and the government.

Through all these efforts and more, and various improvements in our processes that focused on customers and employees with money problems, Eneco successfully retained the Debt Collection with Empathy quality mark (Keurmerk Warm Incasseren), and even added the Employer with Empathy (Warm Werkgeverschap) module. In 2023, these quality marks were incorporated into the combined national Geldzorgenbewuste organisatie quality mark for organisations with empathy for money problems.

Dynamic contracts

In September 2023, we introduced the option for customers to use our app to follow the very latest market prices of gas and electricity.

Reducing the demand for gas

Besides electricity and heat, Eneco also supplies its customers with natural gas: households use gas for their central heating boilers and for cooking, and companies use it to produce heat and, sometimes, electricity. Recent years have seen a dramatic drop in the volumes of gas that we supplied. In response to the energy crisis and the soaring gas prices in particular, gas sales to consumers (B2C) were down 9.0% from the year before.

One element in Eneco's strong sustainability ambition is to end its supplies of fossil gas to customers by 2035. To realise that goal, we are already working hard on scaling up alternatives to help customers replace gas. The growth in heat pumps described above is an example. In the business market, more and more of our customers are becoming our partners in the energy transition. We help them to make their business premises more sustainable, for example by installing industrial heat pumps and/or e-boilers.

These initiatives can only grow further if some key parameters are satisfied, which often they are not at present. Although the technology is available for many applications aimed at discontinuing the use of gas, for example with heat pumps and e-boilers, only small numbers of consumers are making the switch. Reasons include the long time for recouping the outlay and the lack of sufficient grid capacity to realise the additional electricity connections. On top of this, shifting government policy is creating added uncertainty. On the one hand, the recent Outline Agreement for a new coalition government still includes the same climate targets, and the increasing focus on energy security and strategic autonomy means a potential boost for the further transition in many areas towards sustainable solutions. On the other, however, it includes a lower energy tax on gas, abolishes the obligation to only install hybrid heat pumps from 2026 onwards, and hydrogen subsidies remain uncertain for the present, which in many cases will delay the transition towards emission-free solutions. As policy and consumer behaviour evolve during the years ahead, this will go a long way to determining whether the goals for 2035 will remain achievable, for Europe, for the Netherlands and for Eneco.

Introduction of dynamic contracts

For a long time, the energy crisis and volatile prices meant that the energy market showed barely any movement. A new policy for cancellation fees was introduced in the Netherlands in June 2023. This has reinvigorated market forces, and gives customers sufficient options for the most suitable energy supplier. In September 2023, Eneco launched Eneco Dynamisch, a new product that allows customers to follow the latest market prices for gas and electricity. The prices can be tracked in our app, making it a key element of this product. Since then Eneco has also introduced a hybrid product with a fixed gas price and dynamic rates for electricity, which is designed specifically for customers who want to follow electricity prices but prefer their gas prices to remain stable.

Growth in heat pumps: hybrid and rental

Eneco has selected growth in supplying hybrid heat pumps as one of its spearheads for helping households to improve their sustainability. The rental hyrbid heat pump was introduced in 2023, for a growing group of consumers keen to decarbonize without upfront installation costs. Despite the energy crisis and consumer awareness of how much energy they are using and how much they can save, the market remains largely ignorant about heat pumps. To remedy this, Eneco puts a great deal of effort into information and awareness, including through campaigns, the website and the app. Thanks to these efforts, Eneco has successfully raised its sales of hybrid heat pumps, even despite the lower energy prices.

Launch of Eneco SlimLaden

Eneco's smart charging product SlimLaden helps our customers to reduce their energy costs by charging electric vehicles during off-peak hours or at favourable moments. It is also greener, by encouraging customers to charge their cars at times when solar energy is being produced. The Eneco eMobility charging stations are ready for use with Eneco SlimLaden, regardless of the brand or model of car. All our customers can use this option, therefore, allowing Eneco, with our customers' help, to improve the balance on the energy market and reduce society's energy costs.

Eneco eMobility transfers German operations to LichtBlick

In the spring of 2023, Eneco eMobility transferred its German operations to LichtBlick, and Eneco eMobility Germany was renamed LichtBlick eMobility. The company offers smart charging solutions for companies and municipal utility services, and operates 9,500 charging stations throughout the country. Transferring the German operations to LichtBlick was a logical move for Eneco, to benefit from the synergies and possibilities for growth.

Successful sales of energy by LichtBlick

During the 2023 financial year, LichtBlick recorded a new all-time high in its sales of energy contracts to consumers and business customers, with around 350,000 households signing new contracts with

LichtBlick. The company also achieved its targets for sales to the SME sector by some margin, largely by offering new customers competitive rates during and after the energy crisis.

Full takeover of Installion
Cologne-based energy start-up Installion, winner of Germany's sustainability award, became a wholly-owned subsidiary of LichtBlick in the spring of 2024. Installion has 160 employees, and operates hubs for installing photovoltaic systems, home batteries systems and charging stations at 12 locations in Germany.

Integration

The purpose of integration is to optimise the flows of energy between our assets, our customers and the market, and maximise their value. The aim is to maximise the value of what our assets (wind farms, solar farms, gas-fired power stations, batteries) produce and procure at the lowest possible prices for our customers, while minimising the risks (volume, price, weather, imbalances, counterparties, margin calls) and reducing the portfolio's total emissions to zero by 2035, in accordance with the One Planet Plan.

Myriad
Virtual Power Plant
4,000 MW
Controlled in **real time** from Eneco's trading floor

More CO_2-free flexible capacity

Virtual Power Plant Myriad
Eneco played an important role in supplying balancing capacity to TenneT (system services). At present, our state-of-the-art Virtual Power Plant Myriad can control around 4,000 MW worth of assets from our trading floor in real time. This enabled us to supply sustainable capacity on a large scale for national grid balancing purposes in 2023. We have the technological capability to curtail (i.e. scale down) sustainable production such as from wind and solar, for instance if TenneT asks us to or if prices go into the negative, and we can also use our sustainable assets to scale up ('renewable flex-up'). For batteries, Belgium and Germany currently presents a more attractive market than the Netherlands does, owing to the lower transmission costs. Eneco has successfully contracted long-term battery capacity, both from assets under our own development and from external market partners (including BSTOR and DGS).

Battery storage
In April 2023, Eneco passed an investment resolution to build a Battery Energy Storage System (BESS) in Ville-sur-Haine in Belgium's French-speaking area. Tesla was selected to supply the system of 53 battery units for a total storage capacity of 200 MWh. The BESS, which is connected directly to the transmission grid, will provide support services to Belgian grid operator Elia. Although its purpose is to help balance the grid (reserve markets), it can also be used for the short-term markets such as the day-ahead, intraday and imbalance markets. Construction began in November 2023. The BESS should be operational by the end of 2024.

Batteries for business customers
We installed our first business battery system at Oegema Transport, in partnership with iWell and ZonneGilde. The battery is used to optimise the energy system with solar panels and charging stations, by drawing on smart algorithm-based controls. We control the battery system, charging stations and solar panels and match production, storage and use to the various commercial energy markets. Using the battery's energy both locally and on the various energy markets helps to balance the electricity grid.

Partnership with Vaillant for heat pumps
LichtBlick has formed a partnership with highly regarded heat technology company Vaillant Germany. Vaillant's heat pumps are offered in combination with LichtBlick's SolarPackages, for integration in LichtBlick subsidiary Ison's virtual power station. This allows customers to generate more income and become direct participants on the energy market. Integrating the heat storage systems also adds considerably to the grid's stability.

Hollandse Kust West wind farm for large business customers
The Hollandse Kust West (alpha site) wind farm is being realised by Ecowende, a joint venture between Eneco and Shell. Almost the entire future production has been sold using corporate Power Purchase Agreements (cPPAs) to large business customers in the Netherlands, such as Albert Heijn, KPN, and Google, to improve their sustainability. An important element here is that under cPPAs wind volume is often sold according to a wind profile (*pay-as-produced* or *pay-as-nominated*). This matches the wind farm's actual production profile, meaning that the customer bears some of the wind risks (profile and imbalance). This makes it easier for us, as the owner of such large projects, to manage the risks, and incentivises customers to better match their consumption to wind energy availability.

Central role for the Trading Desk
The growing sustainable capacity for electricity production and the explosive increase in numbers of rooftop solar panels means that volumes and prices depend heavily on the weather. Continually adjusting positions based on accurate customer profiles and the latest weather forecasts, and trading on very short terms (day-ahead and intraday), are vital aspects in controlling the associated volume and price risks. We also recorded strong performances in the long-term trade (asset-backed trading) and the short-term trade (day-ahead and intraday trading).

Volume management
Differences between projected (contracted) and actual volumes expose Eneco to a volume and price risk. To offset this risk, we conducted a project aimed at improving the projected contracted volumes for B2B customers, to match them more closely to the actual annual volumes.

Nordgröön
Eneco acquired Nordgröön in 2021. Nordgröön is a German provider of services relating to energy optimisation, synchronisation and integration of sustainable energy sources. The business model of giving sustainable third-party assets (eg. owned by farmers) direct access to the energy markets is being expanded further.

Assets

We are constantly working to expand our assets to produce more sustainable energy.

Managed electricity production

Production (GWh)[1]	Total		NL		BE		UK		GE	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Biomass	245	223	168	218	78	5	-	-	-	-
Solar	1,576	1,519	1,385	1,333	100	124	45	23	46	39
Onshore wind	10,387	9,512	6,631	6,777	883	875	921	1,176	1,952	684
Offshore wind	5,488	5,963	2,399	2,486	3,089	3,477	-	-	-	-
Total sustainable	**17,696**	**17,217**	**10,582**	**10,815**	**4,150**	**4,480**	**966**	**1,198**	**1,998**	**723**
Of which owned	*5,158*	*5,677*	*3,393*	*3,258*	*1,320*	*1,787*	*441*	*632*	*4*	-
										-
Conventional	2,465	3,262	2,465	3,262		-		-		-
CHP	952	1,524	952	1,524		-		-		-
Total	**21,113**	**22,003**	**13,999**	**15,601**	**4,150**	**4,480**	**966**	**1,198**	**1,998**	**723**

1 Electricity produced by all capacity under Eneco management, including contracted capacity owned by third parties, during the period 1 April 2023-31 March 2024.

Managed electricity production capacity

Installed capacity (MWe)[1]	Total		NL		BE		UK		GE	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Biomass	17	17	14	14	3	3	-	-	-	-
Solar	2,075	1,678	1,712	1,460	117	110	62	62	184	46
Onshore wind	4,051	4,037	2,276	2,269	405	394	400	400	970	973
Offshore wind	1,617	1,464	767	615	850	850	-	-		-
Other (shore power and batteries)	122	115	74	67	-	-	-	-	48	48
Total sustainable	**7,882**	**7,312**	**4,843**	**4,425**	**1,375**	**1,357**	**462**	**462**	**1,203**	**1,068**
Of which owned	*2,178*	*1,917*	*1,281*	*1,047*	*629*	*602*	*216*	*216*	*52*	*52*
Conventional	471	523	471	523		-		-		-
CHP	508	508	508	508		-		-		-
Total	**8,861**	**8,342**	**5,822**	**5,456**	**1,375**	**1,357**	**462**	**462**	**1,203**	**1,068**

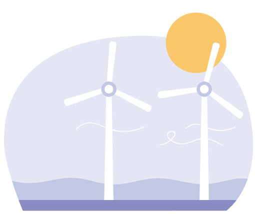
1 Overall electricity production capacity under Eneco management, including contracted capacity owned by third parties. Amounts at 31 March 2024, compared with the amounts at 31 March 2023. Following a reassessment of our PPA-contract database, it appeared that certain contracts were unjustifiably not included in previous years' published capacity figures. Henceforth the table Managed Electricty Production Capacity includes restated 2022 figures for onshore wind in Germany (+947MW), solar in the UK (+39MW) and biomass in Belgium (+3MW).

Wind energy

Ecowende

Ecowende, a joint venture between Eneco and Shell for realisation of the Hollandse Kust West (alpha) offshore wind farm, signed contracts with the 3 principal contractors in December 2023. Vestas will supply 52 wind turbines of the V236-15.0 MW type, SIF will supply the necessary monopiles and Van Oord will handle the installation. The wind farm, which will be realised in harmony with nature, will eventually have an installed capacity of 760 MW, enough to make around 3% of the present demand for electricity in the Netherlands sustainable. The plan is for the wind farm to become operational in 2026.

On 1 February 2024, Eneco signed an agreement with Chubu Electric Power, one of Eneco's two shareholders, to sell a 30% interest in Ecowende. This transaction, which will leave Eneco in possession of 10% (previously 40%) of the shares in the wind farm, is awaiting approval by the relevant competition authorities and other bodies.



Realisation of Ecowende

Installed capacity

760 MW

Completion in **2026**

CrossWind Hollandse Kust Noord

The Hollandse Kust Noord offshore wind farm, owned by the Crosswind joint venture between Eneco and Shell, formally became operational in early February 2024. It will remain in operation for 30 years. CrossWind contains a substantial package of innovations, including installation of a floating solar farm and a 'base load power hub', which combines various storage technologies to offer flexibility in the supply profile from hour to day. CrossWind has an installed capacity of 759 MW, and is expected to produce 3.3 TWh of sustainable electricity every year.

Delfzijl Zuid Uitbreiding wind farm expansion

On 12 April 2023, the licence for realising the Delfzijl Zuid Uitbreiding wind farm expansion became irrevocable. This followed proceedings before the Dutch Council of State, and was influenced by the Nevele judgment of the European Court of Justice that makes it mandatory for governments to review the consequences of building wind farms. Delfzijl Zuid Uitbreiding will be a new wind farm, consisting of 16 wind turbines with a capacity of 4 MW each.

Perwez repowering

The old wind farm in Perwez in Belgium was replaced by a new wind farm, with 7 larger turbines. The wind farm was taken into commission in early-2024. Circularity was a point of focus during its realisation: 3 of the turbines will be used for spare parts, and 5 of the turbines will be reinstalled at another location in Europe. The old foundations were sent to a recycling centre, and the sites where they had been installed were returned to their original condition.

Solar energy

Kabeljauwbeek

Eneco passed an investment resolution to realise the Kabeljauwbeek solar farm in the municipality of Woensdrecht. The solar farm will be built close to the Kabeljauwbeek wind farm. Combining the two technologies means that sustainable energy can be produced whether it is sunny or windy. The solar farm will produce around 44,500 MWh of electricity, which corresponds to the amount used by more than 16,000 households, and will mean a significant step forward in the sustainability of Woensdrecht municipality. The solar farm is expected to start producing electricity in November 2024.

Solar installations

New solar installations representing a total of 70 MWp came into operation in 2023, corresponding to a 30% increase in the portfolio. Highlights included 12 rooftop, onshore and offshore solar farms in the Netherlands, with a total of more than 110,000 panels, that were installed at various customers such as Ardagh, Evides, Dudok and HVBM. In the UK, the first contracts were signed with Princess Foods to develop 3 rooftop solar installations. In Belgium, among other developments, 14,000 panels were installed for new projects at Audi Brussels.

Acquisition of Solargrün

In late-2023, LichtBlick took over Solargrün, a company that develops solar energy projects. The acquisition gives LichtBlick access to an exciting solar energy portfolio of more than 100 projects with a total capacity of around 3,000 MW of solar energy. The services cover the entire supply chain, from project idea to project development to approval for the solar farms.

Heat

Heat production capacity (MWth)[1]	NL (total)	NL (total)
Wholly-owned installed capacity	**2023**	**2022**
Biomass	191	191
Electrode boilers	24	12
Aquathermal energy	1	1
Total sustainable	**216**	**204**
CHP	1,069	1,069
Total	**1,285**	**1,273**

1 Per 31 Marchl 2024 and per 31 March 2023, in the Netherlands only.

Largest heat pump in the Netherlands

Eneco is working with De Stichtse Rijnlanden District Water Board to realise a 27 MWth heat pump that runs on residual water from the wastewater treatment plant in Utrecht Overvecht. This heat pump will supply sustainable heat for 20,000 households through Utrecht's district heating grid. The installation will become operational during the first six months of 2024. Eneco has also delivered 2 e-boilers for Utrecht's district heating grid, to produce additional sustainable heat. The construction of 4 heat buffers for the heating grid is on schedule.

Fire at AVR Rozenburg

In September 2023, waste processing plant AVR in Rozenburg went up in flames. The fire put the waste incinerator out of operation. Eneco procures heat from AVR, and Eneco's collective heating grid in Rotterdam suddenly lost its principal source of heat just as the heating season was about to begin. This immediately created a challenge for the security of the heat supply for more than 50,000 homes, utilities and other companies in the area.

This also involved a supply contract with municipal heating company Warmtebedrijf Rotterdam. Eneco has cancelled that contract, but the termination is still being finalised. However, sufficient peak and back-up facilities were in place to compensate for the loss of AVR straight away, and our customers' heat supply was never at risk. Even so, it became necessary to make further back-up arrangements to guarantee the security of supply in case other heat sources become unavailable before AVR is up and running again. Eneco is pleased how fruitful and effective the partnership with Uniper, the Municipality of Rotterdam, the national government and other stakeholders was in managing this crisis.

Uncertainties in the Collective Heating Act
Dutch Caretaker Minister Rob Jetten of Climate and Energy published a bill for a Collective Heating Act (Wet collectieve warmte, or Wcw) in 2023 and submitted it to the Council of State for advice. Eneco backs many elements of the bill, including the role that it assigns to municipal authorities in allocating heat parcels, the new cost-plus rate regulation system (as opposed to being based on gas prices) and the introduction of a CO_2 standard for supplies of heat. Even so, we are concerned about the part of the bill that mandates a public majority interest. Since this was first announced in 2022, this has added uncertainty about investments to expand collective heating grids and make them more sustainable, and they have come to an almost complete standstill.

The factors in the Wcw bill that are causing significant uncertainty about investments are the following: 1) uncertainty about the transitional period, 2) uncertainty about the residual value if a sale to the authorities is mandated, and 3) lack of sufficient protection for minority shareholders, meaning that they will be unable to manage their investment risks. Eneco believes that, to accelerate the pace of the heat transition, cost-based rates will need to be introduced in the short term. We advocate giving municipalities the option of choosing between public and private ownership. This same line of thinking emerged from the opinion that the Dutch Council of State issued on the bill in April 2024.

An important reason for deciding against mandating decisive public ownership, Eneco believes, is the risk that heat rates will go up: public-private enterprises mean higher costs of governance, such as the legal and other establishment costs and annual management costs, which the present arrangements do not incur. This will force rates for heating up. Public ownership also does not offer any added value in terms of safeguarding affordability. The cost-plus system that the Wcw bill proposes for regulating rates and the existing supervision by the Netherlands Authority for Consumers and Markets (ACM) on maximum permitted returns provide sufficient consumer protection. Despite these uncertainties Eneco still moves forward with releavnt projects that have social impact, such as those listed below.

Co-financing from the National Growth Fund and the WIS
Eneco has been awarded €40 million in public co-financing for heat transition projects from the Heat Grids Investment Subsidy (Warmtenetten Investeringssubsidie, WIS) and the National Growth Fund (Nationaal Groeifonds). These subsidies will make it possible for our customers to make the switch at a lower cost in areas such as Rotterdam's Ommoord, Oude Noorden and Wilgenlei districts. Despite the decisions awarding the subsidies, the final investment decisions for these projects will depend on the eventual provisions of the new Dutch Collective Heating Act.

No more natural gas in Rotterdam's Agniesestraat and the surrounding area
Eneco has agreed to work with the municipality of Rotterdam and housing corporation Havensteder to disconnect Rotterdam's Agniesestraat and the surrounding area from the natural gas grid. This intensive partnership with the municipal authorities and Havensteder brings us another step closer to supplying the residents with sustainable, comfortable and affordable heat.

Individual heat pumps connected to collective sources
To become climate-neutral by 2035, we are working on new solutions for sustainable heating and cooling in buildings. These efforts are illustrated by the IWP - Klein Collectief (individual heat pump - small collective) solution that we are developing. Involving individual combined heat pumps for central heating and hot water that are connected to a collective ground loop, this is scalable solution that does not require natural gas and that is suitable for low-rise building projects. The first project, in partnership with urban developer BPD | Bouwfonds Gebiedsontwikkeling, was successfully completed at the start of this year: nearly 100 homes in Waddinxveen now have individual heat pumps that are connected to a ground loop.

Smart heat meters
In late-2023, we upgraded our 75,000th heat meter to a smart meter. This achievement, part of a large project that began back in 2019, represents a milestone: we are making good progress towards installing smart heat meters at all our 145,000 heat customers well before this becomes a legal requirement in 2027. We expect to complete the project by the end of 2025.

Industry

Shore power
Rotterdam Shore Power B.V., Eneco's joint venture with the Port of Rotterdam, completed 2 new shore power installations: one for Boskalis (expected reduction of CO_2 emission 1600 tonnes per annum) and one for DFDS (minus 2100 tonnes). With shore power, vessels no longer need the polluting diesel generators that are normally used when in port. Together with Heerema's shore power installation, the joint venture now manages 3 operational shore power installations.

E-boiler
At the Heineken brewery near Zoeterwoude, Eneco installed an e-boiler with a 12 MW capacity. The boiler supplies steam for Heineken's production process, making it possible for the company to switch to sustainable energy for most of the energy that the location uses.

Smart heat meters
Total switched to smart devices
75,000
Target for 2027 **145,000**

Gas-fired power stations
We are working on plans to shut down our conventional gas-fired power stations, or else convert them to use hydrogen as an alternative fuel. These plans are based on the assumption that all CO_2 emissions will be eliminated from the entire electricity production process by 2035, as per government targets at the European level and in our core markets of the Netherlands, Germany and Belgium (also see 'strategy' chapter).

Challenges

Of course the financial year also threw up challenges. The international geopolitical situation remains uncertain, and it seems that this uncertainty is here to stay for now. This is also reflected in the energy markets. Although prices are lower than a year ago, they are still considerably higher than the levels before the war in Ukraine, and energy poverty remains an important issue for us and for our customers. However, the country's political climate and government regulations are a continuous source of new challenges. Although no new Cabinet had been formed when the financial year closed, the new government had already presented the outlines of its plans. Both the chapters on ESG and on the One Planet Plan in this annual report discuss such challenges in greater detail, including how Eneco is dealing with them.

In our One Planet Plan, we have consistently highlighted that its successful implementation depends on three critical success factors: its acceptance by society and our customers' willingness to change (e.g. to switch to alternative methods of heating), an effective climate policy (at the national and the European level), and economic and technological progress, for example in the area of green hydrogen. This will remain true for as long as the One Planet Plan is in place, and it is a constant factor in Eneco's decisions, operations and commercial activities.

At the end of the financial year, Dutch Parliament rejected a proposal to abolish the net metering scheme. Until recently, those costs were spread across all our customers. However, Eneco has been forced to decide to allocate more of those costs to where they are incurred: customers with solar panels. This will take effect in 2024. Besides greening the energy system, it is also important to adopt a new way of looking at how people use energy. It is becoming more and more important to use electricity when sufficient sustainable energy is available. If this is impossible, this brings higher costs for the energy supplier. One of the reasons for those higher costs is that customers with solar panels feed electricity back into the grid during the summer at times that electricity is cheap on the wholesale market, and can offset this against the electricity that they use during the winter, when the cost is higher. Despite the increase in costs for households that have them, solar panels are still an interesting investment, given the still relatively short time for recouping the outlay compared with the panels' useful life. In addition, the cost of feeding electricity back into the grid can be minimised by immediately using as much as possible of the electricity produced. The matter is evolving all the time. This is understandably causing distress among our customers, harms our reputation and not infrequently causes uncertainty within the organisation. The new coalition government recently announced in its Outline Agreement that the net metering scheme will be abolished on 1 January 2027 after all.

Another challenge are the tariffs charged for both feeding and depleting batteries in The Netherlands, which makes it much harder to develop a robust business case.

The bill for a Dutch Collective Heating Act (Wet collectieve warmte) has created uncertainty on the market, as explained earlier in this chapter. This is making the investment climate uncertain as well. In the meantime, the market is also deteriorating under influence of higher prices and shortages on the labour market. For Eneco, one consequence was that a heat project in Utrecht Overvecht-Noord was cancelled just after the financial year ended.

Higher investment costs were also the principal reason why Eneco and its partner Equinor decided not to bid on two offshore wind sites at IJmuiden Ver: the prices for steel, interest rates and the higher costs of suppliers for the construction, for example. At the same time, in its second Eneco Change of Course (Koersverleggers) white paper, Eneco presents recommendations for improving the tender criteria for future bids, for example by introducing a new form of contract: a bilateral Contract for Difference.

A final development is the increased supervisory activity of the Netherlands Authority for Consumers & Markets (Autoriteit Consument en Markt, ACM), which is displaying greater active market management than previously. For example, in anticipation of the abolition of the net metering scheme, energy suppliers received instructions on how and when to inform their customers. The ACM also investigated how the costs of feeding electricity back into the grid were calculated. Additionally, in part under influence of new European Union regulations, the details of customer communications are under closer scrutiny, in particular for claims of sustainability.

One Planet results

Eneco's goal is to live within the limits of the Earth's capabilities. Eneco wants to be climate-neutral by 2035, and our One Planet Plan is how we give shape to this. We measure our climate goal using the Value Chain Carbon Footprint (VCCF). It covers the emissions from our entire supply chain: Scope 1 (direct emissions), Scope 2 (emissions from procured electricity and heat for our own use) and Scope 3 (emissions in the supply chain and from suppliers and customers). This means that we can only accelerate the pace if we work together with customers, the world around us and local partners such as residents, municipal authorities, housing corporations and energy cooperatives.

The One Planet Plan reflects Eneco's *purpose* in our business strategy. It describes what we want to achieve in terms of climate, biodiversity, circularity, society and the world around us. Those goals form the essence of our business strategy and business plan: the One Planet goals form a point of reference for all strategic and investment decisions.

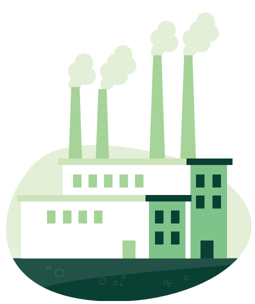
We are aware that the One Planet Plan's implementation depends on three critical success factors: its acceptance by society and our customers' willingness to change, an effective climate policy, and economic and technological progress, for example in the area of green hydrogen.[1]

Climate

Eneco wants to achieve climate-neutrality for itself and all its customers by 2035. Climate neutral, is also referred to as net-zero. These terms indicate that greenhouse gas emissions do not contribute to climate change along the entire chain (scope 1, 2 and 3 in accordance with the GHG Protocol). This is done by reducing emissions (e.g. through saving energy, generating and supplying sustainable energy) at least according to a 1.5 ˚ C reduction pathway and by neutralising remaining emissions through the permanent removal of CO_{2eq} from the atmosphere. Our emissions pathway, entitled 'Forging a path towards net zero emissions by 2035', sets a mid-term target of 60% by 2030 relative to our baseline year of 2019 (see Figure – in the section on the key figures). Our reason for using 2019 as our baseline year is that it was the most recent year for which results were available when we drafted our climate plan.

1 To draw on the best available data and match the reporting rules, all the results and developments discussed in this chapter concern the 12-month period from 1 January to 31 December 2023.

In 2023, we succeeded (according to plan) in reducing the VCCF, i.e. the emissions from our entire supply chain, to 9.7 Mtons of CO_2-eq (9,720 x 1,000 tonnes of CO_2 emissions and other greenhouse gas emissions, measured as CO_2 equivalents). This is 2.6 Mtons below the carbon budget under our One Planet Plan of 12.3 Mtons of CO_2-eq for 2023, and a reduction of 0.7 Mtons compared with the 10.4 Mtons of CO_2-eq emitted in 2022. Almost 85% of our CO_2 emissions are released by the energy – predominately from natural gas – that is consumed by our customers. In 2023, gas sales were down 4.4% from 2022, with the warmer weather and energy prices being contributing factors. This drop appears to be structural, particularly among households, in part because of improved insulation and the use of hybrid and non-hybrid heat pumps, as well as shifting behaviour as customers set their thermostats to a lower temperature. Another cause of our lower emissions was the rising proportion of renewable electricity that we supplied to our customers, which rose from 81.5% in 2022 to 85.7% in 2023.



Total emissions

Decrease compared to 2022 (x 1,000 tons CO_2-eq)

Scope 1: **−124**

Scope 2: **−14**

Scope 3: **−466**

The result is a lower emission factor – including upstream emissions – for the electricity that we supplied (59 kg of CO_2-eq/MWh in Scopes 1, 2 and 3 in 2023 versus 74 kg in 2022). The electricity that we supply to consumer customers in each of our countries has been renewable for more than 10 years, as has the electricity for business customers in Germany. In 2023, all electricity contracts that we signed with business customers in Belgium and the Netherlands were for renewable supplies only. We are phasing out existing fossil electricity contracts, and in a few years' time we will supply only renewable electricity to both consumers and business customers. This increase in the proportion of green electricity in what we supplied, combined with other factors, resulted in a drop in the emissions by 566 x 1000 tonnes of CO_2eq compared with the emissions from our electricity supplies in 2022.

The CO_2 emissions from Eneco's heat supplies were up from 25.9 kg of CO_2/GJ in 2022 to 35.4 kg of CO_2/GJ in 2023, not including upstream emissions. This increase was caused mostly by a large fire at waste processor AVR in Rotterdam on 21 September 2023. That fire means that the largest and most sustainable source of heat for Eneco's heating grid in Rotterdam and the surrounding area will be unable to supply any heat for an extended period, and while this lasts less sustainable assets will be needed to ensure continuity of the heat supply. We hope to begin procuring heat from AVR again as soon as possible to bring our CO_2 emissions back down.

The emission factors of our gas supplies vary per country: the Netherlands: 212.8, Belgium: 209.4 and Germany: 207.5 kg of CO_2-eq/MWh, including upstream emissions.

The emission factor of the total energy supplied, relative to the emissions in our entire value chain (gas, electricity and heat in Scopes 1, 2 and 3) is 154.8 kg of CO_2-eq/MWh (broken down by scope: 18.6; 0.7; and 135.5 kg CO_2-eq/MWh respectively).

Total emissions

Eneco reports in accordance with the GHG Protocol Corporate Standard, an international emissions accounting and reporting standard for companies. Greenhouse gases are divided into Scope 1, 2 or 3 according to their source. For its Scope 3 emissions, Eneco reports according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, which is a supplement to the GHG Protocol Corporate Accounting and Reporting Standard. For calculating its emissions, Eneco uses the GHG Technical Guidance for Calculating Scope 3 Emissions, which in turn supplements the Corporate Value Chain (Scope 3) Accounting & Reporting Standard.

Scope 1 – direct emissions from our own operational activities (chiefly natural gas used for producing electricity in our power plants): 1,169 x 1,000 tonnes of CO_2-eq.

Scope 2 – indirect emissions as a result of purchases of electricity, steam, heat and cooling for our own use : 46 x 1,000 tons of CO_2-eq. One change compared with 2022 is the emission factor that we use for heat losses. In 2022, heat losses from our own production were included in the emission factor, whereas for 2023 we have succeeded in breaking those emissions down further by preferred procured heat losses.

Scope 3 – indirect emissions from upstream and downstream activities: 8,505 x 1000 tonnes of CO_2-eq.

This represents a drop relative to 2022 of 124 x 1,000 tonnes of CO_2-eq for Scope 1, 14 x 1,000 tonnes of CO_2-eq for Scope 2, and 466 x 1,000 tonnes of CO_2-eq for Scope 3.

The table below shows the greenhouse gas emissions broken down by scope and by category, in accordance with the GHG protocol:

Value Chain Carbon Footprint (VCCF)[1]	CO2 equivalent emissions (tonnes x1000) 2023	2022 (consequence of changed method)	2022 (previously reported)	2019
Scope 1 - Direct emissions				
Fleet (commercial vehicles and company cars)	1	1	1	3
Energy production by gas-fired power stations	1,168	1,291	1,291	1,738
Refrigerant leakages	0	0	0	0
Total in Scope 1	**1,169**	**1,293**	**1,293**	**1,741**
Scope 2 - Indirect emissions from procured energy (market-based)				
Electricity procured for own use	0	0	0	0
Heat procured for own use	0	0	0	0
Heat procured for distribution losses on supplied heat	46	60	60	73
Total in Scope 2	**46**	**60**	**60**	**73**
Scope 2 - Indirect emissions from procured energy (location-based)				
Electricity procured for own use	2	1	1	1
Scope 3 - Indirect emissions in the value chain				
Category 1 - Goods and services procured[2]	146	254	254	149
Category 2 - Capital goods procured	101			
Category 3a - Upstream emissions from fuel procurements	249	215	215	96
Category 3b - Upstream emissions from energy procurements	0	0	0	0
Category 3c - Emissions from transmission and distribution losses on procured energy	90	156	156	629
Category 3d - Emissions from sales of electricity and heat not produced by Eneco	301	816	816	3,725
Category 4 - Upstream transport & distribution of goods	*n/a*	*n/a*	*n/a*	*n/a*
Category 5 - Waste from operating activities	*n/a*	*n/a*	*n/a*	*n/a*
Category 6 - Business travel	0	0	0	0
Category 7 - Commuting	1	1	1	2
Category 8 - Upstream leased assets	*n/a*	*n/a*	*n/a*	*n/a*

1 In order to provide greater transparency, effective 2023 the VCCF information is broken down. Previously the breakdowns of the VCCF information were reported on Eneco's website. The results for 2022 and 2019 are included for comparison purposes. However, those figures were not included in Deloitte's limited assurance activities.
2 Categories 1 (goods and services procured) and 2 (capital goods) in Scope 3 were previously reported together. However, effective 2023 these categories are reported separately.

Value Chain Carbon Footprint (VCCF)	CO2 equivalent emissions (tonnes x1000) 2023	2022 (consequence of changed method)	2022 (previously reported)	2019
Category 9 - Supplies of products to customers (by external operators)	*n/a*	*n/a*	*n/a*	*n/a*
Category 10 - Processing of goods sold	*n/a*	*n/a*	*n/a*	*n/a*
Category 11 - Consumption of energy sold	7,616	7,528	7,161	10,069
Category 12 - Treatment of waste from products sold	*n/a*	*n/a*	*n/a*	*n/a*
Category 13 - Assets and products leased out	*n/a*	*n/a*	*n/a*	*n/a*
Category 14 - Franchises	*n/a*	*n/a*	*n/a*	*n/a*
Category 15 - Investments	*n/a*	*n/a*	*n/a*	*n/a*
Total in Scope 3	**8,505**	**8,971**	**8,604**	**14,670**
Value Chain Carbon Footprint (VCCF) of N.V. Eneco[1]	**9,720**	**10,352**	**9,985**	**16,485**

1 The total VCCF footprint covers the market-based Scope 2 emissions.

Eneco's supply chains also include biogenic emissions: CO_2 emissions from incineration or biological decomposition of biomass (source: GHG protocol). These emissions are reported separately, as required by the GHG protocol. The biogenic emissions in Scope 1 are 575 x 1,000 tonnes of CO_2. Details of the biogenic CO_2 in the other scopes are not available at this time, and will require further research. Besides the biogenic emissions, Eneco also reports optional information about emissions from energy that was not supplied to end users, as per the GHG Protocol. In 2023, this involved 155 x 1000 tonnes of CO_2-eq. In 2022 and 2019, the volumes were 219 and 78 x 1000 tonnes of CO_2 -eq, respectively.

A change has been implemented in the method used. In mid-2022 Eneco decided that it would not enter into any new contracts for grey electricity, which caused the supplies of grey electricity to drop in 2023. Eneco makes adjustments for double counting. Grey electricity is produced by our own gas-fired power plants and combined heat and power plans (CHPs) of our AgroEnergy customers. The emissions from that grey electricity are also included in our electricity label, which establishes the emissions in Category 3d of Scope 3. The method has been changed by introducing a maximum for the adjustment for duplications in that category. The reason for that maximum is to limit the adjustment to at most the emissions from grey electricity supplied to our customers. As a consequence of changing the method, the emissions for 2022 also show different values in Scope 3, category 11 and for the total. The table above presents both the emissions as reported last year and the emissions based on the change.

The method change does not have a material impact on the emission for 2019.

Eneco's choices and interpretations are recorded in the N.V. Eneco Greenhouse Gas Accounting Manual , which is intended to provide guidance and information about Eneco's accounting policy, recognition methods and explanatory notes. It also provides details about how emissions should be measured, recognised and disclosed for external reporting purposes.

Climate governance

To realise our climate ambition for 2035, we work according to a carbon budget that is reduced year by year, and that we use as a point of reference for our investment decisions. The key points of our climate governance are:

- **Carbon budget** Our annual CO_2-eq budget (absolute volume in Mtons) is based on our One Planet Plan, with a faster reduction than the 1.5ºC emissions pathway for Scopes 1, 2 and 3, as defined by the SBTi.
- **Audits and controls** The CO_2-eq budget is an integral part of Eneco's regular business strategy and planning process, including the midterm milestones and the financial and non-financial audits. The total absolute CO_2-eq budget has been allocated to the various business units. It will gradually decrease, until it is zero in 2035. Our efforts include both actions in the short term and what actions we need to undertake to realise our long-term goals.
- **Training** Our employees are given regular opportunities to attend sessions to find out more about the latest situation with the One Planet Plan and what steps we need to take to realise our climate ambition.
- **Remuneration** The remuneration policy, both for the Management Board and for all Eneco's other employees, is based in part on realising the the CO_2-eq budget at the Group level.
- **Investment** A key criterion in selecting investments is how much they contribute to reducing CO_2-eq,
- **M&A (mergers and acquisitions)** Mergers, acquisitions and investments in activities that emit CO_2-eq are still possible, as long as the investment is accompanied by a concrete plan for reducing those emissions.
- **Reports** To monitor what progress we have achieved and how effective our actions are, we report to the Management Board every calendar quarter. To ensure transparency towards our external stakeholders, every annual report describes what progress we have made towards our climate goals and what we have achieved.

Internal organisation

The Sustainability Manager is responsible for coordinating the One Planet Plan on a day-to-day basis. This officer is part of the Strategy & Public Affairs department. Ultimate responsibility for the One Planet Plan lies with the director of Strategy & Public Affairs, who reports to the CEO and has a seat on the Strategic Leadership Team. The One Planet Plan is incredibly diverse, with a broad focus, and ultimate responsibility for the various elements are secured and embedded in the relevant business and support units whose day-to-day activities align most closely with each element of the plan. For example, the director of Procurement has final responsibility for procurement, which includes improving the sustainability of Eneco's portfolio of suppliers. The director of Procurement reports to the COO-Assets.

Biodiversity

Our efforts to preserve and increase biodiversity are described in the chapter on ESG. As such, the information below serves only to explain the Biodiversity Matrix method and what we are doing to protect against significant negative effects on protected natural values. We define biodiversity as 'the variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part'. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and ecosystems.

Biodiversity Metric method

Consultancy and engineering organisation Arcadis has adapted the Biodiversity Metric method for Eneco to use with sustainable energy projects. The Biodiversity Metric is a methodology developed by Defra, the United Kingdom's Department for the Environment, Food and Rural Affairs. Thanks to this method, whenever we want to develop a solar, wind or thermal project we can map out what nature recovery measures will be needed to achieve a net positive effect on the biodiversity. This method is applied on top of the requirements for obtaining permits and licences. Eneco's principal focus is on preventing any harm to nature. Where this is impossible, or not entirely possible, we consider how much of the harm can be mitigated, or else compensated if necessary. At this time, the Biodiversity Metric cannot be used for marine habitats. At Eneco's request, Arcadis has researched the possibilities for adapting it, and we will discuss the results with the method's developers, experts and NGOs.

The method consists of 4 steps: 1) baseline measurement of the existing habitats before the renewable energy project is developed; 2) measurement of the projected impact on existing and new habitats after the renewable energy project is developed; 3) calculation of the difference before step 1 and after step 2; 4) selection of what nature recovery measures are needed to achieve a net positive result after the project's development. Step 2 is then repeated with allowance for those measures, until step 3 reaches the minimum target of 110% compared with the original situation at the start of the project. For every pilot project, we prepare a nature recovery plan with input from the local community, and consider how the sustainable asset will fit in the landscape and what we can do to improve nature and biodiversity, preferably locally.

After the project has been realised, a nature management plan will come into effect to achieve the goals during the years that follow. We also monitor the situation to make sure that the natural environment does in fact recover as planned. We are proud of our partnership with Arcadis and of the involvement of NGOs in developing our method and code of conduct. We will continue to involve NGOs in our future progress.

Significant effects

Wherever possible, we need to exclude significant negative effects on protected natural values. We use the definition of 'significant effects' of the Netherlands Commission for Environmental Impact Assessment[1], which is compliant with European laws and regulations for protecting Natura 2000 values. A plan or project has significant effects if it interferes with achieving the conservation goals defined in the designation of a Natura 2000 area. A population decline of 1% for a particular species is also a significant effect. To exclude significant effects on relevant bird species, for instance, we have introduced a start-stop mechanism linked to a radar system at our Maasvlakte 2 wind farm, to detect those bird species.

Circularity

The Circularity pillar concerns our desire for responsible action in the value chain: from extraction up to and including the expiration of the useful lives of our assets, products and services. This involves key roles for ourselves, our partners, our suppliers, the vendors supplying our suppliers, and the users of our products and services. Acting with responsibility concerns the raw materials contained in our assets and products, and the potential negative impact of our operations in terms of human rights, nature, the environment and ethical business conduct. Circularity is about:

- making responsible use of materials to become a circular business by 2050;
- CSR (corporate social responsibility) due diligence, i.e. how we give practical shape to our responsibility towards society in order to be in control of risks (harmful impact of operations) in the value chains by 2027;
- Socially Responsible Procurement, to approach our suppliers' markets so that suppliers help us to realise the ambitions under our One Planet Plan.

Responsible use of materials

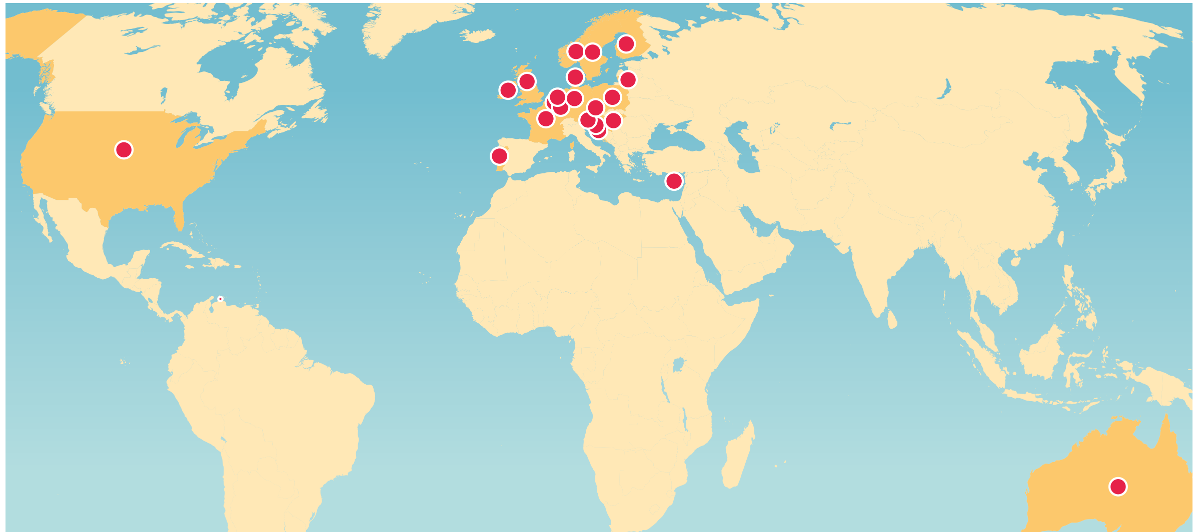
We are reducing CO_2 emissions in the production chains and preventing waste at the end of the lives of our assets by extending their useful lives and making smarter use of materials and through reuse and recycling. The principal focus is on the Wind, Solar and Heat value chains.

During the financial year we achieved the following with our pilot projects, the results of which will be used for the development of further plans in the coming years:

- *Review of the Landtong Rozenburg repowering*: besides the technical circular applications, our internal approach to the dismantling will be one of 'reverse construction'.
- *Policy for dismantling wind farms*: we will adopt a circular approach to dismantling, using the following sequence: 1. reuse turbines at other wind farms; 2. reuse components in other turbines, if necessary after refurbishment; 3. repurpose components for other applications; 4. recycle materials in secondary raw materials.
- *Baseline measurement of operational materials*: we will create an inventory of the materials in our operational assets to give an indication of what materials (in particular metals and minerals) our assets contain and what materials we use on a large scale (steel and copper). We have also successfully calculated a first circularity percentage. However, issues with retrieving the data means that this percentage is based on proxies and assumptions. The provisional proportion of incoming circular materials is 20%. The potential proportion of outgoing materials from dismantling is 61% (based on market data). One of the lessons from the baseline measurement is that we need to structurally demand material passports from our suppliers.

In offshore wind, we are making more specific choices about circular design strategies during the development of wind farms. Looking further ahead to the future, we are still participating in LICHEN-BLADES[2], a research project led by Delft University of Technology. The initial results of that project have yielded circular business models, erosion protection, alternative materials and 2nd and 3rd repurposed uses for turbine blades.[3] The researchers are discussing possible follow-up steps with the value chain.

Geographic spread of suppliers



CSR due diligence

CSR due diligence is the process through which Eneco puts the guidelines of the Organisation for Economic Co-operation and Development (OECD), the International Labour Organisation (ILO) and the UN Guiding Principles into practice. On 6 March 2023, Eneco signed the covenant for international corporate social responsibility (ICSR) in the renewable energy sector[4], a multi-stakeholder agreement that we were actively involved in bringing about. Under the ICSR covenant, companies operating in the new wind and solar energy sector agree to use the 5 years ahead to gain control of the potential or actual harmful impacts of their operations in these value chains. The purpose of the participating organisations is to work together to tackle and prevent risks of human rights violations and environmental damage.

The Social and Economic Council of the Netherlands (SER), which acts as the independent secretariat for the covenant, conducted the first maturity assessment among the participating companies in March 2024, to establish what progress they have made with their implementation and performance. Based on our own gap analysis/self-assessment, we shall work on increasing transparency and traceability, particularly upstream in the value chain, in order to address the more complicated issues on an individual or sector basis.

1 www.commissiemer.nl/documenten/00000264.pdf
2 Living, Innovative materials for Circular, Hierarchically structured, Erosion resistant, Natural Blades. See also https://www.nwo.nl/en/projects/kich1ed0220009
3 See https://iopscience.iop.org/article/10.1088/1757-899X/1293/1/012011
4 See www.imvoconvenanten.nl/nl/hernieuwbare-energie/over-het-convenant

Socially Responsible Procurement

With Socially Responsible Procurement (SRP), we are shifting our focus in the regular procurement process and we are also taking social and ecological criteria into account when selecting suppliers. The four pillars of our One Planet Plan come together here with what we demand of our suppliers.
Our procurement can be broken down into a number of categories: Energy Solutions (25%), General Construction & Installation Technology (22%), Business & Professional Services (21%), IT Technology (14%), Contingent Workforce (12%) and Maintenance, Repair & Operations (4%). The remaining 2% has not been assigned to a particular category yet. Our procurement partners include manufacturers of wind turbines, EPC contractors[1], solar energy contractors, earthwork contractors, soil surveyors, software vendors, legal experts, cleaners, caterers and consultancy firms.Our expenditure covers nearly 2,000 suppliers spread geographically across 23 countries, focusing on Europe and in particular the Netherlands.

At least 90% of our procurement expenditure should be spent at suppliers that subscribe to our Supplier Code of Conduct. We updated the Code in 2023, adding clearer expectations for analysing the risk of harmful impact of the operations in the value chain. We ask our suppliers to proactively inform us about risks resulting from their actions or operations in their supply chain. During the financial year, 91% of our procurements were from suppliers that have signed that Supplier Code of Conduct. We select various suppliers and ask them to explain how sustainable their business is. Leaders in Corporate Social Responsibility (CSR) make up 41% of our key suppliers, a similar proportion to last year and more than our target of 40%.

However, it is not only the sustainability of the suppliers in our portfolio that matters, but also the sustainability of the products and services that we procure from them. Our target is for 60% of our contracts that represent a procurement volume in excess of €100,000, to include at least 1 criterion for Socially Responsible Procurement. For the 2023 fiscal year, we achieved a rate of 48%: a similar proportion to last year and below our target of 60%. At a more detailed level, nearly 19% was in fact spent on circular procurement. The procurement categories contributing most to this result are Energy Solutions (34%) and Maintenance, Repair & Operations (44%). We have noticed that including sustainability as a regular factor in our supplier selection process has an inspiring effect, and many of our suppliers have started integrating sustainability into their operations.

1 EPC: engineering, procurement and construction.

Socially Responsible Procurement

Living wage
Eneco promotes living wages and good working conditions throughout the value chain. In Suriname, Eneco carried out a field survey into the primary and secondary employment benefits at call centres.
That survey revealed that those benefits fell short of the desired level: employees were paid too little and the budgets for training and education were unavailable. In response to these findings, Eneco initiated an engagement process with the supplier. Although that process led to some minor improvements (slightly higher wages and better possibilities for training and professional development for employees), these were not to Eneco's satisfaction. Based on the findings, clearly defined criteria were included in a 2023 call for tenders for call centre services. Our requirements were based on our interactions with local stakeholders and a market survey, making allowance for all primary and secondary employment benefits such as training and education budgets, compensation of travel costs and insurance. The eventual requirements were considerably higher than the bandwidths offered by leading Living Wage indexes such as the Global Living Wage Coalition. The tendering process is in an advanced stage, and is already showing promising results.

Biodiversity
Eneco wishes to make a positive impact on the biodiversity in the localities of its assets. This is only possible with support from our suppliers. At the Kabeljauwbeek solar farm, Eneco, the contractor and the EPC partner will complete the development of a green zone consisting of herb-rich grasslands (0.56 hectare), floral meadows (0.67 hectare), trees (2.06 hectares), nature-friendly embankments (0.45 hectare), herb-rich and wildlife rich grasslands (0.45 hectare) and grass (35 hectares). This project will be completed without the use of diesel generators; instead, Eneco and our EPC partner will lay an electricity cable. Eneco's contract with Microsoft includes an investment clause, under which the contracting parties can work together on projects (in particular projects aimed at sustainability) within the scope of the existing contract. Under that investment clause, Microsoft supplies and finances the consultants and developers who are needed for the projects. The Bio Diversity App has been developed, as part of a strategic partnership, to measure what impact our projects have on local biodiversity. The app is used to carry out baseline measurements of the existing biodiversity, which then form the basis for the Biodiversity Metric to establish whether our new assets are at least 10% biodiversity net positive.

Circularity
Old steel/PUR/PE heat pipes regularly need replacing on various pipelines. We have engaged our pipe suppliers in discussions to explore possibilities for circular processing of the old pipes and how to improve the proportion of materials that we reuse or recycle in the new pipes.

CO_2 reduction
In partnership with two major contractors we are investigating the possibilities for using electric equipment during construction work for heating and cooling distribution. Besides reducing the volume of greenhouse gases emitted, other benefits include healthier working conditions for our suppliers' employees and less noise nuisance for the communities where we are working.

Society & community

Besides our efforts relating to laws and regulations (see Changing regulations) and our active involvement in various sectoral organisations, Eneco is also active in other aspects of society and the world around our projects.

Financial participation in wind farms

Local participation is an important factor in developing wind farms, and financial participation draws greater support. Loans were raised among the public for the Oude Maas and Maasvlakte II wind farms, and a fund has been set up for area-specific contributions to various wind farms. For the Maasvlakte II wind farm we organised participation rounds for professional institutions and for local stakeholders. For the Eneco Luchterduinen wind farm, we helped to set up societal projects in the municipalities of Bloemendaal, Noordwijk, Katwijk and Zandvoort after the final round. For the Landtong Rozenburg wind farms, we set up a foundation to decide on how to spend the local funds. The foundation's management board and supervisory board are made up of residents of the municipalities concerned. For the Spuisluis wind farm, we also brought together a local board for spending the wind farm's local funds.

Partnerships for nature near wind farms

The Oude Maas wind farm, our partner renewable factory and local nature organisation Hoekschewaards Landschap have started work on carrying out the nature plan they had put together. For the ZeBra wind farm, we worked with local stakeholders to create the best possible plan based on various interest, as a result of which 1 turbine was removed from the design and a bird detection system will be installed at the wind farm.

Social and societal partnerships

In Rotterdam, we worked together with De Beroepentuin Rotterdam, contracting firm MVOI and WijkEnergieWerkt to begin a pilot for the Bospolder-Tussendijken Aardgasvrij project, training people with limited access to the labour market to become Heating Insulation Specialists. In 2023, we trained 2 people, who have employment contracts for one year with MVOI; 2 new candidates will begin in 2024.

A fund has been set aside for putting energy-related ideas into practice until the end of 2025. In 2023, funding was provided to Energiemeent, an initiative of Huis van de Toekomst in the Bospolder-Tussendijken district. Energiemeent provides space for innovative sustainable energy experiments and neighbourhood initiatives.

Eneco has formed a partnership with the Language and Environment Coaches of Rotterdam's Stichting PAUW, an apprenticeship company for young people on benefits and school-going students with no entry qualifications. The partnership will continue to the end of 2025. The Language and Environment Coaches introduce energy-saving measures and advise local residents on how to save energy and about switching from gas to heat. Eneco provides knowledge transfer, financial support and input for further professionalising the team.

For the Beursgebied Utrecht project, work has begun on giving shape to SROI, in close liaison with the municipal authorities. A new learning pathway has been developed together with De Beroepentuin Utrecht to train mechanics for the outdoor units of heat pumps. This is an entry-level course: if they want, students can enrol with the Eneco Business School to train to become heat pump mechanics. The first candidate signed an employment contract with Eneco in January 2024.

As part of the efforts to reduce energy poverty, we continued our support for the Temporary Emergency Fund this (see the section on ESG for details).

Closer partnership with energy coaches and energy fixers

The Dutch Energy Bank (Stichting Energiebank Nederland) is a foundation that wants energy to be available for everyone, as a basic necessity. For the past 3 years, Eneco has been supporting the Rotterdam Energy Bank by supplying energy-saving products as well as around 25 active energy coaches, to offer minimum-income households personalised advice on how to use less energy and lower their energy bills. The coaches also install products such as low-flow shower heads and draught excluders for doors and letterboxes. Our partnership with the Energy Bank became closer last year, and we added partnerships with Fixbrigade and Energie Samen to help even more households.

Interactions with stakeholders

Both at the project level – for example for asset development or maintenance on our heating grids – and in the development of policy and regulations, we are in constant communication with varying groups of stakeholders: from local residents to local authorities, to supervisory regulators and NGOs, to national and European politicians and civil servants. Precisely who the stakeholders are depends on the situation, projects, available dialogue partners and the topic; we do not have a universal selection mechanism. Whatever the case, the goal is always the same: to create support and exchange views and perspectives. What we do with the input from those stakeholders also varies. Depending on the topic, we might modify our plans, for example by installing fewer wind turbines than called for in the original plan (as we did for the ZeBra wind farm in the southen part of the Netherlands), or else various positions might shift. For developing offshore wind farms, we work with various ecology-related partners.

Besides direct interaction, we also consult extensively with stakeholders in the form of several sectoral organisations. Eneco is an active member of Energie-Nederland, the Netherlands Association for Renewable Energy (NVDE), MVO-Nederland, NedZero, Holland Solar, Techniek Nederland, Gas Storage Nederland, Platform Bio-Economy, Geothermie Nederland, Energy Storage NL, Bodemenergie Nederland, VNO-NCW, Stichting Warmtenetwerk, NL Hydrogen, the Data-Driven Marketing Association, eViolin (charging station operators and service providers), Vereniging Zakelijke Rijders, Samenwerking Clingendael, Wind Europe, the Corporate Leaders Group Europe and the European Federation of Energy Traders.

Sustainability ratings

Our customers, investors and other stakeholders are attaching more and more value to proof in the form of ESG (Environment, Social & Governance) ratings, benchmarks and sustainability standards.

Gold medal from EcoVadis

Eneco was awarded EcoVadis's Gold medal, which reflects a Top 5% position (i.e. in the 95+ percentile) relative to all participating companies. EcoVadis rates companies on environment, labour and human rights, ethics and sustainable procurement policy.

CDP Climate Change 2023

Eneco has been awarded a score of A– by the CDP for its efforts to combat climate change. This score, which puts Eneco among the leaders, is better than the European regional average B, and better than the average for the sustainable energy production sector (B).

CDP is an international not-for-profit organisation that encourages companies and governments to make improvements such as reducing their greenhouse gas emissions. For more than 20 years, the CDP has been reporting on companies' climate footprints and ambitions. The organisation requests detailed information, and assigns ratings from D to A. More than 23,000 companies worldwide participated in CDP in 2023.

Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) for 2030 have been agreed by the 196 countries making up the United Nations. Eneco is helping to the best of its ability to realise those goals, and in particular SDGs 5, 7, 11, 12, 13, 14 and 15.

SDG	Eneco's goal	Result achieved in 2023
Target 5.1 End all forms of discrimination against all women and girls everywhere	Women to make up 37% of the sub-management level and 50% of the Management Board by 2025	Women make up **34.9%** of the sub-management level and **50%** of the Management Board
Target 7.2 Promote the use of renewable energy (CBS)	Increasing the proportion of sustainable electricity production in the total delivery to 67.7% by 2023	**77%**
Target 11.6 Less environmental impact in cities (CBS)	Working together towards 100% sustainable mobility	**69%** less CO_2 emission per FTE relative to 2016 (0.9 tonnes versus 2.9 tonnes of CO_2)
		99% of our fleet of cars in the Netherlands is fossil-free
Target 12.2 Sustainable management and efficient use of natural resources (CBS)	20% circular procurement in 2022	**19%**
	SRP criteria in 60% of our new contracts (> €100k)	**47%**
Target 13.2 Climate policy and reducing greenhouse gas emissions (CBS)	Climate-neutral by 2035. Our annual CO_2 budget (absolute volume in Mtons) is based on achieving or bettering the 1.5°C emissions pathway for Scopes 1, 2 and 3, as defined by the SBTi.	**9.7** Mtons CO_2 -eq
Target 14.2 Sustainable management and conservation of marine and coastal ecosystems (CBS)	Net positive impact on biodiversity for all new assets, starting in 2025	Nature developed in the form of oyster projects and nature-inclusive erosion protection at multiple offshore wind farms
Target 15.2 Protect, restore and promote sustainable use of ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Net positive impact on biodiversity for all assets, starting in 2025	Pilotprojecten laten zien dat de verwachting realistisch is voor onshore projecten

ICSR covenant

Wherever we conduct our operations, we try to avoid causing or exacerbating harmful effects on working conditions, human rights, the environment, bribery, consumers and corporate governance. We also try to facilitate access to justice. To achieve these goals, we are associated with a number of national and international initiatives and covenants.

We are associated with the ICSR covenant for the Renewable Energy Sector,[1] a multi-stakeholder instrument for conducting individual and collective due diligence and for collectively developing long-term solutions to social and environmental risks in the global renewable energy supply. Our goal is to conduct International Corporate Social Responsibility (ICSR) due diligence in accordance with the OECD Guidelines for Multinational Enterprises[2] and the UN Guiding principles[3]. We also pursue compliance with the fundamental principles of the International Labour Organization.[4]

Germany has a duty of care in place for supply chains (*Lieferkettengesetzes of* LkSG), under which companies with establishments in Germany and 1,000 (from 2024 forward) or more employees are required to disclose what due diligence measures they use to prevent and minimise risks of human rights violations and environmental harm. Although LichtBlick is not yet required to comply, it is preparing for when it is. LichtBlick has also adopted a Supplier Code of Conduct. In the UK, where the Modern Slavery Act is in force, Eneco UK publicly communicates a Modern Slavery Statement.

As a member of the United Nations Global Compact[5] Eneco respects the internationally recognised human rights set out in the Universal Declaration of Human Rights (UDHR)[6], and as described in specialist human rights treaties and conventions such as the United Nations Convention on the Rights of the Child (UNCRC)[7], the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)[8], treaties and conventions concerned with the needs of particularly disadvantaged, marginalised or vulnerable populations[9] all over the world.

Through the IRBC Agreement we are working on improving our insight into the impacts in our value chains. This is important for us, in order to take appropriate measures to:

- exclude child labour, forced labour and modern slavery from our value chains;
- eliminate any form of discrimination or exclusion on the basis of sexuality, gender, religion, culture, country of origin or age;
- recognise and respect the right of employees and workers to organise and unionise;
- make sure that employees and workers are not paid less than the legal minimum wage or what employees should expect to afford a decent standard of living;
- ensure proper working conditions, working hours, health and safety and social security;
- foster fair commercial practices and take just decisions to prevent corruption, abuse of power and conflicts of interest;
- respect applicable standards of security and privacy and intellectual and other property rights;
- respect the diversity of indigenous peoples and recognise their unique and important interests in the land, the waters and the environment, and their history, culture and traditional practices;
- significantly reduce emissions of carbon dioxide and other harmful greenhouse gases;
- improve biodiversity;
- prevent local pollution and other harm to the environment;
- trace products and their components and encourage reuse and recycling;
- optimise the degree to which our products can be reused and/or recycled.

1 https://www.imvoconvenanten.nl/nl/hernieuwbare-energie/over-het-convenant
2 https://www.oecd.org/corporate/mne/
3 https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
4 https://www.ilo.org/public/english/standards/relm/ilc/ilc86/com-dtxt.htm
5 Through our major shareholder Mitsubishi Corporation.
6 https://www.un.org/en/about-us/universal-declaration-of-human-rights
7 https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child
8 https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-elimination-all-forms-discrimination-against-women
9 A vulnerable population is a population with specific characteristics that expose the population to a greater risk of suffering harmful impacts than other populations living in the same area. Vulnerable populations include older people, people with an intellectual or physical disability, children, LHBTIQ+, veterans, internally displaced people and returning refugees, religious and ethnic minorities and, in some societies, women.

It is also important to have easily accessible objection procedures in place, plus complaint review procedures and remedies. To this end, we have different points of contact where different groups can report potential irregularities concerning Eneco.

- Clients can get in touch with our Customer Service.
- Suppliers can reach us at procurement@eneco.com.
- Incidents involving the health or safety of our employees and/or contractors on location are registered in our system Alerta.
- Suspected breaches of our Code of Conduct or suspected violations of EU law by Eneco can be reported at fm_speakup@eneco.com.
- Questions about Eneco's strategy and policies can be sent to CorporateCommunicatie@eneco.com.
- Contact details for the media to ask questions are available on the News and Media section of our website.
- International harmful effects (whether actual or potential) that are caused by or are directly linked to sustainable energy can be reported to the Dutch National Contact Point (NCP).

A sense of security for anyone reporting a complaint, incident or situation carries great weight with Eneco, and we do not tolerate any form of, or attempt at, retaliation against anyone making such a report in good faith.

To raise broad awareness of the ideas of ICSR among Eneco's employees and highlight their role in it, we invited SER to give training on the principles of ICSR and our responsibility for the risks in the value chain. A roadshow will be organised in the 2024 financial year, with sessions involving different groups. Each session will be tailored as closely as possible toward what role each group plays in the 6 steps of the due diligence process.

Financial results

After the extension of the financial year in 2022 to match the financial year of Mitsubishi Corporation, as our largest shareholder, the present report once more shows the financial results for a 12-month period. The 2023 financial year ran from 1 April 2023 to 31 March 2024.

Effects of the energy crisis linger on

The energy crisis dominated the years 2022 and 2023. Although its prominence waned during the second half of the 2023 reporting year, its effects linger on, and energy companies still face uncertainty and unpredictable market conditions.

Energy rates dropped below the price ceiling again last year, thanks to a mild winter, availability of enough power stations (to balance supply and demand) and sufficient gas (including liquid gas) being supplied. However, the political climate in the international arena is still highly uncertain, with a high likelihood that prices will go up.

as well as that prices will fluctuate in the short term, or very short term, on a daily, or even an hourly or quarter-hourly basis. The favourable development that more and more solar panels and wind turbines are being installed also means increasing ups and downs in the electricity supply and demand. The risks of these price fluctuations (imbalance) are placed with the energy companies, owing in part to the decision to leave the net metering scheme in place in the Netherlands.

During the energy crisis, high prices convinced our customers to use less energy. It is pleasing to see that they are continuing to do so now that prices have dropped again. Another factor affecting how much gas and heat they purchased was that the mild winter required relatively little in the way of heating.

Our costs rose sharply this year, partly as a result of the energy crisis. Inflation forced costs of wages up, both for Eneco and for its suppliers, and materials are also becoming more and more expensive. This carries over to our day-to-day work, the maintenance costs for our installations and projects to replace assets or realise new ones. Sometimes the risks associated with a new investment are too high, such as realising a new heating grid or wind farm. For example, Eneco and its partner Equinor decided not to tender for the IJmuiden Ver sites when the risks became to too great, in part because of rising interest rates and high steel prices.

Despite these uncertain circumstances, Eneco's financial performance last financial year was strong. The various units of our integrated energy company balance out each other's good and poor performances. Future returns are coming under pressure from rising costs, which we compensated with other revenue this year.

Changed financial year

This is our second annual report on a financial year ending on 31 March. Last year, the switch to a new reporting period meant that Eneco was obliged to report, one time only, on a 15-month period: from January 2022 until the end of March 2023. Since these are the comparative figures in the income statement, the results in this annual report do not align one-on-one with the results for the previous reporting period. The differences in the income statement are largely explained by '3 months extra previous period'. For a better idea of the results, this section also provides comparisons with the period from 1 April 2022 to 31 March 2023, which is referred to as the 'pro forma financial year' in the remainder of this section. Those pro forma results have not been audited.

Income statement (in €m)	2023	15-month reporting period	2022 pro forma financial year
Total revenue	8,359	13,359	10,903
Gross margin and other revenue	1,756	2,040	1,627
Operating costs	985	1,071	885
Operating income (EBITDA)	771	969	743
Amortisation, depreciation and movements in value	377	489	398
Operating result (EBIT)	394	480	345
Net income	368	380	272

2023: financial year from April 2023 to 31 March 2024

15-month reporting period: 1 January 2022 to 31 March 2023

2022 pro forma financial year: 1 April 2022 to 31 March 2023

Revenue

Energy and energy-related products and/or services

8.2 billion

2022 **€ 10.7 billion**

Strong results in a volatile market

Revenue from energy and energy-related products and/or services was €8.2 billion, down by €5,1 billion compared with the previous 15 months, and by €2.6 billion compared with the 2022 pro forma financial year. The drop in revenue compared with the pro forma financial year was naturally caused by the lower prices for gas and electricity, but also by lower volumes, in particularly of electricity. The margin on energy and energy-related products and/or services was up by €55 million (3%), with performances varying between the business units. The chief reason for the improved margin lay in the new solar and wind farms that became operational, combined with favourable wind conditions in 2023. The large CrossWind Hollandse Kust Noord wind farm (in which we own a stake of 153 MW) was completed this year. It was also the first full production year for other large wind farms such as the Oude Maas (7 MW) and Spuisluis (22 MW). The total sustainable electricity capacity under our management increased by 570 MW to 7,882 MW. The margin on supplies also improved slightly. In Germany this was mostly from trading activities. The number of energy contracts with consumers remained stable, falling 2%. A drop in the Netherlands was partly offset by an increase in Germany. However, the margin in our heat supply chain fell substantially, with less heating being purchased again while gas procurement prices were unfavourable. As a result, this business unit recorded an operating loss. Our trading division, which brings together supply and demand, again recorded strong results, though not as exceptional as in the previous year.

The total margin including other revenue was down by €284 million in relation to the comparative figures, given the extra calendar quarter in the 2022 financial year. However, compared with the pro forma margin it was up by €129 million (8%). This was fuelled mostly by other revenue (€74 million higher) from the one-time income from sales of business units, in particular the sale of a large part of our stake in Ecowende Hollandse Kust West. To make the energy transition possible, Eneco often develops sustainable projects for its own risk. Sometimes we suffer setbacks, with projects being cancelled after we have already incurred costs, or if the costs turn out much higher than calculated beforehand. However, Eneco also carries the risk if projects are successful. Sometimes when Eneco makes an investment decision it seeks out a partner to sell some or all of the project to. If this happens during a phase when most of the risks have already been mitigated, the buyer is willing to pay a premium. Last year we were forced to take impairments on several less successful projects. This year, however, this is reflected positively in the results.

Eneco's growth, the effects of the high inflation and the increases in wages under the collective labour agreements are also reflected in the costs. Employee costs for internal staff were up €57 million (18%), while the number of people employed by Eneco (in FTEs) rose from 3,340 in March 2023 to 3,810 in March 2024 (+14%), for example as a result of acquiring installation company Installion in Germany. Our other costs rose by €43 million 'only', as a result of one-time losses in 2022. The expansion also means higher amortisation and depreciation on our operating assets. Even so, impairments in the previous year meant that the costs were down by €21 million (pro forma).

The one-time items had a positive impact on our operating income, which rose to €394 million, an increase of €49 million (14%) compared with the pro forma results.

Our net income was €368 million. This is €12 million less than the net income for the 5 calendar quarters before, but €96 million (35%) more than the previous year's pro-forma income. Besides the relatively minor increase in the operating results, Eneco also benefited from the higher interest rates this year, and the companies in which Eneco has participating interests performed better as well. The greatest improvement was from the Norther wind farm off the coast of Belgium, which performed better thanks to strong winds and which benefited from an amended subsidy scheme.

Investments

The energy transition. We're on it. Now. Again, the amount that Eneco invested – particularly in sustainable production assets – was much higher than the net profit. Last year, Eneco invested a total of €748 million, of which €334 in new wind farms in the Netherlands and Belgium, €247 million of which in offshore assets (chiefly Ecowende and Crosswind). The heating grids also demand large annual investments, with a total of €190 million being spent this year. That amount covered not only expansions, replacements and maintenance for the actual heating grids, but also replacements and sustainability improvements for the production assets that generate the heat, such as the Utrecht heating plant and the combined heat and power (CHP) plants. A further €37 million was invested in solar panels, in the Netherlands, Belgium and Germany. Eneco also continues to make major investments in digitalisation (€59 million): not only to optimise business processes (for example with the implementation of S/4 Hana or CRM), but also to create the energy system of the future (the 'virtual power plant') and for digital customer solutions. Besides this, investments were made in takeovers to accelerate the pace of the sustainability improvements, such as Installion and Solargrun in Germany, and in new participating interests. The total amount involved was €105 million.

Eneco will continue to make major investments in sustainability during the years ahead, for amounts that exceed its net profits. Solar and wind will continue to be where we invest most. However, batteries are also becoming more important for the market.

Solvency

At 31 March 2024, Eneco's solvency was 41%, up from 32% at 31 March 2023. This ratio was also affected by energy prices: the falling prices meant that the valuation of the 'derivatives' on the balance sheet also dropped significantly. In part because of this, the balance sheet total was down by €1.6 billion. Coupled with the increase in equity (up by €328 million to €3,657 million), this had a positive effect on Eneco's solvency.

Financing

Net debt (interest-bearing debt including lease obligations, less cash and cash equivalents) rose by €895 million to €1,469 million. The financing rose in connection with Eneco's large investments, plus the increase in working capital due largely to 'margining', i.e. an arrangement where Eneco pays funds to the energy exchange or trading partners as security. Eneco has sufficient credit facilities with banks and its major shareholder to meet its financing requirements.

Returns

ROACE was up from 7.2% for the 2022 pro forma financial year to 7.8% for 2023. That increase was fuelled chiefly by the one-time revenue from the sale of Ecowende; without it, the ROACE would have dropped to 6.1%. The results were under pressure from higher costs and losses in the heat supply chain. Capital Employed was up from €4.1 billion at 31 March 2023 to €5.4 billion at 31 March 2024 as a result of Eneco's large investments, plus the increase in working capital due largely to 'margining', i.e. an arrangement where Eneco pays funds to the energy exchange or trading partners as security.

Outlook

Eneco will continue to invest in its people and in assets to realise the energy transition and achieve the climate goals. The company is in good financial health, which enables it to finance its plans for investments in sustainable assets. Market conditions remain unstable and difficult to predict, as do the developments in the energy transition. Given those uncertainties, and in light of the one-time positive items in 2023, the 2024 financial year is expected to yield a lower result than 2023. While Eneco does not expect to be able to maintain these performances at the same level during the years ahead, the outlook is nevertheless positive. Cost control is an issue for the entire organisation.

ESG

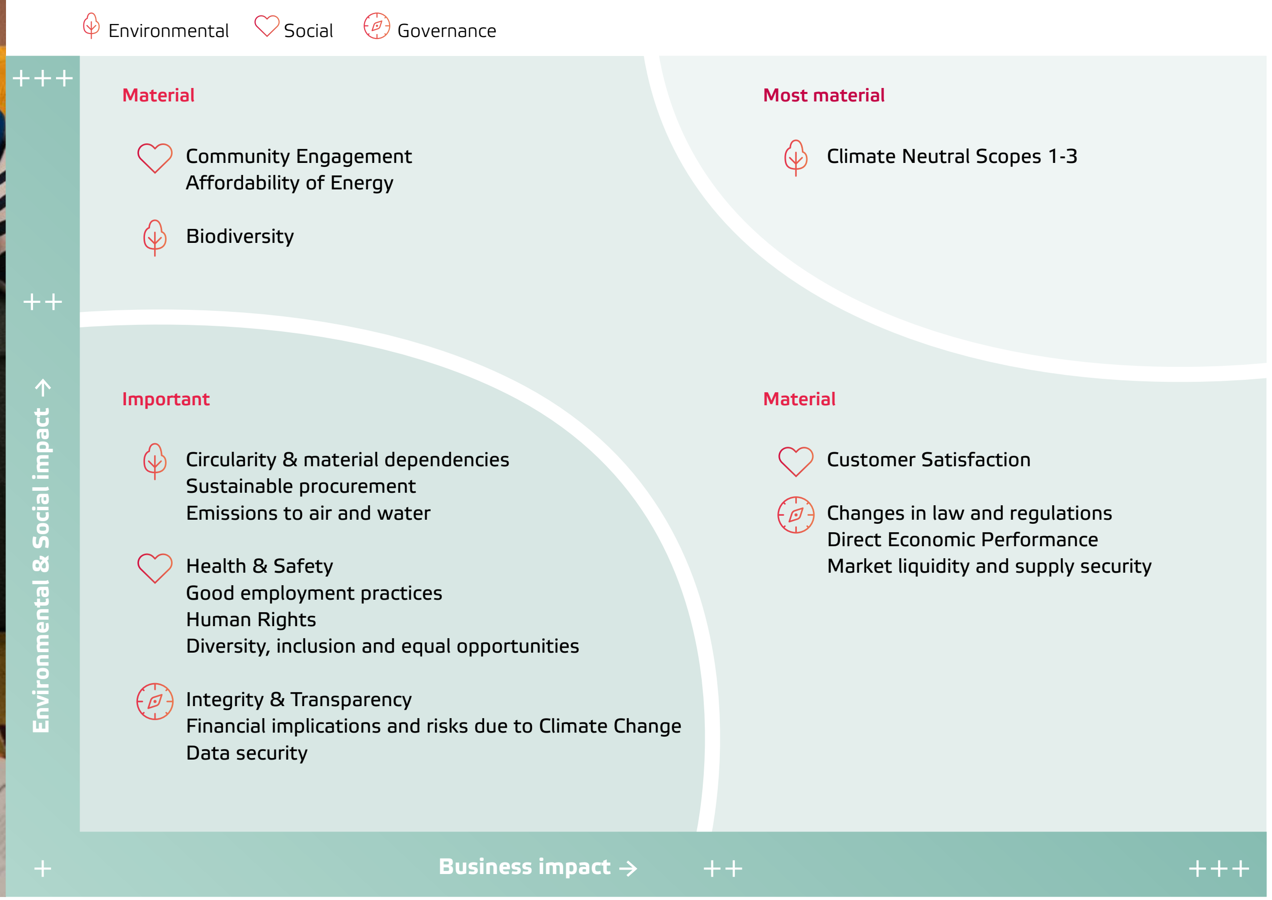
Every year, with input from our stakeholders, we identify what material themes are of particular importance to Eneco (see the annex for details of how this process works). Starting this year, our report on our activities and progress in relation to those material themes will broken down into Environmental, Social and Governance.

Materiality analysis and matrix

Eneco's sustainability strategy determines what we do to create value for people, the environment and society as a whole. Our connection with our stakeholders is a key tool for determining whether we are on the right track.

From the dialogue with our internal and external stakeholders, we distil a set of material themes that are reflected in our policies, governance and accountability reports. Eneco updated the materiality analysis. As the identification of potential material themes did not yield any new themes, this did not result in a new materiality matrix.

Eneco's materiality matrix for 2023



This year we once again distinguished between important themes and material themes. In the upper right, the matrix shows that our climate ambition is still the most important theme. This aligns with our One Planet Plan. For further details of how our materiality analysis was updated in 2023, see the Annexes attached to this annual report (English version only).

GRI Standards

We report with referenece to GRI (Global Reporting Initiative) standards, as we prepare for the introduction of reporting under the EU's Corporate Social Responsibility Directive (CSRD). For us, this will become mandatory starting in 2025.

For the material topics Climate Neutral Scopes 1-3 and Direct Economic Performance, Eneco used the relevant GRI topic standards. For other material topics, Eneco has developed an own indicator or included a qualitative description. Besides the themes that were deemed material in our materiality assessment, Eneco also highly values health and safety, good employment practices and diversity, and inclusion and equality. The definitions of these KPI's can be found in the chapter Reporting policy, the results on these KPIs can be found in the key figures. For other important topics Eneco has included a qualitative description.

CSRD Roadmap

We performed our materiality assessment for 2023 based on the requirements of the GRI, hence our ESG disclosures in this report mirror the results based on that. As we prepare for the enhanced ESG disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD), which will apply to Eneco as of the financial year 2025, we expect the list of material topics to be updated in the near future, taking into account the updated double materiality assessment (DMA) which is informed by ESRS requirements.

We have developed a sustainability roadmap detailing our journey towards CSRD readiness, which includes timelines for implementation, project governance structure, our ambition level and priorities. From 2025, we shall align the material topics and metrics with CSRD requirements. As this will have significant impact on how we report going forward, we have already initiated the implementation process in 2024 by launching working groups for each ESRS Standard consisting of internal specialists and subject matter experts who are representatives from various departments such a Strategy, HR, Risk, IT, Procurement and External Reporting. A dedicated steering committee chaired by the CFO has full oversight on the implementation of our roadmap.

In the coming years, we will focus our efforts on closing the identified gaps, identifying additional data requirements, communication and training for CSRD stakeholders, and embedding CSRD into relevant processes.

Environmental

Biodiversity

Status	**Material topic**	++
Eneco's goal	**Net positive impact for all new assets, starting in 2025**	

Biodiversity is under immense pressure all around the world. According to the Living Planet Report 2022, worldwide populations of fish, birds, mammals, amphibians and reptiles have fallen by an average of 69% since 1970. Most of Eneco's operations are situated in natural environments, both on land and at sea. As a consequence, many of those operations directly or indirectly impact the environment and local biodiversity. It is Eneco's ambition to show the rest of the energy sector the way in preventing any negative impact of our operations on the world around us. As such, one of our One Planet goals is that from 2025 forward all our investment decisions for new sustainable energy assets should have a net positive impact on biodiversity.

We are working with Arcadis to adapt the existing Biodiversity Metric method for use with renewable energy projects. To test the method in practice, we have launched pilot projects that involve various types of sustainable assets (for solar, wind and heat) in the Netherlands, Belgium and Germany. Initial results are encouraging: it appears feasible, from both an ecological and an economic perspective, to realise at least 110% nature recovery (compared to starting sitituation) within the projects' parameters.

Eneco will complete the test phase in 2024. By 2025 at the latest our investment decisions will contain all the measures that are necessary for a net positive biodiversity impact from new sustainable energy assets compared with the situation at the start, and details of the method can be made clear.

Eneco is actively involved in the work to develop an Ecocertified Solar Parks certificate. We have also implemented measures at various projects to improve biodiversity, for example the oyster measures at the Borssele III and IV and Luchterduinen offshore wind farms, an island for common terns to breed in Eemshaven, and thickets and wood that were planted near the Bosruitertocht wind farm in Zeewolde. A fourth example is the Hollandse Kust (west) wind farm; a unique feature of this wind farm is the role of ecological research and the use of various measures to reduce the potential negative impact of a North Sea wind farm and encourage nature to reinforce itself.

Climate Neutral Scopes 1, 2, 3

Status	**Most material topic**	+++
Eneco's goal	**Climate-neutral by 2035.**	

The climate is changing. Over the past century, human activity has played a large part in that. Both in the Netherlands and worldwide, 2023 was the warmest and wettest year on record: in the Netherlands, temperatures were approximately 2.9ºC warmer than at the start of the last century, and despite the copious rainfall it was 8% sunnier than normal.[1]

In 2023, we succeeded (according to plan) in reducing the emissions from our entire supply chain to 9.7 Mtons of CO_2-eq (CO_2 emissions and other greenhouse gas emissions, measured as CO_2 equivalents). This is 2.6 Mtons below the carbon budget under our One Planet Plan of 12.3 Mtons of CO_2-eq for 2023, and a reduction of 0.7 Mtons compared with the 10.4 Mtons of CO_2-eq emitted in 2022. We sold 9% less gas in 2023 (B2C market) than we had in 2022, with warmer temperatures and energy prices that remained unremittingly high meaning that people used even less natural gas. In 2022, the amount of natural gas use plummeted by around 25%. The ongoing decline appears to be structural, particularly among households, because of improved insulation and the use of hybrid and non-hybrid heat pumps. Another cause of the drop was the rising proportion of renewable electricity that we supplied to our customers, from 81.5% in 2022 to 85.7% in 2023.

To realise our climate ambition for 2035, we work according to a carbon budget that is reduced year by year, and that serves as a point of reference for Eneco's investment decisions. Almost 90% of our CO_2 emissions are released by the energy – predominately from natural gas – that is consumed by our customers.

Key goals for the years ahead are to further reduce the amount of natural gas that is used and to install alternative forms of heating in buildings. In 2023, all supply contracts that we signed with business customers in Belgium and the Netherlands were for renewable electricity only. We are phasing out existing contracts for supplying fossil electricity, and in a few years' time we will supply only renewable electricity to both consumers and business customers.

1 Royal Netherlands Meteorological Institute (KNMI), The state of Our Climate in 2023.

Social

Community engagement

Status	**Material topic**	++
Eneco's goal	**A popular approach with clear project communication, successful local partnerships and engaged employees.**	

Besides the technical and economic aspects of the energy transition, it also poses social and societal challenges, Each of our projects impacts the landscape, local residents, businesses and NGOs. For the energy transition to succeed, each project needs the broadest possible local acceptance. To achieve this, we proactively work with the various stakeholders to integrate renewable energy assets into the scarce space available.

Our goals in terms of quality are:

- for Eneco to be appreciated for its approach to community engagement and project communication in every segment of the energy transition.
- for Eneco to form successful local partnerships not only with energy cooperatives, but also with communities and other parties, to make sure that the energy transition helps these too.
- for Eneco's employees who are involved in these projects and urban developments to be trained in community engagement and stakeholder management.

We updated our community engagement policy in 2023, and informed all employees with any involvement in realising projects and area development. New employees were trained in strategic environment management, and anyone who underwent this training previously was given a refresher.

The system that we use for a careful environment approach is enshrined in QIS, our internal quality information system.

We have experience going back to 2014 with early and intensive involvement of stakeholders. Our focus in those efforts is on 'creating more together'. We are a learning organisation, we use self-reflection to improve and we incorporate feedback from stakeholders in our environment approach. In traditional situations, with less intensive interaction, the current and future solutions would have been beyond us. The added value is reflected in better results for more engaged stakeholders. In response, we have set up training for Eneco's employees to improve their awareness of this fact and we have enshrined our environment approach in our quality systems and our policy for the circular economy, meaning that it is intrinsic to our projects. The basic mentality of continuous learning means that our environment approach is always open to developments in the world around us.

Customer Satisfaction

Status	**Material topic**	++
Eneco's goal	**The highest possible proportion of customers who rate Eneco, Woonenergie or Oxxio as good, very good or excellent.**	

We monitor customer satisfaction all year round, among a representative group of customers. We do this by measuring what proportion of customers rate Eneco, Oxxio or Woonenergie as excellent, very good or good (relational customer satisfaction). We also always ask customers how happy there were with their recent interaction with us. This allows us to improve our customer service swiftly. It also helps us to understand the effect of those improvements.

The uncertainty and concerns among our customers as a result of the energy crisis were reflected in the relational customer satisfaction. Fortunately the energy market stabilised as the year progressed, and we noticed the effect of our initiatives to guide customers through all the changes, for example how we communicated about the energy ceiling and the reintroduction of contracts with longer durations, more user-friendly Monthly Energy Reports and usage statements in our app, SMS notifications about visits from a mechanic and the support options for customers with payment difficulties. Relational customer satisfaction (average score given by our customers) was up from 74% in the first quarter of 2023 (final quarter of the previous financial year) to 86% in the first quarter of 2024 (final quarter of this financial year). One factor that contributed to the higher customer satisfaction following interaction was that we were less busy and waiting times were shorter.

The purpose of our digital channels is to maximise our customers' ability to handle all energy matters by themselves: from taking out a contract, to managing and viewing their contracts, to viewing and managing products, all the way up to making payments and facilitating payment schedules if they are having difficulties. We improved this digital customer support, including in the app, the chatbot and the voicebot and on the website, where customers can access personalised content such as information about the impact of the price ceiling and advice on their regular instalments. These channels are available 24/7, which was one reason why they were used so often, and offer a useful addition to human-operated customer interactions by telephone, email, live chat and social media. For example, last financial year our chatbot was used approximately 2 million times, successfully handling more than 400,000 transactions in a fully automated process. We also want our customers who do not speak Dutch to feel at home with us, and more than 50,000 customers can now use the chatbot and live chat in their own language: English, Polish, Bulgarian, Romanian, French, German, Italian, Indonesian, Turkish, Chinese, Spanish and Ukrainian. Our customers rate these real-time translations 4.7 out of 5.

For the year ahead, several new initiatives are planned to further improve our customer satisfaction. In the spring of 2024, for example, we completed the major overhaul of our year-end bills and other invoices. We will also work on improving our website and our app, and add new digital functionalities and proactive ways to inform our customers about topical developments on the energy market.

Affordability of Energy

Status	**Material topic** ++
Eneco's goal	**Helping and protecting customers suffering from energy poverty, together with stakeholders and partners.**

Forced up by Russia's invasion of Ukraine, the higher energy prices put the affordability of energy under great pressure last year. Despite the measures to protect households – the price ceiling, for example, and the Temporary Energy Emergency Fund, the energy allowance and the stricture procedures for disconnection – more customers struggled to pay their energy bills. At the start of the year, the number of consumers who were unable to pay their energy bills on time was up to nearly twice the normal number. More payment schedules were arranged that ever before.

To better help our customers during those difficult times, we made it easier to arrange a payment schedule. We also referred more customers to the Geldfit platform of debt management organisation Nederlandse Schuldhulproute for appropriate assistance with their money problems. The Temporary Energy Emergency Fund and the better procedures for disconnecting customers also had the effect of easing the situation for households with payment difficulties. We used information campaigns and energy-saving products to help customers, with tips on saving energy and ways to improve their sustainability.

Energy prices fell as the year continued, and the number of customers paying their bills late or applying for a payment schedule fell. Even so, that number is still 30% higher than before the energy crisis. Affordability of energy is still an important theme, therefore, and we will continue our efforts here, together with various partners and stakeholders, to help customers and employees.

In early-2023, the Temporary Energy Emergency Fund assisted more than 50,000 low-income households with paying high energy bills. Eneco was one of the initiators behind the Emergency Fund, together with other energy companies, societal organisations and the Dutch government. Last year showed that energy bills are still higher than before the energy crisis, despite the falling prices. Low- and middle-income households with poor insulation are still at risk of energy poverty. With this in mind, in partnership with the sector and the authorities, we advocated continuing the Emergency Fund in 2024. It reopened on 22 January 2024, with improved availability and a larger budget of €84 million in total. On 21 March the Emergency Fund stopped taking new applications. Thusfar (per 24 May 2024) it supported 111,000 households with an average amount of €105 per month.

While we are pleased that the Emergency Fund was able to help so many households, we also appreciate the need for a structural solution. We are working with the authorities and the sector to put forward concrete propositions for structural solutions that combine support with home sustainability improvements for these vulnerable households.

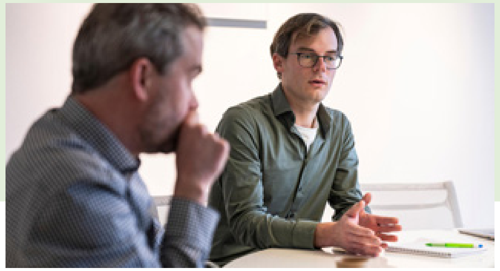
Eneco was one of the founders of debt management organisation Stichting Nederlandse Schuldhulproute (NSR). Since NSR was first set up in 2019, we have been working to guide people with money problems and debts to appropriate financial support. Last calendar year (2023), we helped a record number of 130,000 customers to find NSR's Geldfit platform to seek help with their money problems. We increased the intensity of this partnership last year, in order to make the support even more effective. We also worked with Geldfit to develop an e-learning module for employees to help them raise the topic of money problems. We then shared the module with NSR's other partner organisations.

Eneco has long had a responsible debt collection policy. In February 2022, following an independent audit, we became the first national organisation to be awarded the Debt Collection with Empathy quality mark. Responsible debt collection involves various steps, including repeated conversations with customers whose payments are in arrears, agreeing on sympathetic payment schedules and making house calls to discuss the issues, while also seeking contact with other sources of assistance such as finance assistance organisation Geldfit and the local authorities. We do not sell debt to commercial operators, and if we need to terminate a customer's contract, this will only be after we have gone through an extensive process where we make every effort to agree on a solution with the customer. Since being awarded the quality mark, we have continued to refine and improve our responsible debt collection policy. We have also implemented the possible improvements that were highlighted in the 2022 audit. On 18 March 2024, following the periodic reassessment, we were once more awarded the quality mark, which has been renamed the "Organisation with empathy for money problems" (Geldzorgenbewuste organisatie) quality mark.

Financial health of employees

Since the 2022 energy crisis, the financial health of our customers and our employees has featured prominently on our agenda. We have joined the Dutch National Financial Health Coalition. A baseline measurement of our employees' financial health revealed that 77% have complete control of their financial situation; they have no overdue payments, they have a buffer to cover unforeseen events and they have a clear understanding of their finances. That clear understanding was lacking among 17% of our employees, although they do not otherwise have any financial problems. We refer those employees to the 'Financial fitness and vitality' training module, which is free under their personal development budget. The baseline measurement also revealed that 4% of our colleagues do not have a buffer, and that 1% are struggling with overdue payments. We offered this group help from the Eneco Social Fund and other partners. We also encourage an open dialogue about personal finances within the organisation, and remove the stigma that rests on the topic. The baseline measurement was part of our annual employee survey, and financial health has been added as a topic in our Perform & Grow cycle. Our approach and policy helped us to be awarded the "Organisation with empathy for money problems" quality mark again on 18 March 2024.

Governance



Changing regulations

Status	**Material topic** ++
Eneco's goal	**Monitoring and proactively responding to existing and future laws and regulations.**

The Regulatory Affairs (RA) and Public Affairs (PA) departments actively monitor and act on existing and upcoming legislation and regulation in close cooperation with the business units. Eneco also participates in relevant organisations, such as energy sector association Energie-Nederland, the Netherlands Association for Renewable Energy (NVDE), the Netherlands Wind Energy Association (NWEA), Holland Solar, NLHydrogen and WindEurope. Through their participation in Energie-Nederland, RA and PA are also affiliated with European umbrella organisation Eurelectric. Their counterparts in Belgium and Germany are members of similar bodies in their own countries.

Some key files include the following:

- In 2023, the Dutch House of Representatives debated the bill for a Dutch Energy Act (Energiewet), containing new rules for consumer protection. The proposed legislation addresses affordable energy bills and regulates proper market functioning.
- The bill for a new Dutch Collective Heating Act (Wet collectieve warmte) went to the Dutch Council of State for an opinion, which it published in April 2024. The bill proposes new price regulation and a new market organisation with public heat companies. Eneco advocates offering private heat companies sufficient opportunities to invest, and finding the right balance between certainty of investment, affordability and sustainability. The Council of State also had questions and recommendations for the Cabinet on these points.
- The regulatory efforts include an increasing focus on scarcity on the grid. Potential solutions include time-of-use grid rates, contracts for voluntary capacity restriction and grid congestion management, where market operators make their flexible capacity available to the grid operator to help resolve congestion. This will require an appropriate remuneration structure for those market operators.
- A bill for an 'inframarginal' charge was sent to the Dutch House of Representatives, containing rules for producers of renewable electricity to pay a charge if their income between 1 December 2022 and 1 July 2023 was more than €130/MWh. This legislation will be apply with retroactive effect.
- In 2023, the European Commission prepared a new draft plan for the electricity market. A key element of that plan is the "double-sided Contract for Difference", where any subsidies that a Member State grants for producing renewable energy must be repaid if the market price rises above a particular level. Preparations are underway in the Netherlands for implementing this system.

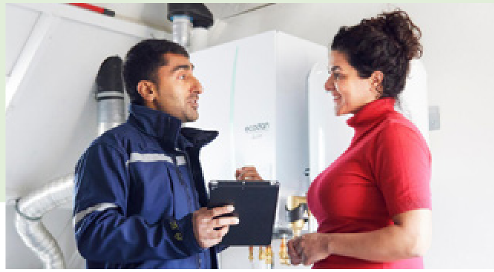
Economic performances

Status	**Material topic**	++
Eneco's goal	**Safeguarding the future and the company's continued existence.**	

This material theme concerns Eneco's direct financial performances. Primarily, this involves assuring the company's continued existence, expressed in economic and business performances. This is separate from the 'licence to operate' from society, which is equally vital and comes into play, in whole or in part, with other material themes and which is at the heart of our actions and the performance of the One Planet Plan.

The economic factors in Eneco's continued existence are the sum of numerous parameters, including commercial performances, trading floor results, investments, risk policy, human resources policy and cost control. This annual report provides detailed information about each of these areas, including the risks associated with climate change and what Eneco does to address them. Our added value for our customers, shareholders and society is reflected in the value creation model. Responsibility for all aspects of the economic performances lies with the Management Board, with the Supervisory Board overseeing the practical implementation.

The direct economic performances can be summarised in the key figures. The central indicator is the Return on Average Capital Employed (ROACE), which reflects the company's profitability relative to its investments. This is a useful standard for capital-intensive industries such as energy companies. Eneco's strategic objective is to have a ROACE of 6%. Besides this indicator, Eneco also reports on several other key figures, including total revenue, EBITDA, group equity and the Interest Coverage Rate (ICR). All this information together provides a reliable understanding of the company's direct economic performances.



Market liquidity and supply security

Status	**Material topic**	++
Eneco's goal	**Assuring security of supply and preventing a lack of market liquidity.**	

Lack of market liquidity can have significant consequences and a major impact on security of supply. A key responsibility of Eneco Energy Trade (EET) is to prevent this from happening. Possible consequences include disruptions in the supply of energy to consumers and business customers and the harmful effects that this might have on people's wellbeing and on the continuity of business. Harmful environmental impacts are also possible.

To prevent these consequences, Eneco Energy Trade has carefully documented processes, clearly defined risk mandates and measuring results in place. It constantly looks for ways to improve these. The most important mitigation measure is the varied portfolio composition, using a range of different suppliers to avoid risks from concentration or single points of failure. This ensures that a failure by one supplier or a single other form of non-performance will not cause any disruptions in the supply. The trading division procures most of the gas and electricity that is needed under 'over the counter' contracts, often for the long term. It also trades on the markets, which guarantee performance of the contracts, helping to safeguard the security of supply.

Other controls are in place for matters such as credit risk, the risks per supplier, risks relating to the portfolio overall and creditworthiness. Indicators (KPIs) have been defined for these controls, describing how to monitor the controls and the associated risks. The processes and KPIs are reported on regularly.

Another important control is measuring the actual cost of risks relative to the budgeted or projected cost of those risks. We measure how accurate the risk premiums are and whether the actual cost is at the projected level. If it is not, we identify the cause and consider what improvements we can make.

All the controls and processes have been designed on the basis of internal analysis and implementation (without any involvement of external stakeholders), to assure our customers of an uninterrupted supply of energy at the moments when they need it, in the right volumes and in a sustainable manner.

Employee vitality

Our aim is to attract, develop and retain talent with passion. We also want to create a culture that will help us to realise this. Our values of '*Drive the change*', '*Deliver the plan*' and '*Make each other successful*' provide the foundations that underpin our mentality and conduct. During the financial year, we worked on our diversity and inclusion (D&I) ambitions, we rolled out the new performance process Perform & Grow and we measured our Employee Net Promoter Score (eNPS).

Diversity and inclusion

Making our culture stronger also includes making better use of our diversity. In 2023, our focus was centred on improving the gender balance among management. Our policies were designed to achieve this, such as only recruiting women for job vacancies and frequently monitoring and reviewing our progress, for example in our quarterly reviews. The women's network LEAD continued to mature. It also launched a mentor-mentee programme in which 25 female members of our senior management have made themselves available to mentor women who want to develop as a team leader or manager.

The result at the end of the financial year was a gender balance of 34.9% at the sub-management level. Although this proportion was up from 2022 (30.9%), we have still not reached our target of 37%, despite all our efforts. The appointment of a third female member to the Management Board improved the gender balance there from 33% to 50% by the end of 2023, putting us at the level of our 2025 ambition for the Management Board two years ahead of schedule. At 14%, the proportion of women on the Supervisory Board has not changed since the previous year. We report on our results and plan of action to the Social and Economic Council of the Netherlands (SER), which helps companies with their diversity policies.

In every country where Eneco has operations, we organised various actions and events to raise awareness. One example of this is our Diversity & Inclusion game. This D&I game has been nominated for 010 Inclusief's award for fostering an inclusive company climate.

Good employer performance

eNPS

As part of our annual employee survey, we also measured the Employee Net Promoter Score (eNPS). Last financial year's eNPS was almost unchanged compared with the year before, with an average score of 54. This places us within the preferred bandwidth for a good and reliable employer (50-60), and above the Dutch benchmark.

During the survey, we asked on what points our employees rate us strongly and poorly as an employer. Our people most appreciated the sense of autonomy, the flexibility to switch between working from home and at the office and our sustainability strategy (the One Planet Plan). They were less happy with how bureaucratic the company is, how they perceive their workloads and how teams work together.

Most of our employees are covered by collective labour agreements. Employees with a job-specific contract follow most of the arrangements under the CLAs, though with other arrangements for employment benefits, for example variable remuneration.

eNPS
Employee Net Promoter Score
54
2022 **54**

Leadership programme

We took a new step with our leadership programme last financial year. Our senior managers actively participated in work sessions and 'leadership trails' to further develop as role models for 'caring' and 'daring' leaders. The purpose is to improve the focus, teamwork and mutual openness within our organisation, based on our firm belief that openness, respect and trust (psychological safety) are the foundations on which a high-performance organisation is built.

Cultural programme

The focus of our cultural programme is on the three elements that the employee survey highlighted as requiring attention: bureaucracy, workloads and cooperation between teams. We will utilise what we are already doing well – such as our autonomy, passion and comfortable atmosphere – and improve what we need to, for example making decisions, adding focus, holding each other accountable and expressing ourselves. In 2023, we focused on development and engagement of senior managers, as described above. We will carry this forward in 2024 by developing all our managers' skills and competencies.

Talent development

Talent development was another area of focus for Eneco during the financial year. We believe that our employees are the force that drives our performances and our growth. To reflect this, the new Perform & Grow cycle seeks to create an ongoing dialogue. Throughout the year, manager and employee talk to each other about work, conduct, personal development, professional ambitions and well-being. Besides these talks, we also have two Talent Reviews, where management teams review talented employees for aspects such as potential, ambition and risk of departure, and make arrangements about what to do to develop and retain those employees.

Career and learning interventions and learning paths have been set up for the talent development needs of the various departments. Several programmes such as the Eneco Energy Trade traineeship or the Heat Academy have boosted our success in both recruiting and developing talent, and last financial year Eneco was more successful in binding talented employees to the organisation, with employee turnover falling from 13.6% to 11.6%. Eneco will continue these investments in talent during the coming financial year, with a particular focus on a new centralised Eneco Development Programme.

Safety, vitality and well-being

We also devoted significant attention to our people's safety and well-being, with programmes dealing with workloads, feedback and development. Participation in the connection-building pub quiz rose to a new all-time high of more than 650 employees each time.

We also hosted a series of events in 2023 to improve our employees' vitality and health. For example, we organised a Fit Festival where they could learn more about a broad range of activities relating to diversity and inclusion and to mental and physical health. The 750 colleagues who took part rated the event at least 8 out of 10, and 15% more employees signed up for the company fitness programme and followed up with various health programmes.

We also adopted a new approach to sickness prevention and sick leave. We switched to a different working conditions service, and its employability team is in close contact with our managers, to assist them with sick leave prevention and counselling.

International colleagues

In our efforts to continue our company's digitalisation, we have hired large numbers of new colleagues. More and more of them do not have Dutch as their first language, and so we have invested in international work forms and in English as the organisation's second language. We also offer a wide range of training and development opportunities in the new Eneco Academy, which was set up in September 2023 to offer possibilities for all our employees to develop.

Employee participation in decision making

Employee participation in the decision-making process is important within Eneco. We also do this 'together' and in a modern way. The essence of modern employee participation is that the management involves their works councils at an early stage to reach a shared understanding of the problem or the opportunity. Examining the various options and the best choices together speeds up the employee participation processes considerably. We take better decisions and there is wider support for a decision.

The works councils were involved in each of their business unit's important themes during 2023, such as minor changes to the structure and risk assessments. Also, elections were held for some of the seats on the business units' works councils

The Central Works Council, which works together with Eneco's Management Board, returned favourable opinions on various matters in 2023, including the appointment of a new member of the Management Board and the plans to incorporate Eneco Diamond Hydrogen B.V. The Central Works Council also expressed an opinion on indexation for job-specific contracts and a scheme for employees working offshore. Physical and mental safety and Diversity & Inclusion are other themes for which the Central Works Council still demands awareness.

The Central Works Council works with Eneco's management to bring about continual change within the organisation. We are increasingly opting for gradualism instead of major reorganisations that demand a lot of the organisation and generally take a long time.

Risk management

Risk management helps us to achieve our goals in a responsible manner. We carefully weigh the risks and opportunities against our risk policy. When we identify a risk, we decide what controls to use, testing their effectiveness and optimising the underlying processes and control activities.

Risk governance

The Management Board is responsible for the risk management of the Group as a whole. To facilitate effective risk management, Eneco has organised its system according to the three-lines model. The various business units and support departments are responsible for carrying out the strategy and risk management (first line). Business Control and functional areas such as compliance and security support the business units from the second line. The Operational Risk Management department is also part of the second line, and translates policy into guidelines and coordinates the risk management process.

The Internal Audit function ('the third line') conducts independent audits and reports the results to the Management Board and the Supervisory Board's Audit and Risk Committee.

The directors of the business units periodically discuss their risks, the risk assessments and the status of controls directed at mitigating and managing those risks. The most important risks and controls are discussed with management on a regular basis. These are then consolidated and reported to the Management Board and the Supervisory Board's Audit and Risk Committee.

Risk and performance management framework

1. **Strategic framework Strategic KPIs**
   - Risk and performance management framework
2. **Financial and Strategic Forecasts 'FSF'**
   - Projected realisation of strategic objectives
   - Projected financial results and non-financial results
   - Projected credit rating ratios
3. **Risk & control assessment**
   - Gross risk assessment (risk register)
   - Identifying controls
   - Identifying potential impact of risks on financial and strategic forecasts
4. **Risk control and monitoring**
   - Net risk reporting and monitoring
   - Establishing whether risks are acceptable and setting priorities
   - Mitigations and follow-up

Risk and performance management framework

Eneco's Risk Management and Control System (ECRS) is based on the COSO ERM 2017 framework, the worldwide standard for Enterprise Risk Management. The ECRS is designed to provide a reasonable degree of assurance that we will realise our strategic, operational, financial, reporting and compliance goals. It provides for a systematic approach to risk assessment, a set of controls and an assessment method for management of the various business units to determine whether the controls are effective. The Statement from the Management Board is based in part on the outcomes of the ECRS. Risk management is an iterative and continuous process and is part of the regular Business Planning Cycle. The business units periodically carry out in-depth analyses of the threats and opportunities, and review the results of their self-assessments for the principal controls.

Risk and control activities

Operational Risk Management facilitates the risk and In Control processes and reviews compliance with risk management policy and the quality of reporting on the control assessments. The business units regularly update their risk registers and report to the Management Board and the Operational Risk Management department. The aggregated data reveal the principal risks facing Eneco. The consolidated reports are discussed at least once every six months with the Management Board and the Supervisory Board's Audit and Risk Committee. Eneco applies specific risk frameworks containing standards for various business processes, which the business units use for organising their internal controls. The frameworks define parameters that affect compliance and financial and operational activities. The criteria also contain best practices for designing processes effectively and efficiently. With both Eneco's shareholders (Mitsubishi Corporation and Chubu Electric Power) being traded on Japan's stock market, and Eneco being an important subsidiary, Eneco also needs to comply with the Japanese Sarbanes Oxley (J-Sox) regulations. The controls that this involves have further improved Eneco's internal control, in particular in terms of financial reporting and IT.

About the Statement from the Management Board

The Statement from the Management Board is based not only on the Board's own assessment, but also on the statements issued by the business units, Operational Risk Management's observations, the findings of Internal Audit and any further relevant information and developments. The Statement from the Management Board presents the Management Board's opinion on the effectiveness of the design and functioning of the internal risk management and control systems.

Reviews and audits

We use internal and external reviews and audits to determine how effective the design and functioning of the internal risk management and control systems is. Internal Audit carries out independent tests of a selection of the most important internal risk management and control systems. The annual risk and audit plan is risk-based.

Risk tolerance

Eneco has established its risk tolerance for each of the risk categories that it distinguishes.

The six-monthly reviews within the business units and at Group level generate an overview for the degree to which the Group as a whole is 'in control' and discussions about the principal areas of impact. Lessons are learned from the findings (including on the processes), and where necessary more effective checks are implemented. The risk categories and our risk tolerance are applied in connection with strategic, operational, financial, reporting and compliance risks.

Risk categories	Impact: Low	Impact: Medium	Impact: high
Safety	Injury resulting in alternative work	Injury resulting in absenteeism or hospitalisation	One or more fatalities
Integrity and Compliance	No/limited fraud possible	Incidental fraud possible	Large-scale fraud possible
Financial	< €5 million	> €5 million < €20 million	> €20 million
Reputation and Quality	Limited negative image among stake-holders	Decrease in confidence among stakeholders	Structural damage among stakeholders

Risk categories	Risk tolerance
Safety	Eneco devotes a great deal of attention to safety, with a very low risk tolerance. We regard serious incidents (hospitalisation, fatal accidents) as unacceptable.
Integrity and compliance	Eneco has a zero-tolerance policy with regard to integrity and compliance risks.
Financial	Our risk tolerance is generally low; however, sometimes the limited possibilities for mitigating a particular risk force us to 'accept' a higher financial impact for that risk. In addition, we consciously opt for a higher risk profile in specific areas such as innovation and transformation. We use sensitivity analyses and stress tests to determine whether we are sufficiently robust to cope with negative developments and incidents.
Reputation and Quality	We have a low risk tolerance with regard to reputation and quality, and we endeavour to prevent any harm to the organisation's image.

Main events

Last financial year was dominated on the one hand by a return to normal on the energy market, with falling prices and diminishing volatility, but on the other also by uncertainty and complexity caused by new laws and regulations, for example the revised policy rule on 'Reasonable cancellation fees for licence holders in 2023' and the 'Energy price ceiling and advance subsidies for energy suppliers' regulations. Thanks to its ECRS risk management system, Eneco succeeded in weathering the intensity of the energy crisis and the complexity of the rapid introduction of crisis regulations and other rules. Even so, the year brought challenges in the area of risk management. Three important risks that materialised are described below, together with the controls that we implemented or added in response.

Rooftop Solar
Besides the uncertainties and complexities that new laws and regulations brought, as mentioned above, Eneco also faced the constant cost increases resulting from the net metering scheme for consumer customers. In the summer, when purchase prices are relatively low, customers feed large amounts of electricity back into the grid. The rates are credited against the more expensive electricity that they use in the winter, when their solar panels produce much less electricity. Combined with the growing numbers of solar panels, this is forcing Eneco's cost up higher and higher. In April 2024, to spread the costs more fairly between customers with and without solar panels, Eneco announced that it would start charging customers for feeding electricity back into the grid. Besides the financial impact, the net metering scheme – combined with the differences in summer and winter electricity prices, as well as pricing differences on the very short-term markets – also makes it more complicated to determine the energy balance, and so to establish the reporting risk. Eneco has minimised the risk of reporting errors through additional measures, such as running a detailed management analysis of the outstanding positions. Several of the business units have projects underway to further reduce the complexity and reporting uncertainties. Those projects will continue into the current financial year.

Fire at heat supplier AVR
Eneco faced challenges in the heat business as well, on top of these challenges on the electricity market. One incident occurred that had an impact that exceeded the limits of our risk tolerance. On 21 September, waste processing plant AVR in Rotterdam went up in flames. AVR, one of Eneco's principal heat suppliers, is a waste processor that converts residual waste into energy and raw materials. The company supplies hot water, including for our heating grids (approximately 46,000 customers) in Rotterdam and the surrounding area.

The fire meant that AVR's heat supplies to Eneco were limited for part of 2023. Eneco quickly activated other suppliers, and successfully continued to supply heat to its customers without jeopardising the security of supply. As a further measure, we installed boilers at as many existing locations as possible. This additional capacity can be used to meet increases in the demand for heat, particularly during the colder winter months.

Eneco's crisis team of experts from various disciplines within the organisation also acted swiftly and decisively during the incident. The members of the crisis team were ready to assess the situation and implement whatever controls were necessary to minimise the impact of the incident and safeguard our operational continuity. The incident also highlighted Eneco's resilience and flexibility as an organisation, as well as our ability to find constructive solutions to unforeseen events.

The fire not only exposed the commodity to a business risk, but could also impact the amount of energy tax that Eneco has to pay. With AVR unable to supply its sustainable residual heat after late-September 2023, Uniper began to supply extra capacity, at higher procurement prices. This had a negative impact on the results of the heat business.

The imported gas used for apartment block heating systems is subject to a continual energy tax at the highest tax rate unless at least 50% of the heat that the system uses is residual heat. With AVR out of operation, that minimum is more difficult to achieve. However, Eneco currently expects that it will remain within the tolerated margin and therefore will not have to pay the higher energy tax. The company is monitoring this regularly, to make adjustments in time if necessary.

In response to this incident and our review of the processes and controls, we made corrections and implemented improvements in the underlying business processes and the related internal controls. The Internal Audit department will oversee the further follow-up to adjust the underlying controls.

Finance transformation
Eneco further improved the quality and verifiability of its processes and controls during the financial year, using risk controls for operational processes, reports (on financial matters and other issues) and compliance. This was boosted by the completion of the Japanese Sarbanes Oxley (J-SOx) project, which also helped to further improve our risk management in ECRS. One (1) shortcoming was identified in the implementation of the J-SOx controls during the financial year. Although that control was implemented effectively during the final quarter of the year, reducing the risk of a reporting error, this does not provide sufficient evidence of the operational effectiveness across the entire financial year after the new ERP system went live. This shortcoming demonstrates what a major improvement Eneco has implemented in its financial reporting controls (and the related IT controls). However, it also shows the need to stay focused in order to make sure that the internal controls are implemented properly, comprehensively and on time.

With the implementation of a new ERP system (S4 hana & Ariba), with its related applications, Eneco now has a new harmonised data model with standard processes to provide a new foundation for reporting (including management reports). This significant transformation was accompanied by the unavoidable startup problems, such as becoming accustomed to the new system, longer reporting periods and the need to set up a reliable comparison with prior-year data. The associated risks (including reporting risks) were sufficiently mitigated, for example by adding temporary measures such as a hypercare team, additional FTEs for the accounting team and a soft close of the February data to prevent surprises in connection with the annual financial statements. As a result, although the year-end closing took several working days longer, it did not cause any insurmountable delays or errors in the financial statements The applications that have been implemented create further possibilities for automation, which are expected to enhance the effectiveness of various processes and controls. Eneco will continue its efforts during the year ahead to further improve its processes and general IT controls and raise awareness for these matters within the company.

Eneco is also impacted by the volatile energy markets and changing energy regulation. Our integrated business model – with sustainable production and sales to customers – implies a diversified risk profile. If energy regulations change and become uncertain, this could affect our willingness to invest and our ability to realise our growth targets. At the same time, however, the trend towards electrification offers opportunities, given our decarbonisation ambitions. A vital requirement for realising our ambitions under our One Planet Plan moving forward is that the grid operators need to increase the grids' capacity.

Strategic risks

Strategic risks are long-term risks that influence the realisation of our strategic objectives, which could result in financial and/or reputational impacts that exceed our risk tolerance. For the goals and objectives that we have defined, we recognise the most important strategic risks listed below, which may not only constitute threats, but can often also present opportunities.

Failure to achieve CO_2 targets

Eneco's mission is 'Everyone's sustainable energy'. We want to lead the way in the energy transition and as a sustainable energy company acting within the boundaries of our planet: our One Planet ambition, which calls for remaining below the 1.5-degrees scenario. This ambition has been given shape in a target for reducing the CO_2 emitted by our own operations and our customers to net zero by 2035. Some of the ways in which we are realising this include doubling our own sustainable production capacity and scaling up the number of consumer heat pumps. With the new government coalition agreement that was recently published abolishing the obligation for households to install hybrid heat pumps, this poses a very real risk that heat pump numbers will be lower than previously anticipated.

A key uncertainty is whether green hydrogen will be available, and affordable, for flexible production capacity, or production capacity that does not depend on the weather. The Netherlands has set itself ambitious targets for electrolysis, for example 500 MW by 2025 and 6-8 GW by 2030. Whether these targets can be achieved is uncertain: it will require scaling up the electrolysis capacity significantly from the current pilots, which typically have a capacity of 1-10 MW. Every single interaction with our business and non-business customers and our stakeholders reflects our mission of 'everyone's sustainable energy'. We have reduced our CO_2 emissions by 41% since 2019, and our CO_2 reduction currently exceeds the mid-term goal by a margin. However, since the initial savings are easier to achieve compared with the final steps, we expect the greatest challenge in realising our CO_2 reduction targets to lie further ahead: the final 10% of our CO_2 reduction will present considerably more challenges than the first 10%. The CO_2 reduction targets for the Netherlands range from at least 55% by 2030 to 70% by 2040, to achieve climate-neutrality by 2050. Eneco's targets are more ambitious than these overall Dutch timelines, and it is important to keep lobbying for faster sustainability improvements.

Diminishing public support for the energy transition

The energy transition poses a challenge for society. Whether we succeed in achieving our goals depends heavily on public opinion, which has both a direct impact (such as on the willingness of residents to accept district heating) and an indirect impact (how the government determines the level of stimulation measures, for example). One effect that the energy crisis had was an increased awareness of sustainable alternatives to using natural gas and of the possibilities for customers to produce their own electricity, which boosted public support for the energy transition. At the same time, the high prices had a negative impact on the image of the energy sector overall.

Eneco is aware of the uncertainties for customers inherent in the energy transition. Our mission of 'Everyone's sustainable energy' means that we seek to proactively bring about changes together with our customers. We also mitigate this risk through transparent communication with stakeholders on our progress in implementing our strategy.

Increasingly unpredictable regulation

For the energy transition to succeed, we need a strong and decisive government that provides the market with clearly defined parameters:

for instance to internalise the external cost of CO_2 emissions and by doing so encourage the market to invest in clean activities and phase out fossil investments. A stable long-term policy is essential here, given the distant investment horizons for renewable energy assets and heating grids, for example. The government should also consider the need for fair sustainable development, limiting any unwelcome distribution caused by factors such as high energy prices. However, the energy crisis and the sentiment in society have also resulted in government interventions that have diminished the certainty of investing in sustainability improvements, holding back the energy transition and making it more difficult to achieve the climate goals. We will continue our ongoing dialogue with policymakers, supervisory authorities, NGOs and other stakeholders so that together we can define a fair and effective long-term policy and accelerate the pace of the energy transition.

Volatile electricity prices that add uncertainty to long-term investments

Uncertainty about electricity prices in the future and lower subsidies for sustainable production will adversely affect the feasibility of our strategic sustainability goals. Electricity prices and the prices of green certificates can be fixed for multiple years on the energy trading markets, but often not for the full useful economic life. Pricing is highly uncertain, in both the long and the short term, and will be influenced by any government intervention in the market.

This makes it important to have a clear understanding of the risks and opportunities as prices fluctuate under the influence of changing policies or market conditions. We also use international diversification to spread our risk, with a further strategy of building sustainable production facilities in partnership with and at the request of customers (client sources with long-term purchasing contracts). We pass on price risks through hedging and by structuring trading contracts.

Increasing impact of weather on the result

The increasing influence of weather conditions – which are a permanent physical risk – are leading to fluctuations in revenues from both sustainable production and heat deliveries. Given the targeted relative growth of these elements in our portfolio and the growing number of weather-based energy sources in the market, our financial result is structurally coming to depend more and more on the weather. This is reflected in the degree days risk (which affects the volumes of gas purchased in the customer segment) and the wind volume risk (affecting the volume of electricity produced). We are actively managing our portfolios to stay in control of these risks as they increase. We mitigate the weather risk using hedging transactions in the market, entering into structured agreements and taking out insurance.

Climate risks sometimes appear suddenly, manifesting in physical form. Eneco considers possible acute climate risks such as flooding, storms and heat waves, as these pose a potential threat to the safety, integrity and availability of our assets. We use scenario analyses, predictive instruments and stress tests to identify and assess these risks.

Lack of sufficient new income flows to compensate for the loss of income from gas

The government wants all households to be no longer reliant on natural gas by 2050. Eneco strives to achieve this with its customers by 2035. Gas revenues and margins will also decrease in the short term due to increasing insulation and new local and centralised energy saving solutions, such as the electrification of heating. Eneco is investing in sustainable alternative heating solutions, looking at both collective solutions such as district heating and individual solutions such as heat pumps. We are also focusing on new sources of income, for example electric transport and green hydrogen for industry.

Failure to meet our customers' needs, failure to seize new business opportunities

The energy transition is transforming customers' needs and stimulating innovations, for example in technologies for production, storage, savings and conversion. The risk here is that we might fail to react to such developments on time, or fail to react properly, and so find our ambition for climate-neutrality and our market share under pressure, leaving us unable to realise our goals for the innovative services growth domain, for example. The margin per customer is under pressure, and we are losing 'traditional' energy customer contracts. Eneco wishes to create added value for customers and help them to reduce their CO_2 emissions. However, we can only do this through a swift and appropriate response to our customers' needs. Our customer organisation operates in terms of value streams, which are designed for a swift and flexible response to market developments and our customers' needs. We are also improving our digital skills, as well as actively monitoring technological developments in the energy sector and investing in start-ups.

Shortage of qualified staff to help carry out the energy transition

Implementing our strategy and realising the energy transition will require new competencies, speed and agility of the organisation and its employees. Good staff are in short supply in specific fields, for example technical personnel and people with digital skills. Eneco offsets the scarcity of qualified personnel within its own company by paying proactive attention to these fields. That attention is illustrated by the Eneco Business School, which we set up to train technical personnel, and the Eneco hackathons that we organise in order to retain our current and attract new IT colleagues.

Inability of the supply chain to support our growth ambitions

As the energy transition gathers speed worldwide, the global demand for charging stations, solar panels, heat pumps and wind turbines is increasing. The pandemic highlighted the vulnerability of global supply lines, including for the hardware that is needed for the energy transition. The demand for installation capacity is rising as well. To safeguard and enhance the security of supply, Eneco is signing more local and long-term contracts, reinforcing relationships with our partners and working with local suppliers.

Operational risks

This section describes the principal operational risks that might have a major impact despite mitigation.

Risk (trend compared with 2022↑→↓[1])	Potential impact	Controls
Operational risks		
Attacks, and specifically cyberattacks, directed at IT and OT systems → Unauthorised access to, modifications to and failure of IT and OT systems and data as a result of cyberattacks.	• Disruptions in the operational processes. • Breaches of sensitive personal and/or business information. • Reputation damage. • Loss of or damage to physical assets. • Non-compliance with laws and regulations such as the GDPR and the NIS2 Directive. • Recovery and risk-mitigating work take up IT capacity.	• Continual implementation of the newest security procedures and measures to improve our security level and minimise vulnerabilities to cyberattacks. • Employee awareness training. • Strengthening the management organisation for coordinating critical suppliers. • Identification and detection technology for unauthorised access and suspicious activity. • Security penetration tests by specialist external parties.
Business continuity interruptions → Incidents, disruptions and/or interruptions in our production, storage, distribution, deliveries and/or trading and customer systems that have a negative impact on operations, forcing us to operate at less than the minimum acceptable level.	• Accidents with injury or worse. • Wastage. • Data security difficulties. • Financial impact. • Reputation damage.	• Safety policy and instructions. • Up-to-date crisis and emergency plans • Carrying out periodic crisis management and recovery tests/exercises. • Continuity measures in the IT landscape for IT applications categorised as high, with a high CIA value (where CIA stands for Confidentiality, Integrity, Availability). • Maintenance and monitoring of Eneco's assets, including the distribution grids and production units, in accordance with best practices for asset management (ISO 55001).

Risk (trend compared with 2022↑→↓[1])	Potential impact	Controls
Market risk ↓ Volatile prices and energy markets.	• With the high volatility on the market, product terms and customer protection laws, Eneco is exposed to an asymmetric price risk, where prices can have a harmful impact either by rising or by falling. *Falling prices:* risk of increasing competition (loss of customers and margins) and loss of position management as a result of downward volume adjustments at lower prices. *Rising prices:* loss of position management as a result of smaller numbers of outgoing customers, requiring Eneco to procure greater volumes at higher prices. • Offering products with price guarantees or longer contract terms requires more capital, for example to meet potential margin obligations, and volatility means a greater churn risk in the retail segment.	• Risk exposure monitoring (for example sensitivity analyses). • Modifying procurement policies and product ranges, including through shorter fixed-price durations for the retail segment and spot price products in the B2B segment. • Identifying and anticipating all the various risks, important variables, short-term events and developments in time. • Using hedge instruments for the position management risk.
Degree days risk ↓ Our financial results are affected by the high/low demand from customers when the winter is colder/milder than usual, combined with strong fluctuations in gas prices.	• Differences in estimated and actual consumption, in combination with fluctuating market prices, can cause financial loss.	• Taking out degree days hedges and weather insurance. • Making use of Eneco's storage facilities. • Using portfolio management and weather forecasting expertise relative to the projected energy supply and demand. • Using demand-steering mechanisms together with our customers.
Wind volume risk ↓ Lower revenue from wind farm production than average as a result of weather conditions (little wind).	• The influence of weather on our results has increased due to the expansion of our wind energy production. Less wind leads to lower revenues.	• Taking our weather insurance and wind volume hedges. • Portfolio management and use of expertise to forecast weather in relation to expected wind energy production. • Sourcing some of our sustainable energy under long-term procurement from third parties (PPAs) instead of our own wind farms.

1 ↑ risk higher compared with 2022 ↓ risk lower compared with 2022 → risk unchanged compared with 2022.

Financial and reporting risks

Like all other Enterprise Risk Management processes, the In Control over Financial Reporting (ICFR) process is safeguarded by using risk analysis (reporting processes in this case), by implementing controls and by rating how they function using assessments and self-assessments, monitoring, reporting and improvements to control activities. The purpose of ICFR is to prevent material misstatements in financial reports and to identify any material misstatements on time and correct them.

The ECRS provides for criteria, risks and measures designed specifically to minimise the risk of errors in financial reporting and ensure that our financial reports do not contain any material misstatements.

See note 29 to the financial statements (Financial risk management) for details of Eneco's exposure to financial risks, and the potential impact of those risks on the Group's future financial performances.

Risk (trend compared with 2022 ↑→↓)	Potential impact	Controls
Financial and reporting risks		
Eneco's creditworthiness → Decline in Eneco's creditworthiness (or perceived creditworthiness) or rating downgrade. Eneco's liquidity and cash flows are very much susceptible to materialising market risks and margining obligations that could also affect the organisation's creditworthiness.	• Decrease in the willingness of energy trading parties to give Eneco the same limits on trading positions, or an increase in guarantees and other security required from Eneco. • Less favourable conditions for access to capital and money markets and (to a limited degree) higher interest mark-ups. • Challenges relating to current liquidity.	• Stipulating contractual terms with customers and trading parties (and the associated positions) and forming new contracts. • Availability of back-up financing and guarantee facilities, to be used in particular if market conditions turn volatile. • Adjusting our internal mandates and tolerances to allow us to act swiftly in response to extreme market movements. • Strong shareholders that can support Eneco's creditworthiness.
Creditworthiness of customers and suppliers ↓ Increased inherent risks of potential losses if the creditworthiness of customers or suppliers declines as a result of volatile energy prices.	• Financial risks if Eneco is unable to collect on claims. • Project risks if suppliers are unable to fulfil their obligations. • Decreased availability of partners to do business with Eneco.	• Exposure monitoring and follow-up. • Credit mandates, policy and follow-up. • Risk reduction (insurance, other) for a small number of specific suppliers representing a major exposure for Eneco.
Liquidity risk ↓ High volatility and prices for trade on the exchange.	• High margin calls have the potential to cause liquidity problems.	• Monitoring margin calls and subjecting them to stress analyses. • Modifying the product range, signing fewer fixed price contracts, or for shorter durations. • Setting up an exchange for physical deals, moving positions from the exchange to bilateral parties. • Raising liquidity so that it is sufficient even in extreme situations.
Reporting risk ↑ Risks in the area of the internal and external financial planning and reporting.	• Reputation damage, claims and legal proceedings. • Non-compliance or incorrect reporting. • Lack of accurate, timely and substantiated financial steering information for management's decision-making.	• Maintaining up-to-date financial reporting expertise and understanding of new government measures in response to the energy crises and how they impact financial reporting. • The internal controls and administrative and organisational measures, including procedures relating to compliance with Eneco's accounting guidelines, incident reporting and the whistleblower policy. • Procedures for periodic closing, reporting, forecasting and energy balance. • Monitoring the progress achieved towards constructing and using the new ERP system.
Solar risk of the customer portfolio ↑	• Increasing numbers of solar panels, combined with the net metering scheme and high imbalance and profiling costs, expose Eneco to a financial risk in the event of inaccuracies in estimating/pricing the increase in numbers, the costs and the associated risks.	• Taking out weather hedges and profile deals. • Identifying incorrect pricing swiftly and taking appropriate action. • Developing products that allow for more control.

Compliance risks

See also the chapter on Integrity and compliance

Risk (trend compared with 2022 ↑→↓[1])	Potential impact	Controls
Compliance risk		
Legislative changes with the potential to impact our operations → Government measures to ensure affordability and consumer protection. Sustainability improvements require major investments for the long term. Uncertainty and confusion about changes in laws and regulations and their timing have a major impact. The Dutch Ministry of Economic Affairs and Climate Policy has announced plans for mandatory public ownership of heating grids. This will affect the heat transition and our ambitions and willingness to invest in sustainable heat. Laws and rules for penalties that the government establishes and that apply to Eneco carry a risk of transactions being penalised.	• Greater financial impact from pricing and volatility on the energy market. • As energy companies become more data-intensive, the increasing regulations in that area pose an ever-greater risk. • Fines. Fines can be imposed by European and national authorities supervising the markets where Eneco operates. • Legal proceedings. • Claims. • Reputation damage. • Investment appetite. • Realisation of ambition to grow sustainable energy production capacity. • Non-compliance with/non-fulfilment of contractual obligations by third parties and/or Eneco, carrying potential financial risks and implications.	• Constructive dialogue with other operators in the sector and regulatory bodies. • Awareness programmes. • Compliance and privacy control frameworks at business units, including risk-mitigating controls and reporting. • Staying up-to-date about new and forthcoming legislation, and taking proactive action. • Implementation of decision-making process • Carefully monitoring penalty decisions that are being considered and that are announced, developing scenarios and measures to minimise the risk and ensuring compliance.

1 ↑ risk higher compared with 2022 ↓ risk lower compared with 2022 → risk unchanged compared with 2022.

Climate-related risks

Laws and regulations

Operating in a regulated market, we consider the potential legal risks in every one of our risk assessment and monitoring processes. Possible sources of such risks include rules and regulations, contracts with partners and customers, and breaches of environmental permits. Eneco's risk control method is to stay up-to-date on relevant new legislation and actively confirm its understanding and the follow-up with key stakeholders.

Changes to European and/or Dutch regulations can have a major impact on matters such as subsidies, $C0_2$ pricing, market structuring and taxation. The regulatory framework evolves in response to trends such as digitalisation, data, decentralisation and the addition of sustainable sources of energy.

Technology

The energy market is in the middle of a transition. All around, innovations are taking place in the technology for production, storage, savings and conversion, which of course affect Eneco's future revenue model for supplying energy to households and industry.

The risk here is that we might fail to react to such developments on time, or fail to react properly, and so find our ambition for climate-neutrality and our market share under pressure, leaving us unable to realise our goals for the innovative services growth domain, for example.

Market

Eneco is a sustainable energy company. We want to lead the way in the energy transition.

Important market risks include the high volatility of energy prices and lower subsidies for sustainable production. Those risks could negatively affect our ability to achieve our strategic goals for sustainability and climate.

Reputation

To protect our image, we select our suppliers and partners with care, and apply 'Know Your Customer' criteria in the acceptance process for commercial customers, contracting parties and partnerships.

Acute physical risks

This covers physical climate risks: we assess possible acute climate risks such as flooding, storms and heat waves, which pose a potential threat to the safety, integrity and availability of our assets. Physical climate risks are included in our ECRS. Eneco uses scenario analyses, predictive instruments and stress tests to identify and assess risks.

Chronic physical risks

One important chronic physical risk is the increasing impact of the weather on our results. Temperatures affect how much energy our customers use (demand for gas and heat), while wind affects our production volume. Fluctuating volumes combined with volatile prices impact our financial results.

Safety, quality and security

We want our operations to be safe and healthy for everyone. We make every effort to be compliant with all laws and regulations and safeguard and improve the quality of our services while respecting the environment and the world around us. We also make sure that our digital systems are secure. To guarantee business continuity for our stakeholders, we are continually making improvements across the entire supply chain. Physical, psychological, social and digital safety, quality and the environment are integral parts of how we operate, and our motto is: we do not compete on safety and the environment.

Safety

Safety affects numerous parts of our work, including technology, organisation, processes and systems, plus our conduct and our safety culture. Only by working together can we create a safe environment to work and live. We use a series of strategic KPIs for monitoring and managing our performance.

RIF
Recordable Incident Frequency
0.32

2022 **0.27**
Target **<0.45**

Safety Culture Ladder

Just as in other years, during the past financial year we again invested in efforts to improve our safety practices. The organisation's awareness has continued to grow, with a focus on physical, social and psychological safety. It is reflective of a proactive safety culture to feed our organisation from multiple different perspectives and to express constructive criticism, and this has been further embedded in our Eneco DNA. Following independent external review, the business units in the asset organisation maintained their Step 4 position (on a scale of 1 to 5) on the Safety Culture Ladder. Step 4 represents a proactive level: safety has a high priority and is deeply ingrained in the company's operations. We are moving forward with our safety and culture programme (Safety & Wellbeing) that further embeds our proactive conducts in our culture, and the office environment (including home offices) in particular. A prominent element in this is the Leading Safety work flow, which is intended to increase the dialogue about safety.

RIF

We measure safety using a strategic KPI called the Recordable Incident Frequency (RIF)[1]. Last financial year, we achieved an RIF score of 0.32 (target: 0.45). This is a slight increase compared with the 2022/2023 financial year (RIF: 0.27) Even though every incident is one too many, the actual results are better than our initial target.

Severity rate

We recorded 8 accidents resulting in absenteeism during the financial year, with a total of 84 absenteeism days, putting the severity rate at 10.5 (84/8). This is a drop compared with the previous financial year's severity rate, which was 32.4 (162/5).

1 The RIF (Recordable Incident Frequency) is the rolling average number of accidents resulting in absenteeism, alternative work or medical treatment per 200,000 hours worked, not including First Aid cases. This rate is based on the number of recordable incidents that were registered during the reporting period and the number of FTEs registered at the end of the financial year. This KPI covers all incidents recorded in our system, relative to our own FTEs (i.e. staff who have an Eneco employee number). We define a recordable incident according to the definition of a work accident under Dutch law (arbeidsongeval); as a result, accidents during commuting, for example, are not included in the scope.

Industry partners

We are actively involved in sector initiatives, including the Working Conditions Catalogue for the energy sector and the Working Together Safely on Heat governance code. This gives us the opportunity to work more closely with other companies on matters of health and safety and together improve the standards.

Contractors

We also take safety very seriously in respect of our contractors. Our ability to work together with our suppliers, contractors and partners is essential here. As part of our contractor safety programme, we updated our conduct requirements and processes, with a view to proactive safety in the working environment. Those requirements and processes are being rolled out in phases in dialogue with our contractors. The purpose is to further reduce the number of accidents and raise safety awareness throughout the supply chain to the next level. Only with engaged and proactive contractors and employees can we be successful in creating a proactive and safe working environment.

Despite those joint efforts, last financial year contractors were involved in 23 accidents resulting in absenteeism, alternative work and/or medical treatment. We follow up on such accidents immediately with a workplace dialogue between Eneco's management and the contractor's management: we believe that a constructive dialogue based on a shared interest in work safety is the best way to create collective safety awareness.

	2023	target 2023	2022 (15 months)
RIF	0.32	0.45	0.27
LTIF	1.16	0.80	0.68

1 The LTIF (Lost Time Injury Frequency) is a subset of the RIF that reflects the number of accidents resulting in absenteeism per 1 million hours worked.

In addition to the strategic KPI of the Recordable Incident Frequency (RIF), we also carried out a measurement of our contractors' RIFs, to further improve our understanding of this supply chain responsibility.

Marine Coordination Centre

Eneco opened the Marine Coordination Centre (MCC) during the financial year, as part of its Operations Control Centre, in response to the increasing numbers of offshore wind assets. Eneco's MCC represents a new step towards safety, not only to protect the offshore assets (for example against shipping risks), but also to improve the safety of the people working on those offshore assets.

Rules for official status of Heating Grid Delivery Set Installers (Erkenningsregeling Installateurs Afleversets Warmtenetten)

The heat transition can only gain support if people can rely on the quality and safety of sustainable heating installations. Installing delivery sets requires specific expertise, which is why industry associations Techniek Nederland and Energie-Nederland (with which Eneco is affiliated) developed rules for official status for installers trained for heating grid delivery sets last year. Eneco will implement those rules within its organisation in 2024.

Crisis management organisation

If a crisis arises or looms, we mobilise a crisis management organisation, which is convened in addition to the regular organisation to deal with the crisis professionally. It uses a special meeting technique to enable fast and reliable decision-making.

The impact of the energy crisis continued to diminish last financial year. It was characterised by prolonged uncertainty, a direct impact on society and frequent changes to laws and regulations. One of the consequences that this produced was increasing aggression towards our people and our organisation. In response, we implemented controls in the form of protocols, technical solutions and training sessions for dealing with aggression. The crisis organisation was also involved in the succesful management of the AVR fire.

Quality management

Quality Information System

Eneco has an integrated management system, the Quality Information System (QIS), that provides assurance and connects elements such as legislation, our processes, risks and controls, management systems and information with each other and with the organisation. This is one of the factors on which our compliance with the ISO 9001 (quality), ISO 14001 (environment), ISO 45001 (safety) and ISO 55001 (asset management) standards is built.

Audits and certification

Our integrated audit programme makes it possible to audit the management system more efficiently and more comprehensively. Findings from internal and external audits are recorded in QIS for follow-up. This procedure ensures that our management system is periodically reviewed for effectiveness and efficiency. We also draw on independent certifications where they add value. The result is that we ensure a sufficient degree of visible follow-up, which is a key factor in maintaining our focus on the ongoing process of improvement. Continued development and professionalisation help Eneco to provide customers with safe and high-quality products and services and remain compliant with laws and regulations.

Cybersecurity

Threats within the energy sector

The number of cybersecurity incidents last financial year was small, and no major incidents of note occurred. However, 2023 saw an increase in the numbers of harmful emails and attempted cyberattacks that were blocked by security tooling. Cyberthreats still pose a serious risk to the energy sector. In May 2023, for example, Denmark's energy sector twice suffered attacks that compromised 22 companies. This underlines our belief that it is vital to further improve the measures in the areas not only of IT, but also of OT (operational technology).

Updated controls

Following those attacks, we identified new threats and cybersecurity risks and analysed and updated the related controls. Much of this work involved compartmentalising risk areas as the network of decentralised energy-producing assets continues to expand. We also focus on detecting incidents and vulnerabilities and conduct awareness campaigns with our strategic partners. As part of our crisis preparations, we also performed a series of cyber exercises to run and test scenarios, for example a crisis involving an offshore wind farm.

Legislation

The requirements that European legislation imposes for cyber-resilience in the essential sectors also affect Eneco as an energy producer, and specifically where IT and OT meet. Eneco is obliged to comply with the Dutch Network and Information Systems Security Act (Wet beveiliging netwerk- en informatiesystemen) and the German IT Security Act 2.0 (IT Sicherheitsgesetz 2.0). In anticipation of the introduction of the NIS2 Directive to replace the Dutch Network and Information Systems Security Act, we are mapping out the additional requirements and updating processes and systems where necessary.

Recalibration of the cybersecurity strategy

Our cybersecurity strategy and roadmap are subject to constant recalibration. With new forms of cyberattack being developed at lightning pace, it is vital to be flexible in how we respond. Directly linking our business strategy to the identification of our strategic cybersecurity risks will provide us with the understanding and capability needed to guarantee Eneco's cyber-resilience. Key elements include structurally testing the defences against simulated attacks ('Red Teaming') and rehearsing our response to a successful cyberattack or ransomware attack.

Compliance, integrity and privacy

Compliance

Policy
Eneco uses a three-lines model with a risk-based compliance policy. This involves assessing risks for their financial and reputational impact and the likelihood of the risk materialising. We derive our 'licence to operate' from our compliance with national and international laws and regulations and our ability to meet our stakeholders' expectations. We also want to avoid any potential adverse financial impact of fines and void contracts.

The Management Board established a new version of the Compliance Charter in 2023. A Compliance Officer has been appointed for the COO-Integrated Energy organisation, and a further FTE has been added to the Compliance & Integrity department.

Risk assessments
Important topics that Compliance & Integrity dealt with in 2023 were the Code of Conduct, anti-bribery and anti-corruption, internal and external fraud, conflicts of interest, inside trading, competition, penalties and the compliance and integrity reporting policy. The compliance framework was applied to these topics. As part of the compliance framework, every one of Eneco's business units performs risk assessments to map out risks, controls and shortcomings. The pattern revealed by those risk assessments is stable, and no ad-hoc intervention is needed.

Policies have been defined for the principal compliance issues, and their practical effect is monitored, updated or further improved in response to internal changes, legislative developments, developments in society and follow-up on incidents. To minimise risks of non-compliance, specific groups also receive training on the relevant compliance topics.

Compliance & Integrity was in touch with the various business units during the year to discuss the quality and effectiveness of the risk controls.

No fines or non-financial penalties were imposed last financial year for major legislative or regulatory breaches or non-compliance, nor were any fines paid during the financial year for major legislative or regulatory breaches in previous financial years.

REMIT
Eneco falls under the REMIT: the European Regulation on Wholesale Energy Market Integrity and Transparency, which safeguards a fair and transparent energy trade. In 2023 we updated our procedure for ensuring compliance with the REMIT obligations (for example promptly reporting production unit outages) and made a series improvements. Eneco is in permanent communication with energy sector association Energie-Nederland and regulatory supervisor Dutch Authority for Consumers and Markets (ACM) on how to interpret and apply REMIT in practice. In late-2022, ACM asked questions about Eneco's compliance with the REMIT. In response, in 2023 we gave an undertaking to ACM, which led to a decision from ACM on that undertaking on 3 August 2023. ACM did not establish that Eneco had committed any breach of the rules for integrity and transparency on the wholesale energy market. Eneco agreed to implement measures to minimise the possibility and consequences of incorrect market orders, and repaid €2.4 million to Gasunie Transport Service (GTS) to undo the results of an incorrect market order.

Assurance
Internal assurance for the compliance process is obtained using the integrated approach in the ECRS (Eneco Control and Risk System) process and internal audits. We are subject to external supervision of legal enforcement by various supervisory authorities, including ACM and the Dutch Data Protection Authority (Dutch DPA). We are also in regular contact with Deloitte as our external auditor.

Integrity

Code of Conduct
If our strategy is to be put into practice, it needs to be supported by the organisation's culture and leadership. We have adopted a Code of Conduct for all our employees that describes how to conduct ourselves in respect of each other and of our customers and partners. Integrity and decency are paramount in everything we do to realise our mission. The Code of Conduct has been published on our internal and external websites.

The values of *Drive the change*, *Deliver the plan* and *Make each other successful* highlight the importance of each individual's sense of responsibility to make a difference through their own conduct and actions. They are an integral part of the Code of Conduct, which applies in the countries where Eneco operates and has been made available in multiple languages. The code of of conduct helps our employees to understand and apply our rules, standards and values. To encourage the conduct that we want to see within the organisation, we have adopted a corporate programme that focuses on key topics such as diversity, equity and inclusion, social safety, physical safety, corporate social responsibility and digital safety. It also addresses the different types of relationships with customers and partners and between employees, for example to prevent situations where an employee's personal interests might conflict with Eneco's interests, and what the procedure is if such a situation arises.

A new online training module was developed in 2023 with examples that cover each of the topics in the Code of Conduct. This module is mandatory for all employees in the Netherlands and Belgium, and has been completed by 65% of the Dutch workforce and 100% of the Belgian workforce. New employees take the training as soon as they join, and the Code of Conduct is part of the joint sessions for new employees.

Integrity programme
Topics such as removing the stigma from transgressive behaviour (sexual and otherwise), reporting such behaviour and following up on those reports are receiving constant attention in society. Drawing on our integrity programme, Eneco has translated this to the definitions of various roles that an employee might play, and to tools and guidances for how to act in each case, for example if an employee witnesses such unacceptable situations, but also if an employee might be accused of such behaviour.

Compliance & Integrity Reporting Desk and confidential counsellor
Eneco fosters a 'speak up' culture, where employees feel comfortable enough to express themselves and communicate any concerns they have in an early stage. To help identify issues early on, the Compliance & Integrity department plays an advisory role in dilemmas. Employees can also talk to one of the confidential counsellors. The Management Board appointed three new confidential counsellors in 2023, bringing the total number of internal confidential counsellors to four in the Netherlands and to two in Belgium, where employees also have access to an external service.

Besides drawing on advice and support from those confidential counsellors, employees and third parties can report issues to the Compliance & Integrity Reporting Desk. All reports are given follow-up in accordance with the Compliance & Integrity Reporting Policy. That policy covers issues such as potential breaches of our Code of Conduct, improper practices with an impact on society or non-compliance with EU law by Eneco. Examples of breaches of the Code of Conduct include not only transgressive behaviour such as discrimination, aggression, violence, bullying and sexual harassment, but also bribery and corruption, conflicts of interest, fraud and theft, unfair competition and insider trading. Issues can be reported to the Compliance & Integrity Reporting Desk using various procedures. Employees can also report other integrity-related issues to the Reporting Desk. Eneco's Compliance & Integrity Reporting Policy follows the EU Whistleblower Directive and the Dutch Whistleblower Protection Act (Wet bescherming klokkenluiders). The policy was also adopted for the Belgian entities in 2023. An important aspect of the policy is encouraging and facilitating a dialogue, in an open climate where people are comfortable actually expressing and sharing situations. In accordance with the Compliance & Integrity Reporting Policy, a notification goes directly the member of the Management Board whose portfolio includes the area that the report concerns, and/or to the CEO, if the report carries the potential for major financial, reputational or other harm for Eneco. This happened once last financial year. Where the report concerns the CEO's actions, the chair of the Supervisory Board will be notified. This did not occur last financial year.

All reports are aggregated and rendered anonymous and shared with the Management Board and Supervisory Board on a quarterly and annual basis. Compliance & Integrity also talks to various internal stakeholders about identifying issues and what lessons can be drawn from the incoming reports.

During 2023, 46 reports were made to the Reporting Desk and 13 to the confidential counsellors. These numbers are slightly down compared with 2022, resulting from the fact that the 2022 annual report covered a period of five calendar quarters. In addition, the increase in the visibility of the compliance & integrity function and the focus on mutual discussion has led to additional requests for advice at an early stage, resulting in a lower number of final reports.

Approximately 35% of the reports that the Reporting Desk received concerned fraud or theft, 35% concerned psychosocial working conditions such as discrimination, harassment and bullying, and 30% concerned other integrity-related issues. Examples of fraud and theft include several situations where residual materials were stolen, which had a very minor financial impact. In response to each of these incidents, additional measures have been taken to reduce the risk of fraud and (for example) theft of residual materials. The other reports concerned compliance matters or the employer/employee relationship. Where necessary, we adjusted processes to prevent further incidents. We also took disciplinary measures where appropriate.

Privacy

GDPR
We have put a great deal of effort into demonstrating our compliance with the General Data Protection Regulation (GDPR). To demonstrate our compliance with the GDPR, we use a Privacy Risk and Control Matrix. Each of the business units in the Netherlands, Germany and Belgium carried out a privacy self-assessment to demonstrate how GDPR-compliant they are. On October 2023, Eneco Consumenten B.V. became qualified to perform the Privacy Waarborg assurance test of the Data-Driven Marketing Association (DDMA), indicating that Eneco Consumenten B.V. handles personal data responsibly for marketing and communication purposes.

Supervisory authorities
Eneco made 9 reports of data breaches to supervisory authorities overseeing privacy. In the Netherlands, 2 data breaches were reported to the Dutch Data Protection Authority. In Belgium, 4 data breaches were reported to the Belgian

Data Protection Authority, and in Germany LichtBlick informed the supervisory authority in Hamburg about 4 data breaches (including one data breach at its subsidiary Installion GmbH).

Eneco Belgium informed the Belgian Data Protection Authority about a data breach caused by errors in the invoices of 7,778 customers: through human error, the invoices were printed with another customer's invoice on the other side and half the customers received another customer's invoice while the other half did not receive an invoice at all. This meant that their personal data had been shared with the customers who received double invoices. Everyone involved was informed about the data breach.

LichtBlick notified the supervisory authority in Hamburg about a data breach in the online customer portal. Sometimes when a customer logged in to their account another customer's data would appear, as a result of a faulty software update. As soon as this was discovered, the customer portal was shut down and the problem was resolved. The breach occurred with a small number of customers who were logged in at the time. However, being unable to determine precisely how many, LichtBlick informed 72,000 customers who might have been affected.

Suppliers of Smart Meters Code of Conduct (2012)
In 2020, Eneco and energy sector association Energie Nederland drafted a proposal for a new Suppliers of Smart Meters Code of Conduct to include the obligations under the GDPR. This proposal was discussed with the Dutch Data Protection Authority and will come into force after that authority has given its formal approval. Our Declaration of Compliance with the Suppliers of Smart Meters Code of Conduct serves as confirmation that we handle our customers' data with great care. With the compliance process completed, the conclusion is that we are compliant with the rules and that we handled customers' questions satisfactorily.

Declaration of Compliance with the Suppliers of Smart Meters Code of Conduct (2012)

regarding data from low-volume meters that can be read remotely.

Names of legal entities: Eneco Consumenten B.V. and Eneco Zakelijk B.V., hereafter jointly referred to as Eneco, and Oxxio Nederland B.V. and CEN B.V., hereafter jointly referred to as Oxxio.

Registered office: Rotterdam.

Period: 1 April 2023 up to and including 31 March 2024

Eneco and Oxxio make use of meter data obtained from low-volume meters that can be read remotely in order to carry out their services properly. As a supplement to the Dutch Personal Data Protection Act (now the General Data Protection Regulation), suppliers and meter reading companies acting under their responsibility in the Dutch energy sector have drafted a code of conduct regarding the use, recording, exchange and storing of data obtained from low-volume meters that can be read remotely.

Eneco B.V. – duly represented in this matter by its director S.M. (Selina) Thurer, in the capacity of director of Eneco Consumenten Nederland B.V., which in turn is the director of Eneco Consumenten B.V., Oxxio Nederland B.V. and CEN B.V., as well as in the capacity of director of Eneco Zakelijk Nederland B.V., which in turn is the director of Eneco Zakelijk B.V. – hereby declares that Eneco and Oxxio have complied with the rules and obligations laid down in the Suppliers of Smart Meters Code of Conduct during the above-mentioned period, and have also handled customers' questions satisfactorily.

Article 3.1.2 of the code of conduct states that personal meter data must be processed in accordance with the law. With regard to this specific issue it should be noted that the General Data Protection Regulation (GDPR) came into effect on 25 May 2018. Eneco is compliant with the GDPR. In addition, Eneco drew up a proposal for a new code of conduct, together with Energie Nederland, containing the obligations that follow from the GDPR. This proposal was discussed with the Dutch Data Protection Authority and will come into force after formal approval by the Dutch Data Protection Authority.

Rotterdam, 13 June 2024

S.M. (Selina) Thurer,
member of the Management Board of N.V. Eneco

Corporate Governance

In this chapter, we describe the various executive and supervisory roles and the corresponding duties and powers. We underline the importance of diversity, inclusion and integrity.

N.V. Eneco ('Company') is a company under the laws of the Netherlands, with its registered office in Rotterdam, and the holding company of subsidiaries, participating interests in joint operations and joint ventures and associated participations (collectively referred to as 'Eneco' or 'Group'). Mitsubishi Corporation (Tokyo, Japan) and Chubu Electric Power Co., Inc (Nagoya, Japan), through Diamond Chubu Europe B.V., together hold 100% of the shares in N.V. Eneco's Articles of Association, the two-tier board regime applies in full to the Company. Mitsubishi Corporation is the ultimate controlling shareholder through its 80% interest in Diamond Chubu Europe B.V. Chubu Electric Power Co. Inc holds an interest of 20% in Diamond Chubu Europe B.V. Based on N.V. Eneco's Articles of Association, the two-tier board regime applies in full to the Company. The Company is registered with the Chamber of Commerce under number 24246970.

Tasks and responsibilities

Management Board

The Management Board holds the ultimate responsibility for Eneco's performance and represents the company. The Management Board is appointed by the Supervisory Board and is accountable to the Supervisory Board and the General Meeting of Shareholders (AGM). The Management Board is made up of six members: As Tempelman (CEO), Jeanine Tijhaar (CFO), Hiroshi Sakuma (CCIO), Kees-Jan Rameau (COO-Integrated Energy), Selina Thurer (COO-Customers) and Karen de Lathouder (COO-Assets). The biographies of the members of the Management Board can be found on the Governance page on Eneco's corporate website.

Supervisory Board

Eneco's Supervisory Board advises the Management Board and oversees the Management Board's policies and the general course of Eneco's business. The Supervisory Board operates independently. Of the 7 members making up the Supervisory Board, 2 are independent members appointed under the Central Works Council's reinforced right of recommendation. The Supervisory Board has drawn up a profile, giving due consideration to the nature of the company, the work of its members and the expertise and background that they should preferably possess. The profile is discussed with the General Meeting of Shareholders and the Central Works Council upon its adoption and whenever it is updated. New members are put forward by the Supervisory Board and appointed by the General Meeting of Shareholders. The shareholder and the Central Works Council have the right to recommend candidates to the Supervisory Board for nomination. The Central Works Council has a reinforced right of recommendation in connection with the nomination of one third of the members. Besides the profile for the Supervisory Board, decisions about these recommendations and nominations also give due consideration to the Gender Balance Policy, which sets out appropriate and ambitious targets for the three leadership levels (Supervisory Board, Management Board and sub-management). Candidates who are put forward also need to satisfy the criteria laid down in the Articles of Association of N.V. Eneco, including the requirements for their independence, and will be asked to declare that they are compliant with Article 142a of Book 2 of the Dutch Civil Code.

The members of the Supervisory Board are Mel Kroon (Chair), Yuji Okafuji (Deputy Chair RvC), Yasuo Ohashi, Haruki Umezawa, Michael Enthoven and Annemieke Roobeek. The two independent members are Michael Enthoven and Annemieke Roobeek; their duty is to ensure that the additional arrangements that Eneco made with the shareholder when Eneco was privatised are observed. The Chair of the Supervisory Board is not an executive director.

In the 2023 financial, the Supervisory Board had the following committees:

- a Remuneration, Selection and Appointment Committee (RSA), which advises on matters such as the remuneration, selection and appointment of members of the Management Board and the nomination of members of the Supervisory Board. This committee is chaired by Michael Enthoven. Its other members are Annemieke Roobeek, Yasuo Ohashi and Mel Kroon;
- an Audit & Risk Committee (ARC), which supervises the integrity of the financial and non-financial reporting, the internal controls and risk management. The ARC also oversees the internal and external audit processes. This committee is chaired by Michael Enthoven. Its other members are Haruki Umezawa and Mel Kroon.

The biographies of the members of the Supervisory Board are available on the Governance page on Eneco's corporate website.

Shareholders

Since 24 March 2020, all the shares in Eneco have been held by Diamond Chubu Europe B.V. Within six months after the end of the financial year, or more often if the Supervisory Board or Management Board considers this necessary, Eneco will organise a General Meeting of Shareholders (AGM). The annual report is discussed and the annual financial statements are adopted during the AGM.

Code of Conduct

Our Code of Conduct provides a written record of the conduct and integrity standards that everyone at Eneco is required to observe. Inappropriate behaviour and behaviour that lacks integrity can be reported to our Compliance & Integrity Reporting Desk or the confidential counsellors that have been appointed.

Statement from the Management Board

The Management Board is responsible for the adequate and effective functioning of Eneco's risk management and control system.

Among other instruments, the Management Board uses the risk management and control systems described in the risk management paragraph to safeguard the realisation of the strategic, operational and financial goals, the reliability of the financial and non-financial reporting and compliance with the relevant laws and regulations.

Eneco's risk management and control system (ECRS) is designed to manage the principal risks that could prevent us from achieving our objectives. The Report of the Management Board that is included in this annual report provides sufficient information about shortcomings in the functioning of the internal risk management and control systems.

Every internal risk management and control system has its inherent limitations, and we cannot state with absolute certainty that we will achieve our company's objectives, nor can we rule out with absolute certainty the possibility of material misstatements, losses, instances of fraud or breaches of laws and regulations.

For the financial reporting risks, it is the Management Board's opinion that the internal risk management and control systems that are in place provide a reasonable degree of assurance that the internal and external financial reports do not contain any material misstatements and that the risk management and control systems worked to a sufficient degree during the reporting year.

Business units prepare their budgets, scenarios and business plans, which are then subject to modification and approval by the Management Board. The actual performances are then compared with the business plans and budgets, and the results are discussed during regular evaluations between management of the separate business units and the responsible member of the Management Board.

The Management Board is of the opinion that to its best knowledge:

- the company is justified, based on the current situation, in preparing its financial reports (annual report and financial statements) on a going-concern basis;
- the Statement from the Management Board discloses Eneco's material risks and uncertainties that also have bearing on the forecast for Eneco's continuity for the period of 12 months after preparation of the annual report;
- the financial statements for 2023, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the consolidated assets and liabilities and the financial position at 31 March 2024, and of the consolidated income statement for the 12 month period ended 31 March 2024 of N.V. Eneco;
- the annual report provides a true and fair view of the situation at 31 March 2024, and the course of business during the 2023 financial year and a description of the principal risks faced by the Group.

During the 12-month reporting period ended 31 March 2024, Eneco further strengthened its internal controls on strategic, operational, financial, reporting and compliance risks with a focus on the areas described in this annual report and will continue to do so. In the Management Board's opinion, the internal risk management and control systems are adequate and effective as at 31 March 2024.

Rotterdam, 13 June 2024

As Tempelman (CEO), Jeanine Tijhaar (CFO), Kees-Jan Rameau (COO-IE), Yasuyuki Asakura (CCIO), Selina Thurer (COO-Q), Karen de Lathouder (COO-A)

Report of the Supervisory Board

The Supervisory Board supervises and advises the Management Board. This report explains how the Supervisory Board gave shape to that role last financial year.

Important themes during the 2023 financial year included the affordability of energy and the price ceiling that the Dutch government imposed to reduce the impact of the high energy prices on customers. Thanks to a huge effort from its employees, Eneco successfully contributed both to the preparations for the measures and to their implementation. In addition, in the first in a series of papers published under the general title of Eneco Change of Course (Koersverleggers), in which Eneco shares its views, solutions and ideas in connection with policy measures for a sustainable energy transition, Eneco also advocates a five-year transition programme, to last until 2030 if not beyond, as a structural solution to energy poverty in the Netherlands. This solution should give maximum attention to accelerating the pace of residential sustainability improvements for the vulnerable population group, while also offering households specifically designed income support. The Supervisory Board endorses this initiative wholeheartedly. The Supervisory Board wishes to express its sincere appreciation towards customers and employees, for the enthusiasm and dedication with which they continue to look for possibilities and solutions to making sustainability improvements together.

One Planet Plan

In the summer of 2021, Eneco published its One Planet Plan, with its ambition to become climate-neutral by 2035. During the 2023 financial year, added focus was placed on the progressive ambition for biodiversity. Working together with Arcadis, Eneco selected, and refined to suit its objectives, a method for establishing the biodiversity impact of Eneco's investments in sustainable assets and where necessary investing in nature recovery. Eneco wishes to lead the way for the energy sector. As such, one of our One Planet goals is that from 2025 forward all investment decisions for new sustainable energy assets should have a net positive impact on biodiversity. The method was used and tested in several pilot projects during the 2023 financial year. This will continue in the 2024 financial year. Measures are also being taken to further refine the CO_2 reduction reports to match ESG reporting purposes. The company works with its customers to identify solutions to reduce CO_2 emissions through radical electrification. An illustrative example of these efforts is the partnership with offshore service provider Heerema. While in port, Heerema's floating cranes are fed green shore power drawn directly from Eneco's wind turbines near Rozenburg. Eneco also invests in developing CO_2-free flexible assets such as large-scale batteries and e-boilers, for example Heineken and Eneco's installation and use of a 12 MW e-boiler in 2024, as part of a pilot to replace the existing boilers, which are still heated using gas and biogas. Eneco invests in new technologies as well, for example Compressed Air Energy Storage (CAES). A form of Long Duration Energy Storage, this technology converts surplus sustainable electricity produced from solar or wind energy into compressed air that is stored in salt caverns deep underground. It can then be used to provide flexibility to match electricity supply and demand.

The Supervisory Board fully embraces the One Planet Plan that was introduced in 2021, and emphasises that Eneco is helping to ensure that the planet remains habitable for the generations that follow us and is making every effort to help keep global warming to below 1.5ºC. The One Planet Plan and the various related matters such as the Value Chain Carbon Footprint and the Corporate Sustainability Reporting Directive (CSRD) are frequent topics of discussion between the Supervisory Board and the Management Board, in connection with both the necessary investments and support for the Management Board's decisions to achieve the climate ambition by 2035. The One Planet Plan is discussed by the Management Board and the Supervisory Board in its entirety, both in its separate elements and in terms of their practical application. It also is an important cornerstone of the business plan that sets out Eneco's vision, mission, strategy and policy, and which the Management Board updates every year, subject to the Supervisory Board's approval, in accordance with the Articles of Association and internal rules of procedure. The Management Board is a collegiate administrative body, meaning that it has collective responsibility for the One Planet Plan and the business plan, and therefore for sustainable development. The Supervisory Board is given quarterly updates on the results achieved to date under the One Planet Plan. The results of the efforts towards achieving the goals described in the One Planet Plan are also presented in the annual report, for example by how much CO_2 emissions have been reduced.

Principal themes

The Supervisory Board is closely involved in market developments, the introduction of the price ceiling and the price intervention ('inframarginal revenue cap') and in furthering the realisation of the One Planet Plan and the business plan. During its meetings, the Supervisory Board discussed various investment proposals, in particular for battery projects and for wind and solar farms, for example a battery project in Belgium that gives Eneco the possibility to increase its flexible capacity by 50 MW. Other important and recurring topics of discussion were the business plan and strategy for 2023-2027 and the associated investment timetable, and themes such as safety, including root cause analyses and improvements based on reports, and diversity & inclusion.

Board composition

Composition of the Supervisory Board
The composition of the Supervisory Board changed during the 2023 financial year. Aiichiro Matsunaga, Satoshi Hamada and Gaku Yaguchi resigned their membership on 1 March 2024, to accept other positions within Mitsubishi Corporation or its subsidiaries. That shareholder used its right of recommendation to put forward Mr Yuji Okafuji, Mr Yasuo Ohashi and Mr Haruki Umezawa for nomination, explaining how the Supervisory Board's profile, the Gender Balance Policy and Mitsubishi Corporation's internal policy rules had been taken into account in the process of selection and recommendation.

Yuji Okafuji, Group CEO of Power Solution Group, has gained extensive international management experience in multiple roles at Mitsubishi Corporation and within the energy sector, including with large-scale projects. He also possesses experience with complicated stakeholder issues. Besides his role at Mitsubishi Corporation, Yuji Okafuij does not have any other positions that are relevant for his performance as a member of the Supervisory Board, nor does he have seats on other legal entities' supervisory boards.

Yasuo Ohashi, Division COO of the International Power Division, has gained wide international management experience in the US, Asia, Europe and elsewhere. He also has extensive substantive experience of Europe's electricity market and with large-scale electricity projects in the US and Asia. Besides his role at Mitsubishi Corporation, Yasuo Ohashi does not have any other positions that are relevant for his performance as a member of the Supervisory Board. He has a seat on the supervisory board of another legal entity: Diamond Generating Corporation (US).

Haruki Umezawa possesses extensive expertise and experience in the area of finance, accounting and taxes. He is General Manager, Power Solution Administration Department of the Power Solution Group. Besides his role at Mitsubishi Corporation, Haruki Umezawa does not have any other positions that are relevant for his performance as a member of the Supervisory Board. He holds positions at several other legal entities: Director of Diamond Generating Corporation (US), auditor of MC Retail Enercy Co., Ltd. (Japan), and auditor of MC Mitsubishi Corporation Energy Solutions Ltd. (Japan).

The Supervisory Board presented Yuji Okafuji, Yasuo Ohashi and Haruki Umezawa to the General Meeting of Shareholders, which appointed them to the Supervisory Board effective 1 March 2024, for terms of 4 years.

The Supervisory Board's current Chair, Mel Kroon, was appointed to the Supervisory Board of N.V. Eneco on 24 March 2020. The shareholder used its right of recommendation to put him forward for nomination for reappointment. During the past period his efforts as a member and Chair of the Supervisory Board have made a significant contribution to its performance, thanks in part to his substantive experience with the energy sector, his extensive management experience and his experience with complicated stakeholder management. Mel Kroon has other roles and positions, some of which fall within the scope of the Dutch Management and Supervision of Legal Entities Act (Wet bestuur en toezicht rechtspersonen). He has roles as chair of the Supervisory Board of Attero B.V.; deputy chair and member of the Supervisory Board of TKH Group N.V.; member of the Supervisory Board of Montel A.S.; member of the Supervisory Board of LVNL; Chair of the Advisory Board of Giga Storage; member of the Supervisory Board of Urenco Ltd & UCN; and member of the Supervisory Board of KVSA B.V. The Supervisory Board nominated Mel Kroon, and he was reappointed by the General Meeting of Shareholders effective 1 April 2024.

Michael Enthoven was appointed an independent member of the Supervisory Board on 24 March 2020, based on the reinforced right of recommendation of the Central Works Council. His duty is to ensure that the additional arrangements that Eneco made with the shareholder when Eneco was privatised are observed. He has gained extensive domestic and international experience at financial institutions. He also possesses experience with complicated stakeholder management. During the past period, he has made a significant contribution as chair of the Audit & Risk Committee, as chair of the Remuneration, Selection and Appointment Committee and as a member of the Supervisory Board. On the Central Works Council's recommendation, the Supervisory Board decided to nominate Michael Enthoven for reappointment for the period from 1 April 2024 to 23 March 2025, which is when the additional arrangements made between the shareholders and Eneco when Eneco was privatised expire. The General Meeting of Shareholders accordingly reappointed him to the Supervisory Board effective 1 April 2024.

The Central Works Council is involved in the various succession pathways, and shared its favourable views on these appointments with the General Meeting of Shareholders. The Supervisory Board wishes to thank Aiichiro Matsunaga, Satoshi Hamada and Gaku Yaguchi for their efforts during the past period.

An overview of the Supervisory Board's composition, plus personal details and terms of office, is available on the Governance page of the corporate website, together with summaries of the various members' areas of expertise and experience.

Composition of the Management Board
The composition of the Management Board changed during the 2023 financial year. On 10 August 2023 it was announced that Karen de Lathouder had been appointed COO Assets, effective 1 November 2023. Karen de Lathouder succeeded Frans van de Noort, who had left Eneco on 1 April 2023.

Meetings of the Supervisory Board

The Supervisory Board had both online and in-person meetings during the 2023 financial year. Besides the 6 regular meetings, 6 additional meetings were conducted in writing, for a total of 12 meetings of the Supervisory Board. Some of those additional meetings were scheduled to update the Supervisory Board on the latest status of investment proposals or to satisfy the timeline requirements in the decision-making process. The annual report and financial statements for the 2023 financial year were discussed with Deloitte Accountants B.V.

The 2 independent members appointed on the basis of the Central Works Council's reinforced right of recommendation gave specific attention to topics resulting from the additional arrangements made between the shareholders and Eneco at the time of the privatisation. Besides this, the Supervisory Board also had regular meetings of its own, without the Management Board being present. The Chairs of the Supervisory Board and the Management Board consulted each other very frequently, and members of the Supervisory Board were in regular contact with members of the Management Board, and with representatives from the shareholders.

Meetings of the Supervisory Board's committees

The individual committees made sure that the Supervisory Board as a whole could be advised, and its resolutions on various important topics prepared, without compromising on the level of care.

Remuneration, Selection and Appointment Committee
The Remuneration, Selection and Appointment Committee (RSA) had 7 meetings during the 2023 financial year, one of which took place in writing. Topics that were discussed included the composition of Eneco's Management Board and Supervisory Board and the various candidates put forward for nomination and their appointments. The RSA prepared the performance dialogue with the Management Board and the review of the realisation of the targets relative to variable remuneration of the Management Board's members. The RSA advised the Supervisory Board on its decisions about establishing the realisation of the targets, granting the variable remuneration and establishing the targets for the next performance year. In addition, the Supervisory Board conducted an annual review of the remuneration of the Management Board, in accordance with the Management Board's remuneration policy. As a result, the RSA advised the Supervisory Board to adjust the salaries of the Management Board. The RSA launched an overall review of the remuneration policy for the Management Board during the 2023 financial year. The results are expected to be available during the 2024 financial year.

Another important item on the agenda was the latest status of the realisation of Eneco's Gender Balance policy. In connection with the Supervisory Board's evaluation, the RSA prepared a proposal to give shape to this with external assistance. Lastly, the RSA discussed the annually recurring theme of succession management, both for the Management Board and for senior management.

Audit & Risk Committee
The Audit & Risk Committee oversees the policies of the Management Board, in particular in terms of financial reporting, including exchanges of information with the external auditor and the functioning of the risk management systems. Important recurring themes for the Audit & Risk Committee are the developments on the energy market and the associated risks, risk management and the role that the Supervisory Board plays in overseeing this. At the company level, the risk limits have been formalised in various concrete policy statements, codes and guidelines for matters such as safety, trading mandates and authorisational powers. The Supervisory Board is given very frequent updates on the most important market developments, risks and exposures (financial and otherwise) and capital requirements. The Audit & Risk Committee met 6 times, of which once in writing. In-depth discussions were held with the CFO, the external auditor, the internal auditor and various representatives of the Finance organisation about the annual report, the financial statements, the management letter and the external and internal audit plans. The Audit & Risk Committee also gave its attention to various strategic risks (including market risks), for example the rise of sustainable electricity in combination with the need for flexibility, the affordability of energy for customers, the J-SOx regulations and the annual report, including a list of the compliance and integrity issues that were reported.

Self-evaluation

With help from an external adviser, the Supervisory Board subjected its performance to an extensive evaluation. Feedback was requested from various related parties such as the Management Board, the Central Works Council, the Company Secretary and HR. The outcome was positive. The Supervisory Board has a good relationship with the Management Board, and with the Central Works Council. The Supervisory Board was closely involved, at an early stage, with major proposals (particularly for investments) and with strategic developments such as the implementation of the One Planet Plan. The Supervisory Board's agenda balances topics relating to the past, the present and the future. The Supervisory Board's committees work well, incorporating details of dilemmas and risks into the discussions of the sub-committees. The Chair's performance is also rated highly, as is the shareholders' support for the sustainability strategy and how it is given shape in practice. Various points have been identified that offer room for improvement, including the gender balance on the Supervisory Board and the Supervisory Board's succession management. Further possibilities will be added for informal communication with multiple levels of management.

Knowledge development

The members of the Supervisory Board put effort into developing the Supervisory Board's knowledge about sustainability. This includes in connection with the One Planet Plan, for example, as well as in awareness sessions about European developments in the area of sustainability reporting (the Corporate Sustainability Reporting Directive, CSRD). A final method of improving the Supervisory Board's expertise is by taking part in external events. Last year, several of the Supervisory Board's members attended various events dealing with developments in the areas of sustainability, sustainability reporting, sustainability innovations and ecosystems. One of the members also took an active part as a speaker at the Energy Summit. The Supervisory Board's functioning is effective and sufficient. Besides the regular meetings, twice yearly it meets for multi-day programmes in Japan and Europe. In addition to the meetings on location, these programmes foster stronger relationships and a deeper understanding of projects and substantive themes.

Competencies, personal details and terms of office

The personal details of the Supervisory Board's members, together with a list of their terms of office and areas of focus, are available on the corporate website, under Governance.

Attendance overview

The Supervisory Board's regular meetings were all attended by all members, although for 2 of the regular meetings one of the members of the Supervisory Board was represented by another member by proxy. Besides those regular meetings, a number of additional meetings were scheduled, where the Supervisory Board was given updates about the latest status of specific proposals (particularly concerning investments and divestments) and a proposal to initiate arbitration proceedings. Several meetings were also conducted in writing, with a view to passing resolutions outside the regular scheduled meetings.

Interactions with the Central Works Council

The Chair of the Supervisory Board and the members appointed on the basis of the Central Works Council's reinforced right of recommendation are in regular communication with the Central Works Council. The two members appointed on the basis of the Central Works Council's reinforced right of recommendation each separately met with the Central Works Council. The Chair of the Supervisory Board is in regular contact with the chair of the Central Works Council outside meetings. Further regular communications with the Central Works Council concerned various processes, including the formation of a joint venture with Eneco's parent company Mitsubishi Corporation, the succession of the COO Assets, the adjustments to the remuneration policy for the Management Board and the Supervisory Board, and various appointments.

Interactions with the shareholders

The Supervisory Board has a good understanding with the shareholders. The working relationships between the Management Board, the Supervisory Board and the shareholders are positive and constructive, both in matters concerning support for the climate ambitions under the One Planet Plan and in terms of realising those plans, including the associated investment proposals.

They are in regular communication to identify opportunities in concrete projects and partnerships. Numerous possibilities exist for giving further shape to the relationship between Eneco and its shareholders, and some of those possibilities have already yielded concrete results. For example, a joint venture was set up in May 2023 to realise hydrogen and offshore wind projects. This is illustrated by the permit application that has since been submitted for the Eneco Electrolyzer: a factory for producing green hydrogen in Rotterdam's Europoort industrial estate. Eneco's purpose, in partnership with its parent company Mitsubishi Corporation, is to help industrial customers to make their processes and products more sustainable.

Knowledge and experiences are shared, including in areas such as offshore wind projects, and several of the shareholders' employees provide Eneco with assistance in their areas of expertise, such as finance, J-SOx and asset operations.

Potential conflicts of interest and contracts with affiliated parties

Various contracts with, and proposals concerning, affiliated parties (Mitsubishi Corporation or a subsidiary, or Chubu Electric Power Co. Inc or a subsidiary) were presented to the Supervisory Board for its approval in 2023. These included investment proposals and contracts for seconding employees to foster mutual exchanges of knowledge and experience. In accordance with the internal guidelines and procedures, the members of the Supervisory Board with ties to the affiliated parties were not involved in the discussions or resolutions about these topics, and the 2 independent members have given their prior approval for the contracts, in accordance with the additional arrangements made at the time of the privatisation. The process for identifying and discussing potential conflicts of interest is part of the internal guidelines, including the Code of Conduct and the internal rules of procedure.

In conclusion

The Supervisory Board wishes to express once more its particular thanks to the entire workforce, the Management Board, the shareholders, the Central Works Council, and all Eneco's customers and partners.

Affordability of energy was an important theme last financial year, and a central topic was the continued growth and development of a sustainable and flexible energy system. Working on the future, to make sustainable energy available to everyone, will only be possible if our customers, the Management Board, the Central Works Council, the shareholders, the workforce and all Eneco's partners work together and do their bit. Eneco's goal is to become a climate-neutral company by 2035 and accelerate the pace of the energy transition, with and for its customers and partners. We only have one planet Earth. We need to cherish it, and be careful with everything that the planet has to offer - for ourselves, but more and more importantly for our descendants too.

On behalf of the Supervisory Board of N.V. Eneco,
Mel Kroon

Rotterdam, 13 June 2024

Remuneration

Eneco has a remuneration policy that is designed to support its strategy. To make it possible for Eneco to attract and retain motivated and qualified personnel who, no matter what their job or their level, help Eneco to develop and to fulfil its role in the energy transition, the policy presents a remuneration package that is fair both in the internal context and relative to the external market.

Remuneration policy for the Management Board

The Management Board's remuneration is established by the Supervisory Board, in accordance with the remuneration policy that was adopted for the Management Board by the Shareholders' Meeting on 29 May 2020, and that reflects the general principles described above. On 1 April 2021, the General Meeting of Shareholders adopted a new version of the remuneration policy for the Management Board by reason of a redefinition of the financial target (until 1 April 2021: EBITDA, from 1 April forward 2021: Net Result). The most recent change to the remuneration policy for the Management Board dates from 29 March 2022, when two new targets were added to the short-term variable remuneration, for safety and sustainability.

A level of remuneration has been established for the members of the Management Board that is considered appropriate and competitive compared with a reference group of Dutch companies of a similar size and complexity as well as European competitors. Given Eneco's position in society and sustainable nature, the reference point for the remuneration is 20% lower than the median for that reference group.

The Supervisory Board launched an overall review of the remuneration policy for the Management Board during the 2023 financial year. The results are expected to be available during the 2024 financial year.

Composition of the remuneration package.

Besides a salary, the policy also provides for variable remuneration for the long and the short term. The short-term variable remuneration is awarded on the basis of targets that the Supervisory Board defines each year for:

- the financial results, carrying 60% weight in the amount awarded;
- sustainability, measured using Mton CO_2-eq, carrying 15% weight%;
- customer satisfaction, measured using relational customer satisfaction, carrying 10% weight;
- employee engagement, measured using the eNPS, carrying 10% weight;
- safety, measured using the RIF, carrying 5% weight.

Whether or not a long-term variable remuneration is awarded depends on how the financial results improve over a 3-year period.

The short-term variable remuneration will be awarded only if two basic conditions are met:

- no fatal accidents involving any of Eneco's employees in the performance of their jobs (not including commuting to and from work);
- no major breaches of IT safety or privacy with a harmful impact on the company's reputation.

The Management Board's members receive a contribution towards their pension accrual, plus other forms of remuneration, in accordance with the arrangements for the rest of the workforce and with common market practices.

Remuneration level

As per the remuneration policy for the Management Board, the salaries are subject to annual review by the Supervisory Board, potentially resulting in those salaries being adjusted. Following careful consideration, the annual review resulted in an increase in the salaries for the first time as foreseen when this policy was adopted in 2020. The increase, effected at 1 April 2023, consisted of the amounts shown in the 'Table for the 2023 financial year'. To determine that increase, the Supervisory Board drew on a benchmark study performed by PwC based on the existing reference group. It also heard the Management Board's views on the new amounts.

The short-term variable remuneration, if the targets are met (i.e. 'on target'), is 30% of the non-variable annual salary including holiday allowance, subject to a minimum of 20% and a maximum of 40%. The long-term variable remuneration, if the targets are met (i.e. 'on target'), is 30% of the non-variable annual salary including holiday allowance (with a minimum of 20% and a maximum of 40%), subject to review of the realisation at the end of the appropriate 3-year period.

Table for the 2022 financial year:

Direct remuneration components	CEO	Other members of the Management Board
Salary	€600,000	€435,000
Variable remuneration, short term	30% of salary	30% of salary
Variable remuneration, long term	30% of salary	30% of salary

Table for the 2023 financial year:

Direct remuneration components	CEO	Other members of the Management Board
Salary	€660,000	€478,500
Variable remuneration, short term	30% of salary	30% of salary
Variable remuneration, long term	30% of salary	30% of salary

Relationship between remuneration highest paid individual (CEO) and the remuneration of the median employee (pay ratio)

As of the Annual Report 2023, Eneco reports on the internal pay ratio further to Disclosure 2-21 of the Global Reporting Initiative (GRI) standards. The internal pay ratio is based on the highest paid individuals salary, i.e. the CEO's total remuneration (including all remuneration components), compared to the median total remuneration (including all remuneration components) based on all employees[1], excluding the CEO. The total remuneration of the CEO and the total remuneration of the median employee are based on remuneration data ove rthe period 1 April 2023 - 31 March 2024.

The internal pay ratio based on EU-GRI is 15.2 : 1. As of the Annual Report 2024, the pay ratio will be compared to the previous year and the development explained.

[1] Same definition and scope as FTE reporting; for determining the employee population a reference date of 31 December 2023 has been used.

The remuneration policy for the Supervisory Board is designed to allow Eneco to attract and retain highly qualified members in relation to the international context in which the company operates. The remuneration has been established with due consideration of the fact that meetings are held in Rotterdam and in Tokyo by turn, which carries over to the amount of time that this office consumes. Some meetings also take place with an online option.

The remuneration provides for a non-variable fee for membership of the Supervisory Board and a fee for the committee roles that the individual members have, as shown in the table below.

Non-variable annual fee	Chair	Members
Basic fee for membership of the Supervisory Board	€80,000	€60,000
Fee for membership of the Audit Committee	€10,000	€7,500
Fees for membership of other committees	€8,500	€6,500

The members appointed on the shareholders' recommendation have announced that they do not require any remuneration for their role on Eneco's Supervisory Board.

The Supervisory Board launched an overall review of the remuneration policy for the Supervisory Board during the 2023 financial year. The results are expected to be available during the 2024 financial year.

For the costs of the 2023 remuneration of the Management Board and Supervisory Board see Note 6 to the financial statements, Remuneration of the Management Board and Supervisory Board.

Assurance report

Limited Assurance Report of the independent auditor on the sustainability information presented in the annual report

To: the shareholder and the Supervisory Board of N.V. Eneco

Our conclusion
We have performed a limited assurance engagement on the sustainability information in the accompanying annual report for the year ended 31 March 2024 (hereafter the "sustainability information") of N.V. Eneco (hereafter "Eneco" or the "Company") based in Rotterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information does not present fairly, in all material respects:

- The policy with regard to sustainability matters and
- The business operations, events and achievements in that area for the year 2023 ended 31 March 2024

in accordance with the applicable criteria as included in the 'Criteria' section of our report.

The sustainability information is included in the following chapters of the annual report:

- Key figures (page 3)
- About Eneco (page 7-10);
- Report of the Management Board, presented in the chapters:
  - Strategy and value (pages 11-18);
  - Operating results (pages 19-25);
  - One Planet results (pages 26-37);
  - ESG (pages 41-47);
  - Employee vitality (page 48-49);
  - Safety, quality, security (pages 60-64)

Basis for our conclusion
We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the sustainability information' section of our report.

We are independent of Eneco in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria
The reporting criteria applied for the preparation of the sustainability information are the GRI Sustainability Reporting Standards (GRI Standards) and the criteria supplementally applied as disclosed on pages 155-158 of the annual report.

The sustainability information is prepared with reference to the GRI Standards and the applied supplemental reporting criteria as disclosed in the chapter 'Reporting policy' on pages 155-158 of the annual report. The GRI Standards used are listed in the GRI Content Index as disclosed on pages 147-149 of the annual report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the sustainability information needs to be read and understood together with the criteria applied.

Limitations to the scope of our review
The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board and the Supervisory Board for the sustainability information
The Management Board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the 'Criteria' section, including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarised in the chapter "Reporting Policy" of the annual report.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process of N.V. Eneco.

Our responsibilities for the review of the sustainability information
Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen)' (NVKS, regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the management board.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the group structure, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted among others of:
    - Obtaining inquiries from management and relevant staff at corporate and local level responsible for the sustainability strategy, policy and results;
    - Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the sustainability information;
    - Determining the nature and extent of the procedures to be performed for the group's components. For this, the nature, extent and/or risk profile of the group's components and locations are decisive, as is our assessment of the possibility to perform assurance-procedures at a central level and the presence of common information systems and processes;
    - Obtaining assurance evidence that the sustainability information reconciles with underlying records of the company;
    - Reviewing, on a limited test basis, relevant internal and external documentation;

  - Considering the data and trends reported.

- Reconciling the relevant financial information with the financial statements.

- Reading the information in the annual report which is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the sustainability information.

- Considering the overall presentation and balanced content of the sustainability information.

- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Rotterdam, 13 June 2024

Deloitte Accountants B.V.

Was signed,

N.H.M. van Groenendael

N.V. Eneco - Financial Statements

Consolidated financial statements for the year ended 31 March 2024

Consolidated income statement

For the year ended 31 March

x €1 million	Note	31 March 2024[1]	31 March 2023[2]
Revenues from energy sales and energy-related activities	3	8,223	13,285[3]
Purchases of energy and energy-related activities		-6,603	-11,319[3]
Gross margin		**1,620**	**1,966**
Other income	4	136	74
Gross margin and other income		**1,756**	**2,040**
Cost of contracted work and other external costs		-574	-618
Employee benefit expenses	5	-368	-378
Depreciation and impairment of property, plant and equipment	11, 12	-283	-337
Amortisation and impairment of intangible assets	13	-94	-152
Other operating expenses		-43	-75
Operating expenses		**-1,362**	**-1,560**
Operating profit		**394**	**480**
Share of profit of associates and joint ventures	7	64	54
Financial income	8	38	13
Financial expenses	9	-42	-39
Profit before income tax		**454**	**508**
Income tax	10	-86	-128
Profit after income tax		**368**	**380**
Attributable to			
Shareholders of N.V. Eneco		364	377
Non-controlling interests		4	3
Profit after income tax		**368**	**380**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see note 1.2 Change in financial reporting period.
3 €140 million was a reclassification grossing up Revenues and Purchases for the purpose of comparability.

Consolidated statement of comprehensive income

For the year ended 31 March

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Profit after income tax		**368**	**380**
Unrealised gains and losses that will not be reclassified to profit or loss			
Remeasurement of defined-benefit pension plans	23	-1	1
Unrealised gains and losses that may be reclassified to profit or loss			
Currency translation differences			
- Current period	29	8	-11
Net investment hedge			
- Current period, change before tax	29	-8	5
- Income tax effect	29	2	-1
Cash flow hedges			
- Current period, change before tax	29	216	105
- Income tax effect	29	-55	-27
Share of unrealised profit of associates and joint ventures after tax	15, 29	-11	56
Total other comprehensive income		**151**	**128**
Total comprehensive income		**519**	**508**
Total comprehensive income attributable to:			
Shareholders of N.V. Eneco		515	505
Non-controlling interests		4	3
Total comprehensive income		**519**	**508**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see note 1.2 Change in financial reporting period.

Consolidated balance sheet

x €1 million	Note	At 31 March 2024	At 31 March 2023
Non-current assets			
Property, plant and equipment			
- Owned assets	11	3,439	3,216
- Right-of-use assets	12	341	336
Intangible assets	13	1,115	1,043
Associates and joint ventures	15	346	317
Deferred tax assets	16	41	24
Derivative financial instruments	17	139	372
Other non-current assets	18	135	104
Total non-current assets		**5,556**	**5,412**
Current assets			
Assets held for sale		-	2
Intangible assets and inventories	13	286	630
Trade receivables	19	1,415	1,831[1]
Other current assets	20	679	761[1]
Current tax assets		25	2
Derivative financial instruments	17	466	1,314
Cash and cash equivalents	21	405	437
Total current assets		**3,276**	**4,977**
TOTAL ASSETS		**8,832**	**10,389**

1 €33 million was reclassified from Other current assets to Trade receivables for the purpose of comparability.

x €1 million	Note	At 31 March 2024	At 31 March 2023
Equity			
Equity attributable to shareholder of N.V. Eneco	22	3,643	3,317
Non-controlling interests	22	14	12
Total equity		**3,657**	**3,329**
Non-current liabilities			
Employee benefit obligations	23	4	5
Provisions	24	230	208
Deferred tax liabilities	16	249	167
Derivative financial instruments	17	250	775
Lease liabilities	12	305	302
Borrowings	25	583	619
Other liabilities	26	222	210
Total non-current liabilities		**1,843**	**2,286**
Current liabilities			
Employee benefit obligations	23	3	3
Provisions	24	15	10
Derivative financial instruments	17	408	1,149
Lease liabilities	12	41	31
Borrowings	25	945	59
Current tax liabilities		35	106
Trade creditors and other liabilities	26	1,885	3,416
Total current liabilities		**3,332**	**4,774**
TOTAL EQUITY AND LIABILITIES		**8,832**	**10,389**

Consolidated cash flow statement

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Profit after income tax		**368**	**380**
Adjustments for:			
- Financial income and expense recognised in profit or loss	8, 9	4	26
- Income tax recognised in profit or loss	10	86	128
- Share of profit of associates and joint ventures	7	-64	-54
- Depreciation, amortisation and impairment	11, 12, 13	377	487
- Result from sale of tangible and intangible assets		-	17
		771	**984**
Changes in:			
- Intangible current assets and inventories		349	-394
- Trade receivables		420	-538
- Other current assets		83	-251
- Non-interest bearing-debt		-1,539	1,266
- Provisions, derivative financial instruments and other		128	81[3]
Net cash flow from business operations		**212**	**1,148**
Interest paid	9, 12	-32	-36
Interest received		33	11
Other financial income and expenses		-5	-
Income tax paid/received		-179	-69
Net cash flow from operating activities		**29**	**1,054**

x €1 million	Note	Year ended 31 March 2024[1]	Period ended 31 March 2023[2]
Loans granted		-1	-13
Repayment of loans granted	18	1	3
Dividend received from associates and joint ventures		46	24
Acquisition of subsidiaries (net of cash acquired)	14	-77	-5
Acquisition of joint operations, joint ventures and associates	14	-28	-20
Disposal of joint operations, joint ventures and associates		-	4
Investments in property, plant and equipment	11	-584	-560
Disposal of property, plant and equipment		-	2
Investments in intangible assets	13	-59	-57
Net cash flow from investing activities		**-704**	**-622**
Dividend payments		-192	-104
Payment of lease liabilities	12	-31	-36
Repayment of borrowings	25	-343	-791
Proceeds from borrowings	25	1,208	282[3]
Purchase/sale of non-controlling interests		-	1
Net cash flow from financing activities		**642**	**-648**
Movement in cash and cash equivalents		**-33**	**-216**
Balance of cash and cash equivalents at 1 April 2023 and 1 January 2022		437	654
Translation gains and losses on cash and cash equivalents of subsidiaries		1	-1
Balance of cash and cash equivalents at 31 March 2024 and 31 March 2023		**405**	**437**

1 12-month period from 1 April 2023 to 31 March 2024.
2 15-month period from 1 January 2022 to 31 March 2023, see 1.2 Change in financial reporting period.
3 An amount of €16 million was reclassified from Provisions, derivative financial instruments and other to Proceeds from borrowings in relation to a bank overdraft.

Consolidated statement of changes in equity

	Equity attributable to shareholders of N.V. Eneco[1]						
x €1 million	Issued capital	Trans-lation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2022	**122**	**-8**	**-247**	**3,047**	**2,914**	**7**	**2,921**
Profit for the 15-month period ended 31 March 2023	-	-	-	377	377	3	380
Total other comprehensive income	-	-7	134	1	128	-	128
Total comprehensive income	**-**	**-7**	**134**	**378**	**505**	**3**	**508**
Dividend to shareholders of N.V. Eneco	-	-	-	-104	-104	-	-104
Other movements	-	-	-	2	2	-	2
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	2	2
Total transactions with owners of the company	**-**	**-**	**-**	**-102**	**-102**	**2**	**-100**
At 31 March 2023	**122**	**-15**	**-113**	**3,323**	**3,317**	**12**	**3,329**
Profit after income tax	-	-	-	364	364	4	368
Total other comprehensive income	-	2	150	-1	151	-	151
Total comprehensive income	**-**	**2**	**150**	**363**	**515**	**4**	**519**
Dividend	-	-	-	-189	-189	-3	-192
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	1	1
Total transactions with owners of the company	**-**	**-**	**-**	**-189**	**-189**	**-2**	**-191**
At 31 March 2024	**122**	**-13**	**37**	**3,497**	**3,643**	**14**	**3,657**

1 See note 22 Equity for further information on equity.

Notes to the consolidated financial statements

1. Accounting principles for financial reporting

1.1 General information

N.V. Eneco ('the company') is a company incorporated under Dutch law, with its registered office in Rotterdam. N.V. Eneco is the holding company of subsidiaries, interests in joint operations, joint ventures and associates (referred to jointly as 'Eneco' or 'the Group'). Mitsubishi Corporation (Tokyo, Japan) is the ultimate parent company of N.V. Eneco. The full large company regime applies to N.V. Eneco pursuant to the articles of association. The company is registered at the Chamber of Commerce under number 24246970.

In line with its mission of 'everyone's sustainable energy', the Group is investing in making the supply chain more sustainable with the aim of keeping energy clean, available and affordable for customers into the future. The Group focuses on innovative energy services and products that allow customers to save energy or generate sustainable energy jointly or alone and feed it into the energy network. New services are being developed for this, that form and shape the energy transition. These include innovative flexible services and services focusing on saving energy. In addition to the Netherlands, the Group operates in Belgium, Germany and the United Kingdom.

The Group's main strategic alliances are its investments and participating interests in onshore and offshore wind farms, solar farms, start-ups and memberships of co-operatives. These comprise:

- The joint investment with Inpex Renewable Energy Europe Limited in the Luchterduinen offshore wind farm.
- Investment with Nethys N.V. in the Norther wind farm in the North Sea.
- Investment with a number of others (Shell, INPEX, Swisslife Asset Managers, Luxcara, Octopus Energy Generation, NUVEEN, Glennmont Partners) in the Blauwwind (Borssele III & IV) offshore wind farm.
- Joint operation of the SeaMade wind farm developed off the Belgian coast.
- The CrossWind consortium, a joint investment between Shell and Eneco to build the Hollandse Kust Noord wind farm without subsidies.
- The Ecowende consortium, a joint investment between Shell and Eneco, to build the Hollandse Kust (west) site VI wind farm without subsidies.
- Partner of the Enecogen V.O.F. electricity station partnership and an interest in Greenchoice B.V.

The consolidated financial statements have been prepared by the company's Management Board. The financial statements for the year ended 31 March 2024 were approved by the Management Board during its meeting on 13 June 2024 and will be submitted for adoption by the General Meeting of Shareholders on 24 June 2024.

1.2 Change in financial reporting period

On 8 December 2021, the company's Management Board decided that the consolidated financial reporting period will change from the calendar year to a fiscal year running from 1 April to 31 March in order to align its financial reporting period with that of the ultimate parent, Mitsubishi Corporation.

Accordingly, the accompanying consolidated financial statements for the comparative financial reporting period cover a period of fifteen months, from 1 January 2022 to 31 March 2023. The current financial reporting period concerns twelve months, from 1 April 2023 to 31 March 2024, and hence are not directly comparable.

1.3 New and amended IFRS standards

Changes to existing IFRS standards or new IFRS standards applied by Eneco since 1 April 2023
A number of changes to existing IFRS standards or new IFRS standards adopted by the European Commission have been in force since 1 January 2023 and, where relevant, have been applied by Eneco since 1 April 2023. They are as follows:

- **New IFRS 17 'Insurance Contracts'.**
  IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, which means that this financial year is the first year in which Eneco has applied IFRS 17. This new IFRS replaces IFRS 4 'Insurance Contracts'. Eneco did not hold any insurance contract under IFRS 4. However, as a result of the broadened scope of IFRS 17, Eneco has performed a scoping assessment to identify contracts that may be considered insurance contracts under IFRS 17. Eneco's primary source of revenue from contracts with customers is based on commodity price indices. These are therefore a reflection of contracts with financial risk as defined by IFRS 17. The assessment concluded that the main revenue streams do not meet the insurance risk scope as defined by IFRS 17. Eneco has performed a risk-based review at its other material business units, identifying

and reviewing the largest contracts that may be considered insurance contracts. All of these contracts seek to provide our clients with a service at a fixed fee, without an individual customer risk assessment or other components reflecting or mitigating underwriting risk. Eneco meets the ‘fixed-fee service contracts’ scope exemption of IFRS 17.8 for all these revenue streams. In line with the initial assessment disclosed in the 2022 annual report, Eneco is applying the accounting policy option to account for these contracts as revenue under IFRS 15.

- **Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements' - 'Disclosure of Accounting Policies'**
  These amendments require companies to disclose their ‘material’ accounting policies, instead of their ‘significant’ accounting policies and explain how to identify when accounting policy information is material. Although the amendments did not result in changes to the accounting policies themselves, they had a limited impact on the accounting policy information disclosed in note 2 of the consolidated financial statements of N.V. Eneco.

- **Amendments to IAS 1 ‘Presentation of Financial Statements’.**
  The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify (i) what is meant by a right to defer settlement (for which a definition has been provided), (ii) that a right to defer must exist at the end of the reporting period, and (iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right. A requirement has also been introduced for disclosure when a liability arising from a loan agreement is classified as non-current and the company’s right to defer settlement is contingent on compliance with future covenants within twelve months. Eneco early applies these amendments. They have been applied retrospectively from 1 April 2023 to align with the accounting policy of Eneco’s ultimate parent company. The amendments have no impact on the Group’s financial statements.

- **Amendments to IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors' - 'Definition of Accounting Estimates'**

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. Further, these amendments clarify how changes inaccounting policies should be distinguished from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. In addition, they clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- **Amendments to IAS 12 ‘Income Taxes’ - 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
  These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. These amendments do not have a material impact on Eneco.

- **Amendments to IAS 12 'Income Taxes' - 'International Tax Reform - Pillar Two Model Rules'**
  The scope of IAS 12 ‘Income Taxes’ is adjusted to also include income taxes arising from tax law enacted or substantively enacted to implement the ‘Pillar Two’ model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.
  The amendments introduce a temporary mandatory exception to the accounting requirements for deferred taxes for the top-up tax, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to ‘Pillar Two’ income taxes. The mandatory exception is effective immediately and is applied retrospectively.

New IFRS standards and amendments to existing standards to be applied by Eneco starting on 1 April 2024
New standards and amendments to existing standards, which Eneco has not adopted early, become effective from 1 January 2024 and will be applied by Eneco from the next reporting period (starting on 1 April 2024):

- **Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’ regarding supplier finance arrangements**
  The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments are not expected to have a material impact on the Group’s financial statements.

- **Amendments to IFRS 16 'Leases' regarding a lease liability in a sale and leaseback**
  The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The amendments are not expected to have a material impact on the Group’s financial statements.

Other IFRS standards and amendments
Other new IFRS standards, amendments to existing standards and/or new interpretations that will apply in later reporting periods and/or that have not yet been adopted by the European Commission and/or that are not relevant to the Group, are not addressed further in these financial statements.

1.4 Basis of consolidation

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) in force at 31 March 2024, as adopted by the European Commission, and with the provisions of Part 9, Book 2 of the Dutch Civil Code. Where necessary, the accounting policies of joint operations, joint ventures and associates are brought into line with those of N.V. Eneco. The consolidated financial statements have been prepared on a going-concern basis using the accrual basis of accounting.

The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code, and the same measurement has been applied as in the consolidated financial statements as permitted by Section 362(8), Part 9, Book 2 of the Dutch Civil Code, except that subsidiaries are carried at net asset value determined on the basis of the IFRS accounting policies used in the consolidated financial statements.

The company income statement is presented in a condensed form pursuant to the provisions of Section 402, Part 9, Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise the financial statements of N.V. Eneco, its subsidiaries and the relevant proportion of the joint operations, non-consolidated joint ventures, associates and other capital interests. Judgement is applied to determine whether there is control, joint control or significant influence according to the shareholders' agreements.

Subsidiaries
A subsidiary is an entity where the company exercises control. This means that the company controls, directly or indirectly, that entity’s financial and business operations with the purpose of gaining economic benefits from the activities of that entity. Control is based on whether the investor (1) exercises ‘power’ over the entity, (2) is exposed, or has rights, to variable returns from the investment in the entity and (3) has the ability to affect those returns through its control. In general, the company holds more than half the shares in its subsidiaries.

The financial statements of a subsidiary are recognised in the consolidated financial statements from the date on which control is obtained until the date on which that control no longer exists. Potential voting rights which can be exercised immediately are also taken into account when determining whether control exists. Pursuant to the consolidation method, 100% of the assets, liabilities, income and expenses from subsidiaries are recognised in the consolidated financial statements. Intercompany balance sheet positions, transactions and results on such transactions between subsidiaries are eliminated.

Non-controlling interests consist of the capital interests of minority shareholders in the fair value of the identifiable assets and liabilities when a subsidiary is acquired and the non-controlling interest in subsequent changes to the equity. Non-controlling interests in the equity and results of subsidiaries are disclosed separately.

Joint operations/Joint ventures
Joint operations and joint ventures are entities for alliances in respect of which there are contractual undertakings with one or more parties under which they have joint decisive control over that entity. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Only the Group’s share of assets, liabilities, income and expenses of joint operations are consolidated, in accordance with the accounting policies of the Group. Joint ventures are recognised using the equity method in accordance with the accounting policies of the Group. Interests in joint operations and joint ventures are recognised from the date on which joint control is obtained until that joint control no longer exists.

Associates
An associate is an entity where there is significant influence over the financial and operating strategy, but not control. In general, 20% to 50% of the voting rights are held in an associate. The share in associates is recognised in the consolidated financial statements using the equity method, in which initial recognition is at the cost of acquisition of the interest in the associate. The carrying amount is then adjusted by the share in the result less dividends received. The cost of acquisition of an associate is the amount at which an associate was acquired by Eneco. If the cost is higher than the fair value of the net identifiable assets acquired, this difference is goodwill that is part of the value of the associate according to the equity method. Associates are recognised from the date on which significant influence has been obtained until the date on which that influence no longer exists. Results on transactions with associates are eliminated in proportion to the interest in the associate.

Losses on associates are recognised up to the amount of the net investment in the associate, including both the carrying amount and any loans granted to the associate. A provision is only formed for the share in further losses if the Group has assumed liability for those losses.

Other capital interests
Other capital interests are investments in entities in which the Group has an interest but where neither control nor significant influence can be exercised. These interests are carried at fair value with movements recognised through profit or loss.

1.5 Impact energy crisis

All amounts shown in the tables are in millions of euros unless stated otherwise

As a response to volatile and rising European energy prices, in 2022 and 2023, governments in Europe introduced certain customer support arrangements to partly compensate for the financial effects of higher energy prices for consumers and businesses. In addition, an inframarginal revenue cap was introduced by the European Union to transfer earnings made from the production of electricity with renewable assets above a certain threshold to the respective local government. The impact on N.V. Eneco's financial statements related to these customer support arrangements in the main countries Eneco operates in and the inframarginal revenue cap law, is explained in more detail below.

Customer support arrangements in response to high energy prices

The Netherlands
The Dutch government has implemented the following customer support arrangements:

Temporary contribution to energy bills for small-scale electricity connections in November and December 2022 ('Tijdelijke overbruggingsregeling tegemoetkoming energieprijzen kleinverbruikers 2022 (CEK22)'): For November and December 2022 a monthly compensation was granted of €190 per month to each small-scale electricity connection with a residential function. Final settlement with the Dutch government took place in February 2024.

Price cap for gas, electricity and district heating ('Subsidieregeling bekostiging plafond energietarieven kleinverbruikers 2023 (CEK23)'): For the period from 1 January 2023 to 31 December 2023 a temporary price cap on gas, electricity and district heating has been introduced for Dutch households and other small-scale users up to a specified level (volume) of consumption. It means that, up to a certain volume, these users will not pay more than a maximum tariff. The government requested suppliers of electricity, gas and district heating to execute the price cap arrangement by transferring compensation from the government to the households and other small-scale users. The amount of the compensation from the government to the energy supplier covers the difference between the energy price in the price cap and the average contractual energy price agreed with the customer multiplied by the volume of energy supplied up to the volume cap. The maximum tariffs (including taxes) applicable to the energy consumption ceilings are:

- €0.40 per kWh for 2,900kWh of electricity used;
- €1.45 per m^3 for 1,200m^3 of natural gas used;
- €47.38 per GJ for 37GJ of district heating used.

Final declaration and settlement with the Dutch government will be ultimately in June 2025.

When accounting for this arrangement, an uncertainty is noted related to the split between the receivable from/payable to the government versus customers, following from estimated volumes (including churn) and average prices as these can differ over time during the settlement period. The table below shows the amounts relating to these arrangements in the Netherlands:

The Netherlands

Arrangement	Period	Received from government	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities[1]
CEK22	November and December 2022	625	625	-	-
CEK23 - Eneco	January 2023 to December 2023	804	735[2]	-	66[3]
CEK23 - Oxxio	January 2023 to December 2023	131	115[2]	-	14[3]
CEK23 - Woonenergie	January 2023 to December 2023	36	32[2]	-	4[3]
CEK23 - Business	January 2023 to December 2023	9	8[2]	-	1[3]
CEK23 - Heat	January 2023 to December 2023	125	116[2]	-	9

1 Including receivable 'TUK'.
2 For CEK23 €114 million of these amounts relates to the revenues recognised for the period 1 April to 31 December 2023 under the price cap arrangement collected or to be collected from the government.
3 In April 2024, based on the February 2024 declaration, the following amounts have been paid: Eneco €63 million, Oxxio €13 million, Woonenergie €2 million and Business €4 million.

As part of the price cap arrangement, the government requires energy suppliers to perform a margin test for the calendar year 2023. An energy supplier that has received compensation from the government regarding the price cap regulation is required to prove that the realised gross margin in 2023 has not exceeded the preliminary determined benchmark. The benchmark is based on an arithmetic average of the historical gross margins over the last four years. It is permitted to leave out one year from this calculation. The arrangement defines the gross margin as the difference between the sourcing costs of the energy supplied (including specific sourcing premiums to cover the risks of profiling, imbalance and weather) and the sales revenues of the energy supplied.

Eneco has performed this margin test for the calendar year 2023, according to the definitions and calculations as defined in the government regulation. The outcome of the margin test was that the gross margin for the calendar year 2023 did not exceed the benchmark. Consequently, no adjustment has been made in the financial statements.

The arrangement regarding the margin test is formulated to be applicable for the total energy sector with approximately 60 suppliers in the Netherlands. For that reason, the terms, definitions and formulas used in the regulation aim to be suitable for a broad range of business models, administrations and accounting policies. For the evaluation of the margin test the terms, definitions and formulas have been applied to Eneco's specific business model and administration.

For the costs incurred to execute the price cap arrangement, the energy suppliers receive a compensation of €4.31 (excl. VAT) per connection per year from the government (TUK – 'tegemoetkoming uitvoerings kosten').

Temporary energy emergency fund ('Noodfonds Energie'): In addition to the above customer support arrangements, a temporary energy emergency fund was also available in 2023 to support households with a low income to help them with their energy bills and to avoid energy debts. This temporary energy emergency fund was set up in 2022 by Eneco and other energy companies in cooperation with the Dutch government.

Germany

The German government has implemented the following customer support arrangements:

Emergency assistance ('Soforthilfe'): In November 2022, the German government has decided to financially relieve certain gas customers, by paying one-twelfth of the annual consumption forecast by the energy supplier at the take-off point in September 2022 and of the agreed gas price in December 2022. Energy suppliers were instructed not to collect the December prepayments from their customers. Instead, the federal government transferred the forecasted one-twelfth part of the yearly consumption of these customers to the energy suppliers. The calculation of the one-twelfth yearly consumption was defined by the government. The emergency assistance was only valid for the month of December 2022.

The final declaration for this arrangement will ultimately be in April 2024 aligned with the final annual settlements with customers. The final declaration to transmission must be submitted to the audit authority by 30 April 2024.

Electricity and gas price brake ('Strom- und Gaspreisbremse'): In December 2022, the German government decided to launch further price relief for gas and electricity customers.

- Gas: In order to relief households and small and medium-sized enterprises that consume less than 1.5 million kWh of gas, the German government paid the difference between the higher contract price and 12 cents gross per kWh, based on 80% of the customer's prior-year consumption of gas. The allocated amount was based on 80% of the projected annual consumption at September 2022.

For industries who use more than 1.5 million kWh, a price brake of 7 cents net based on 70% of previous year's consumption is applied. The amount allocated was based on 70% of the annual consumption in 2021.

The support arrangement was paid to LichtBlick through Kreditanstalt für Wiederaufbau (KfW - the state-owned investment and development bank).

- Electricity: In order to provide relief to households and small and medium-sized enterprises that consume less than 30,000 kWh of electricity, the German government paid the difference between the higher contract price and 40 cents per kWh, including all taxes, levies, surcharges and grid use fees, based on 80% of forecasted consumption.

On 3 August 2023, the arrangement was adjusted in relation to night storage heaters and heat pumps. As a result, the reference price for low tariffs (night-time electricity tariffs) was reduced from 40 to 28 cents per kWh for grid exit points with an annual consumption of less than 30,000 kWh and time-variable tariffs with high and low tariffs. The additional relief was paid out by 31 December 2023 at the latest. The corresponding adjustment in the Electricity Price Brake Act came into force on 3 August 2023.

For customers who consume above 30,000 kWh, the payment by the customers is limited to 13 cents per kWh plus taxes and levies, based on 70% of the annual consumption in 2021.

In the electricity arrangements, the forecasted consumption was based on either the consumption forecast provided by the grid operators or the customer's actual consumption in 2021.

The support arrangement was paid to LichtBlick through the transmission system operator.

- General: The price brake applies for the calendar year 2023.

The German Federal Cartel Office has informed LichtBlick that they will conduct an investigation into the gas and electricity rates applied for 2023 under the gas and electricity price brake regulation. The current assessment is that any adjustments are not considered material.

The final declaration for both arrangements will be made in the following year (2024) based on the annual final statements (invoice) with the customers. The final statement to the transmission system operators and KfW must be submitted by 31 May 2025, including an auditor's certificate.

The table below shows the amounts relating to these arrangements in Germany:

Arrangement	Period	Received from government/ grid provider	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities
Emergency assistance (gas)	December 2022	20	20	-	-
Electricity and gas price brake	January 2023 to December 2023	251	251[1]	-	-

1 €183 million of this amount relates to the revenues recognised for the period 1 April to 31 December 2023 under the price cap arrangement collected or to be collected from the government.

Belgium

The Belgian government has implemented the following customer support arrangements:

Heating premium ('Verwarmingspremie'): The federal heating premium of €100 is granted once to families who had a residential contract for electricity supply on 31 March 2022. This was received from the government and paid by Eneco to its customers in May and June 2022. The final declaration to the government was in May 2023 and paid to the government in December 2023.

Regular social tariff and Extended social tariff customers ('Sociaal tarief' and 'Uitgebreid sociaal tarief'): Customers are entitled to obtain social tariffs for gas and electricity, based on certain criteria determined by the government. The government pays the difference between the social tariff and a determined reference price. The social tariff regulation was already in place. Due to the energy crisis more customers became eligible for this regulation. Furthermore, in January 2022 a €80 compensation was given to the people with social tariff, this regulation is called the Social tariff forfait ('SOCTAR Forfait'). For the balance sheet position of €54 million in regard to the regular and extended social tariffs, €43 million was declared for calendar year 2023 and will be received in October 2024, after approval by the CREG (Belgian Federal Commission for Electricity and Gas Regulation). The remaining amount related to calendar year 2024 is to be declared in March 2025.

Basic energy package I and II ('Winterpremie'): Residential customers with a variable energy contract received for the period November 2022 to March 2023 an amount of €135 per month in regard to the gas invoices and €61 per month for the electricity invoices for their primary residence. Final declaration was submitted in March 2024.

The table below shows the amounts relating to these arrangements in Belgium:

Arrangement	Period	Received from government	(to be) settled with customers	Note 20 - Other current assets	Note 26 - Trade creditors and other liabilities
Heating premium	31 March 2022	44	(44)	-	-
Social tariff (regular and extended)	January 2022 to March 2024	196	(250)	54	-
Social tariff forfait	30 September 2021	6	(6)	-	-
Basic energy package I	November and December 2022	83	(84)	-	(1)
Basic energy package II	January 2023 to March 2024	156	(135)	-	20

Accounting treatment

The way the customer support arrangements have been accounted for is described below.

Eneco is not the intended beneficiary of the above described customer support arrangements per country, but the households and other small-scale users/businesses are. Therefore, the amounts received from the government are processed through the balance sheet as transitory amounts and settled with households and other small-scale users/businesses. These received amounts from the government did not affect the amount of revenues presented in the income statement based on the application of IFRS 15 'Revenue from contracts with customers'. This is on the basis that Eneco remains entitled to receive full consideration for the supply of electricity, gas and district heating based on either the existing price cap structure or customers' fixed or variable priced contracts and such that the transaction price under IFRS 15 is unchanged. The trade receivables arising from the supply of energy are settled both by the customer and the government. Eneco considered the alternative application of IAS 20 'Accounting for government grants and disclosure of government assistance' specifically for the CEK23 arrangement in the Netherlands and the Electricity and Gas price brake arrangements in Germany and concluded that this would have resulted in a similar accounting outcome. Any uncertainties in the accounting applied are disclosed in the above described arrangements.

Inframarginal revenue cap

On 6 October 2022, the European Union has decided to temporarily levy the expected excess market revenues above a certain price cap for electricity producers, applicable from 1 December 2022 to 30 June 2023. This European directive has been translated into country-specific laws in Germany, Belgium, and a draft law in the Netherlands.

The rationale for this levy is that certain power-generating asset classes, such as solar and wind, are expected to benefit from the higher electricity revenues, while the production costs for these asset classes were only impacted by higher inflation.

The general market revenue ceiling is set at €130 per MWh for solar and wind assets or, if applicable, the higher subsidy obtained for that specific asset. For biomass the market revenue ceiling is set at €240 per MWh.

For all assets in scope of this levy, the estimated cost for this levy in 2022 and 2023 amounts to €26 million. This is recognised as part of 'Purchases of energy and energy-related activities' in the income statement and 'Trade creditors and other liabilities' in the balance sheet. In the balance sheet an 'other liability' of €13 million is recorded at 31 March 2024 (31 March 2023: €26 million).

The estimated costs for this levy are based on our own interpretation of the most recent draft law and discussions with and information received from the regulator/government. Based on that information, the electricity producer (regardless of whether the producer is part of a larger or integrated group) may choose from two methods to determine the realised market revenues. The producer cannot switch between the methods during the period mentioned. The methods to determine the market revenues are:

1. based on day ahead pricing;

2. based on the administration of the producer.

For the calculation of the estimated costs for this levy we used method 1.

2. Material accounting policies

2.1 General

The material accounting policies used when preparing the financial statements for the year ended 31 March 2024 are summarised below.

The accounting policies used in these financial statements are consistent with those set out in the financial statements for the 15-month period ended 31 March 2023, except for the effect of amended standards as set out in 1.3 New and amended IFRS standards.

Measurement basis
The consolidated financial statements have been prepared on an historical cost basis, except for assets and liabilities for which measurement at fair value is required, including derivative financial instruments and emission rights held for trading purposes.

Judgements, estimates and assumptions
In preparing the financial statements, management applied judgements, estimates and assumptions which affect the reported amounts and rights and obligations not disclosed in the balance sheet. The judgements, estimates and assumptions that have been applied are based on market information, knowledge, historical experience and other factors that can be deemed reasonable in the circumstances. Actual results may differ from these estimates. Judgements, estimates and assumptions are reviewed on an on-going basis.

Judgements
The following notes disclose information used when forming judgements when applying the accounting principles for financial reporting that have a significant effect on the amounts recognised in the consolidated financial statements:

- note 1.4 Basis of consolidation and the List of principal subsidiaries: whether the Group has control, joint control or significant influence over such an investment;
- note 1.5 Impact energy crisis section: application of customer support arrangements and inframarginal revenue cap law;
- notes 2.2 Revenues from energy sales and energy-related activities and 3 Revenues from energy sales and energy-related activities: whether the Group acts as agent or principal (regarding energy contracts and related grid fees); and
- note 12 Property, plant and equipment – right-of-use assets and lease liabilities and note 3 Revenues from energy sales and energy-related activities: whether a contract contains a lease or relates to a service contract.

Estimates and assumptions
Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision also affects future periods, the change is made prospectively in the relevant periods. Notes that disclose information on the principal estimates and assumptions involving a risk of a change to the carrying amount of assets and liabilities or impact on the results include:

- note 3 Revenues from energy sales and energy-related activities: estimated consumption relating to energy deliveries as set out in note 2.2 (accounting policies for revenues);

- note 11 Property, plant and equipment – owned assets: the useful lives of property, plant and equipment;
- note 11 Property, plant and equipment – owned assets: the valuation of the existing district heating networks may change in the future, since the draft Heat Act may be subject to change and still needs to pass Dutch Parliament;
- note 12 Property, plant and equipment – right-of-use assets and lease liabilities: the useful lives of lease assets if different from the lease term and the exercise of renewal options in leases;
- note 13 Intangible assets: the useful lives of intangible assets and impairment and significant assumptions underlying realisable amounts when performing a goodwill impairment test;
- note 16 Deferred taxes: recognition of deferred tax assets and availability of future taxable profits against which transferrable tax losses can be used;
- note 17.4 Fair value hierarchy: the main assumptions for determining the fair value measurement of level 3 financial instruments;
- notes 19 Trade receivables and 29.1 Credit risk: the main assumptions for determining the provision for doubtful debts using the expected credit losses method; and
- note 24 Provisions: the estimates of future cash outflows regarding these provisions.

Accounting estimates and management judgements related to climate changes
The effects of climate change and the potential impact on the energy transition (including changes in the legal environment) are relevant to some of the economic assumptions in Eneco's estimates of future cash flows. The result of these developments, and the degree to which Eneco’s activities will be affected by them are sources of uncertainty. Estimating energy demand and commodity prices towards 2035 is a challenging task, involving assessing future developments in supply and demand, the speed of electrification, the impact of the introduction of green hydrogen, other technology changes, taxation, tax on emissions and other important factors. By definition, actual outcomes will differ from assumptions and the related projected scenarios. This could result in significant changes to accounting estimates for Eneco's property, plant and equipment, such as useful life, value-in-use calculations, and residual values. It also affects depreciation periods, timing of decommissioning and impairment assessments.

Since Eneco is a front runner in sustainability, its existing asset base already consists largely of renewable assets. Eneco operates some smaller gas-fired combined heat and power (CHP) plants as part of Eneco's district heating infrastructure and we operate two gas-fired electricity plants as balancing plants when there is too little wind and solar energy. Eneco is developing a clear strategy on renewable heat sources to supply heat for Eneco's district heating operations. In time, we will investigate how to convert the existing natural-gas-fired plants to green gas and/or hydrogen.

Impairment of assets
There is evidence of an impairment when the carrying amount of an asset is higher than the recoverable amount. The recoverable amount of an asset is the higher of the sale price less costs to sell and the value in use. An asset’s value in use is based on the present value of estimated future cash flows calculated using a pre-tax discount rate which reflects the time value of money and the specific risks of the asset. The recoverable amount of an asset which does not independently generate a cash flow and is dependent on the cash flows of other assets or groups of assets is determined for the cash-generating unit of which the asset is part.

A cash-generating unit is the smallest identifiable group of assets separately generating cash flows that are significantly independent of the cash flows from other assets or groups of assets. Cash-generating units are distinguished on the basis of the economic interrelationship between assets and the generation of external cash flows and not on the basis of separate legal entities.

Goodwill is allocated on initial recognition to one or more cash-generating units in line with the way in which the goodwill is assessed internally by the management. An impairment test on goodwill is performed each year to determine the recoverable amount. The sensitivity analysis in respect of the recoverable amount of goodwill is presented in note 13 Intangible assets.

The recoverable amount of the asset or cash-generating unit concerned is determined if an impairment trigger analysis provides evidence of impairment. If the carrying amount of assets allocated to a cash-generating unit is higher than the recoverable amount, the carrying amount is reduced to the recoverable amount. This impairment is recognised through the income statement. Impairment of a cash-generating unit is first deducted from the goodwill attributed to that unit (or group of units) and then deducted proportionately from the carrying amount of the other assets of that unit (or group of units).

Impairment may be reversed through the income statement if the reasons for it no longer exist or have changed. Impairment is only reversed up to the original carrying amount less regular depreciation. Impairment losses on goodwill are not reversed.

Foreign currencies
Foreign currency transactions
The euro (€) is the company’s functional currency and the currency in which the financial statements are presented. Transactions in foreign currencies are translated into euros at the exchange rate prevailing on the date of the transaction.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates on the reporting date. Foreign currency exchange differences that arise on translation or settlement are recognised through the income statement as financial income or expense.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences that arise on this translation are recognised through the income statement.

Foreign currency exchange differences arising on this are recognised in the translation reserve via other comprehensive income.

Foreign operations
The results of foreign operations are translated into euros at the average rate. The difference between the profit for the period at the average rate and based on the exchange rate prevailing on the reporting date is recognised in other comprehensive income in the translation reserve.

Assets and liabilities of foreign operations denominated in foreign currency (including goodwill and fair value adjustments arising on acquisitions) are translated into euros at the exchange rate prevailing on the reporting date.

If an investment in a foreign operation is partially or fully disposed of, the related accumulated translation differences in the translation reserve are recognised through the income statement as part of the gain or loss on disposal.

Net investment hedges
The Group applies net investment hedge accounting to limit the translation gains and losses on its UK operations in the translation reserve and the income statement.

The foreign currency exchange differences on GBP forward or swap contracts have an opposite effect to the foreign currency exchange differences on the UK operations.

Both the foreign currency exchange differences on the UK operations and the GBP forward contracts or swap contracts are recognised in the translation reserve.

On partial or full divestment of the net investment, the relevant part of the translation reserve is recognised as follows:

- Disposal resulting in loss of control: the accumulated exchange rate differences of the subsidiary, including any associated hedges, are recognised in the income statement if a foreign exchange gain (loss) is realised on the sale transaction. Any foreign exchange gain (loss) is transferred to the line item in which the gain (loss) from the disposal is recognised.
- Disposal not resulting in loss of control: a proportionate share of the relevant accumulated exchange differences is transferred from the parent company shareholders’ interest in equity to the minority shareholders’ interest in equity.

Note 29.2 Market and regulatory risk provides further information on net investment hedge in a foreign operation, including a statement of the movements in the translation reserve.

Offsetting
Receivables and payables with a counterparty are offset if there is a contractual right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously. In the absence of an intention or actual netted settlement, the existence of an asset or liability is determined for each contract.

2.2 Revenues from energy sales and energy-related activities

Performance obligations
Revenues are recognised on the basis of the expected consideration when the performance obligation for a good or service has been met. The consideration may consist of a fixed price with a variable price supplement for some types of product. Eneco only recognises the variable price when it is highly probable that the cumulative amount of the consideration will not be reversed in the future once uncertainty associated with the variable price is known. Contracts and any separate performance obligations within them are identified to determine the revenues. There is a separate performance obligation if a good or service has a stand-alone value for the end user and delivery is not to a large extent dependent on other components of the contract. Once established, the transaction price is allocated to performance obligations by reference to the price at which the good or service is sold to customers.

Amounts invoiced and collected for the company’s own risk (if Eneco acts as principal) are recognised as revenue. Amounts invoiced and collected for third parties (where Eneco is agent) are not recognised as revenue. The Group’s payment terms are generally 15-30 days, depending on the type of customer.

The revenue for satisfied performance obligations regarding the delivery of energy is recognised 'over time'. The revenue for satisfied performance obligations regarding energy-related goods is recognised 'at a point in time'. The revenue for satisfied performance obligations regarding energy-related services is recognised 'over time' or 'at a point in time'. Eneco applies the practical expedient for financing components and does not adjust the consideration if the payment is made within one year or less of the transfer of the performance obligations.

Performance obligations that have been or are still to be performed and settled in the preceding or subsequent period create contract assets or contract liabilities respectively. A contract asset from revenues is a conditional right to compensation for the Group in exchange for goods or services to the customer. Once the goods or services have been transferred to the customer and the Group has no further risk in the transaction, this asset is presented as a receivable (debtor or 'amount to be billed'). These receivables do not form part of the contract assets.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received compensation. Amounts to be settled under advances paid for energy are part of other liabilities and do not form part of the contract liabilities.

Energy supply
Revenues from the sale of energy to end-users are recognised over the period in which energy is supplied to a customer.

Sales to large-volume consumers are billed monthly based on meter readings. Billing for sales to retail consumers is also based on actual meter readings or readings taken throughout the year. Part of the amount of energy supplied to retail consumers during the reporting period and the resulting revenues is, therefore, estimated from historical consumption figures, standard customer profiles, weather conditions and applicable energy tariffs. This estimation is corrected for e.g. re-delivery of electricity, because of yearly increasing number of customers with solar panels, and for gas savings by customers as a consequence of the energy crisis.

A difference between the instalments billed and the actual amount of energy delivered to retail consumers is recognised as amounts still to be billed or amounts to be settled at the end of the reporting period. Contributions by heating customers for connection charges are recognised as contract liabilities and are recognised through profit or loss on a straight-line basis over the estimated useful life.

Revenues for energy delivered under ongoing energy contracts correspond directly with the amount consumed by the customer. Eneco is applying the practical expedient when the consideration corresponds with the value of the performance obligations completed and does not disclose the value of future performance obligations and only discloses delivery obligations in line with 'Commitments, contingent assets and liabilities' (see note 27).

Energy-related activities
Revenues from the construction, maintenance and leasing of energy installations and equipment, the sale of solar panels, rental of smart thermostats and electric vehicle charging solutions are recognised as revenues from energy-related activities. Revenue from installing equipment and sales of solar panels, heat pumps, smart thermostats and electric vehicle charging solutions is recognised when control of the good passes to the customer. Revenue from other energy-related activities is recognised over the period of supply.

Government grants
Government grants are recognised when it is reasonably certain that the conditions related to receiving the grants have been or will be met and that the grants have been or will be forthcoming. Grants related to income as a contribution to costs are recognised as revenues in the period in which those costs are incurred.

2.3 Purchases of energy and energy-related activities

Purchases of energy comprise directly attributable costs for the sale of energy to end-users. The purchase cost of energy and commodities contracts entered into with the intention of actually acquiring energy ('own use') is recognised in the same period as that in which the sales revenue is realised.

Additional costs incurred to win contracts are capitalised as prepaid expenses and amortised over the term of the contract provided that they will be recovered. The amortisation charge is presented under 'Purchases of energy and energy-related activities' in the income statement.

2.4 Financial income and expenses

Financial income and expenses comprise interest income from loans granted, dividend revenues from other capital interests, interest charges on borrowings, interest charges arising from the periodic addition of interest to provisions and lease liabilities, foreign exchange rate gains and losses and gains and losses on interest hedging instruments recognised through the income statement. Interest income and expenses are recognised using the effective interest method.

2.5 Income taxes

Income tax comprise current tax, changes in deferred taxes and adjustments in respect of previous years. These amounts are recognised through the income statement unless they concern items that are related to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that the global minimum top-up tax, which it is required to pay under 'Pillar Two' legislation, is an income tax within the scope of IAS 12 'Income taxes'. Eneco has applied a temporary relief from deferred tax accounting and does not account for 'Pillar Two' effects.

Current tax
Current tax is the likely amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year under review and any adjustments in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. Current income tax is calculated based on applicable tax legislation and rates (enacted or substantively enacted at the reporting date) in the countries in which Eneco operates and generates taxable income or incurs a tax loss.

Income taxes comprise all taxes based on taxable profits and losses, including taxes which subsidiaries, associates or joint ventures must pay on distributions to the Group.

Additional income taxes on the result before dividend distributions are recognised at the same time as the obligation to distribute that dividend is recognised.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities, it is Eneco's intention to settle on a net basis and where the current tax assets and liabilities relate to taxes levied by the same taxation authority on the same fiscal unity.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes are calculated using the balance sheet method for the relevant differences between the carrying amount and taxable value of assets and liabilities. Deferred taxes are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on applicable tax rates and tax legislation that have been enacted or substantively enacted at the reporting date. Deferred taxes are recognised at face value.

Deferred tax assets are recognised for temporary differences available for relief, tax losses carried forward and the settlement of unused tax credits. This is only permitted if and to the extent it is probable that future taxable profit will become available, so enabling unrelieved tax losses and unused taxed credits to be offset.

Deferred tax assets for all temporary differences available for relief relating to investments in subsidiaries, joint operations and interests in associates and joint ventures are only recognised if it is probable that the temporary difference will be settled in the near future and that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences arising from investments in subsidiaries, joint operations and interests in associates and joint ventures, unless the Group can determine the time at which the temporary difference will be settled and it is probable that the temporary difference will not be settled in the near future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities, it is Eneco's intention to settle on a net basis and where the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same fiscal unity.

2.6 Property, plant and equipment - owned assets

Property, plant and equipment ('PP&E') is recognised at cost less accumulated depreciation and impairment. Cost comprises the initial acquisition price plus all directly attributable costs. Cost of assets constructed by the company comprises the cost of materials and services, direct labour and other directly attributable costs including depreciation charges for the right-of-use assets and interest expenses in respect of lease liabilities from the commencement date of the lease. Cost includes an estimate of the present value of the cost of dismantling, demolishing and removing the item when it ceases to be used and of restoring the site on which it is located, if there is a legal or constructive obligation to do so.

Financing costs (interest) directly attributable to the purchase, construction or production of an eligible asset are recognised in cost. If an asset comprises multiple significant components with differing useful lives, these components are recognised separately.

Government grants
Government grants are recognised when it is reasonably certain that the conditions related to receiving the grants have been or will be met and that the grants have been or will be forthcoming. Grants contributing to the cost of an asset are deducted from the asset's cost and reflected in the depreciation throughout the useful life of the asset.

Expenditure incurred subsequent to initial recognition
Subsequent costs, for example in connection with the replacement of parts of an item of PP&E, are recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group from the expenses incurred. Any residual value of the replaced parts is recognised in the income statement as a loss on disposal of non-current assets. Other repair and maintenance expenses are recognised through the income statement in the period in which the costs are incurred.

Depreciation
Depreciation commences when the asset is available for use. The depreciation charge for each period is recognised through the income statement using the straight-line method based on estimated useful life, taking into account the estimated residual value. Useful lives and residual values are reassessed annually and any changes are recognised prospectively. Land, sites and assets under construction are not depreciated.

The following useful lives are applied:

Category	Useful life in years
Buildings	25 - 50
Machinery and equipment	10 - 50
Other operating assets	3 - 25

2.7 Property, plant and equipment - leased assets

Eneco as a lessee

Recognition
Leases are recognised in the balance sheet as a right-of-use asset with a corresponding lease liability on the date on which the lease asset becomes available for use at Eneco. The assessment of whether a contract is or contains a lease is carried out at the start of that contract. If payments include non-lease components (such as maintenance or service charges), these are not recognised in the balance sheet but are charged to the result over the period to which the performance relates.

Lease of underlying assets with a low-value or leases with a lease term of less than 12 months are exempt from recognition of a right-of-use asset and lease liability.

Measurement of lease liabilities
Liabilities arising from a lease are initially measured as the present value of fixed and variable payments that depends on an index or a rate, payments for residual value guarantees, exercise prices of purchase options and/or payments for terminating the lease, if any.

A lease liability is initially discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, the incremental borrowing rate of the relevant class of asset is used. Generally, the Group uses its incremental borrowing rate as the discount rate.

After initial recognition, the lease liabilities are decreased by lease payments and increased by the addition of interest (interest implicit in the lease or the incremental borrowing rate). The interest charge from adding interest to the lease liabilities is recognised through the income statement in 'Financial expenses'.

Eneco reassesses a lease and remeasures the lease liability and associated right-of-use asset if:

- The lease term is changed or there is a change in the assessment of exercising a purchase option;
- There is a change in future fixed or variable lease payments resulting from a change in an index or a rate used to determine those payments, or a change in the amount expected to be payable under the residual value guarantee; and
- A lease is modified and the modification of the lease is not accounted for as a separate lease.

Measurement of right-of-use assets
Right-of-use assets are initially recognised at cost comprising the following:

- The amount of the initial measurement of the lease liability, as explained in 'Measurement of lease liabilities' above;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs; and
- Restoration (dismantling) costs if required by the contract.

The right-of-use asset is subsequently depreciated and charged to the result on a straight-line basis over the shorter of the useful life and the lease period of the asset. Depreciation commences when the right-of-use asset is available for use, being the commencement date of the lease.

The following useful lives are applied:

Category	Useful life in years
Land and buildings	5 - 40
Machinery and equipment	6 - 15
Other operating assets	2 - 8

Amounts not included in the measurement of lease liabilities
These are the following amounts:

- Payments related to short-term leases and low-value leases. Short-term leases are those with a lease term of 12 months or less and low-value lease assets are mainly ICT equipment and small items of office furniture; and
- Variable lease payments that do not depend on an index or a rate.

These payments are recognised in the period in which an event or condition occurs and are charged to the income statement in line item 'Cost of contracted work and other external costs'.

Eneco as a lessor

A lease under which Eneco, as lessor, has all the benefits and risks of ownership is designated as an operating lease. In other cases, agreements are recognised as finance leases.

PP&E made available to third parties under an operating lease is recognised in accordance with the accounting policies for 'property, plant and equipment - owned assets' and presented in that line item in the balance sheet. Lease income is recognised in the income statement on a straight-line basis over the lease term unless a different allocation is more in line with the pattern of the revenues obtained from the leased asset. Any charges, for example for service and repairs, included in the lease instalments are recognised in accordance with the criteria for providing services.

PP&E made available to third parties under a finance lease is recognised as a receivable for the net investment in the assets. Lease instalments are then broken down into interest and repayment components based on a constant periodic rate of interest. The interest component is recognised through the income statement in the relevant period. The repayment component is deducted from the lease receivable.

2.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. Any shortfall is recognised as a gain (bargain purchase) through the income statement.

Goodwill is measured at cost less impairment. Goodwill is allocated to one or more cash-generating units. Goodwill is tested for impairment annually.

Goodwill purchased on acquisition of subsidiaries and joint operations is recognised in the balance sheet in intangible assets. Goodwill paid to acquire an interest in a joint venture or associate is included in the cost of acquisition.

2.9 Other intangible assets

Other intangible assets comprise customer databases, software and software licences, concessions, permits, other rights, trade names and development expenditure. The related costs are capitalised if it is probable that these assets will have an economic benefit and their costs can be reliably measured. Other intangible assets are recognised at cost less accumulated amortisation and impairment.

Customer databases
A customer database obtained from an acquiree in a business combination or asset acquisition is initially recognised at fair value, including purchased capitalised contract acquisition costs. This value is determined on the date of acquisition on the basis of the most recent comparable transactions if the economic conditions are comparable or, if they are not, the fair value is determined from the present value of the estimated future net cash flow from this asset.

Software and software licences
Software is capitalised at cost. Cost of standard and customised software comprises the one-time costs of software licences plus the costs of making the software ready for use. All costs attributable to software which qualifies as an intangible asset are recognised at cost. Costs of software maintenance are recognised as an expense in the period in which they are incurred. Expenditure on configuring or customising application software in a Software as a Service (SaaS) arrangement is generally recognised as an expense in the period in which it is incurred. When the expenditure meets both the definition of an intangible asset and the recognition criteria, it is capitalised at cost.

Concessions, permits and other rights
Concessions, permits and other rights (obtained or purchased as part of a business combination) relate mainly to the use of PP&E (for example, wind and solar farms) and the related rights and obligations, such as subsidy and other formal decisions by the government. These are initially recognised at cost or at fair value in the case of a business combination.

Trade names
If, for commercial reasons, the Group decides to retain the trade name of a party acquired as part of a business combination, it is recognised initially at fair value, determined using the ‘relief from royalty method’ on the acquisition date.

Development expenditure
Development expenditure represents the payments for applying knowledge acquired through research by the company or a third party for a plan or design for the manufacture or application of improved materials, products, processes, systems or services, prior to the commencement of commercial manufacture or use. Development expenditure is only capitalised if they can be regarded as intangible assets. If this is not the case, they are recognised as an expense in the period in which they are incurred. Research costs are recognised through the income statement in the period in which they are incurred.

Amortisation
Amortisation commences when the intangible asset is available for use. Amortisation is recognised as an expense on the basis of the estimated useful life from the time that the relevant asset is taken into use. Other intangible assets are amortised using the straight-line method. The residual value of these assets is nil.

The following useful lives are applied:

Category	Useful life in years
Customer databases	6 - 20
Software and software licences	3 - 5
Concessions, permits and other rights	3 - 30
Trade names	20
Development expenditure	5 - 15

2.10 Emission rights

Emission rights are classified on initial recognition either as rights intended for the company’s own use, measured at cost, or rights held for trading (held for sale in the ordinary course of business), measured at fair value through profit or loss.

Emission rights held for the company’s own use are redeemed with the government for actual CO_2 emissions. These rights are measured at cost and recognised as current intangible assets. A liability is recognised for the redemption obligation of these CO_2 emission rights, measured at the cost of the rights obtained. If a shortfall is expected in the quantity of rights required for redemption and rights purchased, a liability for the obligation to deliver emission rights is recognised on the balance sheet and through the income statement as ‘Purchases of energy and energy-related activities’. The liability to deliver this shortfall of emission rights is measured at the lower/higher of market value and the penalty expected to be due for that shortfall.

Emission rights held for trading purposes are recognised as ‘Inventory’ on the balance sheet. Changes in fair value of these rights are recognised in the income statement and presented as part of 'Purchases of energy and energy-related activities’.

2.11 Derivative financial instruments

General
Derivative financial instruments are contracts (i) under which their value changes in response to the change in a specific underling variable (including forward gas or electricity prices or interest or currency rates), (ii) that requires no or limited initial investment and (iii) are settled in the future.

Own use
Commodity contracts are classified for ‘own use’ if they are settled by physical delivery or receipt of energy commodities or emission rights in line with the company’s needs. Transactions based upon these contracts are recognised through the income statement in the period in which delivery or receipt takes place (accrual accounting). These contracts are out of scope of the recognition and measurement criteria for derivative financial instruments, which is a consequence of the application of the 'own use exemption' in IFRS 9 ‘Financial Instruments’.

Measurement and recognition
Derivative financial instruments are initially recognised when Eneco becomes a party to the contractual provisions of the instrument and are measured at fair value. Related transaction costs are recognised through the income statement. The best evidence of the initial fair value is usually the transaction price.

If the fair value on initial recognition differs from the transaction price, that instrument will be recognised at fair value initially and the difference is recognised:

- Through the income statement when the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets;
- As deferred income or expense and recognised in the balance sheet and is recognised as a gain or loss through the income statement on an appropriate basis over the contract period of the instrument.

Subsequently, changes in the fair value of derivative financial instruments are recognised directly through the income statement, unless the derivative financial instruments are included in a hedging relationship for which hedge accounting is applied.

Fair value measurement of derivative and other financial instruments depends on their level in the fair value hierarchy:

Level 1
The fair value of financial instruments in level 1 is based on using unadjusted quoted prices in active markets for identical instruments.

Level 2
The fair value of financial instruments in level 2 is based on market prices or pricing statements and other available information. Where possible, the measurement method uses observable market prices. Level 2 energy commodity contracts are measured using market prices or pricing statements for periods in which an active market exists for the underlying commodities such as electricity, gas (title transfer facility) and emission rights. Other contracts are measured by agreement with the counterparty, using observable interest rate and foreign currency forward curves.

Level 3
The fair value of financial instruments in level 3 is based on calculations involving significant inputs that are not based on observable market data. The fair value of these electricity contracts is determined using Eneco's internal valuation models for forecasting energy prices. These models use statistical methods such as linear mathematical programming and include observable information such as quoted market prices (observable for a maximum of five years ahead) and market prices from external sources commonly used in the electricity industry. The models also use unobservable information such as historical data on wind and solar generation, relationships with historical commodity prices, the electrification of demand and the development of renewable and conventional electricity assets in Western Europe in relation to climate goals set by governments. Eneco updates the scenarios periodically in line with current market circumstances and/or changes in government policy.

The scenarios and their inputs are independently reviewed and approved by Eneco's Commodity Risk Team. The models present long-term scenarios for electricity and other prices which differ primarily in their assumptions on the achievement of government climate goals and the way the market responds to this. The fair value of the contracts is measured using the expected trends in the energy price included in these scenarios and volatility in cases where the contracts have option characteristics.

Presentation in the balance sheet
Derivative financial instruments with a positive value are recognised as current (settlement within one year) or non-current (settlement after one year) assets. Instruments with a negative value are recognised as current or non-current liabilities. Assets and liabilities with each counterparty and with the same maturity date are offset on a monthly basis if there is a contractual right and the intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge accounting
Cash flow hedges
Contracts are classified as hedging instruments if they mitigate the risk of fluctuations in future cash flows that could affect the result. More specifically, if the hedge can be attributed to a particular risk or to the full movement in the transaction (energy contracts) associated with an asset, liability or highly probable forecast transaction, the attributed derivative financial instruments are recognised as hedging instruments. The cash flow hedging instruments are mainly energy contracts agreed with other market parties in order to mitigate price risks of Eneco's energy positions. This reserve also recognises the effective portion of hedging with interest rate swaps and currency contracts.

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions; and
- The hedge relationship meets all of the hedge effectiveness requirements, including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not materially alter the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

If the conditions for hedge accounting are met, the effective portion of the changes to the fair value of the derivative financial instruments concerned is recognised in other comprehensive income and presented in the cash flow hedge reserve. The ineffective portion is recognised through the income statement.

Amounts recognised in the cash flow hedge reserve are subsequently recognised through the income statement when the hedged transaction is settled. When a hedging instrument expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met, although the underlying future transaction has yet to take place, the accumulated result remains in the cash flow hedge reserve until the forecast future transaction has taken place. If the forecast future transaction is no longer likely to take place, the cumulative result is transferred directly from equity to the income statement.

Hedges of net investment in a foreign operation
Net investment hedge accounting is applied to mitigate translation differences on operations with a functional currency other than the euro. Application of net investment hedge accounting means that foreign currency exchange differences arising from translation of foreign operations and on financial instruments (such as loans or currency foreign exchange contracts) allocated to the hedge relationship are recognised in other comprehensive income and presented in the translation reserve (taking into account deferred tax) until the end of the hedging relationship or earlier termination.

2.12 Other non-current assets

These assets mainly concern long-term items with a term of more than one year, such as loans, receivables due from associates, joint ventures or third parties, prepayments in respect of energy and other forms of purchase contracts, a deferred asset in respect of the initial valuation of a level 3 financial instrument and contract acquisition costs related to energy sale contracts (IFRS 15).

Long-term receivables and loans
Long-term receivables and loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. To the extent necessary, other receivables and loans are impaired using the expected credit losses method in IFRS 9. See note 2.14 Trade receivables and other current assets for more information on this method and note 29.1 Credit risk (subparagraph 'Debtor risk') for the specific application of this method.

Prepayments
Prepayments are initially recognised at nominal value and are recognised through the income statement, based on the related terms and conditions in the related purchase contracts.

Capitalised contract acquisition costs
Capitalised contract acquisition costs are the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs (for example, sales commission). These expenses are initially measured at nominal value and are recognised in the income statement based on the related terms and conditions in those energy sale contracts. As a practical expedient, Eneco recognises the incremental costs of obtaining a contract with a customer as an expense when incurred if the amortisation period of the asset that the entity would otherwise have recognised is one year or less.

Regular way purchases or sales are purchases or sales of financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by conversion in the marketplace.

2.13 Inventories

Inventories are recognised at the lower of weighted average cost and net recoverable amount. Cost of inventories is the purchase price including directly attributable costs incurred to bring the inventories to their current location and state. Net recoverable amount is the estimated sales price in the ordinary course of business less forecast costs of sale. Impairment of inventories is recognised through the income statement if the carrying amount exceeds the net recoverable amount.

See note 2.10 Emission rights for the accounting policy for emission rights held for trading purposes.

2.14 Trade receivables and other current assets

Trade and other receivables
Trade and other current assets are receivables with a term of less than one year. Performance delivered by Eneco at the reporting date but not yet billed to the customer, including amounts that have still to be invoiced on the reporting date in addition to the advances already invoiced are recognised as 'Amounts to be invoiced'. Receivables are recognised at fair value and subsequently measured at amortised cost less impairment losses using the expected credit losses method in IFRS 9.

Impairment of trade receivables is determined over the full lifetime of the asset ('lifetime expected credit losses method' in IFRS 9). This is done for trade receivables using a provision matrix based on historical figures for losses on each category/type of debtor, adjusted for non-recurring past effects, that reflects relevant information on current circumstances and offers a reasonably reliable forecast and the implications for the expected losses. This measurement is made for other receivables (current and non-current) using the 12-month expected credit losses method. See note 29.1 Credit risk (subparagraph 'Debtor risk') for the specific application of this method.

A default on a financial asset is the non-compliance of a counterparty with its contractual obligations towards Eneco, such as payment obligations.

Trade receivables are written off when there is no reasonable expectation of receiving full or partial payment of the receivable or amount still to be invoiced.

Impairment of trade receivables is presented as 'Other operating expenses' in the operating profit. Later reversals of amounts written off are credited to the same line in the income statement.

Receivables with a term of less than one year are not measured at present value on initial recognition. In view of their short-term nature, the carrying amount of trade and other receivables at the reporting date is equal to their fair value.

Other current assets
For capitalised contract acquisition costs and prepayments, see note 2.12 Other non-current assets.

Paid margin calls are initially recognised and measured at nominal value. See note 29.1 Credit risk and note 29.2 Market and regulatory risk (subparagraph 'Price risk') for a more detailed explanation of these margin calls.

Customer support arrangements concern amounts receivable from governments related to the various financial measures that local authorities have taken to reduce energy costs for retail customers and small businesses, especially those most in need. See note 1.5 Impact energy crisis for more information and the financial impact.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and deposits with a maturity of approximately three months or that can be called within approximately three months.

2.16 Employee benefits

Defined-contribution pensions
Pension liabilities of almost all Dutch business units have been placed with the industry-wide pension funds: Stichting Pensioenfonds ABP (ABP) and the Stichting Pensioenfonds Metaal en Techniek (PMT). There is a state pension plan for employees in Germany; contributions are collected with the social security charges on the employee's salary. A limited number of employees have individual plans insured with various insurance companies.

In the event of future shortfalls, the pension funds may only adjust future contributions and only within a limited range. Under IFRS, the ABP and PMT plans are classified as multi-employer defined-contribution plans. A defined-contribution plan is a plan in which a fixed contribution is paid for the benefit of an employee without any further claim by or liability to that employee. Liabilities in respect of contributions to pension and related plans on the basis of available contributions are recognised as an expense in the income statement in the period to which they relate.

The amount of the pension in the Netherlands depends on age, salary and years of service. Employees may opt to retire earlier or (with the Group's agreement) later than the state retirement age, in which case their pension is adjusted accordingly. At ABP this is between 60 and the state retirement age plus 5 years and at PMT between 10 years before and 5 years after the state retirement age.

Defined-benefit plans
Defined-benefit plans are obligations to pay out future pension entitlements. The defined-benefit entitlements depend on age, years of service and salary. The liabilities under defined-benefit plans are calculated actuarially for each plan separately. This applies for the pensions plans in Belgium, which are classified as defined-benefit plans since the employer has issued a certain guarantee on returns.

Liabilities for defined-benefit plans are based on the actuarial present value of the liability determined using the projected unit credit method that is based on a straight-line accrual of rights using projected salaries and takes into account aspects such as future salary increases and inflation. The net liabilities are determined as the net amount of the actuarial present value of the liabilities and the fair value of the fund assets according to actuarial reports. Service charges and net interest are included in employee benefits. Gains and losses on settlement of a defined-benefit plan are taken and recognised in the result at the time of settlement. Actuarial gains and losses on the revaluation of a net pension liability are recognised in the statement of comprehensive income.

Other provisions for employee benefits
A provision is recognised for the obligation to pay out amounts related to long-service benefits and on the retirement of employees. A provision is also recognised for the obligation to contribute towards the health insurance premiums of retired employees, salary payments in the event of illness and the employer's risk under the Unemployment Act. Where appropriate, these liabilities are calculated actuarially at the reporting date using the projected unit credit method, using a pre-tax discount rate which reflects the current market assessment of the time value of money.

2.17 Provisions

A provision is recognised when, due to a past event, there is a present legal or constructive obligation that is of an uncertain size or that will occur at an uncertain future date, and where its settlement will probably lead to outgoings of an economic nature.

Provisions that will be settled within one year of the reporting date, or that are of limited material significance, are recognised at face value. Provisions are recognised at the present value of the expected expenditure. The specific risks inherent to the relevant obligation are taken into account when determining this expenditure. The present value is calculated using a pre-tax discount rate which reflects the current market assessment of the time value of money. The determination of the expected expenditure is based on detailed plans in order to limit the uncertainty regarding the amount.

Decommissioning
A provision is recognised that equals the present value of the expected costs where there is an obligation to dismantle, demolish or remove an item of PP&E when it ceases to be used. The present value is calculated using a pre-tax rate which reflects the current market assessment of the time value of money and the risks specific to the liability, with a minimum of 0%. No decommissioning provision is formed if there is only a 'possible' or 'remote' likelihood of an outflow of resources under the obligation. The initial recognition of the decommissioning provision for an asset is included in the cost of that asset. If a subsequent assessment shows that the present value of the estimated decommissioning and restoration costs differs considerably from the provision, the difference is settled as an addition or release against the cost of the asset concerned. The adjusted cost is then depreciated over the remaining useful life of that asset. Any increase in the provision due to the passage of time is recognised as interest expense.

2.18 Borrowings

On initial recognition, borrowings are carried at fair value of the consideration received less the directly attributable transaction costs (including any premium/discount). Subsequent to initial recognition, borrowings are recognised at amortised cost using the effective interest method.

2.19 Trade creditors and other liabilities

Trade creditors and other liabilities are recognised at fair value and subsequently at amortised cost. Payables with a term of less than one year are not discounted on initial recognition. In view of their short-term nature, the carrying amount of trade and other liabilities at the reporting date is equal to their fair value.

Contributions received from district heating customers for connection costs and amounts received in advance from business customers are part of the contract liabilities.

2.20 Cash flow statement

The cash flow statement has been prepared using the indirect method, which is applicable to the category 'net cash flow from operating activities'. To reconcile the movement in cash and cash equivalents, the profit for the period is adjusted for items in the income statement and movements in the balance sheet that did not affect receipts and payments.

The cash flow statement distinguishes between cash flows from operating, investing and financing activities:

- 'Net cash flow from operating activities' includes interest and income tax payments and interest receipts;
- 'Net cash flow from investing activities' comprises payments in connection with the purchase and sale of non-current assets such as intangible assets, PP&E, investments in subsidiaries, joint operations, joint ventures and associates. Dividend receipts from these investments are also included;
- 'Net cash flow from financing activities' comprises changes in the size or composition of borrowings, payment of lease liabilities and receipts or payments related to equity, such as dividend payments.

2.21 Commitments, contingent assets and liabilities

Commitments, contingent assets and liabilities (except for guarantees and lease liabilities) are measured at present value, calculated using a discount rate that reflects current market assessments of the time value of money.

Notes to the consolidated income statement

All amounts shown in the tables are in millions of euros unless stated otherwise.

3. Revenues from energy sales and energy-related activities

The nature of the revenues from energy sales and energy-related activities is shown below:

	Year ended 31 March 2024	Period ended 31 March 2023
Electricity	5,348	7,824[1]
Gas	2,289	4,773[2]
Heat	434	562
Energy-related activities	152	126[1]
Total	**8,223**	**13,285**

1 An amount of €84 million was reclassified from energy-related activities to electricity in relation to Eneco eMobility-related activities.
2 An amount of €140 million was reclassified, resulting in a grossing up of gas revenues.

Government grants of €52 million (15-month period ended 31 March 2023: €13 million) are included in electricity revenue.

Each year, the Group settles prior-year revenues with its customers. Negative revenue of €112 million that related to earlier years of supply was recognised, being a negative amount of €56 million which relates to the Netherlands, a positive amount of €9 million to Belgium and a negative amount of €65 million to Germany (15-month period ended 31 March 2023: a positive amount of €92 million in total, of which a positive amount of €50 million related to the Netherlands, a positive amount of €14 million to Belgium and a positive amount of €28 million to Germany).

The revenue per country of sales is shown below:

	Year ended 31 March 2024	Period ended 31 March 2023
Netherlands	5,338[1]	8,991[2]
Germany	1,711[1]	2,252[3]
Belgium	977	1,825
United Kingdom	197	217
Total	**8,223**	**13,285**

1 Amounts related to the revenues recognised for the period 1 April 2023 to 31 March 2024 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis.
2 Amounts related to the revenues recognised for the period 1 January 2023 to 31 March 2023 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis. Amount restated for comparative purposes.
3 Amounts related to the revenues recognised for the period 1 January 2023 to 31 March 2023 under the price cap arrangement collected or yet to be collected from the government are included. See note 1.5 Impact energy crisis.

Revenue included transmission charges of €347 million (15-month period ended 31 March 2023: €389 million) invoiced by grid operators and €178 million (15-month period ended 31 March 2023: €333 million) of environmental and other levies and taxes, both from operations in Germany as, under local regulations, Eneco is acting as principal for these items.

4. Other income

Other income mainly concerns the recharge of costs to retail customers for the use of manual payment transfers instead of direct debit, fines paid by retail customers in the event of early termination of their contracts, settlement of claims, release from the Energy Investment Allowance (tax credit) to be amortised and income from sales of tangible and intangible assets and partial or full disposal of subsidiaries and joint operations, if applicable. In the current financial reporting period, Other income includes the result from the sale of a part of the Group's interest in Ecowende (HKW).

5. Employee benefit expenses

	Year ended 31 March 2024	Period ended 31 March 2023
Wages and salaries	-306	-303
Social security contributions	-38	-42
Pension contributions	-25	-32
Other employee benefits	-30	-40
Total employee benefits	**-399**	**-417**
Capitalised as PP&E – owned assets / Assets under construction	23	27
Presented as Purchases of energy and energy-related activities	8	12
Total	**-368**	**-378**

Number of employees in Full Time Equivalents (FTE)

	Year ended 31 March 2024	Period ended 31 March 2023
Average for the period		
FTEs employed	3,678	3,119
of whom, working outside the Netherlands	1,171	878
At 31 March		
FTEs employed	3,810	3,340
FTEs employed at 31 March by country		
The Netherlands	2,616	2,376
Germany	837	640
Belgium	357	324
Total	**3,810**	**3,340**

6. Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board

The remuneration policy for the members of the Management Board[1] as proposed by the Supervisory Board was approved by the General Meeting of Shareholders and took effect on 24 March 2020.

The General Meeting of Shareholders adopted an amendment to the remuneration policy regarding the financial targets of the Management Board with effect from 1 April 2021 and the last amendment to the remuneration policy regarding the non-financial targets of the Management Board is dating from 29 March 2022 and took effect on 1 April 2022 (both as explained below). The remuneration of the Management Board is determined by the Supervisory Board on the recommendation of its Remuneration, Selection and Appointments Committee.

In addition to a fixed salary, the policy provides for variable remuneration consisting of a 'short-term incentive' (STI) and a 'long-term incentive' (LTI). The STI is granted on the basis of targets set each year by the Supervisory Board for the financial result (with a weight of 60%), for customer satisfaction (measured via Relationele KTV, with a weight of 10%), employee engagement (measured via eNPS, with a weight of 10%), safety (measured via RIF, with a weight of 5%) and sustainability (measured via Mtonne CO2eq, with a weight of 15%). The on-target level of the STI is set at 30% of base salary including holiday allowance. Pay-out starts at the threshold level of 20% of base salary including holiday allowance and is maximised at an above-target of 40% of base salary including holiday allowance. The 2023 STI applies from 1 April 2023 to 31 March 2024. Most targets for STI 2023 have been achieved and the related amounts are disclosed in the 'Remuneration of the Management Board' table on the next page.

The grant of LTI is fully dependent on the improvement of the financial performance over a period of three years. The on-target annual grant level of the LTI is set at 30% of base salary including holiday allowance. The pay-out starts at the threshold level of 20% of base salary including holiday allowance and is maximised at an above-target of 40% of base salary including holiday allowance. This grant is conditional upon the continued employment of the members of the Management Board during a period of three years. The level of achievement is assessed at the end of the relevant three-year period. The 2021-2023 LTI applies from 1 April 2021 to 31 March 2024, the 2022-2024 LTI applies from 1 April 2022 to 31 March 2025 and the 2023-2025 LTI applies from 1 April 2023 to 31 March 2026. The target for LTI 2021-2023 has been realised and the related amount is disclosed in the 'Remuneration of the Management Board' table on the next page.

1 Members of the Management Board and Supervisory Board are regarded as key management personnel pursuant to IAS 24 'Related Party Disclosures'.

In 2021 the financial targets of the Management Board were aligned with the financial targets of the Bonus Score Card, resulting in a change from EBITDA to the normalised[1] net result for both the STI and the LTI. The STI/LTI arrangements were based on EBITDA until 1 April 2021 and since then on net result. Two non-financial targets (safety and sustainability) were implemented for the STI in 2022.

The pension entitlements of the members of the Management Board have been placed with Eneco's standard pension plan. Since 1 January 2015, tax facilities for accrual of pension entitlements have been limited to an indexed maximum gross annual salary of €128,810 (2023)/ €137,800 (2024). As a result, the contribution to pensions for the part of the gross salary in excess of €128,810 (2023)/ €137,800 (2024) is presented in the 'Other pension compensation' column in the Remuneration of the Management Board table below.

The employment contracts with the members of the Management Board are for an unlimited time with a period of notice of four months for the company and two months for the members of the Management Board. The members of the Management Board have been appointed for a period of four years. The members of the Management Board are entitled to a payment of 12-month salary including the holiday allowance if the employment contract is terminated by or at the initiative of the company.

Ms De Lathouder was appointed as COO Assets on 1 November 2023, but her employment contract commenced on 1 October 2023.

Mr Sakuma's four-year term as CCIO ended on 23 March 2024 and he was reappointed as CCIO for the period from 24 March 2024 up to and including 30 April 2024. Mr Sakuma will stay on as an adviser in the month of May 2024 and his employment contract will end on 1 June 2024 (or earlier if agreed).

Mr Asakura was appointed as CCIO on 1 May 2024, but his employment contract commenced on 1 April 2024.

No sign-on bonuses or recruitment incentive payments were paid to the members of the Management Board nor were clawbacks applied during the reporting period.

1 The Supervisory Board has discretionary authority to apply normalisations to the reported net result.

Total remuneration was as follows:

Remuneration of the Management Board[1]

(12 months) x €1,000	Gross salary[2]	Variable remuneration (STI)[3]	Variable remuneration (LTI)[4]	Pension contributions	Other pension compensation	Other[5]	Total for year ended 31 March 2024
A.C. Tempelman	695	251	246	26	70	-	1,288
C.J. Rameau	520	182	178	25	46	-	951
J.M.J. Tijhaar	513	182	178	25	46	-	944
H. Sakuma	514	182	178	25	46	-	945
S.M. Thurer	510	182	91	25	46	-	854
K.M. de Lathouder[6]	257	91	24	13	23	-	408
Total	**3,009**	**1,070**	**895**	**139**	**277**	**-**	**5,390**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Other' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 These amounts are based on a 12-month period (1 April 2023 to 31 March 2024).
3 Includes the 2023 STI (April 2023 to March 2024 based on a 'best estimate' of the achievement of the financial and non-financial targets). The 2023 STI for Ms De Lathouder is calculated on a pro rata basis for the period October 2023 to March 2024.
4 Three LTI cycles overlap in 2023: LTI 2021-2023: Net result (April 2021 to March 2024), LTI 2022-2024: Net result (April 2022 to March 2025) and LTI 2023-2025: Net result (April 2023 to March 2026). This amount has been calculated as a 'best estimate' of the achievement for the completed LTI cycle (LTI 2021-2023) and for the continuing LTI cycles assuming on-target achievement of the financial targets after the three-year period. The LTI amounts are calculated on a pro rata basis, if applicable, dependent on the start date of the employment of the individual board member.
5 Not applicable in financial year 2023.
6 Ms De Lathouder was appointed with effect from 1 November 2023, but was remunerated from 1 October 2023.

Remuneration of the Management Board[1] (15 months) x €1,000	Gross salary[2,3]	Variable remuneration (STI)[4]	Variable remuneration (LTI)[5]	Pension contributions[2]	Other pension compensation[2]	Other[6]	Total for period ended 31 March 2023
A.C. Tempelman	792	309	265	48	87	-	1,501
C.J. Rameau	598	224	196	41	58	-	1,117
J.M.J. Tijhaar	586	224	98	41	58	-	1,007
F.C.W. van de Noort	595	224	196	41	58	566	1,680
H. Sakuma	597	224	196	41	58	-	1,116
S.M. Thurer[7]	426	139	40	29	42	-	676
Total	**3,594**	**1,344**	**991**	**241**	**361**	**566**	**7,097**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Other' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 These amounts are based on a 15-month period (1 January 2022 to 31 March 2023).
3 Amounts are restated for comparative purposes.
4 Includes the 2021 STI (January 2022 to March 2022 based on actual result), an adjustment for the actual realisation of the 2021 STI for the period from April 2021 to December 2021: €218 and the 2022 STI based on actual result (April 2022 to March 2023). The 2022 STI for Ms Thurer is calculated on a pro rata basis for the period May 2022 to March 2023.
5 Three LTI cycles overlap: LTI 2020-2022: EBITDA (April 2020 to March 2023), LTI 2021-2023: Net result (April 2021 to March 2024) and LTI 2022-2024: Net result (April 2022 to March 2025). This amount has been calculated on actual achievement for the completed LTI cycle (LTI 2020-2022: €186) and for the continuing LTI cycles assuming on-target achievement of the financial targets after the three-year period. If applicable, the LTI amounts are calculated on a pro rata basis, dependent on the start date of the employment of the individual board member. For Mr Van de Noort, this includes a settlement of the LTI 2021-2023 and LTI 2022-2024 related to the end of his employment for an amount of €98.
6 Mr Van de Noort: continued payment of salary for the period 1 April 2023 to 1 July 2023 during which Mr Van de Noort is not required to work and the compensation at the end of employment (1 July 2023) as contractually agreed.
7 Ms Thurer was appointed with effect from 9 May 2022, but was remunerated from 1 May 2022.

Remuneration of the Supervisory Board

The General Meeting of Shareholders adopted the remuneration policy for the Supervisory Board with effect from 24 March 2020.

The remuneration of the chairperson of the Supervisory Board is €80,000 per year. The other members of the Supervisory Board each receive an annual fee of €60,000. The chairperson and members of the Audit & Risk Committee receive additional annual fees of €10,000 and €7,500 respectively. The chairperson and members of the Remuneration, Selection and Appointments Committee receive additional annual fees of €8,500 and €6,500 respectively. Each member of the Supervisory Board receives a fixed expense allowance of €1,150 per year.

Total remuneration was as follows:

Year ended 31 March 2024 (12 months)		Committees			
x €1,000	Remuneration	Audit & Risk Committee	Remuneration/ Selection and Appointments Committee	Expenses	Total for year ended 31 March 2024
J.M. Kroon, chair person	80	7	7	1	95
M. Enthoven	60	10	9	1	80
J.M. Roobeek	60	-	7	1	68
K. Sugimori[1]	-	-	-	-	-
A. Matsunaga[1,2]	-	-	-	-	-
S. Hamada[1,3]	-	-	-	-	-
G. Yaguchi[1,4]	-	-	-	-	-
Y. Okafuij[1,2]	-	-	-	-	-
Y. Ohashi[1,3]	-	-	-	-	-
H. Umezawa[1,4]	-	-	-	-	-
Total	**200**	**17**	**23**	**3**	**243**

1 These members have voluntarily waived their remuneration entitlements.
2 Mr Okafuij was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Matsunaga, who stepped down on the same date.
3 Mr Ohashi was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Hamada, who stepped down on the same date.
4 Mr Umezawa was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Yaguchi, who stepped down on the same date.

Period ended 31 March 2023 (15 months) x €1,000	Remuneration	Committees: Audit & Risk Committee	Committees: Remuneration/ Selection and Appointments Committee	Expenses	Total for period ended 31 March 2023
J.M. Kroon, chair person	100	10	8	1	119
M. Enthoven	75	13	11	1	100
J.M. Roobeek	75	-	8	1	84
G. Yaguchi[1]	-	-	-	-	-
K. Nakanishi[1,2]	-	-	-	-	-
A. Matsunaga[1,2]	-	-	-	-	-
Y. Kashiwagi[1,3]	-	-	-	-	-
S. Hamada[1,3]	-	-	-	-	-
H. (Hiroki) Sato[1,4]	-	-	-	-	-
K. Sugimori[1,4]	-	-	-	-	-
Total	**250**	**23**	**27**	**3**	**303**

1 These members have voluntarily waived their remuneration entitlements.
2 Mr Matsunaga was appointed as member of the Supervisory Board on 9 March 2022 and succeeded Mr Nakanishi who stepped down on the same date.
3 Mr Hamada was appointed as member of the Supervisory Board on 9 March 2022 and succeeded Mr Kashiwagi who stepped down on the same date.
4 Mr Sugimori was appointed as member of the Supervisory Board on 1 October 2022 and succeeded Mr Sato who stepped down on the same date.

7. Share of profit of associates and joint ventures

The associates and joint ventures are included in the List of principal subsidiaries in these financial statements.

	Year ended 31 March 2024	Period ended 31 March 2023
Share in net profit and result on sales of associates and joint ventures	68	54
Impairment	-4	-
Total	**64**	**54**

8. Financial income

	Year ended 31 March 2024	Period ended 31 March 2023
Interest income	16	4
Interest on margin calls	18	4
Negative interest on Euro Commercial Paper borrowings	-	1
Other	4	4
Total	**38**	**13**

9. Financial expenses

	Year ended 31 March 2024	Period ended 31 March 2023
Interest expenses	-27	-29
Interest added to provisions and lease liabilities	-11	-8
Other	-4	-2
Total	**-42**	**-39**

See note 25 Borrowings for the average interest rate on the debt.

10. Income tax on the result

The table below shows the tax on the result:

	Year ended 31 March 2024	Period ended 31 March 2023
Current tax expense	-91	-161
Movements in deferred taxes	5	33
Income tax	**-86**	**-128**

The corporate income tax rates for the Netherlands, Belgium, Germany and the United Kingdom were not adjusted in the period from 1 April 2023 to 31 March 2024 and are 25.8%, 25%, 32.28% and 25% respectively for the high rate.

Current income tax charges are €91 million (2022: €161 million), including prior year adjustments of €3 million (2022: €2 million).

Deferred income tax gains are €5 million (2022: €33 million). The release of the Energy Investment Allowance to the income statement is no longer included in the line item 'Income tax', but instead has been moved to 'Other revenues' (2022: €4 million release of the Energy Investment Allowance was included under income tax).

Pillar Two rules ensure that international groups pay at least a minimum tax rate (2024: 15%) per country. For all those countries the new enacted tax legislation regarding Pillar Two is applicable as from 1 January 2024, which means FY2024, starting 1st April 2024, for Eneco. Eneco operates mainly in The Netherlands, Belgium, Germany and the United Kingdom (UK). All of these countries have a tax regime combining a statutory rate of 25% or over and limited deductions and reliefs. Eneco expects no material impact on our tax position in the near future based on the preliminary assessment carried out for this purpose.

The table below shows the effective income tax burden expressed as a percentage of the profit before income tax and the equivalent amount of income tax:

	Year ended 31 March 2024		Period ended 31 March 2023	
Profit before income tax		**454**		**508**
Nominal tax rate (in the Netherlands)	25.8%	-117	25.8%	-131
Effect of:				
- Participation exemption	-8.1%	37	-2.8%	14
- Non tax-deductible expenses	0.8%	-4	2.4%	-12
- Tax incentives	-0.2%	1	-0.8%	4
- Adjustment of prior years results (current and deferred taxes)	-0.7%	3	0.4%	-2
- Investment allowances and foreign loss relief	0.0%	0	-0.6%	3
- Tax effect of different foreign tax rates	1.1%	-5	1.0%	-5
- Tax-exempt income and other	0.2%	-1	-0.2%	1
Effective tax rate	**18.9%**	**-86**	**25.2%**	**-128**

Notes to the consolidated balance sheet

All amounts shown in the tables are in millions of euros unless stated otherwise.

11. Property, plant and equipment – owned assets

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
Cost					
At 1 January 2022	**89**	**4,745**	**45**	**359**	**5,238**
Investments	-	18	4	538	560
Acquisitions	-	-	-	1	1
Disposals	-2	-28	-2	-7	-39
Reclassified from/to assets held for sale	1	-12	-	-1	-12
Changes in decommissioning provision	-	19	-	-	19
Reclassified assets	5	442	2	-451	-2
Translation differences	-	-17	-	-	-17
At 31 March 2023	**93**	**5,167**	**49**	**439**	**5,748**
Investments	1	28	2	553	584
Acquisitions	-	-	1	-	1
Disposals	-	-13	-	-128	-141
Changes in decommissioning provision	-	17	-	-	17
Reclassified assets	-	488	-	-491	-3
Translation differences	-	9	-	-	9
At 31 March 2024	**94**	**5,696**	**52**	**373**	**6,215**

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
Accumulated depreciation and impairment					
At 1 January 2022	**30**	**2,203**	**40**	**-**	**2,273**
Annual depreciation and impairment	4	291	3	-	298
Disposals	-2	-17	-2	-	-21
Reclassified from/to assets held for sale	-	-11	-	-	-11
Reclassified assets	1	-	-1	-	-
Translation differences	-	-7	-	-	-7
At 31 March 2023	**33**	**2,459**	**40**	**-**	**2,532**
Annual depreciation and impairment	3	245	1	-	249
Disposals	-	-10	-	-	-10
Translation differences	-	5	-	-	5
At 31 March 2024	**36**	**2,699**	**41**	**-**	**2,776**
Carrying amount					
At 1 January 2022	59	2,542	5	359	2,965
At 31 March 2023	60	2,708	9	439	3,216
At 31 March 2024	**58**	**2,997**	**11**	**373**	**3,439**

Useful lives

See note 2.6 Property, plant and equipment - owned assets for the useful lives applied.

Draft Dutch Heat Act

In 2023, the bill Collective Heat Supply Act ("Wcw" or new heat act) became public with its submittance by the Minister of Economic Affairs and Climate to the Council of State. The new heat act intends to regulate heat tariffs on a remuneration of efficient costs and a reasonable return on investment. The parameters of the new tariff regulation will only be published after adoption of the new heat act and may therefore result in a higher or lower heat tariff than the currently gas-linked heat tariff. Furthermore, the new heat act intends that future ownership of district heat networks will shift to a mandatory minority stake for private investors, like Eneco being one of the largest operators of district heating networks in the Netherlands. The carrying value as per reporting date is material.

It is expected that the networks held by private investors will be transferred at market value at the end of a transition period. This transition period will be determined per network and covers least 14 years and not more than 30 years after inception of the new heat act.

Since the announcement of the new heat act in 2022, significant uncertainty for new investments have surfaced, resulting in an almost stand-still for expansion of district heat networks and transforming the existing networks to become climate neutral.

The anticipated inception date of the net heat act is 1 January 2025. However, the bill is not yet submitted to the Dutch parliament. At this moment, the date for submittance of the bill (and its final contents) to parliament is unknown. Pending the adoption of the Collective Heat Supply Act, the current heat act will remain unaffected and in force.

Capitalised interest
Attributable interest capitalised for PP&E was €1 million (15-month period ended 31 March 2023: €2 million). The capitalisation rate of interest was 1.11% (15-month period ended 31 March 2023: 1.11%).

Assets under construction
Assets under construction consist mainly of solar farms, onshore and offshore wind farms and investments in district heating networks.

Leases – property, plant and equipment leased by Eneco ('lessor')
Equipment and energy installations (such as domestic water heaters and solar panels) leased to customers for periods of 5 to 20 years remain the property of the Group. The lease terms cover both making the equipment available to users and the maintenance costs. Lease revenues of €21 million (15-month period ended 31 March 2023: €26 million) have been recognised through the income statement.

The carrying amount of assets as shown in the table above, include assets subject to operating leases by Eneco as lessor:

	At 31 March 2024	At 31 March 2023
Machinery and equipment	30	30
Total	**30**	**30**

The minimum receivables (nominal amounts) from non-terminable lease agreements fall due as follows:

	At 31 March 2024	At 31 March 2023
Within 1 year	21	20
From 1 to 2 years	19	18
From 2 to 3 years	18	17
From 3 to 4 years	16	16
From 4 to 5 years	15	15
After 5 years	73	58
Total	**162**	**144**

12. Property, plant and equipment – right-of-use assets and lease liabilities

The classification and movements in the rights-of-use for the lease assets were as follows:

	Land and buildings	Machinery and equipment	Other operating assets	Total
Cost				
At 1 January 2022	**257**	**57**	**21**	**335**
Additions[1]	72	20	-	92
Revaluation	45	-	3	48
Disposals	-3	-	-	-3
Translation differences	-1	-	-	-1
At 31 March 2023	**370**	**77**	**24**	**471**
Additions[2]	19	-	4	23
Acquisitions	4	-	-	4
Revaluation	9	-	6	15
Disposals	-1	-5	-	-6
Translation differences	1	-	-	1
At 31 March 2024	**402**	**72**	**34**	**508**
Accumulated depreciation and impairment				
At 1 January 2022	**58**	**28**	**11**	**97**
Annual depreciation and impairment	30	4	5	39
Disposals	-3	-	-	-3
Translation differences	2	-	-	2
At 31 March 2023	**87**	**32**	**16**	**135**
Annual depreciation	25	4	5	34
Disposals	-	-3	-	-3
Translation differences	1	-	-	1
At 31 March 2024	**113**	**33**	**21**	**167**

	Land and buildings	Machinery and equipment	Other operating assets	Total
Carrying amount				
At 1 January 2022	199	29	10	238
At 31 March 2023	283	45	8	336
At 31 March 2024	**289**	**39**	**13**	**341**

1 The new 'Land and buildings' leases for the 15-month period ended 31 March 2023 include €16 million of leases with a commencement date in 2021.
2 The new 'Land and buildings' leases for the 12-month period ended 31 March 2024 include €6 million of leases with a commencement date in 2022.

Movements in lease liabilities were as follows:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**333**	**233**
New leases	28[1]	92[2]
Lease payments	-39	-43
Interest added to lease liabilities (financial expenses)	8	7
Acquisition of group companies	3	-
Changes of contract period, indexation	15	48
Disposal of contracts	-3	-3
Translation differences	1	-1
At 31 March 2024 and 31 March 2023 respectively	**346**	**333**
Classification		
Current	41	31
Non-current	305	302
At 31 March 2024 and 31 March 2023 respectively	**346**	**333**

1 The new 'Land and buildings' leases for the 12-month period ended 31 March 2024 include €6 million of leases with a commencement date in 2022.
2 The new leases for the 15-month period ended 31 March 2023 include €16 million of leases with a commencement date in 2021.

Eneco's leasing activities as lessee

The Group rents or leases assets such as land for wind and solar farms, roofs of commercial buildings for solar panels, solar panel equipment, offices, warehouses, ICT and other equipment and company cars. Leases are usually entered into for fixed periods ranging from 1 to 40 years but may include extension and termination options. No leases impose covenants but lease assets may not be used as collateral for financing purposes.

Useful lives
See note 2.7 Property, plant and equipment - leased assets for the useful lives applied.

Amounts for leases recognised in the income statement

	Year ended 31 March 2024	Period ended 31 March 2023
Depreciation charge for right-of-use assets	34	39
Interest added to lease liabilities	8	7
Costs for short-term and low-value leases[1]	2	3

1 This concerns the costs for 'short-term leases', costs of 'low-value leases' not included in 'short-term leases' and costs relating to variable lease payments that are not included in the lease liabilities.

Amounts for leases recognised in the cash flow statement
Total lease payments were €41 million (lease repayments of €31 million, interest of €8 million and costs for short term and low value leases of €2 million), 15-month period ended 31 March 2023 €46 million (lease repayments of €36 million, interest of €7 million and costs for short term and low value leases of €3 million).

Variable lease payments
Eneco has a number of leases containing arrangements on variable lease payments. These relate in particular to leases for land for the wind farm activities in the United Kingdom. These variable components depend in particular on the amount of electricity generated.

Other possible lease payments and liabilities
See note 27 Commitments, contingent assets and liabilities for future lease payments resulting from renewal or termination options in leases. Leases which have been entered into but are not yet in force amount to €229 million (31 March 2023: €2 million) of which €225 million relates to variable lease payments. Residual value guarantees are not applicable to Eneco. Leases do not otherwise include any special arrangements involving restrictions or covenants that could lead to a restriction on the use of the lease assets. No 'sale-and-lease-back' transactions have been entered into.

13. Intangible assets

	Goodwill	Customer databases	Software and software licences	Concessions, permits, trade names and other rights	Development expenditure	Total
Cost						
At 1 January 2022	**542**	**792**	**182**	**174**	**19**	**1,709**
Investments	-	1	48	-	8	57
Acquisitions	10	1	2	1	-	14
Disposals	-	-5	-9	-1	-1	-16
Reclassified assets	-4	4	2	4	-	6
Translation differences				-1		-1
At 31 March 2023	**548**	**793**	**225**	**177**	**26**	**1,769**
Investments	-	-	59	-	-	59
Acquisitions	38	-	-	66	-	104
Disposals	-	-	-6	-	-	-6
Reclassified assets	-	-	10	3	-11	2
At 31 March 2024	**586**	**793**	**288**	**246**	**15**	**1,928**
Accumulated amortisation and impairment						
At 1 January 2022	**-**	**400**	**118**	**60**	**10**	**588**
Annual amortisation and impairment	29	78	26	12	7	152
Disposals	-	-5	-8	-1	-	-14
At 31 March 2023	**29**	**473**	**136**	**71**	**17**	**726**
Annual amortisation and impairment	-	54	28	11	1	94
Disposals	-	-	-7	-	-	-7
Reclassified assets	-	-	4	-	-4	-
At 31 March 2024	**29**	**527**	**161**	**82**	**14**	**813**
Carrying amount						
At 1 January 2022	542	392	64	114	9	1,121
At 31 March 2023	519	320	89	106	9	1,043
At 31 March 2024	**557**	**266**	**127**	**164**	**1**	**1,115**

Useful lives
See note 2.9 Other intangible assets for the useful lives applied.

Goodwill
Goodwill was €557 million (31 March 2023: €519 million) and consisted mainly of €152 million (31 March 2023: €152 million) of goodwill relating to the group of cash-generating units in the Netherlands, €191 million (31 March 2023: €191 million) relating to the group of cash-generating units in Belgium, €197 million (31 March 2023: €159 million) relating to the group of cash-generating units in Germany and €17 million (31 March 2023: €17 million) relating to the cash-generating unit in the United Kingdom.

An impairment analysis was performed on this goodwill at 31 December 2023 which showed that the recoverable amount of each group of cash-generating units (determined by the value in use) was higher than their carrying amount.

In the financial statements for the 15-month period ended 31 March 2023, Eneco recognised two impairments: €21 million to the goodwill in the cash-generating units in Belgium and in addition the total goodwill of €8 million for the cash-generating unit Eneco eMobility – Germany was impaired. These amounts were recognised in the income statement in line item 'Amortisation and impairment of intangible assets'.

The following assumptions were used to establish the value in use:

- the value in use of the cash-generating units was based on expected future cash flows for five years as in the Group's long-term plans (based in part on historical figures) and thereafter extrapolated on the expected life of the assets of these cash-generating units, which is generally longer than the five-year period;
- a terminal growth rate and a long-term growth rate of about 2.3% have been taken into account from 2028;
- these expected future cash flows are based on the Business Plan 2024–2028, for which, where applicable, changes were made based on planned investments to determine the recoverable amount of the cash-generating units; and
- the pre-tax discount rates, which reflect the risks of the activities of the relevant cash-generating units, were 5.4% - 14.1% (in 15-month period ended 31 March 2023: 6.9% - 16.8%). These discount rates are based on the weighted average cost of capital (WACC) calculated using parameters derived from data from a peer group and market information.

The calculation of the value in use of these assets is sensitive to the following assumptions: the discount rate, the growth figure applied for extrapolating cash flows beyond the five-year plan and the average useful life of the assets. Of these factors, the discount rate is the most sensitive and an increase of 0.5 percentage point would reduce the value in use of the total cash-generating units by some €0.6 billion and would not lead to an impairment.

Customer databases
Customer databases relate to LichtBlick and Eni (acquired in 2017) and E.ON Benelux Levering (acquired in 2018). The customer databases of Robin Energie and the customer databases and charging points of several companies with electric vehicle activities were acquired in 2019. In 2020 Eneco acquired customer contracts from E.ON Energie in Germany. In 2021 Eneco acquired the business customer contracts of Essent Energie Verkoop Nederland B.V. (renamed Eneco Midzakelijk B.V.).

Concessions, permits, trade names and other rights
Concessions, permits, trade names and other rights consist mainly of the capitalised trade name of LichtBlick and permits and development rights for wind farms and solar parks in Belgium, Germany and the United Kingdom.

Current intangible assets and inventories
Current intangible assets and inventories were €286 million (31 March 2023: €630 million). €203 million (31 March 2023: €525 million) related to green certificates and emission rights and the remaining €83 million (31 March 2023: €105 million) to other inventories. Of these green certificates and emission rights, none were measured at fair value (31 March 2023: €358 million) in the fair value hierarchy.

14. Business combinations and other changes in the consolidation structure

Acquisition of remaining shares in Installion GmbH
On 1 April 2023, Eneco completed the purchase of the remaining 67.4% interest in Installion GmbH. Installion supports the energy transition by installing solar panels, batteries and e-charging stations throughout Germany. This contributes to the Group's energy as a service concept. Before the acquisition, Eneco held a share of 32.6%, resulting in a profit due to revaluation to fair value as part of the acquisition price of €4 million. The goodwill in this acquisition relates to the skilled workforce and the synergy benefits for future integration.

Acquisition of 100% shares in solargrün GmbH
On 18 December 2023, Eneco acquired all the shares in solargrün GmbH. Solargrün's business model is developing solar parks in Germany. Solargrün will contribute to the Group's ambition to obtain more sustainable energy-generating assets in Germany. The goodwill in this acquisition relates to the skilled workforce and the early-stage project pipeline.

The combined disclosures of the acquisitions of Installion GmbH and solargrün GmbH are presented below on the next page.

Identified assets or liabilities	Fair value
Trade names	3
Development rights	63
Property, plant and equipment and right of use assets	5
Deferred taxes	-15
Working capital and other liabilities	-17
Total fair value of net assets acquired	**39**
Consideration paid	77
Goodwill	**38**

The goodwill is not tax deductible. The impact of these acquisitions on revenues and net result of this financial year 2023 is not material.

Sale of 30% interest in Ecowende wind farm
On 1 February 2024, Eneco signed a Share Sale and Purchase Agreement ('SPA') with Chubu Electric Power (20% shareholder of N.V. Eneco), for the sale of a 30% in the Ecowende wind farm for some €0.2 billion. The gain of some €80 million is recognised in the income statement in line item 'Other income', see also note 4 Other income. This leaves Chubu Elecric Power with a 30% interest in the Ecowende wind farm and Eneco with a 10% interest. The legal transfer of the shares and receipt of the transaction price was concluded and executed on 8 May 2024.

15. Associates and joint ventures

The Group participates with one or more parties in businesses in the form of associates or joint ventures to perform shared operations.

The carrying amount of the associates and joint ventures was:

		At 31 March 2024	At 31 March 2023
Interest in Greenchoice (30%)	Associate	98	87
Interest in Norther wind farm (50%)	Joint venture	204	202
Other associates		19	22
Other joint ventures		25	6
Total		**346**	**317**

The carrying amount of interest in Greenchoice increased with €11 million. This concerns our share in their estimated result for the 12-month period minus dividends received. Other joint ventures increased due to a new acquisition in a joint venture of some €18 million.

The tables below summarises the financial information of the interests in Greenchoice and Norther. The figures were drawn from their most recent published financial information (Greenchoice) or available internal information (Norther). Where necessary, they have been restated for differences between their accounting policies and IFRS. The table also shows a reconciliation between the summary financial information for each investment and the carrying amount of Eneco's interest in it.

Greenchoice

Balance sheet information (based on most recent available information)	At 31 December 2022	At 31 December 2021
Non-current assets	137	161
Current assets	519	474
Non-current liabilities	40	69
Current liabilities	429	423
Net assets (100%)	**187**	**143**
Eneco's share of net assets	56	43
Carrying amount of interest in Greenchoice (incl. acquired goodwill)	**78**	**66**

Comprehensive income information (based on most recent available information)	At 31 December 2022	At 31 December 2021
Revenues (100%)	1,043	566
Profit for the period (100%)	58	29
Total other comprehensive income (100%)	-	-
Total comprehensive income (100%)	58	29
Group's share of total comprehensive income (30%)	**17**	**9**

Norther

Balance sheet information	At 31 March 2024[1]	At 31 March 2023[2]
Non-current assets	868	968
Current assets	236	195
- of which cash and cash equivalents	171	116
Non-current liabilities	729	817
- of which non-current financial liabilities (excl. trade creditors, other obligations and provisions)	673	736
Current liabilities	143	130
- of which current financial liabilities (excl. trade creditors, other liabilities and provisions)	63	62
Net assets (100%)	**232**	**216**
Eneco's share of net assets	116	108
Carrying amount of interest in Norther (incl. acquired premium)	**204**	**202**

1 Applying IAS 28.34, the February 2024 figures are presented (one month delay).
2 Applying IAS 28.34, the February 2023 figures are presented (one month delay).

Comprehensive income information	At 31 March 2024[1]	At 31 March 2023[2]
Revenues (100%)	251	234
Depreciation, amortisation and impairment (100%)	-52	-65
Financial income (100%)	5	1
Financial expenses (100%)	-20	-26
Tax charge or gain (100%)	-29	-16
Profit for the period (100%)	114	69
Total other comprehensive income (100%)	-22	112
Total comprehensive income (100%)	92	181
Group's share of total comprehensive income	**46**	**91**

1 Applying IAS 28.34, the figures for March 2023 to February 2024 are presented (one month delay).
2 Applying IAS 28.34, the figures for December 2021 to February 2023 are presented (one month delay).

Total comprehensive income (the Group's share) for the other associates was €1 million negative (15-month period ended 31 March 2023: €3 million negative) and for the other joint ventures €3 million negative (15-month period ended 31 March 2023: €0 million).

16. Deferred taxes

Carrying amounts and movements in deferred taxes for the period from 1 April 2023 to 31 March 2024 were as follows:

	Net balance at 1 April 2023	Recognised in profit or loss[1]	Recognised in other comprehensive income	Other (including business combinations)	Net balance at 31 March 2024	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment[2]	-143	8	-	-	-135	-	-135
Intangible assets	-66	6	-	-20	-80	10	-90
Leases[2]	3	1	-	-	4	85	-81
Hedges and derivatives	55	-	-53	-1	1	14	-13
Receivables	-13	-15	-	1	-27	6	-33
Loss carry forwards	18	4	-	6	28	28	-
Losses at non-resident participating interests	-10	1	-	-	-9	-	-9
Provisions[2]	13	-	-	-3	10	10	-
Tax liabilities (assets) before offsetting	**-143**	**5**	**-53**	**-17**	**-208**	**153**	**-361**
Offsetting deferred taxes						-112	112
Total						**41**	**-249**

1 This amount is included in the 'Movements in deferred taxes' as part of 'Income tax on the result'. See note 10 Income tax on the result.
2 IAS12 amendment 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' has been applied for the first time in this financial year. The opening balances are adjusted. Further reference is made to note 1.3 New and amended IFRS standards.

Carrying amounts and movements in deferred taxes for the period from 1 January 2022 to 31 March 2023 were as follows:

	At 31 December 2021	Recognised in profit or loss[1]	Recognised in other comprehensive income	Other (including business combinations)	At 31 March 2023	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment[2]	-161	17	-	1	-143	-	-143
Intangible assets	-80	13	-	1	-66	15	-81
Leases[2]	1	1	-	1	3	83	-80
Hedges and derivatives	83	-	-28	-	55	69	-14
Receivables	-9	-3	-	-1	-13	5	-18
Loss carry forwards	16	-	-	2	18	18	-
Losses at non-resident participating interests	-11	1	-	-	-10	-	-10
Provisions[2]	13		-	-	13	13	-
Tax liabilities (assets) before offsetting	**-148**	**29**	**-28**	**4**	**-143**	**203**	**-346**
Offsetting deferred taxes						-179	179
Total						**24**	**-167**

1 This amount is included in the 'Movements in deferred taxes' as part of 'Income tax on the result'. See note 10 Income tax on the result.
2 IAS12 amendment 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' has been applied for the first time in this financial year. The comparative figures are adjusted. Further reference is made to note 1.3 New and amended IFRS standards.

No deferred tax asset has been recognised on pre-consolidation and other losses (including tax facilities not yet used) of €6 million (31 March 2023: €7 million) since it is not certain whether sufficient taxable profits will be available in the future at the companies and permanent establishment which are not members of the fiscal unity. The tax regulations in the relevant jurisdiction state that these losses can be carried forward indefinitely (31 March 2023: indefinitely).

17. Derivative financial instruments

17.1 Financial instruments of the Group

The table below shows the fair value of the derivative financial instruments:

Financial assets	At 31 March 2024	At 31 March 2023
Interest rate swap contracts	19	29
Currency swap contracts	3	2
Energy commodity contracts	558	1,632
CO_2 emission rights	25	23
Total	**605**	**1,686**
Classification		
Current	466	1,314
Non-current	139	372
Total	**605**	**1,686**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	6	6
Energy commodity contracts	645	1,909
CO_2 emission rights	7	9
Total	**658**	**1,924**
Classification		
Current	408	1,149
Non-current	250	775
Total	**658**	**1,924**

The fair value of the energy commodity contracts decreased by some €1.1 billion (15-month period ended 31 March 2023: decrease by some €0.9 billion) in respect of derivative assets and some €1.3 billion (15-month period ended 31 March 2023: decrease by some €0.9 billion) in respect of derivative liabilities. This decrease is mainly the result of the further decrease in the average (long-term) market price for electricity and gas.

17.2 Financial instruments recognised through the income statement

The table below shows the fair value of derivative financial instruments on the reporting date, for which the movements in fair value have been recognised through the income statement:

Financial assets	At 31 March 2024	At 31 March 2023
Currency swap contracts	3	2
Energy commodity contracts	443	1,369
CO_2 emission rights	25	23
Total	**471**	**1,394**
Classification		
Current	346	1,049
Non-current	125	345
Total	**471**	**1,394**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	2	3
Energy commodity contracts	491	1,381
CO_2 emission rights	7	9
Total	**500**	**1,393**
Classification		
Current	379	1,104
Non-current	121	289
Total	**500**	**1,393**

The total amount recognised in the income statement for financial assets and liabilities measured at fair value through profit or loss (including recycling and other effects of financial assets and liabilities allocated to hedge accounting) was €51 million gain (15-month period ended 31 March 2023: €41 million loss).

17.3 Financial instruments recognised in equity - cash flow hedge accounting

The table below shows the fair value of derivative financial instruments on the reporting date, for which movements in fair value have been recognised in equity through the cash flow hedge reserve:

Financial assets	At 31 March 2024	At 31 March 2023
Interest rate swap contracts	19	29
Energy commodity contracts	115	263
Total	**134**	**292**
Classification		
Current	120	265
Non-current	14	27
Total	**134**	**292**

Financial liabilities	At 31 March 2024	At 31 March 2023
Currency swap contracts	4	3
Energy commodity contracts	154	528
Total	**158**	**531**
Classification		
Current	29	45
Non-current	129	486
Total	**158**	**531**

These instruments are used in cash flow hedge transactions to hedge interest rate, currency and energy price risks and the currency risks in a net investment in a foreign operation.

17.4 Fair value hierarchy

See note 2.11 Derivative financial instruments for the main assumptions for determining the fair value measurement of level 1, 2 and 3 financial instruments. The hierarchy of derivative financial instruments measured at fair value was as follows:

At 31 March 2024	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	441	127	15	583
Interest rate and currency swap contracts	-	22	-	22
	441	**149**	**15**	**605**
Liabilities				
Energy commodity contracts and CO_2 emission rights	107	371	174	652
Interest rate and currency swap contracts	-	6	-	6
	107	**377**	**174**	**658**

At 31 March 2023	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	1,137	514	4	1,655
Interest rate and currency swap contracts	-	31	-	31
	1,137	**545**	**4**	**1,686**
Liabilities				
Energy commodity contracts and CO_2 emission rights	188	1,237	493	1,918
Interest rate and currency swap contracts	-	6	-	6
	188	**1,243**	**493**	**1,924**

The level 3 derivative financial instruments are mainly contracts for hedging purposes of future market prices relating to wind farms that have a limited subsidy or are unsubsidised. As Eneco has hedged the variable market price against the fixed contract price of these contracts, future cash flows or income will be offset by higher future electricity sale proceeds.

The valuation techniques, main assumptions and sensitivity analysis are shown below.

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input on fair value
Forward electricity contract	Discounted cash flow method	Average price €71 per MWh for the measurement period (period ended 31 March 2023: €117)	A 5% increase or decrease would result in a change in fair value of €15 million (period ended 31 March 2023: €28 million)
Option contract	Option pricing model	Average price €68 per MWh for the measurement period (period ended 31 March 2023: €111)	A 5% increase or decrease would result in a change in fair value of €17 million (period ended 31 March 2023: €21 million)
		Volatility	A 10% increase or decrease would result in a change in fair value of €13 million (period ended 31 March 2023: €17 million)

The movements in the level 3 derivative financial instruments are set out below.

Changes in fair value of level 3 energy commodity contracts and CO_2 emission rights	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-489**	**-283**
Included in income statement	-22	-12
Included in statement of comprehensive income	351	-225
Purchases	19	3
Sales and settlements	-18	28
At 31 March 2024 and 31 March 2023 respectively	**-159**	**-489**
Classification		
Financial assets	15	4
Financial liabilities	-174	-493
At 31 March 2024 and 31 March 2023 respectively	**-159**	**-489**

17.5 Cash flow hedges

Movements in the cash flow hedge reserve are presented in note 29.2 Market and regulatory risk.

The cash flow hedging instruments are derivative financial instruments that are subject to net settlement between parties. The table below shows the periods in which the cash outflows from the cash flow hedges are expected to be realised:

	At 31 March 2024	At 31 March 2023
Expected cash flow		
Within 1 year	-236	-535
From 1 to 5 years	31	205
After 5 years	46	292
Total	**-159**	**-38**

The total cash flow hedges that will be reclassified through the income statement in the future are recognised in the cash flow hedge reserve after deduction of taxes. The table below shows the periods in which the cash flows from the cash flow hedges are expected to be realised:

	At 31 March 2024	At 31 March 2023
Expected recognition in result after tax		
Within 1 year	82	178
From 1 to 5 years	-25	-125
After 5 years	-20	-166
Total	**37**	**-113**

18. Other non-current assets

	At 31 March 2024	At 31 March 2023
Loans	7	4
Other capital interests	5	3
Other assets and prepayments	44	53
Contract acquisition costs	79	44
Total	**135**	**104**

See note 20 Other current assets for the movements in contract acquisition costs.

19. Trade receivables

The table below shows the trade receivables:

	At 31 March 2024	At 31 March 2023
Trade receivables	1,153	1,308
Amounts to be invoiced	384	628[1]
Less: Loss allowance	-122	-105
Total	**1,415**	**1,831**

1 €33 million was reclassified from Prepayments and accruals, see note 20 Other current assets, to Trade receivables for the purpose of comparability

The table below shows the aged analysis of the outstanding receivables:

	At 31 March 2024			At 31 March 2023		
	Nominal receivables	Loss allowance	Percentage for loss allowance	Nominal receivables	Loss allowance	Percentage for loss allowance
Not past due	1,247	-22	2%	1,488	-22	1%
After due date						
- under 3 months	96	-13	14%	295	-16	5%
- 3 to 6 months	49	-16	33%	58	-13	22%
- 6 to 12 months	60	-19	32%	41	-17	41%
- over 12 months	85	-52	61%	54	-37	69%
Nominal value	**1,537**	**-122**		**1,936**	**-105**	
Less: Loss allowance	-122			-105		
Total	**1,415**			**1,831**		

The table below shows the movements in loss allowance:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-105**	**-64**
Additions	-39	-55
Withdrawals	22	14
At 31 March 2024 respectively 31 March 2023	**-122**	**-105**

See note 2.14 Trade receivables and other current assets for the main assumptions for determining the provision for doubtful debts using the expected credit losses method.

20. Other current assets

	At 31 March 2024	At 31 March 2023
Contract acquisition costs	46	31
Prepayments and accruals	357	159[1]
Margin calls	222	346
Customer support arrangements[2]	54	225
	679	**761**

1 €33 million was reclassified from Prepayments and accruals to Amounts to be invoiced, see note 19 Trade receivables, for the purpose of comparability.
2 See note 1.5 Impact energy crisis.

The movements in contract acquisition costs were as follows:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**75**	**62**
Capitalisation	96	66
Amortisation (included in 'Purchases of energy and energy-related activities')	-46	-53
At 31 March 2024 and 31 March 2023 respectively	**125**	**75**
Classification		
Current	46	31
Non-current (see note 18)	79	44
At 31 March 2024 and 31 March 2023 respectively	**125**	**75**

21. Cash and cash equivalents

Cash and cash equivalents comprised bank balances, cash and deposits of €405 million (31 March 2023: €437 million). Term deposits and blocked accounts, which are not at the free disposal of the Group, were €147 million (31 March 2023: €168 million).

22. Equity

Share capital
N.V. Eneco's authorised share capital is €341.25 million divided into 341,250,000 shares with a nominal value of €1 each. At 31 March 2024, 121,693,390 shares had been issued and fully paid. N.V. Eneco has only issued ordinary shares.

Translation reserve
The foreign currency translation reserve comprises:

- exchange rate adjustments arising on translation of the financial statements of entities with a currency that is not the Group's presentation currency;
- exchange rate adjustments relating to loans that form part of Eneco's net investment in such entities; and
- the effective portion of any exchange rate adjustments relating to hedging transactions on Eneco's net investment in such entities.

On disposal or partial disposal of the net investment, the exchange rate adjustments are recognised through the income statement if a foreign exchange gain (loss) is realised by the divested entity.

Cash flow hedge reserve
The cash flow hedge reserve recognises the effective portion of gains and losses in respect of the net change in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges for which the hedged transaction has not yet been settled. The cash flow hedge reserve is not freely at the disposal of the shareholders.

Note 29.2 Market and regulatory risk provides further information on cash flow hedge and translation reserves, including a statement of the movements.

Non-controlling interests
Non-controlling interest presents the interest of other (third-party) shareholders in consolidated subsidiaries.

23. Employee benefit obligations

	Long-service benefits	Other	Total
At 1 January 2022	**6**	**4**	**10**
Addition	1	2	3
Withdrawals	-2	-2	-4
Release	-	-1	-1
At 31 March 2023	**5**	**3**	**8**
Current	-	3	3
Non-current	5	-	5
At 31 March 2023	**5**	**3**	**8**
Addition	-	2	2
Withdrawals	-1	-1	-2
Release	-	-1	-1
At 31 March 2024	**4**	**3**	**7**
Current	-	3	3
Non-current	4	-	4
At 31 March 2024	**4**	**3**	**7**

Long-service benefits
This provision covers the obligation to pay amounts to employees achieving a certain number of years of employment and on retirement.

There are some defined-benefit pension plans, but as the net liability (liabilities for pension commitments less the plan assets) is not material, at some €2 million (31 March 2023: €2 million), no disclosures for defined-benefit plans pursuant to IAS 19 'Employee Benefits' have been presented.

The following actuarial assumptions were used for the obligations:

Presumptions	At 31 March 2024	At 31 March 2023
Long-service benefits (NL)		
Discount rate at reporting date	3.42%	3.40%
Future salary increases	0.6%-2.0%	0.6%-4.0%
Mortality table	GBM & GBV 2016-2021	GBM & GBV 2016-2021
Pension liabilities (BE)		
Discount rate at reporting date	3.50%	3.50%
Future salary increases	2.25%/scale +0.5% 2.25%/scale +2.0%	2.25%/scale +0.5% 2.25%/scale +2.0%
Mortality table	MR-5/FR-5 IABE 2015	MR-5/FR-5 IABE 2015

Expenditures from the employee benefit obligations are made over the long-term. The obligations are remeasured annually using current employee information and properly reflect the expected cash flows.

Other employee benefits

The other employee benefit obligations include the obligations for salary payments in the event of illness and unemployment benefits since the Group bears this risk under the Unemployment Act. In view of their predominantly short-term nature, these obligations are measured at nominal value.

24. Provisions

Non-current	Decommissioning	Onerous contracts	Other[1]	Total
At 1 January 2022	**182**	**-**	**4**	**186**
Addition	40	3	8	51
Withdrawals	-	-	1	1
Release	-2	-	-1	-3
Adjustment for change in inflation and discount rate	-18	-	-	-18
Other	-	-	1	1
At 31 March 2023	**202**	**3**	**13**	**218**
Current	-	3	7	10
Non-current	202	-	6	208
At 31 March 2023	**202**	**3**	**13**	**218**
Addition	30	1	11	42
Withdrawals	-1	-	-1	-2
Release	-	-3	-4	-7
Adjustment for change in inflation and discount rate	-6	-	-	-6
At 31 March 2024	**225**	**1**	**19**	**245**
Current	-	1	14	15
Non-current	225	-	5	230
At 31 March 2024	**225**	**1**	**19**	**245**

1 This category concerns restructuring provision and other provisions.

Decommissioning

The decommissioning provision has a long-term nature. The cash flows will generally occur after ten but within thirty years. The amounts recognised are the best estimate at the reporting date of the expected expenditure for the machinery, transport, materials and labour that will be required. These amounts are reviewed annually for expected future movements in the cost of removing assets, allowing for inflation in a range of 1.9% to 2.2% (15-month period ended 31 March 2023: 2.3% to 2.5%). The amounts estimated for decommissioning are inherently uncertain since it is expected that some assets will not be dismantled for several years and only limited historical data is available. For unwinding of the present value, discounts rates range from 2.2% to 2.8% (15-month period ended 31 March 2023: ranging from 2.2% to 2.5%).

25. Borrowings

The Group's borrowings related largely to financing wind farms and general financing.

	At 31 March 2024	At 31 March 2023
Non-recourse (mainly financing wind farms)	344	381
Other loans and liabilities	1,184	297
Total	**1,528**	**678**

See note 29 Financial risk management for details of the periods over which the repayments will be made.

The movements in borrowings were as follows for the periods ended:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**678**	**1,192**
Amounts drawn	1,208	282[1]
Repayments	-343	-791
Other changes	-15	-5
At 31 March 2024 and 31 March 2023 respectively	**1,528**	**678**
Current	945	59
Non-current other liabilities	583	619
At 31 March 2024 and 31 March 2023 respectively	**1,528**	**678**

1 An amount of €16 million was reclassified to 'Amounts drawn' in relation to a bank overdraft.

Project-specific collateral has been provided for the borrowings for financing wind and solar farms, in the form of mortgages, and pledges of shares in the legal entities, of bank balances, of accounts receivable and of energy purchase contracts and/or grant contracts. The outstanding principal on these loans was €376 million (31 March 2023: €381 million). No collateral has been provided for the other borrowings.

The liability for loans of a fixed-rate nature (fair value risk) was €519 million (31 March 2023: €309 million). Other loans are at market-linked variable rates. Repayment obligations for the first year after the reporting date are recognised under current liabilities.

The average annual interest rate was 2.4% (15-month period ended 31 March 2023: 2.0% per annum). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

The fair value of the loans was €1,458 million (31 March 2023: €608 million) and was calculated using the income approach, based on relevant market interest rates for comparable debt. Consequently, the information for establishing value is covered by level 2 of the fair value hierarchy.

26. Trade creditors and other liabilities

	At 31 March 2024	At 31 March 2023
Trade and energy creditors	990	1,468
Contributions received for connections and other long-term contract liabilities	209	196
Accruals	445	469
Margin calls	-	839
Customer support arrangements and inframarginal revenue cap[1]	126	232
Pension contributions	7	3
Other liabilities	330	419
Total	**2,107**	**3,626**
Classification		
Current	1,885	3,416
Non-current	222	210
Total	**2,107**	**3,626**

1 See note 1.5 Impact energy crisis.

Trade and energy creditors include advances already invoiced if they are higher than the actual or estimated energy consumption during the reporting period. Contributions received for connections are considered contract liabilities for amounts paid by customers towards connections to district heating networks.

The table below shows the movements in contributions received for connections and other long-term contract liabilities:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	196	163
Additions	19	37
Disposals	-2	-
Releases to the income statement (in revenues)	-4	-4
At 31 March 2024 and 31 March 2023 respectively	**209**	**196**
Current	8	5
Non-current	201	191
At 31 March 2024 and 31 March 2023 respectively	**209**	**196**

Due to the current nature of trade creditors and other financial liabilities, their carrying amounts approximate their fair value.

27. Commitments, contingent assets and liabilities

Energy purchase and sale commitments

The Group has energy purchase commitments of €7.4 billion (31 March 2023: €15.8 billion) under contracts relating to 2024 and later years. €1.7 billion falls due within 1 year (31 March 2023: €3.6 billion), €2.7 billion between 1 and 5 years (31 March 2023: €6.6 billion) and €3.0 billion after 5 years (31 March 2023: €5.6 billion). There are energy sale commitments, relating largely to the business market, of €6.5 billion (31 March 2023: €8.0 billion) for 2024 and later years. €2.5 billion falls due within 1 year (31 March 2023: €3.5 billion), €3.1 billion between 1 and 5 years (31 March 2023: €3.3 billion) and €0.9 billion after 5 years (31 March 2023: €1.2 billion).

The Group has commitments of €0.6 billion (31 March 2023: €0.9 billion) for the purchase of heat until 2055. These purchase commitments consist of the heat that is required to be purchased from suppliers for the duration of existing contractual agreements. The heat that is required to be purchased consists of both contractually agreed volumes as well as additional volumes based on expected sales. The expected perpetual annual commitments for the sale of heat are €0.4 billion per year (31 March 2023: €0.6 billion).

Investment obligations

The Group had entered into investment obligations totalling €0.4 billion of which €0.1 billion relates to district heating projects for which Eneco has contractual obligations to project developers and municipalities to realise the projects, which entails entering into agreements with suppliers after the balance sheet date (31 March 2023: €1.0 billion, of which €0.7 billion relates to the offshore wind farm Hollandse Kust (west) site VI, conditional on finalising the permits; these permits were finalised and assigned to Eneco in May 2023).

Commitments under leases not recognised in the balance sheet

The minimum commitments for short-term leases, low-value leases and variable lease payments not recognised as lease liabilities in the balance sheet are €16 million (31 March 2023: €10 million), of which €2 million falls due within 1 year (31 March 2023: €2 million), €7 million between 1 and 5 years (31 March 2023: €3 million) and €7 million after 5 years (31 March 2023: €5 million).

Potential future cash outflows of €70 million (31 March 2023: €59 million) have not been included in the lease liabilities because it is not reasonably certain that the lease contracts will be extended (or they may be terminated early).

Other (contingent) obligations

There were other contractual obligations of €0.7 billion (31 March 2023: €0.7 billion), mainly under maintenance contracts.

Guarantees

The Group has issued several guarantees to third parties involving material amounts on which the possibility of any outflow of resources for settlement has been assessed as remote (31 March 2023: remote).

Fiscal unity

N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries and N.V. Eneco also heads a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries.

LichtBlick Holding GmbH heads a fiscal unity for corporate income tax purposes which includes most of the operative German subsidiaries. LichtBlick Holding GmbH also heads a fiscal unity for VAT purposes which includes most of the operative German subsidiaries.

All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Cash pools

As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Legal proceedings
The Group is involved either as plaintiff or defendant in various legal and regulatory claims and proceedings related to its operations. Management ensures proper representation in these matters. The amounts claimed in some of these proceedings may be significant to the financial statements.

Liabilities and contingencies in connection with these claims and proceedings are assessed periodically based on the latest information available, usually with the assistance of lawyers and other specialists. A liability is only recognised if an adverse outcome is probable and the amount of the loss can be reasonably estimated. The actual outcome of proceedings or a claim may differ from the estimated liability and, consequently, could have a material adverse effect on the financial performance and position of the Group.

Since the start of the energy crisis, price levels and volatility in the electricity and gas markets have been very high. Consequently, the sector has experienced more frequent adjustments of consumer tariffs. The legal validity of various tariff changes has been challenged by a number of consumer customers who have filed complaints. It is still unclear if and how this will evolve.

28. Related party disclosures

The Group's related companies (the shareholder and its subsidiaries which are not part of the Group), associates, joint ventures and board members are considered as related parties.

Sales to and purchases from related parties are on terms of business normally prevailing with third parties. Receivables and liabilities are not covered by collateral and are paid by bank transactions. Eneco has issued bank and group guarantees to its associates and joint ventures of some €10 million (15-month period ended 31 March 2023: €10 million).

The table below shows the trading transactions with the principal related parties:

	Sales		Purchases	
	Year ended 31 March 2024	Period ended 31 March 2023	Year ended 31 March 2024	Period ended 31 March 2023
Shareholder N.V. Eneco and related companies	2	7	-	3
Associates	-	1	2	4
Joint ventures	-	-	118	85

	Receivables		Liabilities	
	Year ended 31 March 2024	Period ended 31 March 2023	Year ended 31 March 2024	Period ended 31 March 2023
Shareholder N.V. Eneco and related companies	6	5	950	250
Associates	3	3	1	-
Joint ventures	-	4	-	13

See note 6 Remuneration of the Management Board and Supervisory Board for the remuneration of Management Board and Supervisory Board. In the reporting period from 1 April 2023 to 31 March 2024 and in the 15-month period ended 31 March 2023, seven members of the Supervisory Board voluntarily waived their remuneration entitlements representing a departure from arm's length remuneration.

If board members are energy customers of the Group, there is no other relationship than that of customer and supplier.

In 2021, the Group has agreed a loan facility of €1 billion with Mitsubishi Corporation Finance Plc. An amount of €250 million had been drawn at 31 March 2024 (31 March 2023: €250 million). On 27 September 2022, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. At 31 March 2024 €700 million had been drawn from this facility (31 March 2023: nil).

During the financial year 2023, Eneco sold 30% of its interest in the Ecowende wind farm to one of its shareholders (Chubu Electric Power). Reference is made to note 14 Business combinations and other changes in the consolidation structure for a more detailed explanation.

29. Financial risk management

This note explains Eneco's exposure to financial risks and how those risks could affect the future financial performance of the Group. Eneco's normal business activities involve exposure to credit, commodity market, foreign currency, interest rate, inflation and liquidity risks that are a natural part of Eneco's business activities. The Group's risk management policy is designed to monitor these risks and minimise the adverse consequences of unforeseen circumstances on its financial results.

The unprecedented market volatility caused by the war in Ukraine subsided somewhat in 2023. While at the start of 2023 the commodity prices (including futures) were still very high, prices gradually fell during the financial year. Commodity prices (including futures) still exceed pre-war levels. In response to the high prices, the Group had intensified the risk control measures described below. It is monitoring developments very closely and actively managing its business and commodity portfolios as there is a chance that the market volatility could return. See note 1.5 Impact energy crisis for a general description of the financial impact of the energy crisis on Eneco.

The Management Board is responsible for risk management. Procedures and guidelines have been drawn up and they are evaluated at least once a year and adjusted if required. In this context, the Management Board sets out procedures and guidelines and ensures they are complied with. Authority to enter into commitments on behalf of the Group is specified in the Eneco Authority Structure. Mandates are in place for all business units and management, including the Group's trading department, the business units with energy and heating production and the sales channels, to manage the above risks such as commodity (electricity, gas, heating, emission rights and fuels) risks. All of Eneco's business units are subject to endorsed Credit Mandates which state the terms and conditions under which transactions may be entered into with external parties.

The Management Board and senior business unit management regularly review and discuss the figures in the income statement, key figures such as changes in KPIs and the trading position, the principal risks (and any concentration of certain risks) and the measures to manage them. Stress tests are developed for the principal identified risks and incorporated in the long-term financial plan. This clarifies the impact of risks on business operations. Senior business unit management reports this regularly to the Management Board and confirms this yearly by means of an official In Control Statement.

The Commodity Risk Team and Investment Risk Team, whose members include several Management Board members, are in charge of the formulation and monitoring of the Group's financial risk policy, decide on business and other proposals and advise the Management Board accordingly.

29.1 Credit risk

Credit risk is the risk of a loss for the Group if a counterparty or its guarantor to meet its contractual obligations. For the purposes of managing this risk, a distinction is drawn between debtor risk (on trade and other receivables) and counterparty risk. The maximum credit risk[1] exposure is the carrying amount of the financial assets including the derivative financial instruments, which are disclosed in notes 17 Derivative financial instruments, 18 Other non-current assets, 19 Trade receivables, 20 Other current assets and 21 Cash and cash equivalents.

Debtor risk

Debtor risk is the risk that a debtor (primarily customers) fails to pay a receivable due. There are large numbers of debtors and most receivables from debtors are of a limited size. There is, therefore, a limited concentration of risk.

Credit risk policy is designed not to provide customers with any credit going beyond normal supplier credit as set out in the applicable conditions of supply. Policy is also formulated at a decentralised level within the organisation. The effectiveness of that policy is monitored at the corporate level and adjustments are made if required.

Measures in place to limit debtor risk are:

- an active debt collection policy;
- credit limits, bank guarantees and/or margining (cash collateral) for business customers; and
- using the services of debt collection agencies, cooperation with municipalities and debt relief agencies, further alternative collection methods for current and former customers; and
- credit insurance, if necessary, to cover settlement exposures for B2B customers (in the Netherlands and Belgium) and Agro energy customers.

Trade receivables

The Group applies the IFRS 9 'simplified approach' for determining expected credit losses on trade receivables using the lifetime expected credit losses method. This method is based on the inherent risk that a debtor will not pay or fully pay the receivable. Consequently, this risk has to be recognised from the initial recognition of the receivable and a provision is formed for part of the amount of trade receivables that have not reached their due date and the amounts to be billed. A provision matrix is used to ascertain the expected credit losses on receivables from retail and SME customers. This classifies trade receivables by shared credit risk characteristics and the number of days that the receivables are outstanding.

The provision matrix incorporates different percentages for the various phases of collection of receivables, such as first reminder, dispute, debt collector or bankruptcy, related to the risk profile for ascertaining the expected losses. The percentages have been established from historical figures adjusted for non-recurring past effects. The percentages have been set taking account of current and forward-looking information on macro-economic

1 Without taking account of any collateral held or other credit enhancement (e.g. netting agreements that do not qualify for offset in accordance with IAS 32 'Financial Instruments: Presentation' such as the ISDA agreements related to the derivative financial instruments for the energy commodities).

factors for each country that could affect customers' ability to pay the receivables. The provision matrix is also segmented into the different customer classifications, such as different customer propositions, and countries.

This procedure also applies to large business customers but is in that case supplemented by an individual assessment involving credit ratings (if available), financial statements, press releases and specific contractual agreements with those customers (credit limits, bank guarantees and/or margining (cash collateral)).

In the financial year, the credit risk was still higher compared to the levels seen before the war in Ukraine. This is a consequence of what are still unprecedentedly high electricity and gas prices. Although there was a decrease in gross trade receivables at 31 March 2024 compared to last year, this amount is still well above the levels seen before the war in Ukraine. The impact of the continuing high debtor risk has been continuously reviewed during this financial year. This resulted in an increase of €17 million (16%) of the loss allowance for trade receivables. The increased debtor risk (and increase of the loss allowance for trade receivables) has been partly mitigated by the measures taken by the governments in the Netherlands, Belgium and Germany in calendar years 2022 and 2023 as a result of the energy crisis. See note 1.5 Impact energy crisis for further details of these governmental measures.

The expected credit losses on trade receivables at 31 March 2024 were ascertained in this way. See note 19 Trade receivables for the figures (carrying and nominal amounts of trade receivables at the reporting date, amounts of the loss allowance and movements during the reporting period and percentages for loss allowance).

Other receivables
The expected credit losses on other current and non-current receivables measured at amortised cost are calculated using the 12-month expected credit losses method unless a significant increase in credit risk has arisen for these receivables since initial recognition. In that case, any impairment is established using the lifetime expected credit losses method according to IFRS 9. To this end, there is an individual assessment of each receivable, incorporating credit ratings (if available), financial statements, press releases and specific contractual agreements with those customers.

Counterparty risk

Counterparty risk is the likelihood or probability that a trading partner (counterparty) cannot or will not meet its delivery or payment obligations. This risk is primarily encountered in trading in energy commodities (and also emission rights, green certificates and fuel (or 'feedstock') for Eneco's biomass electricity stations), interest rate and foreign currency hedge transactions. The basis for the management of this risk is set out in the Credit Mandates and Commodity Mandates.

The size of the counterparty risk is primarily determined by the replacement value of the future deliveries and the commodity delivered which has not yet been paid for. The replacement value is calculated almost every day for each counterparty based on current market prices for future deliveries. The risk position is measured against the risk tolerance. That tolerance is drawn up for each counterparty on the basis of an assessment of the creditworthiness of that counterparty derived from a public or internal rating and/or alternative assessment methods.

Counterparty risk is managed through the following measures:

- setting financial limits based on the financial strength of the trading partner;
- setting trading restrictions for each counterparty (position management);
- use of standard agreements, in particular based on EFET and ISDA terms;
- use of third-party margining and clearing;
- use of bilateral margining agreements with counterparties;
- executing risk-reducing transactions with counterparties leading to an offset, or by exchange-for-physical swaps;
- requiring additional guarantees from counterparties, such as bank guarantees; and
- credit insurance taken if necessary to cover exposures exceeding the credit limits.

There were large counterparty exposures at the beginning of the year that fell rapidly as commodity prices decreased. As well as the standard methods described above, there was a focus on making trades with large, creditworthy and system-critical counterparties. Trades were still mainly carried out via the exchange (see note 29.2 Market and regulatory risk for more detailed comments). In January 2024, the credit insurance policy that covers counterparty risk was discontinued due to the relatively low counterparty exposures in the portfolio. This insurance can be taken out again if needed.

Third-party margining and clearing is in place for exchange-traded futures. This transfers the counterparty risk of a forward contract to a clearing bank. This bank is linked to a clearing house that facilitates settlement of futures transactions through exchanges such as ICE ENDEX (Intercontinental Exchange European Energy Derivatives Exchange N.V.) and the EEX (European 3 Energy Exchange A.G.). Every day, the clearing house settles interim changes in market value with its clearing banks which in turn settle with the market parties concerned (margin calls). This neutralises counterparty risk for each party to the contract.

Bilateral margining arrangements are also concluded with counterparties. This implies periodic (daily, weekly, etc.) settlement directly with the counterparty to the transaction. The contract with the counterparty sets individual limits (thresholds) based on the creditworthiness of both parties. Bilateral margining is only applied if the thresholds are exceeded.

The margining system creates liquidity risk (see note 29.3 Liquidity risk). Risk policy is set to monitor and manage the margin, liquidity and counterparty risk. There is a system for monitoring internal limits using regular reports, scenario analyses and stress tests to manage both risks. The liquidity requirement relating to margining increased during the financial reporting period on the back of falling commodity price levels, but fell again as the winter volumes went into delivery. Eneco managed to keep the liquidity need for margining under control through active position management between the over-the-counter market and the exchange as well as adapting the product offerings to customers. Eneco also maintained credit facilities via Mitsubishi Corporation and external banks, so that the Group has sufficient liquidity. These facilities were partly used in the financial year.

29.2 Market and regulatory risk

Market risk is the exposure to changes in the fair value or future cash flows of financial instruments arising from changes in market prices, market interest rates and exchange rates. Changes in contract volumes, offtake patterns, predictability and the spot price impact of customers also pose a market risk. Regulatory risk is the risk that a change in laws and regulations will materially impact a security, business or market. In the financial year, the regulatory measures taken at a national and European level to manage the energy crisis were gradually ended.

The financial measures to reduce energy costs for retail customers and small businesses were also gradually phased out. Socials funds for customers who have difficulty paying their bills are still available. Another effect that is still there is the reduced consumption of power and gas by the customers. Consumption dropped during the period of very high prices.

Price risk

Price risks inherent in the energy generation, purchasing and supply portfolios are managed using a structure of mandates and limits adopted by the Management Board using volume limits, mark to-market limits and sensitivity assessment measures. Appropriate limits are determined for each business activity. The Financial Risk Managers and commodity traders monitor and make sure that the respective limits are followed. Limit infringements are reported in line with escalation procedures.

The price risk inherent in the commodity portfolios for purchasing and delivering to customers is initially limited by back-to-back transactions for purchase and sale obligations. Structured hedging strategies are used where back-to-back hedging is not possible, or only with excessively high bid-ask costs. In these cases, positions are hedged temporarily in other commodities, delivery periods and/or countries which have a historically strong correlation with the price risks to be hedged. Gas storage, trading on the short-term gas market and volume flexibility under the Group's own and contracted positions are used to respond to short-term fluctuations in demand and supply, for example, as a result of changes in the weather.

The price risk inherent in the Group's own 'must run' generation and long-term structured commodity purchase contracts is also limited through back-to-back transactions and structured hedging strategies as described above. The expected rewards for hedging are weighed up against the costs and downward risk for controllable generation in the portfolio. It should be noted that there is no liquid energy trading market for exposures that lie far away in the future and they are difficult or impossible to hedge.

The positions from the above activities that can be hedged in the markets are combined so that the Group's aggregated price risk is clear. Management and strategic decisions on these positions take account of prevailing market conditions, along with the expected short and medium-term demand for and supply of energy by the Group. These decisions are taken exclusively by the trading department for the entire Group and the other business units must at all times immediately hedge their exposure with the trading department. There is a residual risk in the above activities given the inherent existing imperfections between the positions to be hedged and available hedging instruments, limited market liquidity and movements between commodity prices (for example, between different commodities, delivery periods and/or countries).

The sensitivity analysis of electricity and gas derivative financial instruments is based on volumes and market prices at year end. Changes in fair value that are recognised in the income statement arise mainly from movements in the electricity and gas prices. An increase or decrease in the market prices of electricity and gas by 5% would change the profit before income tax by €1.2 million (15-month period ended 31 March 2023: €1.7 million). The electricity and gas prices drive the changes in fair value of hedge accounting recognised in other comprehensive income. An increase or decrease in the market price of electricity and gas by 5% would change other comprehensive income by €38.3 million (15-month period ended 31 March 2023: €68.1 million).

The Group applies cash flow hedge accounting to its energy generation, purchasing and delivery portfolios and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and forward contracts (hedging instruments). Unforeseen changes in electricity and gas consumption and generation of electricity may lead to ineffectiveness in the hedging relationship.

For quantitative information on these hedges, see 'Quantitative information hedges' below.

Foreign currency risk

Foreign currency risk is the exposure to changes in value of financial instruments arising from changes in exchange rates. The Treasury department is responsible for managing the Group's foreign currency risk. Companies included in the consolidation are not permitted to maintain open positions in foreign currencies (excluding commodity-related financial instruments) in excess of €250,000 without the Treasury department's approval. Based upon the aggregate foreign currency position and the associated limit set for open positions, the Treasury department determines whether hedging is desirable and the hedging strategy to be followed. Eneco uses derivatives to mitigate foreign exchange risk. The derivatives used have counteracting risk profiles and the same underlying currency, principal and timing as the risk arising from commercial operations, leading to an effective hedge on which hedge accounting is applied. This approach also aims to minimise ineffectiveness in currency hedges. Foreign currency risk attaching to commodity related financial instruments is managed in accordance with the price risk.

Eneco has entered into hedging instruments for future cash outflows of its foreign operations in a currency other than the functional currency of the Group (cash flow hedging) and partly for the net asset value of the business operations in the UK (hedge of net investment in a foreign operation). The Group applies cash flow hedge accounting and a hedge of net investment in a foreign operation to its foreign currency risks and recognises temporary movements through equity for the effective portion of the hedge. The Group aims for a one-on-one hedge accounting relationship between the notional sterling amount hedged and the related forward contracts. Changes in receipts of cash flows in foreign currency may lead to ineffectiveness in the hedging relationship.

For quantitative information on the cash flow and net investment hedges, see table 'Quantitative information hedges' below.

The sensitivity of the translation reserve in equity to a 5% movement in the sterling/euro exchange rate was €5.5 million (after application of net investment hedge accounting) (15-month period ended 31 March 2023: €6.0 million).

Interest rate risk

Interest rate risk is the exposure to changes in value in financial instruments arising from changes in market interest rates. The interest rate risk policy is aimed at managing the net financing liabilities through fluctuations in market interest rates. A specified range for the proportions of loans at fixed and variable interest rates serves as a primary steering mechanism.

The Group may use derivative financial instruments such as interest rate swap contracts to achieve the desired risk profile. The Group holds interest rate swaps for risk-management purposes which are designated as cash flow hedging relationships. If all other variables remain constant, it is estimated that a general increase of 100 basis points in Euribor (for a period of twelve months) would lead to a decrease in profit before income tax of €8.1 million (after application of cash flow hedge accounting using interest rate swaps) (15-month period ended 31 March 2023: €0.2 million).

The Group applies cash flow hedging to its interest rate risks and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and contracted derivative financial instruments (hedging instruments).

For quantitative information on these hedges, see 'Quantitative information hedges' on the next page.

Quantitative information hedges

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2024				
Hedged volumes				
Unity	**GWh**	**in €1 million**	**in € million**	**in € million**
12 months or less	5,616	30	3	171
More than 12 months	10,185	235	27	-
Total	**15,801**	**265**	**30**	**171**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	45.77	1.08%	0.98	0.87
x € million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	723	265	31	197
Carrying amount of derivative financial instruments	-39	19	-2	-2
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	226	-10	-	-1
Movement in fair value of derivative financial instruments that do not affect the hedge reserve (sales, purchases or other transactions)	1	-	-1	-
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**227**	**-10**	**-1**	**-1**
Hedge ineffectiveness in the cash flow hedges	-	-	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	-227	10	1	1

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2023				
Hedged volumes				
Unity	**GWh**	**in €1 million**	**in €1 million**	**in €1 million**
12 months or less	5,230	30	2	157
More than 12 months	12,608	265	30	-
Total	**17,838**	**295**	**32**	**157**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	64.78	1.08%	0.97	0.89
x €1 million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	1,156	295	33	176
Carrying amount of derivative financial instruments	-265	29	-2	-1
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	50	53	-	2
Movement in fair value of derivative financial instruments that do not affect the hedge reserve (sales, purchases or other transactions)	9	-1	1	3
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**59**	**52**	**1**	**5**
Hedge ineffectiveness in the cash flow hedges	-6	-1	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	**-53**	**-51**	**-1**	**-5**

Derivative financial instruments are recognised as ‘Derivative financial instruments’ in non-current and current assets and liabilities in the balance sheet, see note 17.3 Financial instruments recognised in equity - cash flow hedge accounting.The reclassified amounts and ineffectiveness of cash flow hedges for commodity risks are recognised in the ‘Purchases of energy and energy-related activities’ and for foreign currency and interest rate risks in ‘Financial income’ or ‘Financial expenses’ in the income statement. The unrealised gains and losses on commodity, foreign currency risks and interest rate risk are recognised in the ‘Unrealised gains and losses on cash flow hedges' in the statement of comprehensive income. The unrealised gains and losses on hedges of a net investment in a foreign operation are recognised in the 'Net investment hedge' in the statement of comprehensive income.

Cash flow hedge reserve

The movements in the cash flow hedge reserve for the reporting period from 1 April 2023 to 31 March 2024 and from 1 January 2022 to 31 March 2023 were:

	Energy commodities	Interest rate swap contracts	Currency swap contracts	Total
At 1 January 2022	**-208**	**-37**	**-2**	**-247**
Movements in derivatives	40	50	-	90
Reclassification of cash flow hedge reserve to the consolidated income statement	19	2	1	22
Ineffective portion of cash flow hedges recognised in income statement	-6	-1	-	-7
Movements in derivatives, Reclassification and Ineffective portion	**53**	**51**	**1**	**105**
Deferred tax liabilities	-14	-13	-	-27
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	56	-	56
At 31 March 2023	**-169**	**57**	**-1**	**-113**
Movements in derivatives	481	-3	-1	477
Reclassification of cash flow hedge reserve to the consolidated income statement	-254	-7	-	-261
Ineffective portion of cash flow hedges recognised in income statement	-	-	-	-
Movements in derivatives, Reclassification and Ineffective portion	**227**	**-10**	**-1**	**216**
Deferred tax liabilities	-58	3	-	-55
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	-11	-	-11
At 31 March 2024	**-**	**39**	**-2**	**37**

Translation reserve

The foreign exchange risk in hedging a net investment in a foreign operation affects the translation reserve. The table below shows the effect of the foreign exchange hedges on this reserve:

	Year ended 31 March 2024	Period ended 31 March 2023
At 1 April 2023 and 1 January 2022 respectively	**-15**	**-8**
Translation gains and losses during the reporting period	8	-11
Movements in hedges of net investment in a foreign operation	-8	5
Tax effects value changes in hedges of net investment in a foreign operation	2	-1
At 31 March 2024 and 31 March 2023 respectively	**-13**	**-15**

The amount remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting has no longer been applied on 31 March 2024 was €12 million (31 March 2023: €6 million).

29.3 Liquidity risk

The Group is a capital-intensive business. Its financing policy is aimed at growing into an optimum financing structure taking into account its current asset base and investment programme while maintaining and further developing them. The criteria are access to the capital market and flexibility with acceptable financing costs and conditions.

The Group uses both corporate financing and non- or limited-recourse project financing to fund its sustainable assets, according to the project characteristics and financing costs and conditions. In addition to its own electricity generation, the Group also buys energy on standardised physical supply contracts and long-term structured purchasing contracts with third parties to source its energy supplies. A downgrading in the Group's credit rating may, without further mitigation, lead to a significant increase in the capital requirement for providing collateral and/or guarantees.

A specific liquidity risk arises from margining energy contracts through clearing houses and contracts with bilateral margin obligations. There are limits in the mandate for the purchasing and trading department ('Commodity Trading Mandates') to cover both the outstanding balance and price change sensitivity. This risk is the subject of regular reports to business unit management and the Commodity Risk Team.

Great importance is attached to managing all the above risks to avoid a position in which the financial obligations cannot be met. The necessary management reports, applications and back-up facilities have been set up for this. In addition, liquidity needs are planned on the basis of cash flow forecasts with a medium-term horizon. The cash flow forecasts incorporate operating and investing cash flows, dividends, interest payable and debt redemption, as well as the periodicity of the cash flows, also allowing for sensitivity to weather influences. The Treasury department sets this capital requirements against available funds. A report is submitted to the Management Board every month. Reporting frequency was increased and additional stress tests were set up because of the relatively high margin needs in the financial reporting period. Funding was based on these stress tests, which were updated on a regular basis to ensure that Eneco could meet the margin calls even in extreme situations. These stress scenarios were made by the Financial Risk Management department and discussed on a regular basis with the Management Board.

Uncommitted credit and guarantee facilities
Uncommitted credit and guarantee facilities totalling €6,228 million (31 March 2023: €3,814 million) have been agreed with a number of banks and Mitsubishi Corporation Finance Plc.; €1,199 million of these facilities had been drawn at 31 March 2024 (31 March 2023: €1,101 million). Included in this amount of €6,228 million is a €1,250 million Euro Commercial Paper programme (31 March 2023: €1,250 million) of which €200 million had been drawn at 31 March 2024 (31 March 2023: €0 million).

Committed credit facilities
On 22 June 2021, N.V. Eneco entered into two new Revolving Credit Facilities totalling €800 million. Both facilities have a term of five years. Eneco increased these two facilities during 2022 to a combined total of €1,250 million. Moreover, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. on 27 September 2022. Furthermore, an additional €750 million committed working capital facility was signed with a number of banks on 14 December 2022 with a two-year tenor, but was cancelled on 22 April 2024. In total €4,500 million relates to committed credit facilities, €700 million of which had been drawn at 31 March 2024.

Cash outflows on financial instruments and lease obligations
The table below includes the remaining contractual maturities at the reporting date for:

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows;
- all non-derivative financial liabilities; and
- lease obligations.

The amounts disclosed in the table below are the contractual undiscounted cash flows, and include contractual interest payments and exclude the impact of netting agreements. Amounts due within 12 months equal their carrying values as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

At 31 March 2024	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	-128	8	62	-58
Lease obligations	43	144	218	405
Borrowings	993	197	476	1,666
Trade and other payables	1,535	-	-	1,535
Total	**2,443**	**349**	**756**	**3,548**

At 31 March 2023	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	-416	102	218	-96
Lease obligations	33	135	224	392
Borrowings	81	229	542	852
Trade and other payables	3,066	-	-	3,066
Total	**2,764**	**466**	**984**	**4,214**

29.4 Netting financial assets and financial liabilities

Where the Group meets the presentation criteria for netting, financial assets and financial liabilities are netted and recognised net in the balance sheet. Transactions in derivative financial instruments use standardised terms and conditions and contract types such as the master netting agreements based on ISDA and EFET terms. Most of the Group's contracts for derivative financial instruments meet the netting criteria since there is a legally enforceable right to set off the recognised amounts and also because all amounts relating to netted financial assets and financial liabilities are settled as a single sum.

The table below sets out only the financial assets and financial liabilities in the balance sheet netted in accordance with the criteria in IAS 32. As the table does not include all the financial assets and liabilities in the balance sheet, it is not possible to reconcile these figures with the net amounts presented in the balance sheet.

At 31 March 2024	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	2,725	-2,120	605	-50	-	555
Other financial instruments	868	-85	783	-	-217	566
Total	**3,593**	**-2,205**	**1,388**	**-50**	**-217**	**1,121**

At 31 March 2024	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	2,778	-2,120	658	-50	-217	391
Other financial instruments	1,112	-85	1,027	-	-	1,027
Total	**3,890**	**-2,205**	**1,685**	**-50**	**-217**	**1,418**

At 31 March 2023	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	7,706	-6,020	1,686	-290	-839	557
Other financial instruments	477	-132	345	-	-223	122
Total	**8,183**	**-6,152**	**2,031**	**-290**	**-1,062**	**679**

At 31 March 2023	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	7,944	-6,020	1,924	-290	-223	1,411
Other financial instruments	1,145	-132	1,013	-	-839	174
Total	**9,089**	**-6,152**	**2,937**	**-290**	**-1,062**	**1,585**

30. Capital management

The primary aim of the Group's capital management is to maintain good creditworthiness and healthy solvency to support operations and minimise the cost of debt. The Group regards both capital and net debt as relevant elements of its financing and so of its capital management. The Group can influence its capital structure by altering the proportions of equity and debt.

The Group monitors its capital using the Financial Boundaries Framework. This includes the Return on average capital employed (ROACE), Adjusted FFO/Net debt (rolling average) and Return on equity, which are regularly monitored by the Management Board. The metrics for the period ended 31 March 2023 include the period April 2022 to March 2023.

	Year ended 31 March 2024	Period ended 31 March 2023
ROACE[1]	7.8%	7.2%
Average FFO/Net debt (rolling average)[2]	51.7%	71.5%
Return on equity[3]	10.5%	8.9%

1 ROACE: the ratio between (EBIT plus profit from associates and joint ventures less corporate income tax) and the average of (fixed assets plus adjusted net working capital less non-current non-interest-bearing debt).
2 Adjusted FFO/Net debt (rolling average): the ratio between (EBITDA plus dividend received from associates and joint ventures minus cash interest paid minus cash taxes paid) and the average of (non-current & current interest-bearing debt minus accessible cash plus asset retirement obligations net of corporate income tax plus pension obligation). The rolling average is based on the monthly positions in the period.
3 Return on equity: the ratio between (net income) and the average of (shareholders' equity).

31. Events after the reporting date

Two material events or transactions have been identified after the balance sheet date which are disclosed separately in note 14 Business combinations and other changes in the consolidation structure (regarding the legal transfer of a 30% interest in Ecowende wind farm) and in note 29.3 Liquidity risk (regarding the cancellation of one of the committed credit facilities).

List of principal subsidiaries, joint operations, joint ventures and associates

This is a list of the principal subsidiaries, joint operations, joint ventures and associates at 31 March 2024. See note 1.1 General information for further details of the Group's activities and composition.

Subsidiaries

Name	Seat	Share
AgroPower B.V.*	Delft	100%
Axel Ventus B.V.*	Heerenveen	100%
BioEnergieCentrale Delfzijl B.V.	Rotterdam	100%
CEN B.V.*	Hilversum	100%
Eneco B.V.*	Rotterdam	100%
Eneco Belgium NV	Mechelen (B)	100%
Eneco Bio Golden Raand C.V.	Rotterdam	100%
Eneco Consumenten B.V.*	Rotterdam	100%
Eneco Consumenten Nederland B.V.*	Rotterdam	100%
Eneco DCO B.V.*	Rotterdam	100%
Eneco eMobility B.V.*	Rotterdam	100%
Eneco Energy Trade B.V.*	Rotterdam	100%
Eneco Gasspeicher B.V.*	Rotterdam	100%
Eneco Heat Production & Industrials B.V.*	Rotterdam	100%
Eneco HKN B.V.	Rotterdam	100%
Eneco HKW-A B.V.	Rotterdam	100%
Eneco HKW-B B.V.	Rotterdam	100%
Eneco Installatiebedrijven B.V.*	Rotterdam	100%
Eneco Installatiebedrijven Groep B.V.*	Rotterdam	100%
Eneco Installatiebedrijven TI B.V.*	Rotterdam	100%
Eneco Leiding over Noord B.V.	Rotterdam	100%
Eneco Liberis B.V.*	Rotterdam	100%
Eneco Midzakelijk B.V.*	Rotterdam	100%
Eneco Mistral B.V.*	Rotterdam	100%
Eneco Services B.V.*	Rotterdam	100%
Eneco Smart Energy B.V.	Rotterdam	100%
Eneco Solar B.V.*	Rotterdam	100%
Eneco Solar Belgium N.V.	Gent (B)	100%
Eneco UK Limited	Leeds (UK)	100%
Eneco Verda B.V.*	Rotterdam	100%
Eneco Vortex B.V.*	Rotterdam	100%
Eneco Warmte & Koude B.V.*	Rotterdam	100%
Eneco Warmte & Koude Leveringsbedrijf B.V.*	Rotterdam	100%
Eneco Warmtenetten B.V.*	Rotterdam	100%
Eneco Warmteproductie Utrecht B.V.*	Rotterdam	100%
Eneco Wind B.V.*	Rotterdam	100%
Eneco Wind Belgium Holding NV	Brussels (B)	100%
Eneco Wind Belgium NV	Wavre (B)	100%
Eneco Windenergie Delfzijl B.V.*	Rotterdam	100%
Eneco Windmolens Offshore B.V.*	Rotterdam	100%
Eneco Windpark Autena B.V.*	Rotterdam	100%
Eneco Zakelijk B.V.*	Rotterdam	100%
Eneco Zakelijk Nederland B.V.	Rotterdam	100%
LichtBlick Holding GmbH	Hamburg (G)	100%
LichtBlick SE	Hamburg (G)	100%
Nordgröön Energie GmbH	Medelby (G)	100%
Oxxio Nederland B.V.*	Rotterdam	100%
Solargrün GmbH	Saulheim (G)	100%
Speciosa B.V.*	Rotterdam	100%
Spontanae B.V.	Rotterdam	100%
Warmtebedrijf Eneco Delft B.V.*	Rotterdam	100%
Windpark de Beemden B.V.*	Rotterdam	100%
Windpark De Graaf B.V.*	Oosterhout	100%
Windpark Houten B.V.*	Rotterdam	100%

Name	Seat	Share
Windpark Maasvlakte II B.V.	Rotterdam	100%
Windpark Martina Cornelia B.V.*	Rotterdam	100%
Windpark Nieuwe Waterweg B.V.*	Hilversum	100%
Windpark van Pallandt B.V.*	Rotterdam	100%
WNW W.T. B.V.*	Heerenveen	100%
WP HZP B.V.*	Heerenveen	100%

* N.V. Eneco has issued a declaration of joint and several liability for the subsidiaries marked with *, pursuant to Section 403(1f), Part 9, Book 2 of the Dutch Civil Code.

Joint operations

Name	Seat	Share
Blauwwind Management II B.V.	Rotterdam	10%
CrossWind Beheer B.V.	The Hague	20.1%
Enecogen V.O.F.	Rotterdam	50%
Ecowende Beheer B.V.[1]	The Hague	40%
Q10 Offshore Wind B.V.	Rotterdam	50%
SeaMade NV	Ostend (B)	12.5%
Zonnepark Ameland B.V.	Ballum	33.3%

1 See note 14 Business combinations and other changes in the consolidation structure

Joint ventures

Name	Seat	Share
Norther NV	Ostend (B)	50%
Rotterdam Shore Power B.V.	Rotterdam	50%

Associates

Name	Seat	Share
Greenchoice B.V.	Rotterdam	30%

A full list of companies has been filed with the trade registry in Rotterdam pursuant to Section 379 of Part 9, Book 2 of the Dutch Civil Code.

Company financial statements for the year ended 31 March 2024

All amounts in millions of euros unless stated otherwise.

Company income statement

For the year ended 31 March 2024

x €1 million	Year ended 31 March 2024	Period ended 31 March 2023
Share of profit of subsidiaries	345	355
Other results after income tax	19	22
Profit for the period	**364**	**377**

Company balance sheet

Before profit appropriation

x €1 million	Note	At 31 March 2024	At 31 March 2023
Fixed assets			
Intangible fixed assets		1	8
Property, plant and equipment		-	1
Financial fixed assets	3	4,757	4,151
Total fixed assets		**4,758**	**4,160**
Current assets			
Receivables from group companies	4	1,952	1,449
Other receivables		8	5
Cash and cash equivalents	5	149	161
Total current assets		**2,109**	**1,615**
TOTAL ASSETS		**6,867**	**5,775**

x €1 million	Note	At 31 March 2024	At 31 March 2023
Equity			
Share capital		122	122
Translation reserve		-13	-15
Cash flow hedge reserve		37	-113
Other legal reserves		158	140
Retained earnings		2,975	2,806
Undistributed profit		364	377
Total equity	6	**3,643**	**3,317**
Provisions			
Provisions	7	23	13
Total provisions		**23**	**13**
Long-term liabilities			
Debts to credit institutions	8	250	250
Other liabilities	8	-	2
Total long-term liabilities		**250**	**252**
Current liabilities			
Debts to credit institutions	8	900	17
Liabilities to group companies	9	1,879	1,840
Liabilities for tax and social security premiums	10	156	326
Pension premiums		7	3
Trade and other liabilities		9	7
Total current liabilities		**2,951**	**2,193**
TOTAL EQUITY AND LIABILITIES		**6,867**	**5,775**

Notes to the company financial statements

All amounts in millions of euros unless stated otherwise.

1. Material accounting policies

General information
The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code, and the same measurement has been applied as in the consolidated financial statements as permitted by Section 362(8), Part 9, Book 2 of the Dutch Civil Code, except that subsidiaries are measured at net asset value determined on the basis of the IFRS accounting policies used in the consolidated financial statements.

The company income statement is presented in a condensed form pursuant to the provisions of Section 402, Part 9, Book 2 of the Dutch Civil Code.

Valuation of subsidiaries with negative net asset value
Subsidiaries with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the subsidiaries. If N.V. Eneco partially guarantees the debts of the relevant subsidiary or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by N.V. Eneco on behalf of the subsidiary.

Investments in foreign operations
If an investment in a foreign operation is partially or fully disposed of, the related accumulated translation differences in the translation reserve are recognised through the income statement as part of the gain or loss on disposal. The translation reserve is not freely at the disposal of the shareholders.

The descriptions of the activities and structure of the enterprise as stated in the Notes to the consolidated financial statements also apply to the company financial statements.

For the principal interests in entities of N.V. Eneco, see note 3 Financial fixed assets.

Change in financial reporting period
On 8 December 2021, the company's Management Board decided that the company's financial reporting period will change from the calendar year to a fiscal year running from 1 April to 31 March in order to align its financial reporting period with that of the ultimate parent, Mitsubishi Corporation.

Accordingly, the accompanying company's financial statements for the comparative financial reporting period cover a period of fifteen months, from 1 January 2022 to 31 March 2023. The current financial reporting period covers a period of twelve months, from 1 April 2023 to 31 March 2024, and hence are not directly comparable.

2. Employee benefit expenses

Average number of FTEs
The average number of FTEs employed by N.V. Eneco is 24 (15-month period ended 31 March 2023: 29). The average number of FTEs working abroad is 2 (15-month period ended 31 March 2023: 0).

Remuneration of the Management Board and Supervisory Board
See note 6 Remuneration of the Management Board and Supervisory Board to the consolidated financial statements for the remuneration of the Management Board and Supervisory Board pursuant to Section 383, Part 9, Book 2 of the Dutch Civil Code.

3. Financial fixed assets

	Subsidiaries	Receivables from subsidiaries	Other receivables	Deferred tax assets	Total
At 1 January 2022	**2,033**	**1,608**	**1**	**4**	**3,646**
Share of profit of subsidiaries	355	-	-	-	355
Movements in loans to subsidiaries	-	14	-	-	14
Movement in cash flow hedges	133	-	-	-	133
Movements in deferred tax assets	-	-	-	-2	-2
Translation differences	-5	-6	-	-	-11
Movement participation value	15	-	-	-	15
Movement in other receivables	-	-	1	-	1
At 31 March 2023	**2,531**	**1,616**	**2**	**2**	**4,151**
Share of profit of subsidiaries	345	-	-	-	345
Movements in loans to subsidiaries	-	89	-	-	89
Movement in cash flow hedges	150	-	-	-	150
Movements in deferred tax assets	-	-	-	3	3
Translation differences	8	-	-	-	8
Movement participation value	11	-	-	-	11
At 31 March 2024	**3,045**	**1,705**	**2**	**5**	**4,757**

4. Receivables from group companies

Receivables from group companies included current granted loans receivable related to inhouse banking facilities and short-term intererst-bearing debt of €1,718 million (31 March 2023: €1,259 million) and non-interest-bearing receivables of €234 million related to intercompany accounts (31 March 2023: €190 million).

5. Cash and cash equivalents

Cash and cash equivalents comprised bank balances, cash and deposits of €149 million (31 March 2023: €161 million). All cash and cash equivalents are at the free disposal of the Company.

6. Equity

Movements in the equity of N.V. Eneco were as follows:

	Paid-up and called-up share capital	Translation reserve	Cash flow hedge reserve	Other legal reserves	Retained earnings	Undistri-buted profit	Total
At 1 January 2022	**122**	**-8**	**-247**	**73**	**2,765**	**209**	**2,914**
Profit for the period	-	-	-	-	-	377	377
Profit appropriation 2021	-	-	-	-	105	-105	-
Dividend paid	-	-	-	-	-	-104	-104
Other movements	-	-7	134	67	-64	-	130
At 31 March 2023	**122**	**-15**	**-113**	**140**	**2,806**	**377**	**3,317**
Profit for the period	-	-	-	-	-	364	364
Profit appropriation for the 15-month period ended 31 March 2023	-	-	-	-	188	-188	-
Dividend paid	-	-	-	-	-	-189	-189
Other movements	-	2	150	36	-37	-	151
At 31 March 2024	**122**	**-13**	**37**	**176**	**2,957**	**364**	**3,643**

See note 22 Equity to the consolidated financial statements for details of individual components of equity.

Distributable results
N.V. Eneco distributed a dividend of €189 million in financial year 2023 (15-month period ended 31 March 2023: €104 million).

Non-distributable reserves
Legal reserves are recognised pursuant to Part 9, Book 2 of the Dutch Civil Code and are non-distributable. N.V. Eneco's legal reserves are a translation reserve, cash flow hedge reserve, reserve for undistributed profit of participating interests and a reserve for development expenditure. These last two reserves are combined in the above table to form the Other legal reserves. The development expense reserve was nil (31 March 2023: €4 million). The total amount of the Other legal reserves of €176 million was deducted in full from Retained earnings. In determining the non-distributable amount, the legal reserves have been accumulated on an individual basis.

In addition to the carrying amounts included in these non-distributable reserves, an amount is included in Retained earnings of €101 million (31 March 2023: €385 million), which is also non-distributable. The amount consists of the debit amounts in the cash flow hedge reserve (€88 million) (31 March 2023: €370 million) and debit amounts in the translation reserve (€13 million) (31 March 2023: €15 million).

The total amount of the non-distributable reserves at 31 March 2024 is €301 million (31 March 2023: €397 million).

7. Provisions

The provisions of €23 million (31 March 2023: €13 million) consist for €20 million of a provision for subsidiaries with a negative equity for which the Company is liable (31 March 2023: €12 million).

8. Debts to credit institutions

The company's borrowings related mainly to general financing, and consists of financing drawn under short-term facilities at banks.

	Debts to credit institutions	Other liabilities	Total
At 1 April 2023	**267**	**2**	**269**
Proceeds from borrowings drawn	900	-	900
Repayments of borrowings	-17	-2	-19
At 31 March 2024	**1,150**	**-**	**1,150**
Maturity within 1 year	900	-	900
Maturity after 5 years	250	-	250
Total	**1,150**	**-**	**1,150**

The liability for fixed interest-rate loans (fair value risk) was €250 million (31 March 2023: €250 million). Other loans are at market-linked variable rates.

The average interest rate was 2.8% per annum (15-month period ended 31 March 2023: 1.2% per annum). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

9. Liabilities to group companies

Liabilities to group companies included current borrowings related to inhouse banking facilities and cash pool accounts of €1,853 million (31 March 2023: €1,802 million) and non-interest-bearing liabilities related to intercompany creditors of €26 million (31 March 2023: €38 million).

10. Liabilities for tax and social security premiums

Liabilities for income tax, VAT and social security premiums comprised current amounts related to tax liabilities of €152 million (31 March 2023: €326 million).

11. Commitments, contingent assets and liabilities

Liability
N.V. Eneco has issued a declaration of joint and several liability pursuant to Section 403(1)(f), Part 9, Book 2 of the Dutch Civil Code for the principal subsidiaries marked with an * in the 'List of principal subsidiaries, joint operations, joint ventures and associates'.

Fiscal unity
N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries and N.V. Eneco is a member of a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries. All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Cash pools
As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Guarantees
See note 27 Commitments, contingent assets and liabilities to the consolidated financial statements for the guarantees issued by N.V. Eneco.

12. Auditor's fees

The fees below relate to the fee for services provided by Eneco's external auditor, Deloitte Accountants B.V., as defined in Section 1.1 of the Audit Firms Supervision Act (Wet toezicht accountantsorganisaties - Wta), and includes those charged by entities associated with the auditor in the Deloitte network.

x €1.000 (12 months)	Deloitte Accountants B.V.	Affiliated Deloitte entities	Total for year ended 31 March 2024
Audit of the financial statements	3,503		3,503
Other audit engagements	2,691	1,515	4,206
Other non-audit services	271		271
Total	**6,465**	**1,515**	**7,980**

x €1.000 (15 months)	Deloitte Accountants B.V.	Affiliated Deloitte entities	Total for period ended 31 March 2023
Audit of the financial statements	3,083	-	3,083
Other audit engagements	3,014	1,292	4,306
Other non-audit services	190	-	190
Total	**6,287**	**1,292**	**7,579**

The fee for the audit of N.V. Eneco's financial statements included audit work on its consolidated and company financial statements. The above fees relating to the audit of the financial statements for the year ended 31 March 2024 and other audit engagements, include work not performed during the reporting period.

Other audit engagements relate to the audit/review of the quarterly financial information reported to Mitsubishi Corporation, the Japanese Sarbanes-Oxley audit and the audit of the statutory financial statements of subsidiaries and joint operations and related engagements.

13. Proposed appropriation of the profit for the year ended 31 March 2024

The Management Board, with the approval of the Supervisory Board, recommends that the General Meeting of Shareholders on 24 June 2024 declares a dividend to the shareholder of €182 million from the profit after tax attributable to the shareholder. This represents a distribution of €1.50 per share. The dividend will be paid no later than in July 2024. A recommendation will also be made to add the remaining €182 million of the profit to retained earnings.

Rotterdam, 13 June 2024

N.V. Eneco

Management Board

A.C. (As) Tempelman, chairperson
J.M.J. (Jeanine) Tijhaar
Y. (Yasuyuki) Asakura
C.J. (Kees-Jan) Rameau
S.M. (Selina) Thurer
K.M. (Karen) de Lathouder

Supervisory Board

J.M. (Mel) Kroon, chairperson
Y. (Yuji) Okafuji
M. (Michael) Enthoven
J.M. (Annemieke) Roobeek
Y. (Yasuo) Ohashi
K. (Katsuji) Sugimori
H. (Haruki) Umezawa

Other information

Profit appropriation pursuant to the articles of association

Pursuant to the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders. Distributions from the profit may only be made if the financial statements show that this is permitted. The articles of association also state that the General Meeting of Shareholders may resolve to make interim distributions subject to the approval of the Supervisory Board. The provisions of the articles of association and the law apply to the amount and formalities for this.

Independent auditor's report

To: the shareholder and the Supervisory Board of N.V. Eneco

Report on the audit of the financial statements for the year ended 31 March 2024 included in the annual report

Our opinion
We have audited the financial statements for the year ended 31 March 2024 of N.V. Eneco, based in Rotterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2024, and of its result and its cash flows for the year ended 31 March 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

- The accompanying company financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2024, and of its result for the year ended 31 March 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 31 March 2024.

2. The following statements for the year ended 31 March 2024: the consolidated income statement, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement.

3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 March 2024.

2. The company income statement for the year ended 31 March 2024.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of N.V. Eneco in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Scope of the group audit
N.V. Eneco is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of N.V. Eneco.

Our group audit mainly focused on significant group entities within the Netherlands, Belgium and Germany.

By performing the procedures on significant group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud.

During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section Risk Management and Integrity, Compliance and Privacy of the Report of the Management Board for management's risk assessment and section Audit & Risk Committee of the Report of the Supervisory Board for the Supervisory Board's monitoring thereof.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- Estimates in the energy balance, including how management determined the effect of the energy crisis on customer (consumption) behaviour.

- The risk that management may override controls to manipulate accounting records and prepare fraudulent financial statements by overriding controls.

We held discussions amongst team members and component auditors to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of material misstatement due to fraud.

We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, including those related to revenue accounts, that may indicate risks of material misstatement due to fraud.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives, directors (including the head of compliance, head of internal audit and other relevant managers) and the Supervisory Board.

With regards to estimates in the energy balance, we verified the reliability of the information on which the estimates of revenue has been based, verified the mathematical accuracy of the energy balance reconciliation model, tested the revenues still to be invoiced after year-end, including subsequent review testing after 31 March 2024, and assessed the reasonableness, relevance and consistency of the assumptions applied.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2.1 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.

For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations
We assessed the laws and regulations relevant to the entity through discussion with management, those charged with governance and others within Eneco, including but not limited to the head of legal and the head of compliance, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the government measures following the energy crisis, requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations, such as energy laws and regulations, where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern
We are responsible for obtaining reasonable assurance that the Group is able to continue as a going concern. Management is responsible to assess the Group's ability to continue as a going concern and disclosing in the financial statements any events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern.

As described in note 1.4 of the financial statements, the Management Board has prepared the financial statements on a going concern basis. Management believes that no events or conditions, including those related to the energy crisis and other geopolitical conflicts, give rise to doubt about the ability of the Group to continue in operation in the next reporting period.

We performed the following specific procedures:

- We evaluated management's assessment of the going concern assumption and related disclosures in note 1.4 of the financial statements.
- We challenged management's five-year business plan and primary assumptions as part of our impairment testing procedures. Additionally, we evaluated the Company's finance facilities, Eneco's credit rating and management's outlook as reported in the Report of the Management Board.

Although there always remains an inherent level of uncertainty in relation of future events, we concur with management's application of the going concern assumption in preparing the financial statements.

Report on the other information included in the annual report
The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Management Board, including the paragraphs 2023 in brief, Foreword, Key Figures and About Eneco.
- Report of the Supervisory Board.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Sustainability Supplements.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.

- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, 13 June 2024

N.H.M. van Groenendael

Annexes

GRI content index

Statement of use

N.V. Eneco has reported the information cited in this GRI content index for the period starting 1 April 2023 and ending 31 March 2024 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

General Disclosures

DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	
2-1 Organizational details	• About Eneco p.7-10 • Corporate governance p.65-70 • Financial statements p.76-138
2-2 Entities included in the organization's sustainability reporting	• About Eneco p.7-10 •
2-3 Reporting period, frequency and contact point	• About this report p.162 • Disclaimer
2-4 Restatements of information	• Key figures p.3-4
2-5 External assurance	• About this report p.162 • Assurance report p.73-75
2-6 Activities, value chain and other business relationships	• About Eneco p.7-10
2-7 Employees	• Workforce p.150
2-8 Workers who are not employees	• Safety, quality, security p.60-64
2-9 Governance structure and composition	• Corporate governance p.65-70
2-10 Nomination and selection of the highest governance body	• Corporate governance p.65-70
2-11 Chair of the highest governance body	• Corporate governance p.65-70
2-12 Role of the highest governance body in overseeing the management of impacts	• Corporate governance p.65-70
2-13 Delegation of responsibility for managing impacts	• Corporate governance p.65-70
2-14 Role of the highest governance body in sustainability reporting	• Corporate governance p.65-70
2-15 Conflicts of interest	• Corporate governance p.65-70
2-16 Communication of critical concerns	• Corporate governance p.65-70
2-17 Collective knowledge of the highest governance body	• Corporate governance p.65-70
2-18 Evaluation of the performance of the highest governance body	• Corporate governance p.65-70
2-19 Remuneration policies	• Corporate governance p.65-70
2-20 Process to determine remuneration	• Corporate governance p.65-70
2-21 Annual total compensation ratio	• Corporate governance p.65-70
2-22 Statement on sustainable development strategy	• Foreword p.5-6 • Corporate governance p.65-70
2-23 Policy commitments	• Safety, quality, security and ICT p.60-64 • Eneco Supplier Code of Conduct p.152-154
2-24 Embedding policy commitments	• One Planet Results p.26-37
2-25 Processes to remediate negative impacts	• One Planet Results p.26-37 • ESG p.41-47
2-26 Mechanisms for seeking advice and raising concerns	• Safety, quality, security and ICT p.60-64 • Eneco Supplier Code of Conduct p.152-154
2-27 Compliance with laws and regulations	• One Planet Results p.26-37 • Risk management p.50-59
2-28 Membership associations	• One Planet Results p.26-37
2-29 Approach to stakeholder engagement	• One Planet Results p.26-37 • ESG p.41-47

DISCLOSURE	LOCATION
	• Stakeholder engagement and materiality assessment 2023 p.159-161
2-30 Collective bargaining agreements	• Workforce p.150

Material Topics

DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	• Strategy and value p.11-18 • ESG p.42-48
3-2 List of material topics	• Strategy and value p.11-18 • ESG p.41-47
3-3 Management of material topics	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47

Environmental

DISCLOSURE	LOCATION
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47
305-2 Energy indirect (Scope 2) GHG emissions	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47
305-3 Other indirect (Scope 3) GHG emissions	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47
305-4 GHG emissions intensity	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47
305-5 Reduction of GHG emissions	• Key figures p.3-4 • One Planet results p.26-37 • ESG p.41-47
Biodiversity	
Own indicator – qualitatively disclosed	• One Planet plan p.26-37 • ESG p.41-47

Social

DISCLOSURE	LOCATION
Affordability of energy	
Own indicator – qualitatively disclosed	• Operating results p.19-25 • ESG p.41-47
Community engagement	
Own indicator – qualitatively disclosed	• One Planet results p.26-37 • ESG p.41-47
Customer satisfaction	
Own Indicator - Customer Satisfaction KPI	• Key figures p.3-4 • Operating results p.19-25 • ESG p.41-47

Governance

DISCLOSURE	LOCATION
Changes in laws and regulations	
Own indicator – qualitatively disclosed	• Operating results p.19-25 • ESG p.41-47
Market liquidity and supply security	
Own indicator – qualitatively disclosed	• One Planet results p.26-37 • ESG p.41-47
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	• Key figures p.3-4 • Operating results p.19-25 • Financial results p.38-40 • ESG p.41-47 • Financial statements p.76-138
201-2 Financial implications and other risks and opportunities due to climate change	• One Planet results p.26-37 • Risk management p.50-59 • ESG p.41-47 • Financial statements p.76-138

Workforce

	Period ended 31 March 2024	Period ended 31 March 2023
Number of own employees		
Total average workforce in FTE	3,659	3,119
Total workforce in FTE at period end	3,789	3,340
NL	2,583	
BE	357	
GE	837	
UK	12	
Men - women ratio		
percentage of men and women of the total number of employees in FTE at period end		
Men	65%	65%
Women	35%	35%
Age distribution		
percentage per age group of the total number of employees in FTE at period end		
Age 15 - 24	3%	3%
Age 25 - 34	30%	29%
Age 35 - 44	35%	35%
Age 45 - 54	19%	19%
Age 55 and over	13%	14%
Diversity		
in percentages at period end		
Women in managerial positions	35%	31%
Employment contract		
in percentages at period end		
Employees with a Collective Labour Agreement (CLA) contract	51%	56%

	Period ended 31 March 2024	Period ended 31 March 2023
Employment contract for an indefinite period	3,330	2,943
Men	65%	65%
Women	35%	31%
Undeclared	0%	0%
NL	66%	69%
BE	11%	11%
GE	23%	20%
UK	0%	0%
Employment contract with a fixed term	459	397
Men	65%	69%
Women	35%	31%
Undeclared	0%	0%
NL	87%	87%
BE	0%	0%
GE	13%	13%
UK	0%	0%
Employees with a full-time contract	3,007	2,691
Men	89%	91%
Women	61%	61%
Undeclared	0%	0%
NL	67%	
BE	11%	
GE	22%	
UK	0%	

	Period ended 31 March 2024	Period ended 31 March 2023
Employees with a part-time contract	782	649
Men	11%	9%
Women	39%	39%
Undeclared	0%	
NL	74%	
BE	4%	
GE	22%	
UK	0%	
Absenteeism		
In percentages	5.1%	5.8%

Eneco records most of the workforce data in SAP. Other management systems are used for a number of business units both in the Netherlands and abroad.

Eneco Supplier Code of Conduct

Everyone's sustainable energy

Since 2007, Eneco's strategy is aimed at increasing sustainability. Our mission stems from the conviction that we must pass the earth on in a livable manner to our children and the generations that follow. Living within the natural boundaries of the planet, that's what Eneco believes in. Eneco has laid down its sustainability targets in the One Planet plan. The One Planet plan contains concrete objectives in the field of climate, biodiversity, circularity and society.

Together we have an important task: to prevent the earth from warming up by more than 1.50 C. The challenge we face as a society is urgent and its scale far greater than many realize. The energy sector has an important pioneering role in the energy transition. It's Eneco's ambition is to be climate-neutral in 2035. Not only in our own activities, but also in the energy we supply to our customers. In doing so, we will go faster than the scientifically substantiated 1.50 C path prescribes. We believe we have to and we believe we can. To this end, we seek to collaborate with our customers, government bodies, suppliers and other partners that share this ambition.

Code of Conduct for Suppliers

The Supplier Code of Conduct is based on the UNDHR[1], UNGP's2, the ILO3 core labor standards for corporate social responsibility, the OECD4 guidelines and relevant laws on environmental protection. Social responsibility and responsibility with respect to sustainability is something we also expect from our suppliers to be incorporated in their business conduct. Furthermore, we expect our suppliers to select their own suppliers in accordance with to the guidelines of this Supplier Code of Conduct.

Corporate governance

Under no circumstances do we work with dishonest suppliers or (suspected) criminals, or get involved in business where proceeds of crime play a role. We do not engage with third parties that are in any way involved in the weapon industry, nor with parties and countries that are on the UN, EU sanction list or on the Politically Exposed Persons list. Our suppliers therefore are expected to at least comply with national and international legislation and regulations, ensure that they have all the necessary permits and observe the principles of good corporate governance with a focus on continuity and integrity. Our suppliers are expected to implement the principles, norms and values described in this Supplier Code of Conduct and to monitor compliance by employees and their suppliers. Our suppliers will not tolerate discrimination against anyone who reports violations of these principles. Our suppliers have the obligation to report and be transparent to Eneco about (potential) severe violations of these principles.

Human rights and working conditions

Our suppliers:

- recognize and act in accordance with the UniversalDeclaration of Human Rights and work to ensurerespect for human rights along the supply and valuechain,
- ensure that there is no child labor, forced labor or(modern) slavery along the supply and value chain,
- prevent any discrimination or exclusion based onsexuality, gender, religion, culture, country or regionof origin, or age,
- recognize and respect the right of employees toorganize and join trade unions,
- do not pay their employees less than the legalminimum wage or what could be expected foremployees to live at a decent life standard,
- adhere to acceptable working hours and social security in accordance with local standards, national and international legislation and regulations,
- ensure adequate working conditions in the areas of health and safety,
- ensure that regular appraisal interviews are conducted with their employees and provide training opportunities for employees.

1 United Nations Universal Declaration of Human Rights2 United Nations Guiding Principles on Business and Human Rights3 International Labor Organization4 Organization for Economic Co-operation and Development

Fair trading and integrity

Our suppliers:

- commit to fair trade practices and make equitable decisions to avoid corruption, abuse of power and conflicts of interest,
- in no way tolerate, and therefore take appropriate measures in their supply and value chain, to prevent the use of legitimate financial resources for criminal activities including terrorism and espionage,
- take appropriate measures in their companies to prevent financing the production of weapons,
- consider the principles of fair competition as an elementary part of their actions,
- ensure that applicable competition regulations are complied with and take appropriate measures to ensure compliance with competition law by their business partners,
- do not enter into agreements or concerted practices with other companies that have the purpose of preventing, restricting or distorting competition, and act in accordance with the principles of fair competition,
- adhere to applicable security and privacy standards and respect intellectual and other property rights,
- carefully select their suppliers, consultants, agents and other intermediaries according to appropriate suitability criteria.
- Compensation of suppliers, consultants, agents and other intermediaries shall not be used to provide improper benefits to business partners, customers or other third parties,
- shall not promise, give or accept any gift or entertainment that is improper or given with the expectation of receiving improper consideration or other favor in return,
- do not tolerate any form of unlawful tangible and intangible benefits (including their providers) to public officials or persons comparable to them (whether directly or indirectly through third parties),
- reject material and immaterial donations of any kind (e.g. illegal donations) to political parties, their representatives as well as to mandate holders and candidates for political offices,
- always make donations on a voluntary basis and without the expectation of anything in return,
- will not use sponsorship of individuals, groups or organizations to gain unlawful business advantage.

Consumer issues

Our suppliers:

- take measures to protect the health and safety of consumers that include providing reliable, environment-friendly and safe products that enable sustainable consumption,
- apply fair business standards with respect to marketing, sales and customer communication,
- prevent misleading information being provided
- respect intellectual and other property rights and take appropriate measures to protect the personal details of (Eneco) customers, (Eneco) employees and other (Eneco) business contacts.

Environment

Our suppliers are expected to proactively be committed to environmental and climate protection through continuous improvements. These include:

- energy saving and reduction of emissions of carbon dioxide and other harmful greenhouse gases,
- responsible as well as traceable procurement of products and their components, especially if they contain ecologically and/or socially critical raw materials,
- promotion of waste sorting, re-use, processing and recycling,
- continuous optimization of the product’s reusability and/or recyclability,
- limiting water consumption and improving water quality,
- avoidance of local pollution in the form of spilled fluids, airborne particles, noise and light,
- enhancing of biodiversity,
- preventing the use of resources whose extraction damages the environment,
- limiting the harmful effects of a product on the environment during the product´s life cycle,
- having an environmental quality management system in place that is in accordance with or similar to ISO14001 or being committed to having such a system in place within an agreed period of time.

Involvement with and development of the community

Our suppliers:

- are involved with the community in which they operate,
- create local jobs and develop the skills of their (local) employees,
- seek for opportunities to employ people with a distance to the labor market with decent work within their abilities,
- consider and take responsibility for the impact of their activities on the community as a whole and on the health of the people and animals in that community.

Audit

Eneco has the right to ensure, by means of an audit, that suppliers comply with this Code of Conduct. Evidence of inconsistent compliance with this Supplier Code of Conduct may have consequences for the continuation of the relationship between the supplier and Eneco. Severe violation will result in the discontinuation of the relationship.

Signing

All suppliers of Eneco are required to sign the Supplier Code of Conduct. By signing, suppliers commit to comply with the content of this Eneco Suppliers Code of Conduct.

Reporting policy

In this integrated annual report for the 12-month period ended 31 March 2024, Eneco reports on the realisation of its strategy, the policy that it has pursued and the financial and non-financial performance related thereto. This report has been prepared with reference to the GRI Standards. Eneco's financial year runs from 1 April 2023 to 31 March 2024. The previous annual report was published on June 20th 2023.

Integrated reporting & Sustainability standards

Eneco's annual report has been prepared as an integrated report on its financial and non-financial performance. With the Framework of the International Integrated Reporting Council (IIRC), we are able to better clarify the interrelationship between the core elements of our policy in our report. This is also reflected in the value creation model. The content elements required by the Framework are present in this report (Profile of the organisation, Governance, Business Model, Risks and Opportunities, Strategy, Performance and Outlook). The Framework is based on principles that have a considerable overlap with the sustainable reporting guidelines of the Global Reporting Initiative, the GRI Standards. We link the narrative quality of IIRC to the quantitative method of the GRI Standards. The report has been prepared with reference to the standards of the Global Reporting Initiative (GRI). We use the framework of the International Integrated Reporting Council (IIRC) to clarify the interrelationship between the core elements of our policy.

We also report on the Sustainable Development Goals (SDGs). These goals were drawn up in order to make the world 'a better place' by 2030. Eneco contributes to the realisation of these goals to the best of its abilities. In the chapter One Planet results, we provide insight into the SDGs that are relevant to our situation (7, 11, 12, 13, 14 and 15), the targets and the alignment with our control framework.

Through our parent company, Mitsubishi Corporation, we are also a member of the UN Global Compact.

General policy

Point of departure in the preparation of the annual report was the strategy including strategic themes and key performance indicators (KPIs) as determined by the Management Board. The content of the annual report is also determined based on the materiality analysis described in section Material themes. The responsibility, definition, scope, calculations, necessary resources and systems, quality assurance and the process are determined for each strategic KPI. The development of each strategic KPI is reported periodically and discussed with the boards of the Eneco entities involved. The Internal Audit department ensures the correctness and completeness. Where necessary remedial action is taken.

Information gathering and accountability

We have a process description for the preparation of the annual report. The general rule is that the Management Board is responsible for the integrated annual report. The Management Board has delegated the preparation of the management board report to a process manager who leads a multidisciplinary team. The responsibility for the content of the report is divided between the departments Strategy, Communication and Finance. The financial and non-financial strategic KPIs are an integral part of the planning and control cycle. The results are discussed in the regular business reviews. A responsible officer is appointed for each topic based on an accountability index. The Management Board reviews the final version before it is submitted to the Supervisory Board.

Assurance non- financial information

In order to assess the reliability of our sustainability reporting, we asked Deloitte Accountants to perform a review on the sustainability information included in our annual report. For more information we refer to the assurance report. In the next section we further elaborate on the definitions, scope and boundaries of the strategic KPIs that we have requested Deloitte to include in their review. In terms of the GRI standards, we have opted for the 'with reference to' option this year. This is in line with our own wish and the wish of our stakeholders to report concisely on our financial and non-financial performance. Eneco complies with the GRI 'with reference to' requirements to (1) publish a GRI content index; (2) provide a statement of use; and (3) notify GRI that a report has been published. Eneco also applies the reporting principles and explains how material topics are managed.

KPI specific definitions,scope and boundaries

One planet KPI

Measured as total CO2eq-emission (mega tonnes), in Eneco's value chain (supplier, customers and own operation) as determined via the Greenhouse Gas (GHG) Corporate Standard Protocol, GHG Corporate Value Chain (scope 3) Standard, GHG Technical Guidance for Calculating Scope 3 Emissions, and ISO 14064-1 standard and The Eneco Greenhouse Gas (GHG) Accounting Manual. The Eneco GHG Accounting Manual's aims are to provide guidelines and information on Eneco's accounting policies, processing methods and disclosures and clarifies the way emissions are to be measured, processed and disclosed for external reporting purposes.

To report its Greenhouse Gas (GHG) emissions in scope 1, Eneco applies the 'operational control' approach described in the GHG protocol. In addition to CO2, this scope also includes CH4 (methane) and N2O (dinitrogenoxide). These greenhouse gases are converted to CO2 equivalents based on their Global Warming Potential (GWP). The emissions are therefore expressed in megatonnes of CO2eq. Eneco's Climate Plan, includes a roadmap for staying within the limits of the 1.5ºC pathway and reducing Eneco-chain emissions to zero by 2035. Each year, the outcome of this KPI is compared to the pathway in Eneco's Climate plan, leading to zero emissions in 2035.

Eneco does not currently use carbon offsetting methods and aims for absolute emission reductions in line with the 1.5ºC pathway objectives.
Eneco commits to investing in permanent carbon sequestration of all residual emissions. Although we do not yet have specific plans involving the neutralisation of remaining emissions when reaching net-zero, we will be using neutralisation methods that are in line with the SBTi net-zero standard. These methods will be used for up to 0,9 Mton CO2eq, which is lower than the maximum of 10% (1,65 Mton) of the total emissions in the base year specified by the Science Based Targets initiative.

One Planet KPI method

Eneco reports its emissions in accordance with the Corporate Value Chain (scope 3) standard. This standard has been prepared by the World Business Council of Sustainable Development (WBCSD) and the World Resource Institute (WRI). The standard makes it possible to report on the entire chain: the emissions of our own operations and the related emissions of our suppliers and those of our customers.

The emissions are calculated by multiplying the relevant volumes by the corresponding emission factor. The emission factors used are described below. Adding up these emissions results in Eneco's value chain carbon footprint. The annual outcome is compared to the target set in Eneco's Climate Plan: climate neutrality in 2035 in our own operations and in the energy that we deliver to our customers.

The volumes used in scope 1 consist of the consumption of natural gas for electricity production, heating of premises and fuels and electricity for our vehicle fleet.

The volumes used in scope 2 consist of the electricity and heat consumed by the organisation and the grid losses for the heat supplied by us.

The volumes used in scope 3 consist of:

- The quantities of gas, electricity and heat supplied.
- The fuel and electricity consumed by our vehicle fleet for the calculation of upstream emissions.
- Our spend on purchased goods and services.
- The commuting kilometres of our employees (exclusively relating to the vehicle fleet) categorised according to our modal split (average way in which our employees get to and from work, or work from home), which was determined by means of a representative survey among employees.
- The fuels and electricity used for business travel

Consolidation approach One Planet KPI

For corporate GHG reporting, Eneco uses the operational control approach to consolidate GHG emissions, which meanss that Eneco accounts for 100 percent of the emissions of its subsidiaries. The emissions of joint operations are accounted for proportionally, according to the percentage of operational control.

Taking full ownership of all GHG emissions that Eneco can directly influence and reduce is best reflected by the operational control approach.

As part of the GHG accounting process, structural changes such as mergers, acquisitions, and divestments are directly taken into account. Structural changes that have a significant impact on the base year, either individually or cumulatively, shall be retroactively recalculated in order to ensure consistency and relevance of reported GHG emissions.

Emission factors

For natural gas emissions in Germany and Belgium we now use emission factors specified by the International Institute for Sustainability Analysis and Strategy (IINAS). IINAS is the host of the GEMIS (Global Emissions Model for Integrated Systems) tool. The emission factors include direct and upstream emissions and emissions due to grid losses and are country specific. For the Netherlands we continue to use the emission factors published on www.co2emissiefactoren.nl. The direct emissions for electricity supply are based on the KPI 'CO2 emissions from power supplied to end-users', which concerns relative CO2 emissions of the total volume of electricity supplied to the end-users of Eneco. See below for a detailed description of this KPI. The emissions factors for grid losses originate from the International Energy Agency (IEA) and, specifically for the Netherlands, are also based on the GoOs purchased by the grid operators as specified in their annual reports. The direct emissions factor for district heating is based on the legally required heat label. The upstream emission factor is also taken from www.co2emissiefactoren.nl, as are all emission factors for company cars, commuting and business travel.

Estimates

For some office buildings we do not purchase the energy ourselves but, for example, by the landlord. We extrapolate the energy consumption per square meter. For these properties, we purchase guarantees of origin based on the extrapolated energy consumption.

CO_2 emissions from power supplied to end-users

This KPI concerns CO_2 emissions relative to the total volume of electricity supplied to the end-users of Eneco. The aim is to reduce greenhouse gas emissions related to power supplied, and to not exceed the limits of the 1.5-degree pathway (kg CO_2/MWh). The emission factor of supplied electricity consists of direct emissions and (indirect) upstream emissions of the total volume of electricity supplied to endusers.

The upstream emissions factor for electricity is based on the LCA methodology (Life Cycle Analysis) within the scope of extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company and is taken from www.co2emissiefactoren.nl.

For each MWh of renewable energy supplied, a guarantee of origin (GoO) must be issued.

For every MWh of fossil electricity supplied in the Netherlands, a Certificate of Origin (CoO) must be issued. This does not apply in Belgium and Germany, where the national grid factor is used for the supply of fossil electricity, if any.

The direct emission factors used consist of those determined by the Authority for the Consumer and Market (ACM) for the calculation of the Electricity Label in the Netherlands.The (indirect) upstream emission factors are taken from www.co2emissiefactoren.nl.

Science Based Targets

In 2022, Eneco is among the first group of companies to receive SBTi approval on its netzero target for 2035 for the entire value chain (scope 1, 2 and 3) based on the 1.5ºC pathway with 2019 as the base year. Eneco commits to achieving net-zero GHG emissions across the value chain by 2035 and has committed to the following science-based targets:

Science Based Target	Cumulative result 2023	2019
92% reduction of absolute scope 1, 2 and 3 GHG emissions by 2035 compared to the base year 2019.[1]	41%	0%
95.3% reduction of scope 1 GHG emissions from power and heat generation per MWh by 2035 compared to the base year 2019.[1]	34%	0%
94.4% reduction of scope 1 and scope 3, fuel and energy-related activities, power generation GHG emissions per MWh of all electricity sold to end users by 2035 compared to the base year 2019[1]	66%	0%
90% reduction of absolute scope 3 GHG emissions from the use of sold products by 2035 compared to the base year 2019	24%	0%

1 The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

CO_2 emissions from heat supplied to end-users

This KPI concerns the CO_2 emissions resulting from the production, distribution and supply of heat by Eneco. It is expressed in kg CO_2 emissions per GJ heat and relates to all heat (originating, for example, from our large heat networks and the smaller collective heat systems).

The calculation method applied corresponds to the NTA8800-based method described in the Dutch Heat Act, as this is used in our yearly sustainability reporting to the ACM.

These CO_2 emissions include CO_2 emission of the energy input (electricity, gas, biomass, waste, waste heat), the energy performance of the separate heat sources, the share of the different heat sources, heat losses that occur during transport and the required auxiliary energy in the system. The emissions factors of the energy input used in our calculations are provided annually by the Netherlands Enterprise Agency.

Recordable Injury Frequency (RIF)

The RIF represents the moving average number of incidents resulting in absenteeism(LTI), alternative work (RWC) or medical treatment (MTC) per 200,000 hours worked. It excludes first aid cases (FAC) and is based on the amount of recordable incidents that have been registered in our system during the reporting period, compared with the 12 month average registered FTEs (staff who have an Eneco employee number). This definition excludes workers who work for contractors of Eneco. We define a recordable incident according to the definition of a work accident under Dutch law (“arbeidsongeval”); as a result, accidents during commuting, for example, are not included in the scope.

Customer Satisfaction

Customer satisfaction is measured as the % of Eneco customers that rate our brand as 'excellent', 'very good' or 'good'. This is measured on a quarterly base via a questionnaire sent to a selected sample of customers. The sample does not consider if there has been any direct contact recently with the respective customer, meaning that we report a relational Customer Satisfaction score. The year-end score is a weighted average of our retail brands (B2C) in the Netherlands and Belgium. This definition excludes our business-to-business (B2B) activities and the retail brands (B2C) in Germany and the United Kingdom.

Customer contracts

A customer contract is defined as an agreement between Eneco as supplier and a customer to supply energy commodities and/or energy-related services. This means that one customer may have multiple contracts. In terms of products, customer contracts relate to all energy types and energy-related services. The customers included in this KPI are end-users. All mid- and large corporates are excluded from this KPI (except for eMobility, for which we include all charging cards/poles). Only contracts that are active, recurring and revenue-generating are included in this KPI.

Employee Net Promoter Score (eNPS)

The eNPS is a metric used to indicate employee satisfaction and loyalty. We ask the following question: How likely are you to recommend Eneco as employer to someone in your immediate surroundings? Answers can range from 0 to 10, where 0 means 'highly unlikely' and 10 means 'very likely'. The eNPS is the percentage of employees that awards an 8 or higher to Eneco as employer minus the percentage of employees that awards a 5 or lower. This means that we apply the European eNPS calculation method. Promoters – Detractors = eNPS. Included in this KPI are all divisions of Eneco, except for LichtBlick. Contractors are excluded from this KPI.

Renewable own capacity

Renewable own capacity is the amount of sustainable energy expressed in MWh available to Eneco that is produced by or stored in assets of which Eneco has partial or full ownership. Examples of these assets include solar farms, wind farms and batteries. Only renewable capacity that is technically operational at year-end is included in this KPI.

Stakeholder engagement & materiality assessment 2023

Ongoing Stakeholder Engagement

Persons and/or groups of persons, organisations and/or companies who have a direct or indirect interest in Eneco and vice versa are regarded as belonging to our circle of direct stakeholders. These stakeholders are necessary in one way or another for the realisation of our objectives: from the perspective of the sector, as a whole, as division or as project. In order to arrive at a clearly defined selection of stakeholders, we have made an analysis based on a model (Mendelow). With this model, we have made a classification based on the influence and importance of stakeholders with regard to the functioning of Eneco. Our customers, for example, are necessary for the continuity of Eneco, and employees are necessary for the implementation of the business plan. In this manner, the concept of materiality can be applied better in the context of stakeholders.

The table below depicts an overview of our main stakeholders and the ongoing stakeholder engagement activities that have taken place throughout the year.

Stakeholder	Contact moments	Topics
Customers	customer surveys	service level
	website	complaints handling
	customer magazine	proactive advice
	social media	easy to switch
	customer service	digital and self-service
	account management	data privacy
		sufficient sustainable energy
		supporting contribution to the energy transition
		learning from innovative company such as Eneco
		linking energy requirement to Eneco wind and solar farms
		competitive pricing
		heat solutions

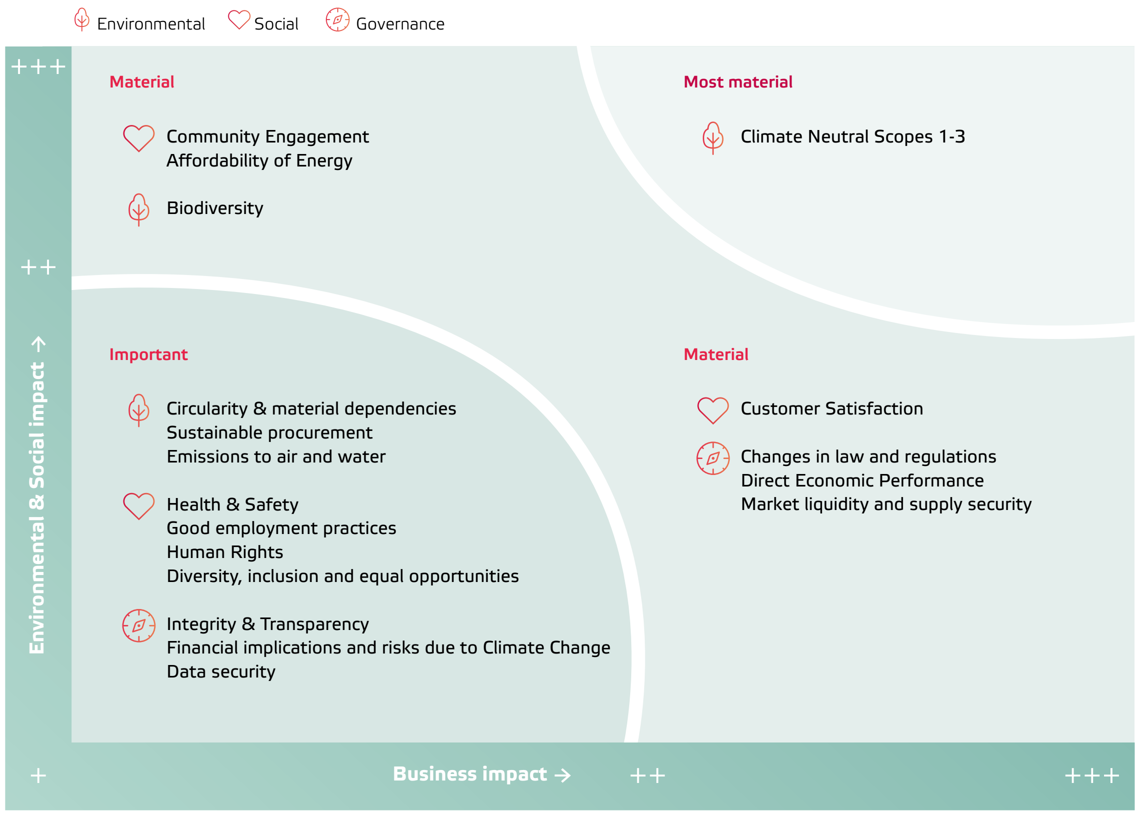
Stakeholder	Contact moments	Topics
Shareholder	AGMs, regular contacts	regular performance
	annual report	return on investments in renewable sources
		risks and opportunities in national and international activities
		sustainable energy projects
Employees	Central Works Council	safety
	town hall meetings	fair remuneration
	annual report	health and well-being
	alignment survey	employment
	internal media	composition of the top of the company
	work consultations	privatisation
Nature and the environment	regular consultations	how sustainable is Eneco
	annual report	contributing to climate change
	benchmarks	contributing to the energy transition
		care for biodiversity
		origin E+G+H
Financial stakeholders	regular consultations	sustainability of business model
	annual report	strategy and risk management
	annual audits	investing in renewable sources abroad
		compliance
		anti-corruption
Local residents - housing corporations	various contact moments	safety
		air quality
		biodiversity
		heat solutions

Materiality Assessment 2023

In 2021 a full materiality assessment was performed, resulting in a renewed materiality matrix. The assessment consisted of a four step process and was conducted in line with the GRI principles for defining report content. We have opted to perform the assessment from two angles. On the one hand we assessed the environmental and social materiality of the themes and, on the other hand, their financial materiality, or business impact. This means that we discussed both types of materiality in our stakeholder consultations.

In 2022 and 2023 we updated the materiality matrix by performing a peer review and involving our internal stakeholders in the process. The internal stakeholders interact with external stakeholders on a regular basis and have a fair and balanced view of their values and opinions, which have been included in the process to determine the material themes. Based on a mix of perspectives from the business and the Management Board, we focused on strategic dilemmas. Our conclusion for 2023 is that the material themes that we presented last financial year remain virtually unchanged as changes in society, politics, or the market did not warrant a change in classification.

Eneco's materiality matrix for 2023



Our most material theme remains climate neutral scopes 1-3, which besides ouw own emissions, includes the emissions of our suppliers and clients.

Materiality matrix

We differentiate between themes that are considered *important* and themes that are considered *material*. In order to better reflect the outcomes of our assessment, we have opted to visualise the matrix. The matrix has four quadrants, each representing a different category: themes that are important on both axis, themes are important on both axis, themes that are material in terms of impact on the environment & society and important in terms of business impact, themes that are material in terms of business impact and important in terms of impact on the environment & society, and themes that are material in terms of impact on the environment & society as well as the business. The updated materiality matrix was approved by our CEO and CFO.

There was consensus amongst internal stakeholders to keep Eneco's Materiality Matrix of 2022. Relative changes within "Material" and "Important" themes are discussed below.

- "Market liquidity and supply security" has improved relative to last year as the energy crisis has eased following additional LNG import capacity in Europe and favorable weather conditions

- "Integrity & Transparency" is becoming more important following the Corporate Sustainability Reporting Directive which modernises and strengthens the rules concerning the social and environmental information that companies have to report. The same holds for our commitment to the International Responsible Business Conduct Agreement

- "Affordability of Energy" remains in the "Material" quadrant whilst noting that the Eneco District Heating business faced pushback on the 2023 tariffs from customers and stakeholders

About this report

About this report and the reporting policy

In this integrated report, N.V. Eneco reports on its financial and non-financial performances during the financial year running from 1 April 2023 to 31 March 2024 and the financial, social and ecological value that it created during that period. We have chosen to present a compact and transparent report to provide the information required by our stakeholders based on stakeholder and materiality analyses.

The previous annual report was published on 22 June 2023. The publication date of the 2023 annual report is 25 June 2024. The 'Report of the Management Board' section of the 2023 annual report of N.V. Eneco has been translated into Dutch. The complete annual report for 2023 (in English) has been filed with the Chamber of Commerce, and is available on our website (www.eneco.com/news-and-figures).

The report has been prepared with reference to the standards of the Global Reporting Initiative (GRI). We use the framework of the International Integrated Reporting Council (IIRC) to clarify the interrelationship between the core elements of our policy. This year, Eneco agian report 'with reference to' the GRI standards. Deloitte has issued a limited assurance report on the sustainability information presented in this English-language annual report.

The scope of the information and indicators reported for the various material topics is consistent with the scope of our financial reporting.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the relevant provisions under the Dutch Civil Code. We also report on the Sustainable Development Goals (SDGs) that concern us, we are participants (through Mitsubishi Corporation) in the Global Compact, and we report in accordance with the covenant for International Corporate Social Responsibility (ICSR).

The strategy wheel graphic represents the One Planet focus, Eneco's 'why', its mission, its strategy and its business model. We also updated our value creation model this year, and we now map out our principal value chains. We use strategic key performance indicators (KPIs) to explain our progress towards realising our strategy in the 'Report of the Management Board' and in the financial statements.

Last year the company moved its year-end date from 31 December to 31 March. This is the second reporting period to use the new year-end date. For purposes of comparing Eneco's performances over this 12-month period with previous 12-month period, the data are compared – though only where this is considered useful – with the pro forma financial and non-financial results as presented for the 12-month period ending on 31 March 2023. Those pro forma results have not been audited.

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Design
CF Report

Disclaimer

This report contains forward-looking statements. These statements can be recognised by the use of wording such as ‘anticipated’, ‘expected’, ‘forecast’, ‘intends’, and similar expressions. These statements are subject to risks and uncertainties and the actual results and events can differ considerably from the current expectations. Factors that can lead to this include, but are not limited to, the general economic situation, the situation in the markets in which N.V. Eneco operates, the behaviour of customers, suppliers and competitors, technological developments and legal judgements and stipulations of regulatory bodies that affect the activities of N.V. Eneco.

Future results could also be influenced by factors including, but not limited to, financial risks, such as foreign currency and interest risks and liquidity and credit risks. N.V. Eneco does not accept any liability or obligation related to the adjustment or revision of the current forecasts on the basis of new information or future events or for any other reason.

Eneco HollandseWind, Eneco HollandseZon, Eneco HollandseWind & Zon, Eneco EuropeseWind, Eneco Omschakelaar, Eneco HappyPower, Eneco KetelComfort, Eneco SlimLaden, Eneco StukjeZon, Toon van Eneco, Eneco WarmteWinner, Bincknet van Eneco, Eneco Energy Trade, AgroEnergy, WoonEnergie and Oxxio are registered brand names of Eneco B.V.

This annual report will be published on the internet in its entirety in the English language only. The Report of the Management Board will also be published in the Dutch language.

No rights may be derived from the information as presented on this website. In the event of any discrepancies between Eneco information presented on the internet and the printed version thereof, the latter prevails.

In order to promote interactivity, links to locations within and outside the annual report are included. If a link leads to a location outside the annual report (resulting in the opening of a new window), the external information concerned is not part of the annual report as assessed by the auditor.