# **Elia System Operator - Climate Change 2020**

## **C0. Introduction**

## **C0.1**

### **(C0.1) Give a general description and introduction to your organization.**

The Elia Group is organized around two transmission system operators (TSOs): Elia Transmission Belgium\* and 50Hertz (a joint-venture via Eurogrid with IFM Investors), one of four German transmission system operators which operates in the north and east of Germany. Elia and 50Hertz’s meshed transmission grid supplies power to 30 million end users, making the Elia Group one of Europe’s top five players and a real driving force behind the further integration of the European electricity market.

As transmission system operator, Elia Group contributes to one of the greatest challenges and aspires to be a catalyst for the energy transition. Elia Group plays a crucial role in the decarbonization of the energy sector and of society in general.

Elia Group leads the way in the energy revolution by developing diversified, sustainable and reliable on- and offshore electricity systems. Our mission consists of delivering the infrastructure of the future and innovating in services that will pave the way to a reliable and sustainable electricity system, placing the integration at European level of renewable energy and the community’s interest at the heart of all our decisions.

With the growth in interconnectors and closer supranational cooperation, we are moving towards an integrated European electricity system. Elia Group ensures that the investments needed to achieve the energy transition are implemented on time and in line with our quality requirements. Elia Group works to promote public acceptance of its projects through close cooperation, transparency and dialogue.

Elia Group integrates innovative technology and keeps up with the latest developments in the energy sector. Through a range of initiatives, we encourage our employees to be at the forefront of the energy transition, not only with ideas, but also with practical applications for system operation, asset management and market development.

The current reporting only aims to disclose our Belgian carbon footprint both for our core operations (transmission of electricity) and non-core operations (non-transmission related carbon emissions: energy consumption of our offices and mobility of our employees).

Core related carbon emissions represent approximately 96% while non-core related carbon emissions merely represent 4% of our Belgian carbon footprint.

Total carbon emission can be split (scope 1: 3,9%, scope 2: 81% and scope 3 :15,1%)

\*On 31st December 2019, Elia Transmission Belgium SA/NV (ETB) took over the Belgian regulated activities of Elia System Operator SA/NV (ESO)

## **C0.2**

### **(C0.2) State the start and end date of the year for which you are reporting data.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Start date** | **End date** | **Indicate if you are providing emissions data for past reporting years** | **Select the number of past reporting years you will be providing emissions data for** |
| Reporting year | January 1 2019 | December 31 2019 | No | <Not Applicable> |

## **C0.3**

### **(C0.3) Select the countries/areas for which you will be supplying data.**

Belgium

## **C0.4**

### **(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## **C0.5**

### **(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

## **C-EU0.7**

### **(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.**

### **Row 1**

### **Electric utilities value chain**

Transmission

### **Other divisions**

Please select

## **C1. Governance**

## **C1.1**

### **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## **C1.1a**

### **(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

|  |  |
| --- | --- |
| **Position of individual(s)** | **Please explain** |
| Board-level committee | Elia is helping to make the energy transition happen. That involves many challenges in order to deliver the transmission infrastructure of the future. The responsibility for climate-related issues hence lies at the top of our organization, within the Executive Committee. Additionally, the Executive Committee has to have the approval of the Board of Directors for the various investment plans. The Executive Committee consists of eight members. These are all independent members in accordance with legal and statutory provisions. Composition: Chief Executive Officer and President of the Management Committee Chief Financial Officer Chief Officer Customers, Market & System Chief Community Relations Officer Chief Assets Officer Chief Officer Infrastructure Chief Officer External Relations Chief Human Resources Internal Communication Officer |

## **C1.1b**

### **(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Frequency with which climate-related issues are a scheduled agenda item** | **Governance mechanisms into which climate-related issues are integrated** | **Scope of board-level oversight** | **Please explain** |
| Scheduled – some meetings | Reviewing and guiding strategy  Reviewing and guiding major plans of action  Reviewing and guiding risk management policies  Reviewing and guiding annual budgets  Reviewing and guiding business plans  Monitoring and overseeing progress against goals and targets for addressing climate-related issues | <Not Applicable> | As previously mentioned, Elia is helping to make the energy transition happen. That involves many challenges in order to deliver the transmission infrastructure of the future. We rethink our infrastructure and the way we keep the electricity system balanced, with safety as a top priority. We are also helping the market to evolve by developing new tools and processes, and strengthening our collaborations with all market players. The energy world is changing. New technologies and societal developments are emerging every day. Elia incorporates these elements into its strategy and is already developing new methods to upgrade its grid, taking the latest trends into account. As we integrate more and more variable renewable energy generation and as electricity exchanges at European level increase, our investment programme is vitally important to guarantee a reliable, affordable and sustainable energy system in the future. In 2019 , the Modular Offshore Grid has come into service in September and Nemo Link (the subsea interconnector with the UK) was commissionned. At the same time, we are also looking to the longer term and examining what our needs will be further down the line. We anticipate the needs of society and the expectations of our stakeholders and we make sure we are ready to take on new tasks – all this while maintaining an affordable, reliable and secure grid. |

## **C1.2**

### **(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of the position(s) and/or committee(s)** | **Reporting line** | **Responsibility** | **Coverage of responsibility** | **Frequency of reporting to the board on climate-related issues** |
| Other C-Suite Officer, please specify (Chief Community Relations Officer) | <Not Applicable> | Assessing climate-related risks and opportunities | <Not Applicable> | Quarterly |
| Other C-Suite Officer, please specify (Chief Assets Officer) | <Not Applicable> | Assessing climate-related risks and opportunities | <Not Applicable> | Quarterly |
| Environment/ Sustainability manager | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | More frequently than quarterly |

## **C1.2a**

### **(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Chief Community Relations Officer and the Chief Assets Officer sit within the Executive Committee and bear the responsibility for climate related issues at asset level and the overall sustainability vision of the company. Both Chief Community Relations Officer and Chief Assets Officer have a direct reporting line to the CEO. Key responsibilities are to facilitate the decarbonization of the energy grid by aligning the interests of the company and the company's stakeholders. All climate related reporting and sustainable communication to external stakeholders are coordinated by the Community Relations Department.

The Community Relations Direction is structured in 3 departments:

- Permits, Properties&Negociations

- Environmental&CSR

- Projects and Communication.

The sustainability department and the Sustainability manager sit within the Environmental&CSR. The Environmental&CSR defines the main guidelines that guarantee the daily sustainability and visibility of our projects, both internally and externally and in the core business of Elia. Their role is to define standards, policies and best practices and to develop supporting tools in different areas: environment, corporate social responsibility and licensing legislation. The new direction Community Relations and the reorganization of the departments has given more importance to this function within Elia, which gives now a greater role to play in the acceptance of our projects.

The Sustainability manager heads the Environmental&CSR and reports monthly to the Chief Community Relations Officer on the progress of the projects including the progress made on climate-related challenges. The Environmental&CSR has direct responsibility for climate change and the Company’s environmental performance, including carbon emissions; Elia’s environmental sustainability strategy.

\*Please note that "Public Acceptance" has been renamed into "Community Relations" in 2019 (in order to emphasize that it encompasses all the stakeholders)

## **C1.3**

### **(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

|  |  |  |
| --- | --- | --- |
|  | **Provide incentives for the management of climate-related issues** | **Comment** |
| Row 1 | No, not currently but we plan to introduce them in the next two years | At the stage of writing, there are no incentives provided by Elia for the management of climate-related issues. However, the Belgian regulator defines a series of incentives related to the completion of projects, including some key infrastructure projects that aim to support the energy transition (for instance, reliability of our offshore assets, supports to innovation, on time realization of infrastructures, …). |

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

## **C2.1a**

### **(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **From (years)** | **To (years)** | **Comment** |
| Short-term | 0 | 2 |  |
| Medium-term | 2 | 5 |  |
| Long-term | 5 | 10 |  |

## **C2.1b**

### **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

Risk management relies on Elia Group’s strategy and risk appetite, the level of risk our organisation is prepared to accept in pursuit of its strategy and objectives. This risk appetite is based on 5 matrices which capture financial, strategic, operational risks/ impacts. If the (aggregated) risk is below the critical level defined by the risk appetite a cost-benefit analysis determines the use of control measures to reduce risks.

Further information on Elia's stratgy can be found at this location:

https://www.eliagroup.eu/en/about-elia-group/strategy

## **C2.2**

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

### **Value chain stage(s) covered**

Direct operations

Upstream

Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

More than once a year

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

The Risk Management framework of Elia Group is strongly linked to COSO’s (the Committee of Sponsoring Organizations of the Treadway Commission) framework , which gathers best practices for assessing business risks. In line with these guidelines, risk management takes place at different levels in the organisation (strategic, business/operational, project…) and relies on Elia Group’s strategy and risk appetite. The process in place aims at identifying key risks, assessing them, defining appropriate responses, communicating them to the Board of Directors and monitoring the effectiveness of mitigation actions. All the information collected by these processes is recorded in risk registers. Regular exchanges between risk managers and risk owners allow these registers to be kept up-to-date. The most important elements are summarised in risk reports, which are presented to the Board of Directors and Audit Committee four times a year. Given risk management is closely related to the strategy and achievement of objectives, it is refferred for further information to (1) Elia's Development plan which identifies major futures trends (as the development of renewable energy off- and onshore) and deducts from these trends the needed infrastructure and (2) the regular actualization of our Group strategy, taking into account all the last evolutions encountered in the energy field. Our customer relationship department also closely follows evolutions of (renewable) decentral production and of the context for our customers, including distribution system operators. It is kind of a bottom-up approach. This shows how Elia's focus covers both the upstrain chain value stage (evolutions in the energy generation) and the downstream evolutions.

## **C2.2a**

### **(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

|  |  |  |
| --- | --- | --- |
|  | **Relevance & inclusion** | **Please explain** |
| Current regulation | Relevant, always included | Elia contributes to the energy transition to clean energy by implementing and applying relevant regulation, such as the EU Clean Energy for all European packages. As a transmission system operator we deliver the infrastructure of the future and innovate in services that enable the pathway to a reliable and sustainable power system, with the interest of the community at the heart of every decision. Should we not comply with the current regulation, we would risk sanctions and reputational damage. |
| Emerging regulation | Relevant, always included | Elia Group actively follows the emergence of European, National or Local regulations. At European level, a dedicated team of Elia Group intends to contribute to the further definition of the Green Deal announced by European commission. Internally we define Group’s position paper on what we consider important topics (as for instance North Sea offshore development, future of hydrogen, … ) and the best approach towards European institutions to advocate our positions. Then we take part to events where stakeholders are invited to comment the draft propositions and we defend our positions. At national or local level, Elia is also in direct contact with public authorities and regulators to exchange on the best way to transpose into Belgian law legislations adopted at European level (as for instance the Clean Energy package, and at a later stage the Green Deal). Considering our specific position in the energy landscape, public authorities are generally open to consider our position. |
| Technology | Relevant, always included | The increasing integration of HVDC and renewable energy has transformed the grid and our understanding of it. These changes are challenging the operation of power systems. It is Elia’s responsibility to guarantee the safe and reliable operation of the system, which makes it fundamental to understand what the impact of these new scenarios is and how to face the new challenges. For example, following the replacement of synchronous rotating machines by renewable energy sources, the total inertia on the grid is decreasing. While this reduction does not yet pose an immediate risk to the grid, it does raise issues in terms of inertia distribution. In the event of a major incident, and if because of non-optimal inertia distribution nearby synchronous machines cannot offset the disturbance, the delocalisation of this occurrence could result in very large exchange flows. These huge flows can cause connections to trip, triggering a domino effect that could create a local blackout or system split. In order to tackle this risk , Elia leads the Local Inertia project, which is developing modelling tools and expertise to bring to light the effect of inertia distribution on power grids. |
| Legal | Relevant, sometimes included | The outcome of legal disputes and lawsuits may negatively affect the business operations and/ or the financial results. To avoid legal risks, Elia scrupulously applies the legislation in force and tracks all the non compliances. (Examples legal provisions for soil remediation or containment tanks for transformers.) |
| Market | Relevant, always included | To prepare ourselves for the energy transition of the future we are looking for new market solutions (more market players) to keep electricity cost in a decreasing line. For example more developed Day-ahead market coupling and cross border intraday (continuous trading of electricity across several European countries) to support the balancing mechanism in line with the EU Target model for an integrated intraday market. European-wide intraday coupling is a key component for completing the European Internal Energy Market. With the rising share of intermittent generation in the European generation mix, connecting intraday markets through cross-border trading is an increasingly important tool for market parties to keep positions balanced. |
| Reputation | Relevant, sometimes included | The federal governments in place have a key role to play in ensuring that enough generation capacity is available in their countries to avoid the risk of an electricity shortage and problems of supply. Elia for its part, provides them with useful information. As an example, Elia performs, in accordance with the law, regular assessments of Belgium’s security of supply situation in the short and longer term. The objective is to ensure enough generation is available to supply power consumption following for example the energy transition. Professionally fulfilling its advisory role on the adequacy topic (adequacy between load projections and available generation ) helps Elia maintain its good reputation. The latest study in this respect “Adequacy & Flexibility Study 2020-2030”, dates from June 28, 2019. It is available here: https://www.elia.be/en/publications/studies-and-reports |
| Acute physical | Relevant, always included | Our network is designed with an N-1 redundancy. This is a form of resilience which ensures that the transmission system remains available in case one main transmission component is lost. In other words, once one main element is lost, there are MWh at risk. If several main transmission elements are lost at the same time, for example due to severe climatic events such as change in precipitation extremes and droughts Water/rain, snow/ice, wind, ... this may lead to a disruption in our services or cause black-outs. |
| Chronic physical | Relevant, always included | If the average temperature increases it would have an impact on our power lines, potentially causing a disruption in our capacity to transport electricity. Indeed, the actual cooling conditions of our circuits may then be less favorable than those considered in their design, potentially leading to : - accelerated ageing of our cables and linear assets - risk of immediate flashover in case clearances are not respected any more due to thermal elongation of overhead line conductors - risk of delayed flashover in case the mechanical properties of overhead conductors are progressively altered by high operating temperatures - risk of limiting the transport capacity of lines or necessity of up-rating and up-grading (reinforcements) - risk of limiting the capacity of power transformers - risk of exceeding the maximum temperature for proper functioning of protections which may lead to the inability to eliminate faults and/or substation outage In case the lowest temperature in the year decreases, this may lead to higher mechanical tension in the overhead conductors than those foreseen in the design. Depending on the amplitude of this decrease, this may lead to either a change in the requirements for new overhead power lines or even damage (e.g.: combined to significant wind) |

## **C2.3**

### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.3a**

### **(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Risk 1

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Acute physical | Increased severity and frequency of extreme weather events such as cyclones and floods |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Elia, as most European TSO's is faced to ageing assets. These ageing assets may have lower resistance to damage caused by wind vibrations. At the same time, extreme wind may lead mechanical loads which are higher than those considered for the design of conductors, vibration dampers and towers. These excessive loads, which are higher than the mechanical strength of our assets, may lead to overhead line failures. In addition to that, strong winds may affect a large area, and cause the failure of several overhead power lines. These cascading failures may lead to a blackout and disruption of services.

### **Time horizon**

Long-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

20000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Over the last 10 years we have noticed an increase in severe weather events causing damage to our assets. We have listed these events and estimated the total cost over the last 10 years to have reached approximately 20 million euros. These costs represent the cost of masts that collapsed, cables that broke off or trees that have damaged our assets. We expect these costs will rise over the years as severe weather events become more frequent.

### **Cost of response to risk**

3100000

### **Description of response and explanation of cost calculation**

Investigations are regularly carried out to verify the potential impact of extreme weather events on the network. Depending on the outcome of the investigations a mitigating action plan may be put in place. The related cost represents 20 % of the annual asset management costs to review and hold track of this topic's evolutions, including a small % to cover for overhead costs.

### **Comment**

### **Identifier**

Risk 2

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Chronic physical | Rising mean temperatures |

### **Primary potential financial impact**

Increased indirect (operating) costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

If the average temperature increases (above 40 degrees) it would have an impact on our power lines (High Temperature Low Sag lines) potentially causing a disruption in our capacity to transport electricity. Indeed, the actual cooling conditions of our circuits may then be less favorable than those considered in their design, potentially leading to : - accelerated ageing of our cable and linear assets - risk of immediate flashover in case clearances are not respected any more due to thermal elongation of overhead line conductors - risk of delayed flashover in case the mechanical properties of overhead conductors are progressively altered by high operating temperatures - risk of limiting the transport capacity of lines or necessity of uprating + upgrading (reinforcements) - risk of limiting the capacity of power transformers - risk of excessing the maximum temperature for proper functioning of protections which may lead inability to eliminate faults and/or substation outage

### **Time horizon**

Long-term

### **Likelihood**

More likely than not

### **Magnitude of impact**

Medium

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

1000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The financial impact is based on the basic purchasing cost to replace a HTLS power line given the fact that the temperature will increase above 40 degrees. In the coming 10 years we see an increasing likelihood that summer times might measure up to 40 degrees.

### **Cost of response to risk**

2300000

### **Description of response and explanation of cost calculation**

Investigations are regularly carried out to verify the potential impact of extreme weather events on the network. Depending on the outcome of the investigation a mitigating action plan is put in place. The related cost represents 15 % of the annual asset management costs to review and hold track of this topic's evolutions, including a small % to cover for overhead costs.

### **Comment**

### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Chronic physical | Changes in precipitation patterns and extreme variability in weather patterns |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

At the coast in Belgium we expect a 30 cm increase in storm surge level by 2050, we have identified 4 substations at sea level for which the flooding of substations constitutes a chronic physical risk.

### **Time horizon**

Long-term

### **Likelihood**

Likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

100000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The average cost of a medium sized substation is about 25 Mio euro and we identified 4 substations at sea level. At the coast in Belgium we expect a 30 cm increase in storm surge level by 2050 as such the financial impact must be spread over the coming 30 years.

### **Cost of response to risk**

800000

### **Description of response and explanation of cost calculation**

Investigations are regularly carried out to verify the potential impact of extreme weather events on the network. Depending on the outcome of the investigation a mitigating action plan is put in place. The related cost represents 5 % of the annual asset management costs to review and hold track of this topic's evolutions, including a small % to cover for overhead costs.

### **Comment**

## **C2.4**

### **(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

### **(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Upstream

### **Opportunity type**

Energy source

### **Primary climate-related opportunity driver**

Use of lower-emission sources of energy

### **Primary potential financial impact**

Returns on investment in low-emission technology

### **Company-specific description**

One of Elia's main activities being the development of the electricity transmission infrastructure, one of our duties is to set out the investment programme that has to be implemented in order to meet the needs in transmission capacity. Elia drew up the "Federal Development Plan 2020-2030" (official publication) for the development of the Belgian federal transmission grid in partnership with the Belgian Directorate-General for Energy and the Federal Planning Bureau. The infrastructure project "Avelin-Horta", included in this Federal Development Plan 2020-2030, is an interconnection project between France (Avelin/Mastaing) and Belgium (Avelgem) . Like any interconnection project, it contributes to the security of supply, to price convergence and to the decarbonisation of the European power system by allowing the integration of renewable energy on a European scale. The project foresees the installation of high performance conductor on overhead lines, to avoid the congestion generated by the combination of high offshore wind production and great quantities of electricity imported from France and Great Britain. Once the project is completed, the exchange capacity at the Franco-Belgian border will be 1500MW. The commisionning date of this project is 2022. https://www.elia.be/en/infrastructure-and-projects/investment-plan/federal-development-plan-2020-2030

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

900000

### **Potential financial impact figure – maximum (currency)**

1780000

### **Explanation of financial impact figure**

The total CAPEX is financed on equity at 40% to be aligned with the regulatory gearing (40%). The return (NPV) is then calculated with the following hypotheses; An amortization period of 35 years is considered, as well as a weighted average cost of capital (WACC) of 6 %

### **Cost to realize opportunity**

6550000

### **Strategy to realize opportunity and explanation of cost calculation**

The cost has been estimated starting from 50% of the TOTEX (=CAPEX+OPEX) annuity, in M€/year, to realize the Avelin Horta project (as the cost of development of the project will be shared by Elia and the French TSO) and install large transformers (PST type) in Aubange. An amortization period of 25 years is considered, as well as a weighted average cost of capital (WACC) of 6 %.

### **Comment**

Another project assessment indicator, the societal well-being, is also assessed in the Belgian Federal Delopment Plan 2020-2030. Elia wants to propose an efficient electrical infrastructure which contributes to the economical development of Belgium and the well-being of its citizens. From this perspective, the increase in Belgian well-being (M€/year) achieved in 2040, as a result of this project has been estimated between 20 million and 180 million Euros. The increase in European well-being generated by this project should be added to this value to obtain a comprehensive overview of the financial impact of this project. Computations are carried out according to the ENTSO-E (the European Network of Transmission System Operators for Electricity) methodology. Detailed results are available in Elia's development plan for 2020-2030 (https://www.elia.be/en/infrastructure-and-projects/investment-plan/federal-development-plan-2020-2030)

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Upstream

### **Opportunity type**

Energy source

### **Primary climate-related opportunity driver**

Use of lower-emission sources of energy

### **Primary potential financial impact**

Other, please specify (This interconnection project allows the convergence of electricity prices (otherwise severely impacted by the energy transition), to the benefit of our fellow citizens. )

### **Company-specific description**

One of Elia's main activities being the development of the electricity transmission infrastructure, one of our duties is to set out the investment programme that has to be implemented in order to meet the needs in transmission capacity. Elia drew up the "Federal Development Plan 2020-2030" (official publication) for the development of the Belgian federal transmission grid in partnership with the Belgian Directorate-General for Energy and the Federal Planning Bureau. The infrastructure project "Nautilus" is an interconnection project that foresees the construction of an HVDC (high-voltage direct current) technology link between Belgium and the United Kingdom. This would allow an increase in exchange capacity of the order of 1400MW in both directions. The objective is to help fill the needs for additional market trading capacity, so that Belgium remains competitive in terms of electricity price compared to its neighbours and the energy transition is both supported and facilitated.

### **Time horizon**

Long-term

### **Likelihood**

Likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

5410000

### **Potential financial impact figure – maximum (currency)**

10870000

### **Explanation of financial impact figure**

The total CAPEX is financed on equity at 40% to be aligned with the regulatory gearing (40%). The return is then calculated with the following hypotheses; An amortization period of 25 years is considered, as well as a weighted average cost of capital (WACC) of 6 %

### **Cost to realize opportunity**

43100000

### **Strategy to realize opportunity and explanation of cost calculation**

The cost has been estimated starting from 50% of the TOTEX (=CAPEX+OPEX) annuity, in M€/year, to realise the Nautilus project (as the cost of development of the project will be shared by Elia and the UK TSO). An amortization period of 25 years is considered, as well as a weighted average cost of capital (WACC) of 6 %.

### **Comment**

Another project assessment indicator, the societal well-being, is also assessed in the Belgian Federal Delopment Plan 2020-2030. Elia wants to propose an efficient electrical infrastructure which contributes to the economical development of Belgium and the well being of its citizens. From this perspective, the increase in Belgian well-being (M€/year) achieved in 2040, as a result of this project has been estimated between 20 million and 120 million Euros. Detailed results, including the increase in European well-being generated by this project, or figures at other times in the future, are available in Elia's development plan for 2020-2030, an official publication available at this address: https://www.elia.be/fr/infrastructure-et-projets/plans-investissements/plan-de-developpement-federal-2020-2030

### **Identifier**

Opp3

### **Where in the value chain does the opportunity occur?**

Upstream

### **Opportunity type**

Energy source

### **Primary climate-related opportunity driver**

Use of lower-emission sources of energy

### **Primary potential financial impact**

Other, please specify (This interconnection project allows the convergence of electricity prices (otherwise severely impacted by the energy transition), to the benefit of our fellow citizens. )

### **Company-specific description**

One of Elia's main activities being the development of the electricity transmission infrastructure, one of our duties is to set out the investment programme that has to be implemented in order to meet the needs in transmission capacity. Elia drew up the "Federal Development Plan 2020-2030" (official publication) for the development of the Belgian federal transmission grid in partnership with the Belgian Directorate-General for Energy and the Federal Planning Bureau. The infrastructure project "BE-DE II" is an interconnection project at the study phase. It foresees the construction of a second HVDC (high-voltage direct current) technology link between Belgium and Germany. This would allow an additional exchange capacity of the order of 1000MW (to be confirmed) to complement the 1000MW exchange capacity of the Alegro project, currently under construction. The objective is to help fill the needs for additional market trading capacity, so that Belgium remains competitive in terms of electricity price compared to its neighbours and the energy transition is both supported and facilitated.

### **Time horizon**

Long-term

### **Likelihood**

Likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

3320000

### **Potential financial impact figure – maximum (currency)**

6600000

### **Explanation of financial impact figure**

The total CAPEX is financed on equity at 40% to be aligned with the regulatory gearing (40%). The return is then calculated with the following hypotheses; An amortization period of 50 years is considered, as well as a weighted average cost of capital (WACC) of 6 %

### **Cost to realize opportunity**

25850000

### **Strategy to realize opportunity and explanation of cost calculation**

The cost has been estimated starting from 50% of the TOTEX (=CAPEX+OPEX) annuity, in M€/year, to realise the BE-DE II project (as the cost of development of the project will be shared by Elia and the German TSO). An amortization period of 25 years is considered, as well as a weighted average cost of capital (WACC) of 6 %.

### **Comment**

Another project assessment indicator, the societal well-being, is also assessed in the Belgian Federal Delopment Plan 2020-2030. Elia wants to propose an efficient electrical infrastructure which contributes to the economical development of Belgium and the well being of its citizens. From this perspective, the increase in Belgian well-being (M€/year) achieved in 2040, as a result of this project has been estimated between 20 million and 70 million Euros. Detailed results, including the increase in European well-being generated by this project, or figures at other times in the future, are available in Elia's development plan for 2020-2030, an official publication available at this address: https://www.elia.be/fr/infrastructure-et-projets/plans-investissements/plan-de-developpement-federal-2020-2030

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

## **C3.1a**

### **(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

## **C3.1b**

### **(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.**

|  |  |
| --- | --- |
| **Climate-related scenarios and models applied** | **Details** |
| 2DS | As transmission system operator, Elia contributes to one of the greatest challenge and aspires to be a catalyst for the energy transition. Elia plays a crucial role in the decarbonization of the energy sector and of society in general. Elia, together with Federal and Regional authorities, leads the way in the energy revolution by developing diversified, sustainable and reliable on- and offshore electricity systems. In this sense, Elia follows the Nationally determined contributions set by the Federal government in the context of the Paris Agreement. As such we are following the scenarios: BESET and the Federal Development Plan. Our mission consists of delivering the infrastructure of the future and innovating in services that will pave the way to a reliable and sustainable electricity system, placing the integration at European level of renewable energy and the community’s interest at the heart of all our decisions. We hence analyze multiple scenarios to better understand the impact for the network and to better foresee the investments needed. Elia leads the way in the energy revolution by developing diversified, sustainable and reliable on- and offshore electricity systems. Our mission consists of delivering the infrastructure of the future and innovating in services that will pave the way to a reliable and sustainable electricity system, placing the integration at European level of renewable energy and the community’s interest at the heart of all our decisions. With the growth in interconnectors and closer supranational cooperation, we are moving towards an integrated European electricity system. Elia ensure that the investments needed to achieve the energy transition are implemented on time and in line with our quality requirements. Elia works to promote public acceptance of its projects through close cooperation, transparency and dialogue. Through the increasing integration of renewable energy into its grid, the Elia Group makes a positive contribution to the environment and to achieving regional, federal and European climate targets. |

## **C3.1d**

### **(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

|  |  |  |
| --- | --- | --- |
|  | **Have climate-related risks and opportunities influenced your strategy in this area?** | **Description of influence** |
| Products and services | Yes | Digitalisation and new technologies can create energy services that give consumers an active role in the energy system while optimising their comfort.The IO.Energy Ecosystem e.g. in with Elia takes part together with Belgian partners from the energy sector is built to facilitate the development of new energy services by market parties to drive the power system towards consumer centricity. |
| Supply chain and/or value chain | Yes | The European electricity system is undergoing a profound and rapid evolution. It is facing unprecedented changes and needs to adapt in order to respond to major challenges (such as the integration of high volumes of variable renewables, the increase in decentralisation, digitalisation, the emergence of new players, and the phase-out of some conventional generation sources), all while safeguarding security of supply, maintaining grid balance and remaining competitive with neighbouring countries. Elia is in charge of the analysis of the adequacy and flexibility of the Belgian electricity system. |
| Investment in R&D | Yes | Elia integrates innovative technology and keeps up with the latest developments in the energy sector. The mission of our Innovations Departement is to be at the forefront of the energy transition, not only with ideas, but also with practical applications for system operation, asset management and market development. Examples and further details of our R&D projects in our answer on question C-EU9.6a. |
| Operations | Yes | With the growth in interconnectors and closer supranational cooperation, we are moving towards an integrated European electricity system. Elia ensure that the investments needed to achieve the energy transition are implemented on time and in line with our quality requirements in order to seize this opportunity for our operations' growth. |

## **C3.1e**

### **(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

|  |  |  |
| --- | --- | --- |
|  | **Financial planning elements that have been influenced** | **Description of influence** |
| Row 1 | Revenues  Direct costs  Indirect costs  Capital expenditures  Capital allocation  Access to capital  Assets  Liabilities | Our role as a transmission system operator is to make the energy transition happen as we are convinced that society can only fight climate change adequately by increasingly rely on more renewable production. This has an impact on the way we build, operate and maintain the grid. For instance, 80% of our budgets and management attention is dedicated to optimize our current way of functioning to become more efficient and ‘up for the job’ to cope with the operational changes induced by increase of variable renewable electricity production. We also see it as our mission to facilitate the integration of renewables into the grid to obtain a low carbon energy mix which contribute to European, national and regional climate change objectives. Examples : the infrastructure projects (transmission lines) like ‘Stevin’ (reinforcement of backbone to integrate energy generated by the offshore wind park) or ‘Nemo’ (interconnection with UK) were executed to increase access to additional import capacity avoiding local conventional power plants to run, but also a modular offshore grid that provides a higher level of reliability for offshore windfarms. Furthermore, we develop new market products and take innovative initiatives to integrate renewable technologies into the existing systems and markets (like procuring reserve capacity from wind farms, flexibility products (demand side management)). A series of major infrastructure projects to further in the coming years. |

## **C3.1f**

### **(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## **C4. Targets and performance**

## **C4.1**

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

## **C4.1a**

### **(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

### **Target reference number**

Abs 1

### **Year target was set**

2014

### **Target coverage**

Other, please specify (non core: emissions buildings and vehicles fleet )

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

Covers all non-core activities which represent 4,3% of the total carbon footprint for Elia Belgium. The focus of the reduction target is as follows: 75% focus on mobility and 25% focus on energy efficiency of buildings.

### **Base year**

2014

### **Covered emissions in base year (metric tons CO2e)**

4645

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

1.6

### **Target year**

2022

### **Targeted reduction from base year (%)**

20

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

3716

### **Covered emissions in reporting year (metric tons CO2e)**

4987

### **% of target achieved [auto-calculated]**

-36.8137782561894

### **Target status in reporting year**

Replaced

### **Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

Although the CO2 emissions related to the energy consumption of our buildings decrease, the overall scope 1 and 2 of our non-core activities increased due to an increase in the number of company vehicles and an increase in the consumption of our maintenance vans. This target has been replaced by target Abs4 and the coverage has been extended to the total of Scope 1 & Scope 2 (grid losses excluded)

### **Target reference number**

Abs 2

### **Year target was set**

2014

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 3: Business travel

Covers all non-core activities which represent 4,3% of the total carbon footprint for Elia Belgium. The focus of the reduction target is as follows: 75% focus on mobility and 25% focus on energy efficiency of buildings.

### **Base year**

2014

### **Covered emissions in base year (metric tons CO2e)**

937

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

### **Target year**

2022

### **Targeted reduction from base year (%)**

20

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

749.6

### **Covered emissions in reporting year (metric tons CO2e)**

986

### **% of target achieved [auto-calculated]**

-26.1472785485592

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

Due to increasing joint projects with 50Hertz our teams have had to travel much more to Berlin. Consequently we see a significant increase of our business travel related CO2 emissions.

### **Target reference number**

Abs 3

### **Year target was set**

2014

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 3: Employee commuting

Covers all non-core activities which represent 4,3% of the total carbon footprint for Elia Belgium. The focus of the reduction target is as follows: 75% focus on mobility and 25% focus on energy efficiency of buildings.

### **Base year**

2014

### **Covered emissions in base year (metric tons CO2e)**

560

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

### **Target year**

2022

### **Targeted reduction from base year (%)**

20

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

448

### **Covered emissions in reporting year (metric tons CO2e)**

733

### **% of target achieved [auto-calculated]**

-154.464285714286

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

The increase in number of employees has had a negative impact on our target to reduce the commuting related CO2 footprint. We are working to further expand the new mobility action plan to reverse this trend and achieve our target by 2022.

### **Target reference number**

Abs 4

### **Year target was set**

2020

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

### **Base year**

2017

### **Covered emissions in base year (metric tons CO2e)**

37829.19

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

5

### **Target year**

2030

### **Targeted reduction from base year (%)**

30

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

26480.433

### **Covered emissions in reporting year (metric tons CO2e)**

29226

### **% of target achieved [auto-calculated]**

75.8073329087934

### **Target status in reporting year**

New

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

the target covers the emissions of our "own operations" (SF6, Substations, Mobility and Offices); this is scope 1 + scope 2 (grid losses excluded).

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## **C4.3**

### **(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## **C4.3a**

### **(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|  |  |  |
| --- | --- | --- |
|  | **Number of initiatives** | **Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked \*)** |
| Under investigation | 1 | 0 |
| To be implemented\* | 1 | 1500 |
| Implementation commenced\* | 1 | 22 |
| Implemented\* | 1 | 2538 |
| Not to be implemented | 0 | 0 |

## **C4.3b**

### **(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Fugitive emissions reductions | Other, please specify (Isolator (SF6) gas leakage reduction) |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

2538

### **Scope(s)**

Scope 1

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

### **Investment required (unit currency – as specified in C0.4)**

### **Payback period**

<1 year

### **Estimated lifetime of the initiative**

Ongoing

### **Comment**

Sulphur hexafluoride (SF6) is a gas commonly used as an electrical insulator in high-voltage devices. Both its chemical and physical properties (i.a. inert, non-flammable) make this gas particularly well suited for its use in high-voltage electrical equipment. (N.B.: there is currently no alternative for SF6 for specific equipment). This gas has however a very high global warming potential (GWP 23.500 t CO2 eq). Elia has developed an investment and maintenance policy to minimize the risk of SF6 leakage. Manufacturers are obligated to guarantee a very stringent maximum percentage of SF6 loss throughout the lifetime of the facilities. SF6 Gas leakages decreased from 0,36 tonnes to 0,25 tonnes in 2019. These values in tonnes were then converted to tCO2e.

## **C4.3c**

### **(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

|  |  |
| --- | --- |
| **Method** | **Comment** |
| Lower return on investment (ROI) specification | We have worked together with an external environmental consultant to calculate the ROI of all our reduction measures in order to be able to make informed decisions on the priority of these measures. The considered reduction initiatives were: use of public transportation, changing the car policy, promoting e-vehicles and hybrids, teleworking, videoconferencing, adjusting the IT material, computer power management, datacenter and improving the energy efficiency of one of our administrative buildings by replacing technical installations |

## **C4.5**

### **(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

## **C5. Emissions methodology**

## **C5.1**

### **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

### **Base year start**

January 1 2014

### **Base year end**

December 31 2014

### **Base year emissions (metric tons CO2e)**

16260

### **Comment**

### **Scope 2 (location-based)**

### **Base year start**

January 1 2014

### **Base year end**

December 31 2014

### **Base year emissions (metric tons CO2e)**

281194

### **Comment**

### **Scope 2 (market-based)**

### **Base year start**

January 1 2014

### **Base year end**

December 31 2014

### **Base year emissions (metric tons CO2e)**

280589

### **Comment**

## **C5.2**

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Bilan Carbone

## **C6. Emissions data**

## **C6.1**

### **(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

### **Gross global Scope 1 emissions (metric tons CO2e)**

11014

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

## **C6.2**

### **(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

### **Row 1**

### **​Scope 2, location-based​**

We are reporting a Scope 2, location-based figure

### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

### **Comment**

## **C6.3**

### **(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

### **Scope 2, location-based**

228340

### **Scope 2, market-based (if applicable)**

227048

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

## **C6.4**

### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## **C6.5**

### **(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

267

### **Emissions calculation methodology**

Our data collection process allows to collect the volumes of goods and services purchased. We have then used the specific emission factors provided by the Bilan Carbone per kg paper or per kg food and per liter to convert to tCO2e.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Please explain**

Emission accounted in this category are paper and ink consumption, catering (food, beverages and cups and cans of soft drinks), oil and greases

### **Capital goods**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

38436

### **Emissions calculation methodology**

Our data collection process allows to collect the exact number of units of IT hardware and assets (office, warehouse, car park space) we take into account in this category of scope 3 emissions.. We have then used the specific emission factors provided by the Bilan Carbone per unit to convert to tCO2e. For IT material we have taken into account a 5 year depreciation period.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

Emission accounted in this category are IT hardware (laptops, screens, printer, servers…), and what we call our assets such as network cables, overhead lines, conductors, insulators and transformers.

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

1204

### **Emissions calculation methodology**

In this category we take into account the upstream emissions of the fossil fuels of scope 1. Again, the bilan carbone methodology foresees specific emission factors to take into account the production and transport of fossil fuels.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Please explain**

Emissions accounted in this category are out of the purchase of fossil fuels Elia uses: 1) emissions from natural gas purchased 2) Emissions from fuel oil purchased 3) Emissions from diesel purchased

### **Upstream transportation and distribution**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

There are no significant upstream transportation and distribution activities excluding transport of fuels (natural gas, coal, oil). These emissions are included in category 4 "fuel-and-energy-related activities". Likewise, emissions related to the transport of consumed electricity are reported in Scope 2.

### **Waste generated in operations**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

339

### **Emissions calculation methodology**

Our data collection process allows to collect the volumes of waste we generate. We have then used the specific emission factors provided by the Bilan Carbone per waste type (residual, paper & cardboard, organic, PMC, glass, toners, batteries, dangerous industrial waste, waste water, recycled materials but also metal scraps from high voltage posts) to convert to tCO2e.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Please explain**

Emissions accounted in this category are out of waste treatment of following waste types: 1) residual waste, 2) paper/cardboard, 3) organic waste, 4) plastics, 5) glass, 6) toners and 7) batteries.

### **Business travel**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

986

### **Emissions calculation methodology**

Our data collection process keeps track of all business travel per travel mode and travel class (economy or business) and uses the conversion factor from the Bilan carbone, per person.km, to convert back to tCO2e.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Please explain**

Emissions accounted in this category are business travels 1) by airplane 2) by car 3) by train, 4) by taxis and 5) by private car

### **Employee commuting**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

733

### **Emissions calculation methodology**

Our data collection process keeps track of all home-work commuting per travel mode (private car, train, bus, metro, shuttle, bike, walking) and uses the conversion factor from the Bilan carbon, per person.km, to convert back to tCO2e.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

Emissions accounted in this category represent the emissions related to the home-work commuting of all Elia employees by private car or motorbike, public transportation

### **Upstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

No upstream leased assets could be identified.

### **Downstream transportation and distribution**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

No downstream transportation and distribution activities could be identified. Elia does not sell any physical product that is not distributed through the energy networks.

### **Processing of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Elia business does not include the sale of products. Electricity transported by Elia is used directly with no further processing.

### **Use of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Elia business does not include the sale of products.

### **End of life treatment of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Elia business does not include the sale of products.

### **Downstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

There are no downstream leased assets within our financial control boundary for which we could identify emissions.

### **Franchises**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

There are no franchises within our financial control boundary for which we could identify emissions.

### **Investments**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Investment in the sense of the provision of capital or financing in not included in the Elia business.

### **Other (upstream)**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

No other upstream emissions identified.

### **Other (downstream)**

### **Evaluation status**

Not evaluated

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

No other downstream emissions identified.

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## **C6.10**

### **(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### **Intensity figure**

0.0002509081

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

238061.58

### **Metric denominator**

unit total revenue

### **Metric denominator: Unit total**

948800000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

1.19

### **Direction of change**

Increased

### **Reason for change**

Nominator: Absolute emissions increased (+0,07%) but very slightly thanks to the decrease of the carbon intensity of the electricity grid in Belgium in 2019. Denominator: Our total revenue decreased in 2019 compared to 2018 (-1.1%)

### **Intensity figure**

3.5021067416

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

4987

### **Metric denominator**

full time equivalent (FTE) employee

### **Metric denominator: Unit total**

1424

### **Scope 2 figure used**

Market-based

### **% change from previous year**

0.25

### **Direction of change**

Decreased

### **Reason for change**

This indicator is measured and monitored for the non-core Elia activities. Nominator: Absolute emissions of our non-core emissions are rather stable with an increase of 3,98%. Denominator: Number of FTE has increased since last year with 4,25 %.

### **Intensity figure**

0.0032102375

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

238061.58

### **Metric denominator**

megawatt hour transmitted (MWh)

### **Metric denominator: Unit total**

74157000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

3.38

### **Direction of change**

Increased

### **Reason for change**

Nominator: Absolute emissions increased (+0,07%) but very slightly thanks to the decrease of the carbon intensity of the electricity grid in Belgium in 2019. Denominator: Electricity transmitted decreased in 2019 compared to 2018 (-3,23%)

## **C7. Emissions breakdowns**

## **C7.1**

### **(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## **C7.1a**

### **(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

|  |  |  |
| --- | --- | --- |
| **Greenhouse gas** | **Scope 1 emissions (metric tons of CO2e)** | **GWP Reference** |
| CO2 | 5067 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| SF6 | 5875 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| HFCs | 71 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## **C-EU7.1b**

### **(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Gross Scope 1 CO2 emissions (metric tons CO2)** | **Gross Scope 1 methane emissions (metric tons CH4)** | **Gross Scope 1 SF6 emissions (metric tons SF6)** | **Total gross Scope 1 emissions (metric tons CO2e)** | **Comment** |
| Fugitives | 0 | 0 | 0.25 | 5875 |  |
| Combustion (Electric utilities) | 0 | 0 | 0 | 0 |  |
| Combustion (Gas utilities) | 0 | 0 | 0 | 0 |  |
| Combustion (Other) | 5067 | 0 | 0 | 5067 |  |
| Emissions not elsewhere classified | 0 | 0 | 0 | 71 | 71 tCO2e related to HFCs are included there |

## **C7.2**

### **(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

|  |  |
| --- | --- |
| **Country/Region** | **Scope 1 emissions (metric tons CO2e)** |
| Belgium | 11014 |

## **C7.3**

### **(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

## **C7.3c**

### **(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

|  |  |
| --- | --- |
| **Activity** | **Scope 1 emissions (metric tons CO2e)** |
| Core | 6046 |
| Non-core | 4965 |

## **C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**

### **(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Gross Scope 1 emissions, metric tons CO2e** | **Net Scope 1 emissions , metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Electric utility activities | 0 | <Not Applicable> | Elia does not generate any electricity. The Belgian market is regulated and transmission operators are not allowed to generate power. |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (midstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C7.9**

### **(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## **C7.9a**

### **(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Change in emissions (metric tons CO2e)** | **Direction of change** | **Emissions value (percentage)** | **Please explain calculation** |
| Change in renewable energy consumption |  | <Not Applicable> |  |  |
| Other emissions reduction activities | 2538 | Decreased | 1.07 | Sulphur hexafluoride (SF6) is a gas commonly used as an electrical insulator in high-voltage devices. Both its chemical and physical properties (i.a. inert, non-flammable) make this gas particularly well suited for its use in high-voltage electrical equipment. (N.B.: there is currently no alternative for SF6 for specific equipment). This gas has however a very high global warming potential (GWP 23.500 t CO2 eq). Elia has developed an investment and maintenance policy to minimize the risk of SF6 leakage. Manufacturers are obligated to guarantee a very stringent maximum percentage of SF6 loss throughout the lifetime of the facilities. SF6 Gas leakages decreased from 0,36 tonnes to 0,25 tonnes in 2019. These values in tonnes were then converted to tCO2e. In total, Elia reduced its CO2e emissions to 5.875 tCO2e in 2019. This represents 2538 tCO2e of reduction compared to the previous year. In percentage this decrease equals (2538/237.895)\*100 = 1,07% where 237.895 is our tCO2e emissions in 2018 for scope 1+2. |
| Divestment |  | <Not Applicable> |  |  |
| Acquisitions |  | <Not Applicable> |  |  |
| Mergers |  | <Not Applicable> |  |  |
| Change in output | 2553 | Increased | 1.07 | Grid losses are the difference between the amount of electricity entering the Elia grid and the amount of electricity supplied. They are unavoidable when transmitting electricity and dependent on i.a. voltage and length. They occur in the form of current heat losses in transmission lines, in transformers and other system elements as well as leak and corona losses. Elia has registered higher electricity losses on the Belgian transmission grid in 2019 compared to 2018. Electrical losses increased in 2019 by 2,3% (in MWh). Once converted to tCO2e, it represents an increase of 2.553 tCO2e. In percentage this increase equals (2553/237.895)\*100 = 1,07% where 237.895 is our tCO2e emissions in 2018 for scope 1+2. |
| Change in methodology |  | <Not Applicable> |  |  |
| Change in boundary |  | <Not Applicable> |  |  |
| Change in physical operating conditions |  | <Not Applicable> |  |  |
| Unidentified | 36 | Increased | 0.01 | Refrigerant gases are used in the air conditioning installations of our administrative buildings and service centers (the nature of these gases and the age of these air conditionning installations vary from one location to another) . Despite the fact that Elia aims at reducing as much as possible its refrigerant gas leakages, via frequent controls and a good follow-up, leakages can occur. In total, the CO2e emissions related to refrigerant gases were of 71 tCO2e in 2019. This represents 36 tCO2e of increase compared to the previous year. In percentage this decrease equals (36/237.895)\*100 = 0,01% where 237.895 is our tCO2e emissions in 2018 for scope 1+2. |
| Other | 116 | Increased | 0.05 | Elia consumed more fuel for its company cars/vans and its buildings compared to 2018. In total of related-CO2e emissions, the fuel consumption of company cars and buildings equals to 5.067 tCO2e in 2019. This represents 116 tCO2e more than previous year. In percentage this increase equals (116/237.895)\*100 = 0,05% where 237.895 is our tCO2e emissions in 2018 for scope 1+2. |

## **C7.9b**

### **(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## **C8. Energy**

## **C8.1**

### **(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## **C8.2**

### **(C8.2) Select which energy-related activities your organization has undertaken.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertook this energy-related activity in the reporting year** |
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

## **C8.2a**

### **(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Heating value** | **MWh from renewable sources** | **MWh from non-renewable sources** | **Total (renewable and non-renewable) MWh** |
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 4712 | 4712 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 7603 | 0 | 7603 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Total energy consumption | <Not Applicable> | 7603 | 4712 | 12315 |

## **C8.2b**

### **(C8.2b) Select the applications of your organization’s consumption of fuel.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this fuel application** |
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

## **C8.2c**

### **(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Fuels (excluding feedstocks)**

Natural Gas

### **Heating value**

HHV (higher heating value)

### **Total fuel MWh consumed by the organization**

4228

### **MWh fuel consumed for self-generation of electricity**

0

### **MWh fuel consumed for self-generation of heat**

4228

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

### **Emission factor**

185

### **Unit**

kg CO2e per MWh

### **Emissions factor source**

Bilan GES Ademe

### **Comment**

### **Fuels (excluding feedstocks)**

Fuel Oil Number 1

### **Heating value**

HHV (higher heating value)

### **Total fuel MWh consumed by the organization**

483.85

### **MWh fuel consumed for self-generation of electricity**

295.75

### **MWh fuel consumed for self-generation of heat**

188

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

### **Emission factor**

0.266

### **Unit**

kg CO2e per MWh

### **Emissions factor source**

Bilan GES Ademe

### **Comment**

### **Fuels (excluding feedstocks)**

Diesel

### **Heating value**

HHV (higher heating value)

### **Total fuel MWh consumed by the organization**

17329

### **MWh fuel consumed for self-generation of electricity**

0

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

### **Emission factor**

2.51

### **Unit**

kg CO2e per liter

### **Emissions factor source**

Bilan GES Ademe

### **Comment**

for company cars & vans

### **Fuels (excluding feedstocks)**

Motor Gasoline

### **Heating value**

HHV (higher heating value)

### **Total fuel MWh consumed by the organization**

1746

### **MWh fuel consumed for self-generation of electricity**

0

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

### **Emission factor**

2.28

### **Unit**

kg CO2e per liter

### **Emissions factor source**

Bilan GES Ademe

### **Comment**

for company cars

## **C-EU8.4**

### **(C-EU8.4) Does your electric utility organization have a transmission and distribution business?**

Yes

## **C-EU8.4a**

### **(C-EU8.4a) Disclose the following information about your transmission and distribution business.**

### **Country/Region**

Belgium

### **Voltage level**

Transmission (high voltage)

### **Annual load (GWh)**

28100

### **Annual energy losses (% of annual load)**

5

### **Scope where emissions from energy losses are accounted for**

Scope 2 (market-based)

### **Emissions from energy losses (metric tons CO2e)**

227048

### **Length of network (km)**

8781

### **Number of connections**

791

### **Area covered (km2)**

30688

### **Comment**

Regarding the annual load, this relates strictly to the transmission part hence excluding distribution. Regarding our connections, the 791 connections refer to: - 14 interconnections - 279 connections to industrial clients - 498 interconnections between Elia and distribution

## **C9. Additional metrics**

## **C9.1**

### **(C9.1) Provide any additional climate-related metrics relevant to your business.**

### **Description**

Other, please specify (Not applicable)

### **Metric value**

### **Metric numerator**

We don't communicate other climate-related metrics

### **Metric denominator (intensity metric only)**

We don't communicate other climate-related metrics

### **% change from previous year**

### **Direction of change**

<Not Applicable>

### **Please explain**

## **C-EU9.5a**

### **(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Primary power generation source** | **CAPEX planned for power generation from this source** | **Percentage of total CAPEX planned for power generation** | **End year of CAPEX plan** | **Comment** |
| Other, please specify (Renewable) | 0 | 0 |  | Elia is a transmission company which is not allowed by regulation to generate energy. |

## **C-EU9.5b**

### **(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Products and services** | **Description of product/service** | **CAPEX planned for product/service** | **Percentage of total CAPEX planned products and services** | **End of year CAPEX plan** |
| Other, please specify | This is not applicable to Elia. It is rather destined for distribution operators rather than transmission operators. | 0 | 0 |  |

## **C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

### **(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

|  |  |  |
| --- | --- | --- |
|  | **Investment in low-carbon R&D** | **Comment** |
| Row 1 | Yes | Elia Innovations collaborates with companies, governments, start-ups and academics on innovations projects. We work with our partners across the energy sector and beyond to drive the energy transition forward, seeking innovative solutions everywhere. |

## **C-CO9.6a/C-EU9.6a/C-OG9.6a**

### **(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Technology area** | **Stage of development in the reporting year** | **Average % of total R&D investment over the last 3 years** | **R&D investment figure in the reporting year (optional)** | **Comment** |
| Demand side response programs | Pilot demonstration | 21-40% |  | Consumer centricity : With the energy transition and the digitalization of the sector underway, it is clear that consumers are calling for energy services that deliver more value and comfort and that this will become a driving force in itself soon. A consumer-centric system is the logical evolution in the interest of society and of frontrunners looking for opportunities to deliver more comfort and flexibility. the IoE (Internet of Energy) initiative aiming at facilitating the co-creation of Energy as services products and other consumer centric business models. |
| Digital technology | Applied research and development | 41-60% |  | the majority of the projects of our R&D Department are included in this technology area. to name a few: Spatial imagery (Drones, photogrammetry, LIDAR, ground penetrating radar and more. New technologies with a spatial component are arriving at Elia, bringing both challenges and opportunities. ) |
| Distributed energy resources | Pilot demonstration | ≤20% |  | EVs for flexibility (primary reserve) – Throughout 2018 and 2019, Elia Group’s Innovation department realized a project in which the main goal was to integrate electric vehicles into the high voltage services market. Notably, Elia tested the bidirectional Vehicle to Grid technology, enabling to charge and discharge the vehicle at home or at the office. After two years of recruiting drivers, setting up algorithms and communication channels, gathering data and analyzing it, we can conclude that almost no technical barriers remain before electric vehicles can be an integral part of the Belgian balancing services market. |

## **C10. Verification**

## **C10.1**

### **(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  |  |
| --- | --- |
|  | **Verification/assurance status** |
| Scope 1 | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3 | No third-party verification or assurance |

## **C10.2**

### **(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## **C11. Carbon pricing**

## **C11.1**

### **(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C11.3**

### **(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## **C12. Engagement**

## **C12.1**

### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

## **C12.1a**

### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### **Type of engagement**

Compliance & onboarding

### **Details of engagement**

Code of conduct featuring climate change KPIs

### **% of suppliers by number**

80

### **% total procurement spend (direct and indirect)**

89.25

### **% of supplier-related Scope 3 emissions as reported in C6.5**

### **Rationale for the coverage of your engagement**

A risk assessment matrix exercise has been performed together with external consultants (Deloitte) in order to engage with those suppliers that are considered to represent a medium of high risk.

### **Impact of engagement, including measures of success**

Currently the first goal is to engage with our suppliers and we'll set measurements of success along the way. The follow-up process of the rate of the supplier engagement has been implemented in 2018. It is now included by default in the procurement process.

### **Comment**

## **C12.3**

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers

## **C12.3a**

### **(C12.3a) On what issues have you been engaging directly with policy makers?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus of legislation** | **Corporate position** | **Details of engagement** | **Proposed legislative solution** |
| Clean energy generation | Support | Discussions with the government authorities to appoint Elia as the TSO for the offshore grid, a key step in the secure development of offshore windparks. Discussions with Europe to have projects recognized as PCI (projects of common interest). | The European Commission has adopted a list of key energy infrastructure projects which will help deliver Europe's energy and climate objectives and form key building blocks of the EU's Energy Union. The projects - known as Projects of Common Interest (PCIs) - will enable the gradual build-up of the Energy Union by integrating the energy markets in Europe, by diversifying the energy sources and transport routes. They will also boost the level of renewables on the grid, bringing down carbon emissions. |
| Climate finance | Support | Support of the EU’s initiative towards relevant stakeholders and contributing to defining criteria that meet the ambition to fully decarbonize the energy system by 2050. | Taxonomy Regulation as adopted in 2020. Based on the Regulation, several Delegated Acts laying down specific sustainability criteria for economic activities, including constructing and operating the electricity transmission grid, will be adopted in 2020 and 2021. Those criteria should be true indicators for economic activities contributing to the environmental objectives as defined by the Regulation, making economic activities that have a substantial positive impact on the climate and the environment more visible and boosting investment in green and sustainable projects. For constructing transmission lines, only those projects should fall under the framework of the Taxonomy Regulation which make substantial contributions to climate change mitigation efforts through integrating large shares of renewable energy. |

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Elia coordinates all communication relating to climate change, strategy and activities, checking our messaging through internal governance processes to make sure we provide clear, coherent and consistent messaging to our various stakeholders.

Furthermore, Elia has a central corporate reputation committee that coordinates the messages to and the contacts with the stakeholders. Central vision points are developed and put at the disposal of employees engaging with stakeholders

## **C12.4**

### **(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[20200414\_Elia\_Annual-Report-Sustainability\_EN.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/27TtWSSgtEmKJOWheFZ3DA/20200414EliaAnnualReportSustainabilityEN.pdf)

### **Page/Section reference**

Sustainability Report 2019 - Section 2.9.5 Emissions on page 41

### **Content elements**

Strategy

Emissions figures

### **Comment**

### **Publication**

In other regulatory filings

### **Status**

Complete

### **Attach the document**

[20190516\_Plan-de-developpement-federal\_FR.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/rWgjaWDH-ky9QDo8FZlpSA/20190516PlandedeveloppementfederalFR.pdf)

### **Page/Section reference**

The whole document describes the infrastructure projects needed to adapt the Belgian grid to the changes induced by the electricity transition

### **Content elements**

Strategy

### **Comment**

A plan that identifies the investments needed to meet the needs of the electricity grid in Belgium over the next 10 years. The Belgian transmission grid must evolve to adapt in time to the rapid changes induced by the energy transition https://www.elia.be/en/infrastructure-and-projects/investment-plan/federal-development-plan-2020-2030

## **C15. Signoff**

## **C-FI**

### **(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## **C15.1**

### **(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | Chief Community Relations Officer | Other, please specify (C-Suite) |