Everyone's sustainable energy

N.V. Eneco Annual Report 2024

Eneco

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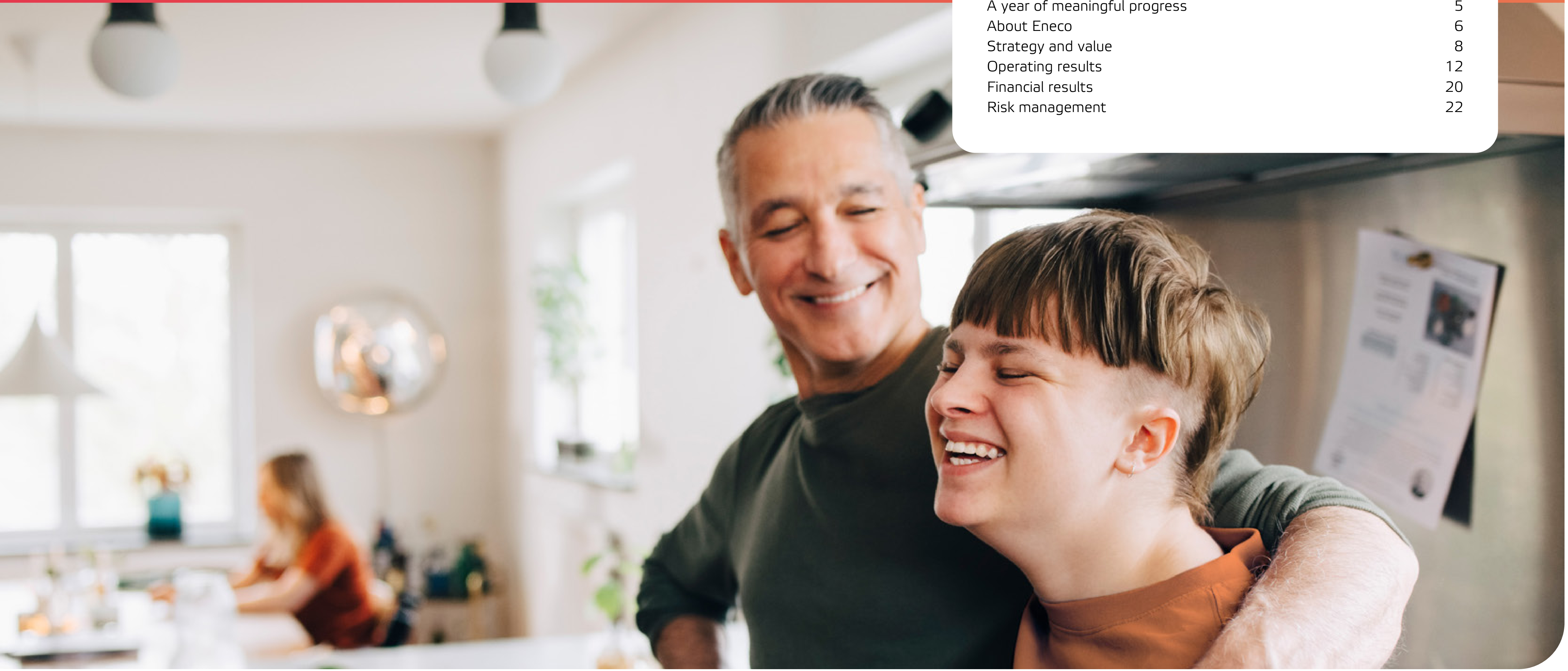
PLEASE NOTE: Our Management Board Report consists of Management's Review, Sustainability Statements and Corporate Governance.

Management's Review



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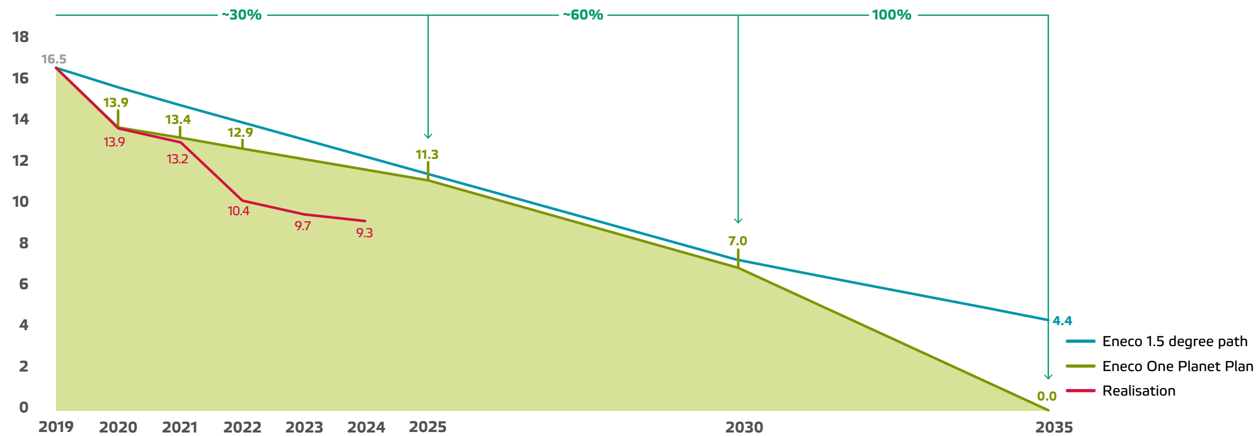
Key figures

One Planet

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

Total emissions in Mtonnes of CO_2



Installed sustainable capacity (in MW)	
Mar 2025	Mar 2024
2,792	2,394

Sustainable electricity production (incl. PPAs) relative to the total electricity supply	
Mar 2025	Mar 2024
69.5%	77%

CO_2 emissions from heat supplied[1] (in kg CO_2/GJ)	
Dec 2024	Dec 2023
39.2	35.4

CO_2 emissions from electricity supplied[1] (in kg CO_2/MWh (including upstream emissions))	
Dec 2024	Dec 2023
36.8	59.0

Customers

Customer contracts (x 1,000)	
Mar 2025	Mar 2024
5,147	5,229

Customer satisfaction	
Mar 2025	Mar 2024
85.5%	84.3%

Own workforce

RIF (Recordable Injury Frequency)	
Mar 2025	Mar 2024
0.12	0.32

eNPS (Employee Net Promoter Score)	
Mar 2025	Mar 2024
44	54

Diversity (women in leadership positions)	
Mar 2025	Mar 2024
33.2%	34.9%

Sustainability ratings

CDP score (Theme: Climate change)	
	Position
Management	**B**

CDP Score (Theme: Water security)	
	Position
Management	**B-**

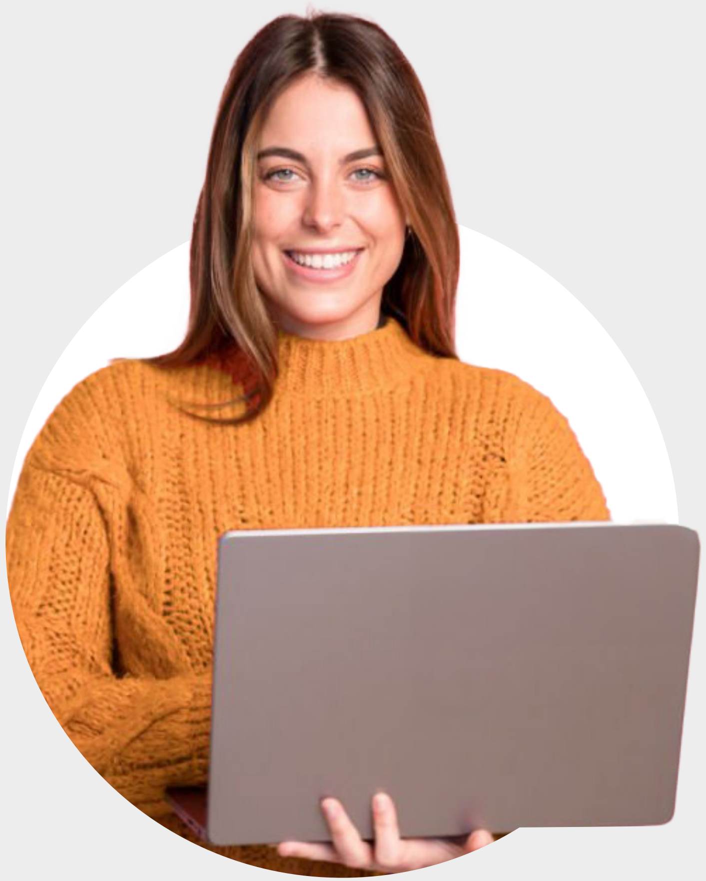
EcoVadis CSR Rating
Most recent
Gold

For the definitions of the various key performance indicators (KPIs), revised definitions (where applicable) see the Annex Non-financial KPI information accompanying this annual report.

1 These key figures cover the reporting period from 1 January to 31 December 2024, to reduce the need for estimates and to allow for better reconciliation with the mandatory reports.

Financial results

(x €1 million)



	Mar 2025	Mar 2024
Total revenue	**7,239**	8,223
Gross margin and other income	**1,635**	1,746
Operating profit (EBIT)	**341**	394
EBITDA[2]	**724**	771
Profit after income tax	**245**	368
Cash flow from operating activities	**639**	29
Investments and acquisitions	**447**	750
ICR (Interest Coverage Rate)[3]	**5.2**	9.4
Balance sheet total	**8,121**	8,832
Group equity	**3,626**	3,657
Interest-bearing debt (incl. lease obligations)	**1,560**	1,874
Credit Rating	**A-**	A-
Group equity / total assets	**44.7%**	41.4%
ROACE (Return on average Capital Employed)[4]	**5.6%**	7.8%
Net debt / EBITDA[5]	**1.74**	1.91

2 EBITDA stands for operating profit before depreciation and amortisation.
3 The Interest Coverage Rate is the operating result (EBIT) divided by the financial expense.
4 The ROACE for the reporting period reflects how EBIT plus income from JVs and associates, less corporate income tax relates to the average of fixed assets plus adjusted net working capital, less non-interest- bearing long-term debt at the balance sheet dates.
5 Net debt exists of long and short-term interest-bearing debts (including lease liabilities) minus cash & cash equivalents.

A year of meaningful progress

Eneco's financial year closed on March 31, marking the end of a dynamic and challenging period. As I reflect on the past 12 months, I see significant progress alongside persistent uncertainties.

On a positive note, energy prices have eased from the unprecedented highs of the recent energy crisis. However, many Dutch households and businesses remain understandably concerned about their energy bills. Despite some relief, prices have not returned to pre-2022 levels. While international energy market volatility and increased reliance on imported liquefied natural gas (LNG) play a role, these factors only partially explain the issue. In fact, approximately 60% of consumer energy bills now stem from rising grid costs and government-imposed taxes. Although a modest reduction in Dutch energy tax was introduced, we must realistically anticipate further increases in the future.

In response, Eneco has remained steadfast in addressing energy poverty. We contributed again this year to the temporary Emergency Fund, which supports vulnerable households. We fully support the initiative to transition this into a permanent facility, a welcome collaboration between energy suppliers and the government.
Customer satisfaction remains at the heart of our business. We continue to deliver innovative energy solutions at competitive rates. I am especially pleased with the reception of our dynamic pricing and smart EV charging offers, which demonstrate our digital transformation in action—progress that will continue to deliver new capabilities for our customers.

The energy transition, while slower than desired, is steadily advancing. Wind and solar energy continue to expand their share in the energy mix across the Netherlands, Belgium, and Germany. These shifts bring challenges, but also meaningful opportunities. As weather-dependent energy sources grow, the importance of energy storage and demand-response mechanisms increases. In this context, we have expanded our battery capacity and actively participate in grid-balancing markets. Looking ahead, we are planning a rapid scale-up of our storage infrastructure. However, batteries alone are not a complete solution. There is an urgent and growing need for an effective capacity mechanism in the Netherlands to ensure system reliability.
The regulatory environment remains volatile. Some previous government decisions have been reversed, adversely impacting our business. For example, the continued allowance of gas boilers after 2025 has significantly reduced heat pump sales. Similarly, delays and uncertainty around the new heat law have stalled investments in collective heat networks. Offshore wind and green hydrogen projects also face mounting headwinds. Despite these setbacks, I am convinced that strong cooperation between government and industry is essential for a sustainable, resilient, and ultimately more affordable energy system.
In this complex environment—and despite unusually poor wind conditions in 2024—Eneco made substantial progress. Our CO_2 emissions, a core metric of our One Planet Plan, declined further to 9.3 Mtonnes. We remain ahead of the trajectory toward our 2035 carbon-neutral (net-zero) goal.

While our overall safety performance was strong, it was tragically overshadowed by the death of a contractor's employee. This deeply saddening incident reminds us of the critical importance of our ongoing efforts to strengthen our safety culture.

We expanded our renewable asset portfolio by 187 MW (+9%). Key contributors were the Kabeljauwbeek solar farm (51 MW) in the Netherlands and the Ville-sur-Haine battery park (50 MW) in Belgium.
Internally, we launched a major productivity improvement programme designed to sharpen our strategic focus and reduce costs. Regrettably, this transformation included an organisational redesign and workforce reduction—difficult decisions that affected valued colleagues.
This programme contributed directly to solid financial results. While 2023 was exceptional due to several one-off gains, including the partial sale of our stake in offshore wind farm Ecowende and extraordinary trading results, we are proud to report underlying operating profit growth. This was driven by a stable margin and cost discipline. Reported net income was 245 million and ROACE stood at a modest 5.6%. Our investments totalled 447 million, significantly exceeding our net profit. These investments targeted battery storage, renewables, digitalisation, and the continued development of our heat networks and generation assets, underlining our long-term commitment to the energy transition.

On behalf of the Management Board, I would like to sincerely thanks all our valued customers, partners and all my Eneco colleagues for their trust and commitment throughout the year.

As Tempelman,
Chief Executive Officer

About Eneco

Profile

Founded in 1995 Eneco is an integrated, independent and growing international energy company. We operate in the Netherlands, Belgium, Germany and the United Kingdom. Our mission 'Everyone's sustainable energy' has been firmly anchored in our strategy since 2007. At the time, Eneco was one of the first large energy companies that wholeheartedly embarked on a sustainable course. In an energy market that is changing rapidly, our mission remains rock-solid. It is our compass and the basis for all our activities.

Our brands

Eneco is a trusted energy expert and partner. Based on expertise and experience, Eneco shares its knowledge and insights about the energy market and the energy system. Eneco shows customers what the possibilities with energy are and offers choices through suitable products and services. We thrive to help our customers in their sustainability efforts: the more customers participate in the energy transition, the faster we move forward.

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

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

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

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

Our participations and ventures

Eneco also owns interests in various other companies and startups:

Greenchoice supplies sustainable energy to companies and households.

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

42watt offers a one-stop-shop platform for homeowners in Germany to improve their energy efficiency and home renovations.

BasGas has developed a small and scalable method for producing green gas from manure.

Fusebox provides software that helps utilities, commercial and industrial companies to integrate renewable energy, storage and consumption while reducing energy imbalances and generating revenue from ancillary markets.

Gradyent is a technology company that makes 'digital twins' of existing and future heating grids, to optimise design and control and so reduce the energy that is used and the volumes of CO_2 that are emitted.

Klimate helps companies to achieve net-zero by offering carbon removal credits, and so connect buyers to carbon removal projects.

LanceFree is a platform that matches technology freelancers with customers.

Olisto connects smart devices, apps and services.

Roamler is a crowdsourcing platform that links companies looking for installation capacity to installation professionals.

Solar Monkey supplies companies that instal solar panel systems with highly efficient software for designing installations, running the numbers and generating price quotes without being on-site.

WeSmart offers a digital one-stop-shop solution for setting up and managing energy communities.

Whspr is developing an affordable and silent heat pump.

Winst-uit-je-Woning helps homeowners to make their homes more sustainable. It advises local authorities and other institutions on how to maximise the impact of their sustainability projects.

Production & supply chain

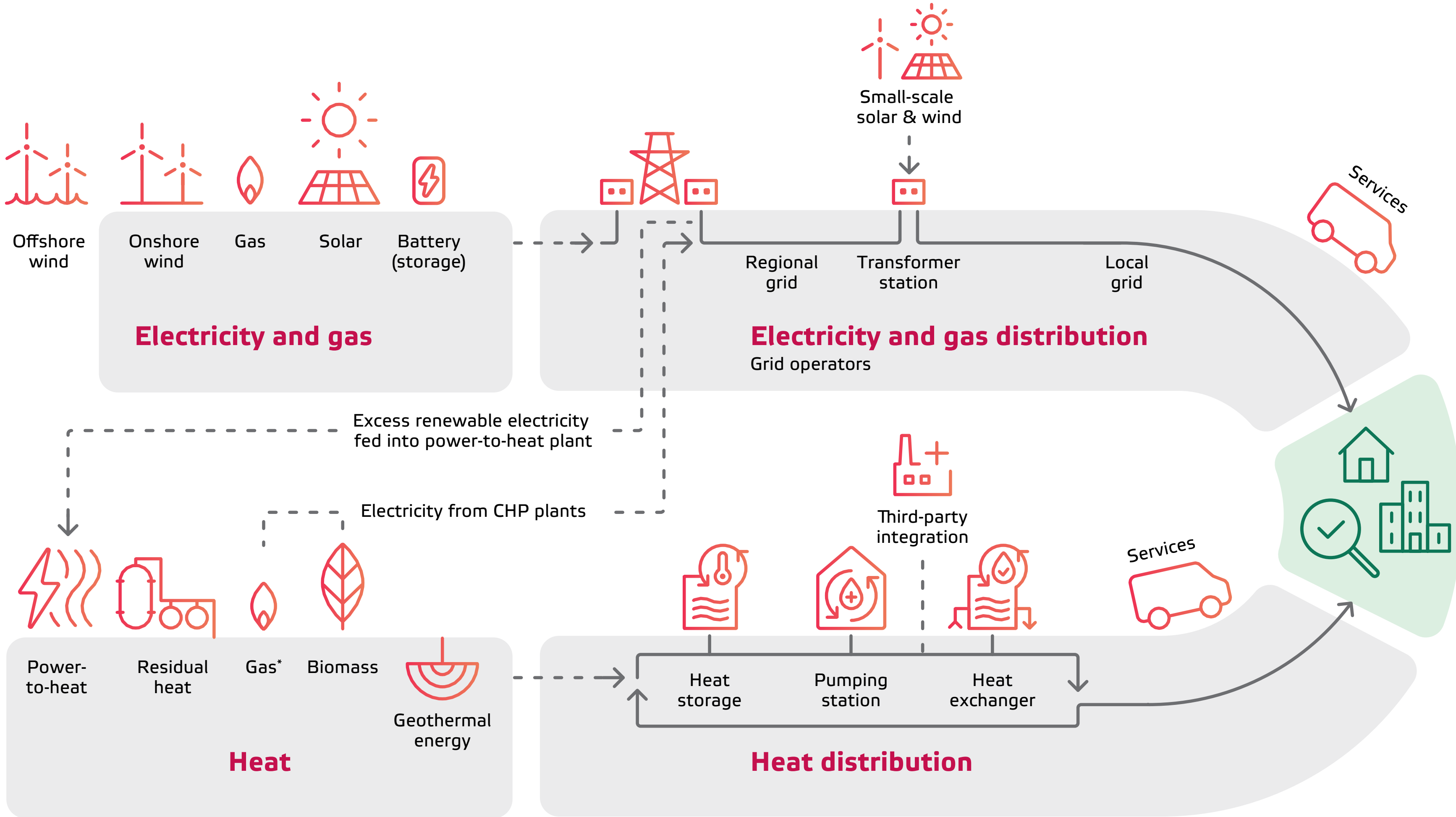
This page explains how our energy reaches our customers.

The electricity and gas value chain begins with the **production** of energy: electricity is generated from sources such as wind, solar, or fossil fuels, while gas is extracted from natural reserves. In addition, Eneco contracts energy from third-party renewable assets through PPAs. Battery storage helps balancing supply and demand from renewable power sources. This energy is then **transported** over long distances via high-voltage power lines or high-pressure gas pipelines. From here, it reaches local grids for delivery to homes, businesses, and industries. The final step is end-user **supply**: customer service, billing and additional services such as energy efficiency advice.

Eneco is active in electricity production (owner, developer and operator), the resale of gas (not gas production) and end-user sales and supply. The transmission and distribution are handled by Grid Operators.

The **heat value chain** follows a similar structure but is more localized, as heat cannot be transported efficiently over long distances. District Heating is produced by using combined heat and power (CHP), biomass, industrial residual heat or power-to-heat. It is then distributed through insulated district heating networks to buildings. At the customer end, metering, maintenance, and reliable delivery are ensured.

Eneco is active across the entire heat value chain: production, transport, and supply. In addition to district heating, Eneco also provides decentralized heating solutions, where individual buildings, large businesses, or housing blocks use their own localized heating systems.

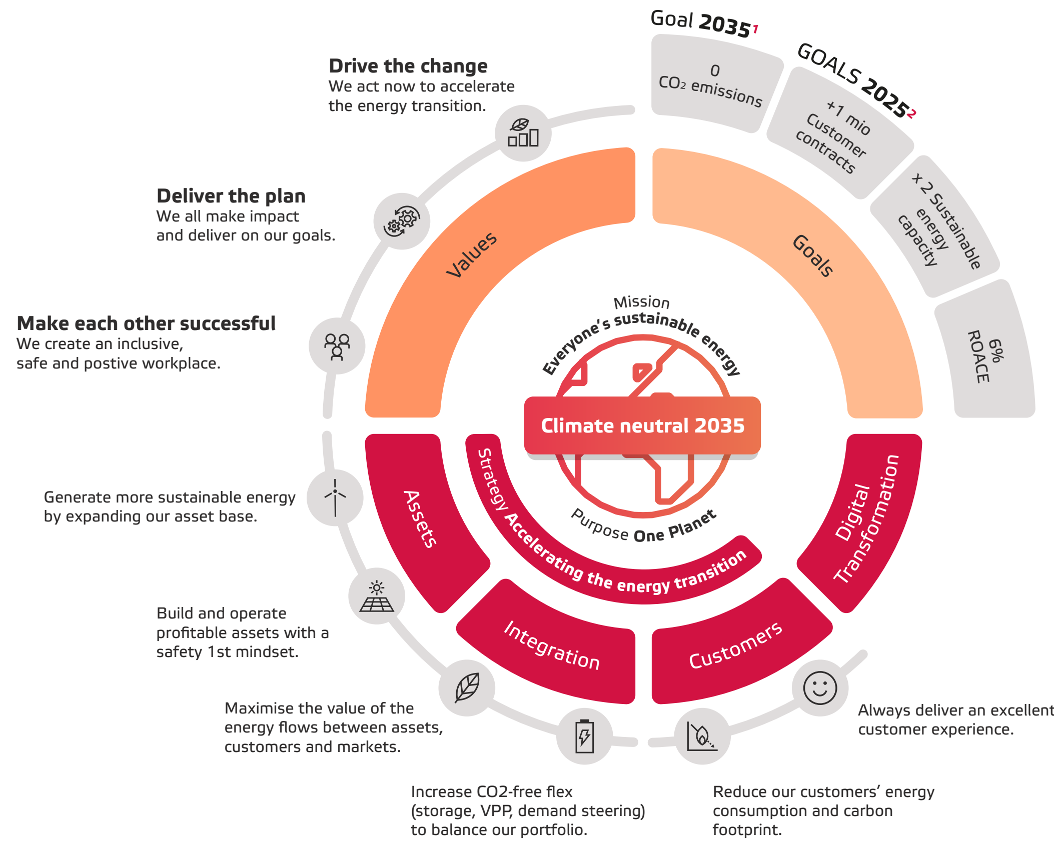


* Eneco is a reseller of gas, not a producer

Strategy and value

Eneco's mission is to make 'Everyone's sustainable energy' a reality. We believe that the transition towards an emission-free society is vital and can only be successful if everyone shares in the efforts and benefits. By 'driving the change', 'delivering the plan' and 'making each other successful', we are committed to leading the way in accelerating the energy transition and accepting our responsibility for a sustainable future as set out in our One Planet Plan (OPP).

Climate neutrality is at the centre of our business, strategy and ambition. We therefore strive to balance economic, social and environmental considerations, while maximising long-term value creation. Our value creation model illustrates, how our business activities make use of a range of resources and their outputs lead to outcomes in terms of impact on our stakeholders and the society at large, when doing so.



1 Target 0 CO_2 emissions is defined as net-zero CO_2 emissions

2 Goals 2025 compared to baseline 2019

Value creation model

Input

Natural resources
- Wind
- Solar
- Natural gas
- Biomass

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

Partners and suppliers
- 92% has signed the code of conduct
- Participating in start-ups and scale ups that contribute to the energy transition

Intellectual capital and innovation
- Data & analytics, products & platforms (e.g. Virtual Power Plant)
- Technical trading, marketing and asset development capabilities

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

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

How we add value

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

Integrated Energy
Trading organisation with broad access to European markets. Sourcing and market making
- Optimising portfolio value and risk
- Generating value in Asset Backed Trading
- Balancing long and short positions
- Steering supply and demand by leveraging flexible capacity, Power-to-X and our Virtual Power Plant

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

Attract, develop and retain diverse talent

Output*

Customers
- Energy products, (Digital) Services, Excellent customer experience
- 5.1m customer contracts
- 199k "smart" customer connected assets
- 69.5% of electricity supplied to all our customers is renewable
- 230k eMobility charge points and charge cards

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

Assets
- 2.4 GW renewable power capacity owned
- 0.4 GW renewable heat capacity

Competitive returns to shareholders
- Return on average capital employed (ROACE): 5.6%
- Net Profit: € 245 million

Impact*

Environment
Climate change

Climate neutrality by 2035
- 43% CO_2-eq reduction in emissions across Scope 1, 2 and 3 (2024 compared with 2019)
- Since 2019, our emissions (Scope 1, 2 and 3) were ahead our One Planet Plan and the 1.5ºC

Biodiversity and ecosystems

Positive biodiversity impact for all new onshore assets by 2025
- Onshore investment decisions committed to restoring biodiversity to at least 110% compared with the state of the start of the project, as of 2025
- Setup and piloting of biodiversity metric to measure results in support of decision

Circular economy and resource use

Circular company by 2050
- Conducted pilot programmes for improving circularity performance on material inflow and usage
- Initiated a system for measuring circularity metrics to enable performance management

Social
Own workforce
- eNPS of 44
- 33% women in management positions
- Recordable Injury Frequency 0.12

Consumers and end-users

Addressing energy poverty
- In 2024, about 114,000 households received support from the Temporary Emergency Energy Fund with paying their energy bills; Eneco is one of the initiators of this fund

* Items shown do not represent an exhaustive overview ** Excl. separately purchased Guarantees of Origin

Our mission and values

Our mission and ambition

Eneco's aim is to be climate neutral by 2035, both in our own operations and in the energy we supply to our customers. We believe it is essential to do our utmost to stay below the limit of 1.5ºC global warming and to contribute to society as a whole. These ambitions are the cornerstone of our One Planet Plan.

Eneco is committed to accelerating the energy transition and accepting our responsibility for a sustainable future. Our mission is to make 'Everyone's sustainable energy' a reality: we believe that the transition towards an emission-free society is vital and can only be successful if everyone shares in the efforts and benefits.

Our company values

We are committed to making a difference together with our customers and partners. Our company values contribute to this. The first value, 'Drive the change', encourages us to accelerate the energy transition. 'Deliver the plan' ensures that we all know how to make impact and deliver on our goals. 'Make each other successful' helps us to create an inclusive, safe and pleasant place to work, where we can all reach our full potential.

Market developments

Energy transition progress

Over the past decade, the energy transition has progressed at an unprecedented pace. In 2024, renewable sources made up around 50% of the power generation mix in the Netherlands, 30% in Belgium, 60% in Germany and 50% in the United Kingdom (UK). This is an astonishing increase from roughly 10% levels ten years ago. The period since then has seen an increase in wind production capacity by a factor four in the Netherlands, while it tripled in Belgium and doubled in Germany and the UK. Furthermore, an exceptional growth in solar energy, both on household rooftops and on an industrial scale, a strong growth of electric vehicles in the transport sector and heat pumps replacing gas heating. These trends, along with industrial decarbonisation and the efforts to phase out coal and natural gas, have contributed to an overall CO_2 reduction of >35% in the Netherlands and Germany and >30% in Belgium, relative to the reference year of 1990.

External environment

Important external factors are currently causing major uncertainties in the market. Consumers, businesses and countries as a whole are facing greater geopolitical tension than the world has seen in a long time, with the Russia-Ukraine war, the Middle East conflict and increasing polarisation around the globe. Changing voter preferences in Europe and the US, with strong gains for often climate-sceptical populist parties, bring further uncertainty for climate policies. The energy market is severely susceptible to these external factors, as the energy crisis of recent years revealed. The focus is shifting away from the climate towards other concerns, such as affordability, security of the energy supply and energy independence. At the same time the climate crisis is becoming more and more profound, with global temperatures rising further and the impacts of natural disasters worldwide becoming greater and more frequent.

The way forward

Challenges ahead

The foundations are in place for moving the energy transition forward, such as ambitious European and national government goals, legislation and a strong awareness of the importance and urgency among companies and members of the public. Countries such as the Netherlands, Germany and Belgium have expressed their ambition to reach a net-zero electricity sector by 2035.

However, progress is hampered by some serious challenges that could cause considerable delays and put our climate ambitions at risk. Policy measures are being relaxed and subsidies being reduced. For example, the mandatory obligation in the Netherlands and Germany to replace end-of-life gas boilers with heat pumps has been reversed. Other examples include the decisions to lower the rate for gas tax in the Netherlands and cut subsidies for green growth.

Electric vehicle sales are also slowing down due to policy changes, and it is becoming increasingly challenging to successfully tender for offshore wind projects due to rising costs, falling energy prices and reduced government support. Policy changes and regulatory uncertainty (a.o. new Heat Act) have forced the growth of district heating in the Netherlands to a halt, and at its current pace the development of green hydrogen, biogas or even nuclear energy will likely be insufficient to gradually phase out fossil fuels within the future.

According to the Dutch Climate and Energy Outlook (KEV) 2024, it is very unlikely that the Netherlands will achieve its goal of 55% CO_2 emissions reduction by 2030. Belgium, and potentially Germany too, will also require further policies and efforts in order to meet European and national targets.

Governments will need to undertake substantial additional action to solve these challenges, with the help of consistent and reliable policies, to prevent the energy transition from coming to a standstill and keep their countries' climate goals within reach.

Need for flexibility in supply and demand

The rapid growth of renewable sources such as wind and solar PV has caused large power peaks and shortages. Volatility and power imbalance costs are increasing, and flexibility services are swiftly becoming more and more necessary to bridge the gaps. This is illustrated by a strong increase in development activities for batteries, which can solve at least part of the problem. Even so, as long as proper alternatives are lacking, it could be necessary to prolong the use of gas-fired powerplants – coupled with reliable policy mechanisms such as capacity remuneration to make this economically feasible – to avoid power outages and bring stability to the electricity system in the future. On top of all this, grid congestion and massive increases in grid connection fees pose major bottlenecks that stand in the way of further electrification and restrict companies' efforts to grow and decarbonise their business.

Customers

During the energy crisis, many consumers and businesses suffered huge price increases, which governments partly compensated to reduce the impact on customers. Although prices have largely stabilised since then, energy poverty remains a big issue. Energy prices are higher than before the crisis, and as a result customers today are more aware of and concerned with their energy. They want to better manage their costs and how much energy they use. Many customers have installed their own solar panels: in the Netherlands a third of all households have solar panels on their roof. Energy efficiency is becoming increasingly important for B2B customers as well, not only due to rising costs but also in the face of regulations forcing companies to decarbonise.

Eneco's strategic priorities

One Planet Plan achievements

Eneco's ambitions and achievements on the way to climate neutrality by 2035 make us a leader in the energy transition. They also set us apart from the competition. Thanks to our One Planet Plan, we have decreased our CO_2 emissions by 43% relative to 2019, which is well ahead of schedule. During the years to come we will continue to make substantial reductions, by further scaling up our renewable production and by helping our B2C and B2B customers to decarbonise.

Integrated company

We are an integrated sustainable energy company. We produce power and heat, we trade, balance and supply power, gas and heat to our B2C and B2B customers. We have customers in the Netherlands, Belgium, Germany and the UK, supplying those customers with green energy, heat and energy services. We develop and operate renewables such as onshore wind, offshore wind and solar PV. Our biomass assets and combined cycle gas turbines (CCGTs) produce electricity and heat. We also develop batteries and other flexibility assets such as electrolysers, heat pumps and e-boilers. We trade energy and balance the increasingly volatile energy supply and demand.

Our strategic goals

We have defined several strategic goals. First, we provide our customers with affordable and sustainable energy. We offer smart and clean energy solutions to help our customers reduce their CO_2 emissions and keep the cost of the energy transition as low as possible. Second, we are increasing our production of renewable energy such as wind and solar to further reduce CO_2 and cut back the use of fossil energy. Third, we contribute to a more reliable and secure energy system by investing in power balancing systems such as industrial-scale batteries and our own Virtual Power Plant. Fourth, we conduct our business in a way that is ethical and socially responsible. We are strong supporters of initiatives to fight energy poverty, and we promote biodiversity and circularity in our own operations.

Feasibility

The feasibility of our One Planet Plan depends on effective climate policies, technical and economic viability, social acceptance and customer willingness. We can only reach our countries' climate goals through radically electrifying the energy and heat systems, making significant further increases in wind and solar production, and rapidly scaling up sustainable biogas and hydrogen, to phase out fossil fuels such as natural gas. Policies that increase the cost of carbon, subsidies and other incentives to accelerate this are essential ingredients, especially given the increasing uncertainties described above. If the energy transition in North-West Europe evolves differently than expected, we might need to adjust our plan accordingly.

Digital technologies

Digital technologies and capabilities are crucial for our business. They are a driving force for transforming our energy business, and improving efficiency, innovation and sustainability across our business units and existing and future value chains. Smart propositions such as dynamic pricing and energy management services allow us to better serve our customers. Advanced AI-powered forecasting enhances our sourcing and trading, and our Virtual Power Plant 'Myriad' exemplifies our leading position in the market. Digital capabilities also improve asset management and predictive maintenance. The shift towards becoming an increasingly tech-enabled energy utility company helps us to conduct our business more intelligently, efficiently and enables to unlock new opportunities across the energy value chain.

Agile and efficient

In a world with growing uncertainties and an increasingly competitive and dynamic energy market, it is essential to be agile and capable of swiftly adjusting our course. This demands a leaner and more efficient organisation, and makes us more competitive in our propositions to keep energy affordable for our customers.

Growth opportunities

The energy transition is enriching the energy market with innovations. Eneco is in a strong position to expand in promising growth areas; for example, we offer services that help consumers and businesses cut their CO_2 emissions and energy costs by lowering gas consumption, improving insulation and installing heat pumps. New AI technologies offer some promising opportunities to enhance our customer service. They can be applied to a wide range of activities, including forecasting, trading and improving the effective maintenance of our assets and operations.

Another growth area is battery technology to manage the increasing power volatility. We also intend to further scale up our Virtual Power Plant by connecting more asset capacity and so reduce the power imbalance and grid congestion. Short-term trading is becoming increasingly important due to growing intermittent renewable production, volatility and flexibility. And although growth has slowed down in district heating, small-scale heat and cold solutions present an exciting growth market. Lastly, renewables such as wind and solar will continue to be a key growth area, despite temporary challenges posed by short-term costs, pricing and risk outlooks.

Operating results

Operating results

This chapter provides an overview of operational performance and the factors influencing business operations.

Long-term goal	• Meet costumers' needs while reducing complexity • Further centralise commodity flows for risk management and optimisation of portfolios • Provide more innovative solutions
Results 2024	• Improved customer satisfaction • Invested in digitalisation • Expanded wind and solar farms and added houses to the heating grid
Outlook	• Mature customer support initiatives • Further optimise internal and operational processes keeping pace with commercial drive • Manoeuvre uncertainties brought by policy changes and other political decisions

Customers

Customer satisfaction increased in volatile times

Recent times have been difficult in the energy market, and customers still face higher price levels, as well as increasing complexity in the energy market. The landscape is changing rapidly, with new regulations and new propositions such as dynamic tariffs. We experienced a higher level of engagement from our customers, however, driven by factors such as macroeconomic uncertainties and continued price fluctuations.

Eneco is proud to announce that our relationships with customers improved in 2024. Eneco's customer satisfaction across all countries and segments rose from 84.3% to 85.5%.

This success is built on an intensified customer-oriented approach, with two key drivers:

- The further use of AI has significantly enhanced the efficiency of our customer service. Call times were reduced by an average of 60 seconds in the Netherlands, and by 90 seconds in Belgium. New tools including automatic summaries, improved logging and advanced customer recognition also helped to improve customer satisfaction.
- Improved annual invoice communication for B2C in the Netherlands resulted in a 30% drop in customer queries and boosted invoice satisfaction by 26%.

Eneco's AI advancements, combined with several other measures, also helped to significantly reduce the cost-to-serve by 13.1% in Belgium, the Netherlands and Germany in 2024.

In early-2025, Eneco adjusted its positioning and brand communication, in response to the rapidly evolving energy market. Studies show that consumers regard climate change as an important issue. Due to the complexity of the problems, however, they no longer understand how to take the next step and who can help them. As part of our ongoing efforts to keep the momentum of the energy transition going, Eneco will work on meeting consumers' needs more closely and reducing the complexity.

Customer satisfaction
March 2025
85.5%

March 2024 **84.3%**

Germany brand (LichtBlick) customers in 2024

After the energy crisis of previous years, the electricity and gas markets continued to stabilise in 2024. However, competition remained fierce.

LichtBlick's customers are more satisfied than the market average. Its electricity customers in particular are very loyal, showing a net promoter score (NPS) of +19 on a scale from -100 to +100.

With 100% of the electricity for LichtBlick's business and private customers already coming from renewable sources (wind, solar, water), and for household electricity customers in fact only from German power plants, LichtBlick is also reducing its CO_2 emissions from consumer customers' gas. LichtBlick introduced a best-in-class biogas product in 2024, drawn exclusively from residual and waste materials of animal and plant origin. It uses ETS certificates as well to offset emissions. Even in a strict regulatory environment, this product qualifies as 'climate-neutral'.

LichtBlick's B2B business showed strong growth in 2024. The spot market electricity product is particularly popular. LichtBlick developed a tranche and portfolio model in 2024, creating exciting new opportunities for the corporate PPA business with the first contracts already signed. A new rooftop photovoltaic product completes the B2B commodity product matrix of flexibility and quality, and the first contracts for this product have also already been signed. LichtBlick's high-quality solar products are now available on the ADAC Solar platform. Members and other customers can take the first step towards making their energy more environmentally friendly and economical. LichtBlick's innovative smart energy management system StromWallet is also part of the offering. It integrates PV operators into the electricity market using dynamic electricity tariffs. For the first time, electricity procurement and feed-in can be price-optimised with precision in 15-minute cycles.

Internally, LichtBlick is in the process of digitalising its business. The improvements that this brings will allow it to tap into new growth potential.

Dealing with non-linear growth in decarbonisation services

One element in Eneco's strong sustainability ambition is to end its supplies of fossil gas to customers by 2035. To realise that goal, we are already working hard on scaling up alternatives to help customers replace gas, for example by installing hybrid or non-hybrid (i.e. all-electric) heat pumps. The additional 2025 target of growing our customer base remains a challenge. We continue to work on possibilities to entice our customers to contribute to lower emissions. Therefore, we have amongst others introduced the possibility of renting a heat pump so that customers can cut their gas bills without having to make a major investment first.

In the business market, more and more of our customers are becoming our partners in the energy transition. We help them to make their business premises more sustainable, for example by installing industrial heat pumps and/or e-boilers.

The eMobility market is another market where Eneco helps customers to make the switch from fossil fuel vehicles to electric vehicles. Eneco offers comprehensive charging station services, including installation, operation, energy management and charging cards, with a strong presence in the B2B2C segment.

The growth of these initiatives, and Eneco's ability to achieve the goals under our One Planet Plan, will depend on three success factors: societal acceptance and our customers' willingness to change, effective climate policy, and economic and technological progress. While the technologies exist, their adoption is slow due to long payback periods and grid capacity issues. In addition, further challenges arise from uncertain short-term government policies, such as decisions to lower the rate for gas tax and to delay a heat pump mandate to replace end-of-life gas boilers. These policies conflict with long-term climate targets, and the resulting uncertainties will slow the energy transition.

Adapting to a market where renewable energy sources cause severe price fluctuations

The market has been reshaped by the rapid growth of solar customers and wind energy. During periods of ample sun and wind, the clean energy produced often exceeds the demand. This abundance of energy depresses energy prices, even forcing them below zero. The value of solar energy during sunny hours is decreasing every year, and in 2024 European energy prices dropped below zero for a record number of hours.

This shift in the energy landscape is driving the value of solutions where our customers use energy at more favourable moments.

Eneco offers a range of solutions to allow customers to take advantage of this shift in the energy landscape, including the following:

- In 2024, Eneco introduced a **feed-in tariff** for B2C customers in the Netherlands to create a fair and sustainable energy system. This was introduced because the cost per kWh for serving solar customers was three times higher than it was for customers without solar panels. Solar users now pay a charge per kWh fed into the grid, which eases the burden on non-solar customers and lowers their energy costs. This also creates an incentive for solar users to maximise self-consumption. Implementing this change posed a challenge in terms of managing customer perception, being difficult to explain with the risk of giving solar customers the idea that they were being penalised for investing in solar panels. We delivered clear and transparent communication on this topic, explaining the rationale behind the changes.
- With **SlimLaden**, Eneco helps customers to lower their energy costs by charging EVs at the best moments. The service works via the app and is compatible with Eneco eMobility charging stations.
- With **Dynamisch**, Eneco and Oxxio allow customers to benefit from real-time market prices for gas and electricity, which can be tracked via the app. Eneco was the first provider to launch a hybrid version with an optimal combination of gas price security, as well as electric flexibility.
- For B2B customers with more than 100 solar panels, Eneco has introduced **OpwekOptimaal**, a control box that brings more balance to the grid by intelligently managing the solar panel output at our customers' sites, while optimising the financial returns of solar energy systems.
- Eneco is in the early stages of launching several more innovative services, such as offering B2B customers a 10-year partnership deal to manage their entire sustainability process and providing home batteries for B2C customers.

Integration

The purpose of integration is to centralise all commodity flows at one place for the best possible management of risks and optimisation over all the various portfolios. This allows Eneco to achieve optimal pricing for both customer and assets.

Integration's portfolio under management is spread across the core countries where Eneco has customers and assets: the Netherlands, Belgium, Germany and the United Kingdom. These markets are linked, i.e. they are physically connected, and so our optimisation is performed both at the country level and at the level of the portfolio overall. The challenge is to balance risks and achieve an optimum ratio between the separate portfolio elements. While renewables carry relatively high imbalance and covariance costs, the flexibility in the portfolio (batteries, renewable curtailing and power plants) benefits from those cost elements. Although short-term costs remain high, we have formed large numbers of new contracts with third parties for both wind and solar.

IT and digitalisation

A key requirement is to have a sufficient internal organisation and IT landscape in place to properly manage the entire portfolio. It is vital to be able to make short-term adjustments, to either mitigate or benefit from short-term price volatility or extreme pricing in the market. To help us with this, last year we continued the development of Myriad, our Virtual Power Plant (VPP), to swiftly adjust assets. We are rapidly deploying to have all our assets large and small to be connected to the VPP.

Staying on top of this demands continual investment in ongoing digitalisation. We need more data scientists and engineers, working with a system that provides the fastest and most sophisticated data environment. Our Chronos project involves a complete overhaul of the trading IT to better facilitate much more data-driven trading. In the short term in particular, this should help to cut the costs of balancing portfolios and provide better customer prices through lower risk premiums and better asset value (i.e. improved capture rates).

Battery Energy Storage Systems

The markets were volatile and showed significant price movements, both for day-ahead and for intra-day. This poses a risk for the renewables portfolio in particular, which is heavily dependent on the weather. Balancing this risk requires flexible capacity, and last year Integration was very successful in contracting more and more flexibility from batteries. One of the highlights was when Eneco's own battery in Ville-sur-Haine (Belgium) became operational in the portfolio. This battery will further help to normalise the volatile short-term market and stabilise the results of the portfolio as a whole.

Operational excellence

A continuous issue that we face is ensuring that our internal and operational processes keep pace with the commercial drive of contracting new assets and volumes. This will remain a top priority for Integration. It is also important for our German integration business with LichtBlick and Nordgröön, where a stronger focus on robust and efficient processes will help us to support further growth in both Renewables – contracted and owned – and Batteries.

With the investment decision for the offshore wind farm Hollandse Kust West finalised, we have succeeded in selling almost the entire volume to various customers under what are known as corporate Power Purchase Agreements, or cPPAs. Thanks to these cPPAs, we have mitigated the market risk attaching to this unsubsidised wind farm for the coming decade.

Assets

The Assets organisation works to deliver the One Planet Plan by running the assets safely and competitively, and by developing and building new assets that help us achieve a well-balanced portfolio, in line with our Asset Roadmap.

In 2024 our main focus areas were staying competitive, driving renewable energy deployment, safe & reliable operation, and people focus.

In the section Own workforce details of HSSEQ results are explained. In the assets organisation there was extra focus on improving safety performance of our contractors. Even though our RIF rates were on target, in November we faced a fatal accident of a subcontracted worker. Our thoughts are with the victim's family and loved ones. Besides the investigation of the Dutch Labour Authority, we have conducted our own parallel investigation to maximise learnings. In total contractors were involved in 18 accidents during last year. A comprehensive contractor safety programme has been implemented. This will continue in 2025 for sustained impact.

Eneco continues to invest in efforts to improve safety culture. Following an independent external review, the business units in the asset organisation maintained their position at level 4 (on a scale of 1 to 5) on the safety culture ladder.

Finally, a programme to further reduce risks on Cyber Security in the Operational Technology environment was implemented. Improvements include increased monitoring and improved resilience.

Eneco is fully committed to continuously growing its sustainable asset base and remains on track to deliver the OPP target for 2025. At the same time, we are also facing some key challenges. The current investment climate for renewable asset development is challenging and complex, shaped by a mix of economic headwinds, policy uncertainty, and structural limitations in energy infrastructure.

Lower capture rates

Despite all changes in the electricity market, the demand for electricity is barely rising: in the Netherlands, demand has been stable at approximately 120 TWh since 2010, and the figures in adjacent geographies are similar. Capture values for renewables have decreased as a result, putting pressure on business cases. This is specifically true of merchant projects without cPPA and/or behind-the-meter offtake. While some subsidies remain available, they do not cover all the gaps. For example, the Dutch government has not stepped up on offshore wind support, and the minimum threshold required to qualify for the SDE++ subsidy means that many projects with low revenue streams, particular solar, do not qualify.

In the longer term, however, more renewable production will be needed to meet EU and national targets, such as 70% renewable by 2030 (NL) and 90% by 2040 (EU). With this in mind, Eneco remains fully committed to bringing more renewable power assets online. This will need to be done more selectively than before, however: not all asset classes and geographies are favourable, and space and grid locations are becoming scarce. Key actions for success are to co-locate assets, repower existing locations and find customer offtake for our renewable power, either directly (behind-the-meter) or through corporate PPAs.

Grid congestion

Grid congestion is an issue in all our geographies, although it is arguably worst in the Netherlands. Together with spatial requirements, it means fewer and fewer suitable locations for renewable assets. To tackle this issue, we are reusing existing grid connections and locations by co-locating solar and wind, such as at our Kabeljauwbeek location. In our development pipeline, we are also looking at possibilities for combining solar and wind farms, often with battery systems included. In addition, we are expanding our capability to curtail the production of our asset base to help alleviate congestion as and when it occurs.

Demand stagnation

Electricity demand in mature markets is relatively flat, with electrification of industry, heat and transport progressing slower than forecasted. This undermines the demand pull needed to justify new capacity investments, particularly without strong policy incentives. Grid scale developments of offshore wind and green hydrogen are currently under pressure.

Despite these challenges we managed to add over 350 MW of installed renewable energy capacity last year and have some key additional projects for further growth in our pipeline. Some of those key recent and future additions you can find in the next paragraphs, for Wind, Solar and Heat.

Managed electricity production and capacity

We are adding new assets all the time to produce more sustainable energy.

Managed electricity production

Production (GWh)[1]	Total		NL		BE		UK		GE	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Biomass	271	245	135	168	135	78	-	-	-	-
Solar	1,677	1,576	1,381	1,385	35	100	90	45	170	46
Onshore wind	8,937	10,387	5,472	6,631	632	883	1,059	921	1,774	1,952
Offshore wind	4,551	5,488	2,141	2,399	2,410	3,089	-	-	-	-
Total sustainable	**15,436**	**17,696**	**9,130**	**10,582**	**3,212**	**4,150**	**1,149**	**966**	**1,944**	**1,998**
Of which owned	*4,810*	*5,158*	*3,049*	*3,393*	*1,278*	*1,320*	*480*	*441*	*3*	*4*
Conventional	2,214	2,465	2,214	2,465	-	-	-	-	-	-
CHP	871	952	871	952	-	-	-	-	-	-
Total	**18,521**	**21,113**	**12,215**	**13,999**	**3,212**	**4,150**	**1,149**	**966**	**1,944**	**1,998**

1 Electricity produced by all capacity under Eneco management, including contracted capacity owned by third parties, during the period 1 April 2024-31 March 2025.

Managed electricity production capacity

Installed capacity (MWe)[1]	Total		NL		BE		UK		GE	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Biomass	17	17	14	14	3	3	-	-	-	-
Solar	1,916	2,075	1,660	1,712	122	117	92	62	42	184
Onshore wind	4,092	4,051	2,373	2,276	430	405	580	400	709	970
Offshore wind	1,617	1,617	767	767	850	850	-	-	-	-
Other (shore power and batteries)	175	122	75	74	52	-	-	-	48	48
Total sustainable	**7,818**	**7,882**	**4,889**	**4,843**	**1,458**	**1,375**	**672**	**462**	**799**	**1,203**
Of which owned	*2,365*	*2,178*	*1,401*	*1,281*	*690*	*629*	*222*	*216*	*52*	*52*
Conventional	469	471	469	471		-		-		-
CHP	505	508	505	508		-		-		-
Total	**8,791**	**8,861**	**5,862**	**5,822**	**1,458**	**1,375**	**672**	**462**	**799**	**1,203**

1 Overall electricity production capacity under Eneco management, including contracted capacity owned by third parties. Amounts at 31 March 2025, compared with the amounts at 31 March 2024.

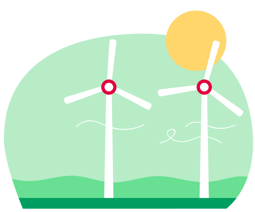
Wind energy

Our main new projects are:

Ecowende

Ecowende is an offshore wind farm owned by Eneco, Chubu and Shell, with an operational capacity of approximately 760 MW. The wind farm is planned to be fully operational in late 2026.

Ecowende has started work on the baseline monitoring for its Ecology programme. The baseline studies are carried out before construction of the wind farm begins, and to provide a point of reference for all subsequent monitoring. These surveys will help us to assess the wind farm's true impact on the local ecosystem. This will be the first time in the Netherlands that such an extensive baseline has been carried out at an offshore wind farm.



Realisation of Ecowende

Installed capacity

760 MW

Expected completion in **2026**

Prinses Elisabeth Zone

In Belgium, a call for tenders will go out in the second half of 2025 for offshore wind in the Prinses Elisabeth Zone (PEZ). Eneco has entered into a strong partnership with Otary, Ocean Winds and energy cooperative SeaCoop to participate. Eneco already has a strong presence in offshore wind in Belgium, thanks to its participation in Norther and Seamade.

ZEBRA reached financial close

In 2025, in the town of Woensdrecht, Eneco will start construction work for the realisation of a new wind farm, ZEBRA, that will add 45 MW of additional wind production capacity.

Delfzijl Zuid wind farm extension becomes operational

The extension of the Delfzijl Zuid wind farm has been completed, with sixteen new wind turbines being added to the existing setup. The turbines were taken into operation in August 2024, and give the renewable energy supply in Groningen province a significant boost. The expanded farm is projected to produce approximately 175,000 MWh annually, enough to supply 50,000 households with energy. Of the sixteen new turbines, four are owned by Eneco, the others by our partners.

Hannut project under construction

Construction has started on the Hannut project in Belgium. The project, consisting of six wind turbines, is a partnership between Eneco and Elicio. Once the project is operational – which should be by September 2025 – it will produce 34,000 MWh per year and prevent 16,000 tonnes of CO_2 emissions.

Solar energy

Kabeljauwbeek

The Kabeljauwbeek solar farm became fully operational in early January 2025. This farm is Eneco's largest solar installation (51.5 MWp) and is projected to produce 48 GWh of electricity annually. All output is sold to Dutch telecommunications provider KPN.

The solar farm is located beside our existing owned wind farm, allowing us to optimise the use of the grid connection that is already in place.

Other solar installations

In 2024, approximately 40MWp of new solar installations became operational. These installations were developed in partnership with real estate developers and customers such as Volvo Trucks and Evides (floating PV).

Heat

Heat production capacity (MWth)[1]	NL (total)	NL (total)
Wholly-owned installed capacity	**2024**	**2023**
Biomass	191	191
Electrode boilers	44	24
Aquathermal energy	28	1
Residual heat	49	-
Storage	115	-
Total sustainable	**427**	**216**
Other (cogeneration & conventional)	1020	1069
Total	**1,447**	**1,285**

1 At 31 March 2025 and at 31 March 2024, in the Netherlands only.

More than 1,000 homes added to district heating in Groenoord

We made significant progress last year with our project in Schiedam's Groenoord district to establish a new heating grid primarily for existing buildings. This project is an initiative of Eneco, the Municipality of Schiedam and housing association Woonplus. We have already realised a thermal transfer station and laid a new primary grid. Work began on the secondary grids in 2024, and on installing delivery stations for 24 of Woonplus's collective residential complexes. By December 2024, 4 complexes were connected to the heating grid, with 18 more complexes being added in January and February 2025, for a total of 900 housing equivalents.

830 homes connected to district heating in Bospolder-Tussendijken

In September 2024, we invited local residents to celebrate completing the second phase of our heat transition project in Bospolder-Tussendijken in Rotterdam. The project is being carried out in partnership with the Municipality of Rotterdam, housing corporation Havensteder and the local community. The gas-operated heat supply is being replaced by district heating. With the second phase complete, 400 more homes are now connected to the district heating grid, bringing the total to 830 new district heating customers in Bospolder-Tussendijken. Work on the final phase continues, and completion is planned for 2026.

High reliability of Eneco's heating grids

Eneco's heating grids are highly reliable. The average outage, at only 20.8 minutes/ year, corresponds to a reliability percentage of 99.998%.

In September 2023, an incident occurred where a fire raged at the AVR waste processing plant in Rozenburg. For most of 2024 the largest source of Eneco's heating grid in Rotterdam was unable to supply heat to the city's 50,000 customers. To assure the heat supply, we contracted more heat and installed additional capacity in the city as backup, and customers did not experience any disruptions due to the outage. In October 2024, AVR returned to partial operation and began to supply heat once more. The plant is projected to be fully operational by the end of 2025.

Smart heat meters

We have made great progress with smart heat meters. By January 2025, we had upgraded nearly 110,000 customers, putting us on track for all our 150,000 heat customers to have smart meters. We expect to complete the project by the end of 2025, which is well before the 2027 deadline for when smart heat meters will become a legal requirement.

Smart heat meters
Total switched to smart devices
110,000
Target for 2027 **150,000**

Sustainable district heating sources: RWZI Utrecht becomes the largest heat pump in the Netherlands

Eneco has built a 27 MWth heat pump that runs on residual heat from the wastewater treatment plant in Utrecht in the Netherlands. It is the largest heat pump in the Netherlands, and will supply sustainable heat to 20,000 households through Utrecht's district heating grid. The project, developed in partnership with water board De Stichtse Rijnlanden and taken into operation in 2024, includes a 15 MWth storage buffer for additional flex value. Eneco also delivered two e-boilers (20 MWth) for Utrecht's district heating grid, to produce additional sustainable heat when power prices are low.

Sustainable district heating sources: heat storage buffers in Utrecht

Construction work on four heat storage buffers (100 MWth) for the Utrecht and Nieuwegein heating grid in the Netherlands is now finished. Heat storage buffers are 'charged' (heated up) at night using sustainable heat, and 'discharged' (used) during the morning peak, when customers switch on their heating systems and have hot showers. Without buffers, the demand during these morning peaks is met mainly using existing gas boilers. Heat buffers 'peak shave' the heat demand and so save significant costs and gas, without the CO_2 used by existing gas boilers. They also create flex value: thanks to the storage, we can produce heat at moments when prices are favourable.

Eneco heat tariffs below the ACM maximum

Gas prices were significantly lower in 2024 compared with the year before. In response, the Netherlands Authority for Consumers and Markets (ACM) established lower maximum tariffs for heat. Eneco chose to keep its rates both for the fixed fees and for consumption per gigajoule (GJ) below the ACM's maximum rates in 2024. We only indexed the fixed fees to cover inflation. As a result, business customers paid significantly less than in 2023. For consumers, the price cap that was in place in 2023 meant that the difference was less pronounced.

Investment uncertainty remains, affordability an ongoing priority

The uncertainties brought about by the Dutch Collective Heating Act (*Wet Collectieve Warmte*) lingered on in 2024. The development of new, large-scale heating grids in neighbourhoods with existing buildings has unfortunately come to a halt: under the bill for the new Dutch Heat Act, majority public ownership will be mandatory for new heating grids. This presents Eneco with an investment uncertainty, given the confusion about how long the transition period will be and what compensation Eneco will receive. This makes it unclear whether we would be able to recoup our investments. Additionally, these uncertainties concerning the new Heat Act could have significant impact on the recoverable amount of our assets. Pending the adoption of the Collective Heat Act, the current Heat Act will remain unaffected and in force.

Eneco believes that the current standstill in the heat transition can only be solved in the short term by amending the bill for the new Heat Act. Municipalities should be able to decide for themselves whether they prefer majority public ownership, a public private partnership arrangement or private ownership by heating companies.

Termination of WAD-Kwartier project in Amsterdam

In Amsterdam's Wad-Kwartier, Eneco had been awarded a concession to supply collective heat and cooling. Rising costs and fewer offtakers have resulted in poor economics for both end-customers and Eneco. In consultation with the Municipality of Amsterdam, it is decided to terminate the concession agreement.

Industry

Shore power: Rotterdam Shore Power B.V.

Rotterdam Shore Power B.V. (RSP) is a joint venture between Eneco and the Port of Rotterdam. Its mission – to drive the electrification of the maritime sector and contribute to a more sustainable future for the Port of Rotterdam and beyond – achieved significant progress during the milestone year of 2024.

RSP recorded remarkable growth, signing three new shore power contracts with key industry players. Those contracts will be pivotal in RSP's efforts to advance the electrification of Rotterdam's port, as we continue to support the transition from polluting diesel-powered generators for powering vessels to clean, renewable shore power.

Besides those new contracts, we also built on the success of our existing installations. RSP completed two new shore power installations: one for Boskalis, which is projected to reduce CO_2 emissions by 1,600 tonnes annually, and another for DFDS, which will cut emissions by 2,100 tonnes per year. These installations, alongside the shore power system that we realised for Heerema earlier, bring our total to three operational shore power facilities in the Port of Rotterdam, in reflection of our continuing commitment to reducing the environmental impact of shipping operations.

Industry electrification: Heineken
Eneco worked with Heineken to develop and construct an e-boiler. With that e-boiler Heineken can use electricity instead of natural gas for part of the heat that is required for its largest brewery (situated in Zoeterwoude in the Netherlands). The e-boiler is expected to reduce CO_2 emissions by 9,000 tonnes annually, and represents the first step in a larger plan to help Heineken reach net-zero emissions at its Zoeterwoude brewery.

Industry electrification: PepsiCo
Eneco is working with PepsiCo to initiate similar improvements to reduce CO_2 emissions in the food and beverage industry. At PepsiCo's potato-snack plant in Broek op Langedijk in the Netherlands, Eneco is electrifying the heat supply by helping to construct a high-temperature heat production and storage facility. This will enable PepsiCo to reduce the plant's CO_2 emissions by some 50%, or a minimum of 8,500 tonnes annually.

The facility, which will start operations in 2025, represents the first step in a larger plan to help PepsiCo reach net-zero emissions at its snack plant in Broek op Langedijk.

Gas-fired power stations
We are investigating how to phase out the reliance on fossil fuels, while continuing to ensure security of supply, both for our own portfolio and for the energy systems where we operate. Solutions could include further increasing the penetration of renewable sources to reduce the annual gas plants' run hours, converting plants to green hydrogen, deploying green gas, or divesting or closing the plant. These plans are based on the assumption that all CO_2 emissions will be eliminated from the entire electricity production process by 2035, as per government targets at the European level and in our core markets of the Netherlands, Germany and Belgium. See also the section on Strategy and value in this annual report.

Flexible assets

Power storage: Eneco battery system in Ville-sur-Haine, Belgium
In November 2024, in Ville sur Haine (Belgium), the Eneco's owned and self-developed battery became operational. The battery has a capacity of 50 MW/200 MWh, making it the largest battery in Belgium and in Eneco's owned asset base.

LichtBlick launches joint venture for large-scale battery storage
LichtBlick formed a joint venture with ENERGISTO eG during the financial year, called GigaCharge. This undertaking has been established to develop large-scale battery storage projects, covering the entire process up to the point of commissioning.

The joint venture allows LichtBlick to expand into new business areas, to not only produce its own green electricity but also store electricity from renewable energy plants and offer flexibility services. GigaCharge will help LichtBlick to improve the grid's stability. The first large-scale battery storage systems will be connected to the grid during the years ahead.

LichtBlick and ENERGISTO eG are combining their capabilities to develop and implement electricity storage systems as grid-supporting components.

LichtBlick subsidiary ison and Enphase Energy introduce smart controls for home storage systems
Around 1.2 million private homes across Germany have home storage systems. If those storage systems are integrated into the electricity market and connected to a Virtual Power Plant (VPP), the batteries take on a grid-supporting function. LichtBlick subsidiary ison, a market integrator of digitally networked energy solutions, has formed a partnership with Enphase Energy, the world's leading provider of solar and battery systems based on micro-inverters. Together, they are developing a new technological solution for Flexumer to leverage this potential. Ison has developed an AI that plays a central role in the smart control of home storage systems. The AI learns and predicts the behaviour of the individual system. It then uses those data to generate automated processes that control the battery while optimising costs and yields. To do this, it draws on price signals from the market; for example, it will charge the battery when energy prices are low.

Financial results

Financial results

Coming from a period of high prices in 2022 and 2023, 2024 was mainly characterized by an upward trend in wholesale prices. The price volatility in this was mainly caused by the geopolitical situation in the world and the new reality for Europe, without gas from Russia and filled gas storages. This uncertainty has led to 'nervousness' in the market, resulting in high gas prices for a short period during winter. The energy transition has also continued in 2024, which has led to high volatility in the spot, intraday and imbalance markets caused by an increase in less predictable sustainable production, especially 'rooftop' solar. In addition, there was also a higher temperature than normal and less wind in 2024. For Eneco, with its large renewable portfolio, the weather conditions had a substantial impact. Our renewable electricity production was about 10% behind our target and imbalance costs were substantially higher. Next to that inflation rates impacted our costs levels, and as a consequence an extensive cost saving program, including an organisational restructuring, was executed to safeguard the targeted profit level.

Long-term goal	• Continue to make major investments in sustainability during the years ahead
Results 2024	• Net result of €245 million
Outlook	• Further invest in people and assets to realise the energy transition and achieve our One Plant Plan ambitions

Stable results in an uncertain market

Revenue from energy and energy-related activities was €7.2 billion, down by €1.0 billion compared with the previous year. This decline in revenue mainly occurs in the electricity market, due to lower prices and a slightly decreased sales volume. The gross margin ended on €1,612 million, almost exactly the same as in 2023 (€1,620 million), with performances varying between the business units. The margin on energy supplies and heat grids in the Netherlands recovered from the unfavourable conditions of the previous financial year. The results were driven by less volatile energy markets than in 2023, resulting in lower costs for matching supply and demand, while at the same time the trading activities had less opportunity to monetise on the market conditions. Another factor was that the wind yield was relatively low compared with 2023.

Other revenues show a decline compared with 2023, mainly driven by the one-time benefit from the sale of a large part of our stake in windfarm Ecowende (Hollandse Kust West) in 2023.

The total sustainable electricity capacity under our management decreased slightly by 64 MW (0.8%) to 7,818 MW). The owned capacity increased by 187 MW (+9%). Most of this growth came from the Kabeljauwbeek solar farm (51 MW) in the Netherlands and the Ville-sur-Haine battery park (50 MW) in Belgium. The increase in owned capacity was balanced by expiration of PPAs (Power Purchase Agreements), especially solar and wind contracts in Germany.

To remain sufficiently profitable in the future and thereby continue investing in the energy transition, Eneco started a cost-awareness programme in 2024 and announced a restructuring programme for 2025. In the Netherlands, external hiring has partly been replaced by internal staff, the focus has been shifted to essential activities, and automation is being used to further improve processes. The number of internal employees decreased slightly from 3,810 FTEs in March 2024 to 3,778 FTEs in March 2025. Due to higher average wages and the need to form an extra provision, the employee benefit expenses rose by €21 million (+6%). The extra provision was formed for expected severance payments due to the announced restructuring programme, although wherever possible the workforce will be reduced by replacing external hires, and through natural attrition and re-employment. However, the other external and operating expenses decreased significantly by €95 million (15%) to €522 million. This was achieved by reducing external hiring and external consulting, improving cost awareness and other measures, while the costs in Germany were also relatively high in 2023.

The reported operating profit was €341 million, a decrease of €53 million (14%) compared with the previous financial year. Normalised for the one-off Ecowende sale revenue, however, we see an increase in operating profit due to a stable margin combined with lower costs.

Our net income was €245 million, €123 million less than in 2023, which was an exceptionally good year. Besides the effect of the one-off Ecowende profit mentioned above, we see that the companies in which we hold stakes could not continue their outstanding performances from the previous year, showing a decrease from €64 million to €20 million. Much of this decline is due to the Norther wind farm, which suffered from much lower wind yields in 2024. Financial income and expenses also had a greater negative impact (-€47 million versus -€4 million), with higher interest rates and a higher average debt position during the year working against us.

Investments

The amount that Eneco invested – particularly in sustainable production assets – was once again much higher than the net profit. In 2024, Eneco invested a total of €447 million, of which €39 million in new wind farms in the Netherlands and Belgium, €59 million in solar parks and €69 million in battery capacity. Despite the difficult market circumstances, Eneco still invested €181 million in maintaining, sustainability improving, replacing and expanding heating grids and heat generation facilities. Eneco also continues to make considerable investments in digitalisation: €67 million.

Eneco's main R&D efforts focusses on real-time capability to optimise and balance the supply and demand of our sustainable renewable assets portfolio in real time and on digital energy consumption insight services. These efforts will enable our customers to manage and reduce their energy consumption.

Eneco aims to continue to make major investments in sustainability during the years ahead. Solar and wind are expected to remain important investment categories, although we also foresee major investments in batteries.

Solvency

At 31 March 2025, Eneco's solvency was 45%, an improvement from 41% at 31 March 2024. A small decrease in equity of €32 million was more than compensated by a decline in the balance sheet total of €0.7 billion. This is the result of a lower working capital at the end of the year and declines in the long-term and short-term derivative positions and the 'margining' positions (i.e. arrangements where Eneco pays funds to the energy exchange or trading partners as security).

Financing

Net debt (interest-bearing debt including lease obligations, less cash and cash equivalents) dropped by €212 million (14%) to €1,257 million at 31 March 2025. The financing rose in connection with Eneco's large investments in tangible and intangible fixed assets, but decreased due to the favourable position of the net working capital, including margining positions. Eneco has sufficient credit facilities with banks and its major shareholder to meet its financing requirements.

Returns

ROACE (i.e. the return on average capital employed) over 2024 ended at 5.6%, which is 2.2% lower than the previous financial year. The high rate in 2023 was fuelled chiefly by the one-time revenue from the sale of Ecowende and favourable benefits from associates and joint ventures. Despite this year's investments, the capital employed was down from €5.4 billion at 31 March 2024 to €5.2 billion at 31 March 2025, due mainly to the decrease in net working capital.

Outlook

Eneco will continue to invest in its people and in assets to realise the energy transition and achieve the One Planet Plan ambitions. The company is in good financial health, and will be capable of funding its planned investments in sustainable assets. Market conditions remain unstable and difficult to predict, as are the developments in the energy transition. Against this background, we will refrain from issuing a results forecast for financial year 2025.

Risk management

We use risk management to achieve our goals responsibly, by weighing risks and opportunities against our policy. We identify risks, decide on controls, test their effectiveness, and optimise processes and control activities.

Risk governance

The Management Board is responsible for risk management at the level of the Group as a whole. Eneco follows The Three Lines Model for effective risk management. The first line consists of the business units and support departments that carry out the strategy and risk management. In the second line, they are supported by Business Control and functional areas such as Financial Risk Management, Compliance and Security. The Group Risk Management department, also part of the second line, translates policy into guidelines and coordinates the risk management process.

The third line is the Internal Audit function, which conducts independent audits and reports the results to the Management Board and the Supervisory Board's Audit and Risk Committee. The directors of the business units periodically discuss the risks, assessments and controls with the management team, which are then reported to the Management Board and the Supervisory Board's Audit and Risk Committee.

Risk and performance management framework

Eneco's Risk Management and Control System (ECRS) is based on the COSO ERM 2017 framework, an international standard for Enterprise Risk Management. The ECRS is designed to provide a reasonable degree of assurance that strategic, operational, financial, reporting and compliance objectives will be achieved. It includes a systematic risk-based approach to risk assessment, a set of controls, and an assessment method for management of the various business units to determine the effectiveness of those controls. The 'In Control Statement from the Management Board' in the annual report presents the Management Board's opinion on how effective the design and functioning of the internal risk management and control systems is, based in part on the outcomes of the ECRS. Risk management is an iterative and continuous process included in the regular Business Planning Cycle. The business units periodically conduct in-depth analyses of threats and opportunities and review the results of their self-assessments for the principal controls.

Risk and performance management framework

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

Risk and control activities

The Group Risk Management department facilitates the risk and in-control processes by providing guidance and tooling. It also monitors compliance with the risk policy and evaluates control reports to ensure qualitative assessment and identify potential discrepancies. The business units update their risk registers regularly and report the updates to Group Risk Management and/or the Management Board. Eneco's internal controls are structured according to risk frameworks based on standards for various business processes. Those frameworks include parameters for compliance as well as financial and operational activities (including IT), and contain common effective and efficient practices for designing processes.

Both of Eneco's shareholders (Mitsubishi Corporation and Chubu Electric Power) are listed on the Japanese stock exchange, where Mitsubishi must comply with Japanese Sarbanes-Oxley (J-SOx) regulations. To this end, Eneco ensures that it has robust internal controls in place, particularly in financial reporting and IT.

About the Statement from the Management Board

The Statement from the Management Board is based not only on the Board's own assessment, but also on the In Control statements issued by management of the separate business units, Group Risk Management's observations, Internal Audit's findings and any further relevant information and developments from within and outside Eneco. The Statement from the Management Board represents the Management Board's opinion on how effectively the internal risk management and control systems are designed and function.

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

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

Reviews and audits

Eneco uses internal and external reviews and audits to determine how effectively the internal risk management and control systems are designed and function. Internal Audit carries out independent tests of a selection of the most important internal risk management and control systems. The annual risk and audit plan is risk-based.

Risk tolerance

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

The six-monthly self-assessment reviews within the business units and at Group level generate an overview of the degree to which the Group is 'in control' and trigger discussions about the principal areas of impact. Lessons are learned from the findings (including the processes), and where necessary more effective checks are implemented. The risk categories and our risk tolerance are applied to the different types of risks such as strategic, operational (including IT), financial, reporting and compliance. Further details are provided later in this chapter.

Risk reflection

The past financial year had lower prices and volatility than the previous years, however on a higher level than pre-energy crisis. After a long period of ups and downs, the principal uncertainties have diminished, making energy prices less volatile. Regulatory uncertainty in the sector however, is increasing since the formation of the new Government in the Netherlands. Examples of that uncertainty include the decision to abolish the mandatory requirement to replace end-of-life gas boilers with heat pumps and the confusion surrounding the future of district heating. Besides these questions on the national level, the greatest concern lies in the geopolitical impact of factors such as the multiple international tensions, wars and worldwide economic trade policies. Below we describe what impacts we identify, and what measures we have taken in response.

Geopolitical uncertainties

Last financial year saw an increase in the safety risk. This finding is borne out by the Global Risk Report 2025 of the World Economic Forum, which describes how one of the primary global risks is the world's geopolitical instability, caused by factors such as armed conflicts, cyberwarfare and geoeconomic confrontations.

Eneco is aware of our important role in society, as one of the largest energy suppliers in the Netherlands, Belgium and Germany, and we pay serious attention to these signals. With cyberwarfare now an intrinsic component of modern warfare, we anticipate a potential impact in that area. Society cannot operate without a reliable energy supply, and we are working with key partners to develop cybersecurity precautions, as well as making preparations for if and when our organisation is hit.

Besides digital and potentially physical harm, another side effect might be expected in price spikes caused by the current political instability. Our existing measures to cover the impact of price volatility proved themselves effective during the energy crisis some years ago. We expect them to be equally effective if and when a new volatility situation occurs.

However, geoeconomic factors such as trade taxes, tariffs and trade blocks could have a major impact on operations, by disrupting supply chains or increasing the cost of materials critical to our energy production and supply. These economic barriers could limit access to essential technologies or components for wind farms, solar farms and battery storage systems, delaying project timelines and hampering the realisation of our renewable energy ambitions.

Improvements in the internal control environment

Last financial year, Group Risk Management identified increasing potential to eliminate operational inefficiencies by re-evaluating processes, enhancing control frameworks, and automating controls. This is especially relevant in a context where margins are under pressure and cost management is critical. As a natural evolution, the cost of control must also be assessed, and Group Risk Management is therefore reviewing opportunities to improve efficiency. The primary objective is to reduce the bureaucratic burden on the organisation while maintaining effective control over strategic, tactical, and operational risks—using technology as a key enabler.

Improvements were made across the internal control framework, including enhanced alignment of control activities and improved risk awareness throughout the organisation. However, during the year, certain deficiencies were identified in the IT General Controls. These controls were tested and evaluated, and it was confirmed that they did not result in any material risk exposure. Nonetheless, this remains an area of continued focus and will be monitored in the year ahead to ensure timely remediation and prevent recurrence.

As part of Eneco's organisational restructuring in 2025, risk management will be further embedded into primary operations. Efforts will also continue to strengthen internal controls, particularly the IT General Controls, and raise awareness of their importance throughout the company. Maintaining focus remains essential to ensure that internal controls are implemented properly, comprehensively, and on time. Eneco will continue to enhance its processes and controls, striving for an efficient, resilient, and future-ready control environment.

Incidents with financial implications

Eneco experienced a number of incidents with financial implications in 2024. To provide transparency, two of the most significant of those incidents are highlighted below, with a description of each incident and an explanation of what mitigating and remediating measures we have taken.

Incorrect application of discounts towards Eneco's district heating customers

In 2010 the Municipality of Rotterdam and Eneco signed an agreement for the delivery of district heating to five central areas of Rotterdam. As part of the agreement, a discounted tariff would be charged to customers living in those areas. The discounted tariffs would commence in 2013, depending on when each house was connected to the district heating grid.

However, between 2013 and 2024 the discount was not applied correctly. The reason lay in errors in the system entries in the contract management records. This was compounded by a lack of reliable checks, and in the end some 4,900 customer addresses were overcharged by around 200 euros per year. This highlighted the need for us to improve our process and the relevant system, and to conduct more frequent and thorough internal checks.

This incident affected both former and current customers. The customers who were impacted, including former customers, have been notified personally, and will be compensated for the period when they should have received the discount, according to their connection moment, usage and duration of being a customer.

Effective 1 January 2025, the correct tariffs are in place, including the discount, and further corrections have been made in the accounts and records to prevent this incident from recurring in the future. We have also put improved preventive and detective controls in place for inserting specific contractual clauses such as discounts. We have also updated relevant work instructions and provided employees with the necessary direction. Looking further ahead, we will implement a new contract management system for better and easier registration.

Erroneous cash-out after ACM correction for heat customers

In October 2024, Dutch regulator the Netherlands Authority for Consumers and Markets (ACM) published a general correction of the heat tariffs, and we processed it in our systems accordingly. However, this triggered an incident where Eneco accidentally made outgoing cash payments to roughly 22,000 of its heat customers, resulting in an erroneous cash outflow and a higher payout than it should have been. Most of these payouts have been recovered, except for the payments to a few customers who need to refund the money manually.

Eneco performed a root cause analysis, which identified that when the heat tariffs were adjusted this accidentally triggered the payments. We have since sharpened the review process and our impact evaluation in relation to tariff changes, to prevent further incidents from causing unforeseen IT-related impacts. The technical configuration is also being re-evaluated to further reduce our dependence on manual processes.

Strategic risks

Strategic risks are long-term risks that affect our ability to achieve our strategic objectives, potentially resulting in financial and/or reputational impacts beyond our risk tolerance. The most significant strategic risks for each of our defined goals and objectives are listed below. Those risks potentially not only pose threats, but could also present opportunities.

Failure to achieve CO_2 targets

The Netherlands targets a CO_2 reduction of 55% by 2030 and 70% by 2040. Climate neutrality should be achieved by 2050. Eneco has already achieved a 43% reduction since 2019, surpassing our mid-term targets. Key challenges include the availability and affordability of low-carbon hydrogen, with ambitions for 500 MW of electrolysis by 2025 and 6-8 GW by 2030. Electrification growth remains uncertain, especially given the policy changes that are currently affecting hybrid heat pump installations. Additionally, declining capture prices for renewable energy assets such as offshore wind and solar could hinder future growth. Ongoing advocacy for accelerated sustainability improvements is crucial for achieving these targets. Without progress in the Netherlands on CO_2 reduction, the risks of Eneco not reaching its OPP targets will increase.

Increasing impact of climate change and extreme weather events on assets and customers

The increasing influence of weather is leading to revenue fluctuations in sustainable production and heat deliveries. As a result, our financial results are becoming more weather-dependent. This includes a degree days risk (affecting gas volumes) and a wind volume risk (affecting electricity production). To manage these risks, we use portfolio management, market hedging, structured agreements and insurance.

Eneco is also aware of acute climate risks, such as flooding, storms and heat waves, which threaten our assets' safety and availability. We use scenario analyses, predictive tools and stress tests to identify and assess these risks.

Diminishing public support for the energy transition

The energy transition poses a societal challenge. It is heavily influenced by public opinion, which affects popular acceptance of initiatives such as district heating and government incentives. The energy crisis raised awareness of sustainable alternatives to natural gas and self-produced electricity, boosting public support for the transition. However, high prices have had a negative impact on the energy sector's image. Eneco addresses this by providing affordable sustainable energy solutions, helping customers to reduce their carbon footprint and save money.

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

The energy transition is changing customers' needs, as well as driving innovations in technologies for production, storage, savings and conversion. The risk exists that we will be incapable of reacting to those developments properly or quickly enough. Potentially, this could jeopardise our climate-neutrality goals and market share and impact our growth in innovative services. Eneco faces pressure on customer margins and is losing traditional energy contracts. To create added value and help customers reduce their energy costs and CO_2 emissions, Eneco must respond swiftly and appropriately to our customers' needs. The company operates in value streams for a quick and flexible market response, and is improving digital skills, monitoring technological developments and investing in startups.

Harm to our competitive position through insufficient or delayed technological innovation

Digital innovations have reshaped the energy sector in recent years, including advances such as smart grids, flexible steering, dynamic pricing and enhanced data usage. With the rapid development and application of artificial intelligence during the years ahead, we expect significant disruptions to the current landscape. Failing to respond or adapt to these digital developments would impede our ability to optimise our operations and develop new services to enhance the customer experience. The emergence of tech-driven competitors that utilise those innovations poses another challenge to our market position. We are monitoring digital developments closely, and assessing the potential for applying them in our organisation and our services.

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

The natural gas business makes up a significant proportion of Eneco's revenues. Even so, Eneco wants to eliminate its customers' reliance on natural gas by 2035. In the short term, gas revenues and margins are expected to fall as insulation improves and customers adopt new energy-saving solutions such as heating electrification. To adapt, Eneco is investing in sustainable heating alternatives, including district heating and heat pumps. Eneco is also exploring new income sources such as electric transport, green hydrogen for industry and flexible demand-side response.

Increasing unpredictability of regulatory rules

For the energy transition to succeed, governments need to be decisive and set clear market parameters, such as internalising CO_2 costs to encourage clean investments and phase out fossil fuels. Stable long-term policies are essential for renewable energy and heating grid investments. That decisive government should then also ensure fair sustainable development and address issues such as high energy prices. However, the recent period has seen a number of interventions by the Dutch government, including the last-minute cancellation of the mandatory installation of heat pumps to replace end-of-life gas boilers and the uncertainty around the net metering scheme for solar panels. These have created uncertainty that hinders sustainability investments. Eneco will continue its dialogue with policymakers and stakeholders to define effective long-term policies and accelerate the energy transition.

Concerns for long-term viability of investments caused by uncertainty about electricity prices

The future uncertainty about electricity prices and decisions to cut subsidies for sustainable production pose a threat to our strategic sustainability goals. While power prices and green certificates can be fixed for several years on energy markets, those arrangements often do not cover the full economic life. Power price levels remain highly uncertain due to the possibility of government interventions in the market. It is vital to understand the risks and opportunities amid price fluctuations caused by changing policies and evolving market conditions. We mitigate these risks using international diversification and by building sustainable production facilities with long-term customer contracts. We manage price risks by hedging and structuring trading contracts.

Shortage of skilled workers and limited diversity hampering the energy transition

To successfully implement our strategy and bring about the energy transition, Eneco requires new skills, diverse viewpoints and organisational agility. In response to the shortage of skilled personnel in technical and digital fields, we have proactively focused our efforts on those areas. We have established the Eneco Business School to train technical staff, we organise hackathons to attract and retain IT workers and we engage in Diversity, Equity & Inclusion initiatives. These efforts help us to attract a diverse group of skilled individuals and create a better workplace for all our employees.

Inability of the supply chain to support our growth ambitions

As the energy transition accelerates globally, the demand is growing for charging stations, solar panels, heat pumps and wind turbines. The pandemic exposed the vulnerability of global supply chains, including for the hardware that is vital to the energy transition. At the same time, the demand for installation capacity is also increasing. To ensure and improve the security of supply, Eneco is engaging in more local and long-term contracts, strengthening its relationships with partners and working with local suppliers.

Principal operational risks

This section describes the principal operational risks that could potentially have a significant impact on our ability to achieve our strategic objectives despite our measures to mitigate them. Some of the risks relate to In Control over Financial Reporting (ICFR). This process aligns with Eneco's ECRS as a key element of Enterprise Risk Management. The purpose of ICFR is to prevent material misstatements in financial reports and to identify and correct any material misstatements as soon as possible.

Risk (trend compared with 2023↑→↓[1])	Potential impact	Controls
Attacks, and specifically cyberattacks, directed at IT and OT systems → Unauthorised access to, modifications to and failure of IT and OT systems and data as a result of cyberattacks	• Disruptions in the operational processes • Breaches of sensitive personal and/or business information • Reputational damage • Loss of or damage to physical assets • Non-compliance with laws and regulations such as the GDPR and the NIS2 Directive • Recovery and risk-mitigating work that consumes IT capacity	• Implementation of sufficient security procedures and controls to improve our security level and minimise vulnerabilities to cyberattacks • Employee awareness training and phishing simulations • Strengthening the management organisation for coordinating critical suppliers • Identification and detection technology for unauthorised access and suspicious activity • Security penetration tests by specialist external parties • Structural measures for risks specifically related to Operations Technology (OT Security)
Business continuity interruptions → Incidents, disruptions and/or interruptions in our production, storage, distribution, deliveries and/or trading and customer systems that have a negative impact on operations, forcing us to operate at less than the minimum acceptable level	• Operational process disruptions • Regulatory non-compliance • Environmental harm • Personal injury • Reputational damage • Financial loss	• Comprehensive policies, procedures, working instructions and training to diminish the possibility of unintentional interruptions of business operations • Up-to-date crisis and emergency plan • Continuity measures in the IT landscape to ensure data security and uptime in accordance with the criticality of the system for operational processes • Periodic crisis management and recovery tests/exercises (IT and otherwise) • Maintenance and monitoring of Eneco's assets, including the distribution grids and production units, in accordance with best practices for asset management (ISO 55001)
Negative health & safety incidents → Physical or mental harm or occupational disability caused by or arising on the job	• Accidents with injury or worse • Sick leave, including prolonged	• Comprehensive safety policies and instructions • Continuous safety awareness campaigns • Periodic safety assessments and audits

Risk (trend compared with 2023↑→↓[1])	Potential impact	Controls
Market risk → Volatile prices and energy markets.	• With respect to market volatility, Eneco is exposed to an asymmetric price risk, where a harmful impact could arise from both rising and falling prices: due to the price and volume effects, falling prices can induce a risk as a result of downward volume adjustments at lower prices, while higher prices mean more risk if greater volumes need to be sourced for the portfolio at higher prices • Greater capital needed to offer products with price guarantees or longer contract durations, for example to meet potential margin obligations	• Risk exposure monitoring (for example sensitivity analyses) • Modifying procurement policies and products • Identifying and anticipating all the various risks, important variables, short-term events and developments properly ahead of time • Using hedge instruments for managing market risk
Wind volume risk → Lower than average revenue from wind farm production as a result of weather conditions (little wind)	• Largely similar impact of the wind volume risk on our portfolio relative to the previous year. Less wind leads to lower revenues for Eneco.	• Taking out weather insurance and wind volume hedges • Using portfolio management and drawing on expertise to forecast weather in relation to expected wind energy production • Sourcing some of our sustainable energy under long-term procurement arrangements with third parties (PPAs) instead of from our own wind farms
Degree days risk → Impact on our financial results of the high/low demand from customers when the winter is colder/milder than usual, combined with strong fluctuations in gas prices	• Potential financial loss caused by divergent estimated and actual consumption, in combination with fluctuating market prices	• Taking out degree days hedges and weather insurance • Making use of Eneco's storage facilities • Using portfolio management and drawing on weather forecasting expertise in relation to the projected energy supply and demand
Solar risk of the customer portfolio →	• Financial risk for Eneco from the increasing numbers of solar panels, combined with the net metering scheme and high imbalance and profiling costs in the event of inaccuracies in estimating/pricing the increase in numbers. The costs and the associated risks; this risk remained more or less stable compared with the previous year	• Taking out weather hedges and profile deals • Identifying incorrect pricing swiftly and taking appropriate action • Using the feed-in tariff to reduce the risks and bring a fairer distribution of the costs over customers with and without rooftop solar
Reporting risk → Risks in the area of the internal and external financial planning and reporting	• Reputational damage, claims and legal proceedings • Incorrect decision-making by management or external stakeholders	• Procedures and guidelines for periodic closing, reporting, forecasting and incident reporting • Maintaining financial reporting expertise and understanding of new government measures (e.g. the draft Dutch Heat Act) and how they impact financial reporting
Liquidity risk ↓ High volatility and prices for trade on the exchange	• Potential liquidity problems resulting from high margin calls	• Monitoring margin calls and subjecting them to stress analyses • Modifying the product range • Setting up an exchange for physical deals, moving positions from the exchange to bilateral parties • Raising liquidity so that it is sufficient even in extreme situations

1 ↑: Risk higher compared with previous financial year, ↓: Risk lower compared with previous financial year, →: Risk unchanged compared with previous financial year.

Risk (trend compared with 2023↑→↓[1])	Potential impact	Controls
Creditworthiness of customers and suppliers → Greater inherent risks of potential losses if the creditworthiness of customers or suppliers declines as a result of volatile energy prices	• Financial risks if Eneco is unable to collect on claims • Project risks if suppliers are unable to fulfil their obligations • Decreased availability of partners to do business with Eneco	• Exposure monitoring and follow-up • Credit mandates, policy and follow-up • Risk reduction (insurance, other) for a small number of specific suppliers representing a major exposure for Eneco
Eneco's creditworthiness → Decline in Eneco's creditworthiness (or perceived creditworthiness) or rating downgrade: Eneco's liquidity and cash flows are highly susceptible to materialising market risks and margining obligations that could also affect the organisation's creditworthiness	• Less willingness among energy trading parties to give Eneco the same limits on trading positions, or an increase in guarantees and other security required from Eneco • Less favourable terms for access to capital and money markets and (to a limited degree) higher interest markups • Challenges relating to current liquidity	• Stipulating contractual terms with customers and trading parties (and the associated positions) and forming new contracts • Availability of backup financing and guarantee facilities, to be used in particular if market conditions turn volatile • Adjusting our internal mandates and tolerances to allow us to act swiftly in response to extreme market movements • Strong shareholders that can support Eneco's creditworthiness • Active steering of Eneco's creditworthiness
Legislative changes with the potential to impact our operations → Government measures to ensure affordability and consumer protection Sustainability improvements that require major investments for the long term; major impact of the uncertainty and confusion about changes in laws and regulations and their timing The new Dutch Heat Act, which has been presented to Parliament and which proposes mandatory public ownership of heating grids, and will affect the heat transition and our ambitions and willingness to invest in sustainable heat The Dutch Energy Act, which has been approved by Parliament and will gain force of law in the course of 2025/2026, and which introduces easy market entrance for new operators that target specific market segments Laws and rules for penalties that the government establishes and that apply to Eneco, carrying a risk that transactions will be penalised	• Greater financial impact from pricing and volatility on the energy market • Greater risk from increasing regulation as energy companies become more data-intensive • Legal proceedings, claims, reputational damage and fines: fines might be imposed by European and national authorities supervising the markets where Eneco operates • Impact on investment appetite and realisation of ambitions for sustainable energy production growth • Non-compliance with/non-fulfilment of contractual obligations by third parties and/or Eneco, carrying potential financial risks and implications • Impact on Eneco's business model (operational and financial) • Lack of clarity for customers and business partners	• Constructive dialogue with other operators in the sector and regulatory bodies • Awareness programmes • Compliance and privacy control frameworks at business units, including risk-mitigating controls and reporting • Staying up-to-date about new and forthcoming legislation, and taking proactive action • Implementing decision-making processes • Carefully monitoring penalty decisions that are being considered and that are announced, preparing scenarios and measures to minimise the risk, and ensuring compliance

1 ↑: Risk higher compared with previous financial year, ↓: Risk lower compared with previous financial year, →: Risk unchanged compared with previous financial year.

See note 25 to the financial statements (Financial risk management) for details of Eneco's exposure to financial risks, and the potential impact of those risks on the Group's future financial performances. For the compliance-related risks, see the section Compliance, integrity and privacy.

Climate-related risks

As a renewable energy company operating in North-West Europe, we are acutely aware of the dual role that climate change plays in our industry: it is both a significant risk and a compelling driver of our One Planet Plan to accelerate the transition to sustainable energy.

Physical climate risks

The region where we operate is particularly vulnerable to the physical impacts of climate change, in both the long and the short term. This includes rising sea levels, increased frequency of extreme weather events and changing precipitation patterns. One of the most significant risks is the rise in temperatures, which might cause more frequent heatwaves and prolonged droughts. These changes could pose a range of operational challenges. For example, extreme heat could reduce the efficiency of solar farms, while shifting wind patterns might influence energy generation from wind farms, both onshore and offshore. Heatwaves might increase the demand for electricity to power cooling systems, potentially stressing the grid and highlighting the critical role of battery storage systems in balancing supply and demand. Our ECRS covers physical climate risks, using scenario analyses, predictive instruments and stress tests to assess them.

Transition risks

The global shift to a low-carbon economy presents both opportunities and challenges for our business. Increased competition, fluctuating material costs and evolving customer demands require continuous innovation and efficiency. Biodiversity is impacted whenever new renewable assets such as solar and wind are realised. Policy and regulatory uncertainties, including subsidy reforms and permitting delays, could impact long-term investments and project timelines. Reputational risks are also significant, with environmental and social practices coming under increasing scrutiny from stakeholders. Our awareness of these risks is reflected in our decision to include issues such as biodiversity and digitalisation at the heart of our One Planet Plan.

Regulatory and policy risks

In response to climate change, governments worldwide – and within the EU in particular – are tightening regulations and raising targets for emissions reductions. While we welcome these changes as necessary steps toward sustainability, they also pose compliance challenges. Ensuring that our projects and practices remain ahead of evolving standards requires ongoing investment in innovation and cooperation with policymakers.

At the same time, we have noticed a diminishing level of subsidies for renewable energy projects in several markets. This reduction places greater pressure on companies such as ours to remain financially competitive while continuing to expand our operations. Furthermore, recent political shifts within the EU indicate that the focus on sustainability is waning in certain policy areas, with debates about balancing economic priorities and environmental goals becoming more prominent. These trends could slow the pace of renewable energy adoption and introduce additional uncertainties for long-term planning.

Market and reputational risks

The transition to a low-carbon economy has intensified competition in the renewable energy sector. Additionally, as societal expectations for corporate sustainability grow, companies face heightened scrutiny over their environmental and social impact. Failing to meet these expectations could erode stakeholder trust and affect our market position.

Mitigation and adaptation strategies

To proactively address these climate risks, we have adopted a combination of mitigation and adaptation strategies. These include:

- *Diversifying our energy sources:* expanding our portfolio across wind, solar and emerging technologies such as green hydrogen to reduce our dependence on any single resource.
- *Resilient infrastructure design:* incorporating climate resilience into the planning, construction and maintenance of our projects to withstand extreme weather conditions.
- *Data-driven decision-making:* leveraging advanced climate modelling and analytics to anticipate changing environmental conditions and adapt accordingly.
- *Cooperation and advocacy:* engaging with governments, industry partners and communities to shape policies that foster innovation while also addressing climate risks.

Cybersecurity

Threats within the energy sector

The energy sector, with its critical role in supporting the national infrastructure, is a prime target for cyberthreats. The threat landscape has evolved, however: adversaries are becoming more sophisticated and are increasingly using artificial intelligence to intensify their attacks.

Few cybersecurity incidents occurred last financial year, and no significant incidents were reported. However, 2024 saw a persistently high volume of malicious emails and attempted cyberattacks, all of which were effectively neutralised by our security measures.

Updated controls

In response to increasing threats within the energy sector, and based on structural testing of our defences against simulated attacks (Red Teaming), we identified new cybersecurity risks and updated our controls. We also intensified our efforts to detect incidents and vulnerabilities, conducted awareness campaigns and performed cyber exercises to test crisis scenarios.

Legislation

European legislation demands stringent cyber-resilience measures for essential sectors. As an energy producer, Eneco is impacted by those legislative demands, particularly at the intersection where IT (information technology) and OT (operational technology) meet. Eneco falls under the Dutch Network and Information Systems Security Act (*Wet beveiliging netwerk- en informatiesystemen*) and the German IT Security Act 2.0 (*IT Sicherheitsgesetz 2.0*).

The European NIS2 Directive came into effect in Belgium in 2024. It will also be implemented in the Netherlands and Germany in the near future, where it will replace the existing Dutch and German acts mentioned above. NIS2 brings even stricter compliance measures, including enhanced requirements for incident reporting and the need to implement robust security measures across both the IT and OT environments.

Recalibration of the cybersecurity strategy

Recalibrating our cybersecurity strategy remains a priority in 2025. The NIS2 Directive emphasises a collective defence approach of working together with allies and partners to enhance the resilience of the digital ecosystem.

We also continually work on recalibrating our cybersecurity strategy and roadmap to stay up-to-date in the face of the rapid development of new cyberattacks. It is vital for our response strategies to remain flexible. We link our business strategy directly to the identification of strategic cybersecurity risks to ensure Eneco's cyber-resilience.

Key elements of our strategy include structurally testing our defences against simulated attacks and rehearsing our responses to successful cyberattacks or ransomware incidents. By rigorously testing the robustness of our security measures in 2025, we will keep pace with these developments and further improve our defences in both IT and OT.

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Introduction

Basis for preparation

In the following chapter we report on our progress towards managing our material topics and our One Planet Plan.

As in previous years, the Global Reporting Initiative (GRI) reporting framework has guided us in the preparation of this report. Our material topics determine the structure of the statements and disclosures are made with reference to the GRI Standards. All greenhouse gas emissions are reported based on the Greenhouse Gas Protocol. The disclosed data are consolidated according to the same principles as the financial statements and covers the entire group unless stated otherwise.

To better navigate disclosures made, we included the GRI Content Index in the annex to this annual report. In the annex we also outline reporting scope and definitions of Eneco's entity specific disclosures, report on key figures and additional information about non-financial KPIs.

Towards CSRD-aligned reporting

While writing this report, we are in the process of preparing for upcoming regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD).

As this will have a significant impact on how we report going forward, we have initiated the implementation process in 2024 already. Consequently, the 2024 Annual Report has been prepared as a transitional 'bridge report'. This approach includes the adoption of a CSRD-aligned reporting structure, while continuing reporting with reference to the Global Reporting Initiative (GRI) Standards, as in previous years.

We have established a CSRD team that is embedded within Eneco's finance department. This team is responsible for CSRD implementation and ensuring that processes, tools, documentation and deadlines are aligned with our overall group reporting. The team also coordinates closely with our Strategy and Sustainability department to fully integrate CSRD throughout Eneco's operations and to embed material topics in our business strategy. The team is supported by working groups for each of the European Sustainability Reporting Standards (ESRS), consisting of internal specialists and subject-matter experts representing various departments such as Strategy, HR, Risk, IT, Procurement and External Reporting. A dedicated steering committee chaired by the CFO has full oversight and accountability over this process.

Despite recent proposals by the EU Commission regarding scope and timeline of the Directive, we acknowledge the importance of the CSRD and therefore decided to continue to invest in our process. In the coming years, we will focus our efforts on closing the identified gaps, improving our metrics and data collection efforts, communication and training of relevant stakeholders, and further maturing our reporting.

For our 2024 report, we conducted a Double Materiality Assessment (DMA). Our first DMA was instrumental for identifying relevant sustainability concerns and collecting different perspectives (see the DMA section for information). From this preliminary DMA we captured our learnings which will allow us to further refine our DMA approach for future reporting whilst ensuring compliance with the rapidly evolving regulatory landscape. For metrics and disclosures per material topic, we are referring to the GRI Standards, as we have done in previous years. This allows us to use existing data flows and methodologies while already testing our reporting processes and governance for full CSRD-readiness.

Sustainability ratings

Our customers, investors and other stakeholders value strong ESG (Environmental, Social & Governance) performances. We have chosen CDP, EcoVadis and SBTi as the parties that assess our sustainability performance in a complementary manner. This way, we, our customers, and other stakeholders know where we stand and how our ESG performance is evaluated.

CDP

CDP is a global non-profit organisation that for 25 years has managed an environmental disclosure system for companies, capital markets, cities, states and regions to manage their environmental impact. The organisation requests detailed information and then assigns a score from D to A. 24,800+ companies disclosed environmental data through CDP in 2024. These companies represent two-thirds of global market capitalisation, 93% of the FTSE100 and 85% of the S&P500.

Eneco has been awarded a score of B by the CDP for its efforts to combat climate change and a B- for water security. Our climate score exceeds the global and European regional average (C) and is equal to the average of the renewable power generation sector (B). The climate score is a decrease compared to 2023 (A-). The bar has been raised. The average climate score in Europe also has dropped from B to C. Our water score exceeds the global, European regional and the renewable power generation sector average (C).

EcoVadis

The EcoVadis Gold rating was obtained in early-2024, and reflects a Top 5% position (i.e. in the 95+ percentile) relative to all participating companies. EcoVadis rates companies on environment, labour and human rights, ethics and sustainable procurement performance.

CDP DRIVING SUSTAINABLE ECONOMIES

ecovadis

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

One Planet Plan

To live within the natural boundaries of the planet is a goal that Eneco believes in, and one that it strives to achieve. Unfortunately, mankind is exhausting the Earth. Ecosystems have no time to recover, biodiversity is threatened and more nature is lost than created. Climate change looms as we pour more carbon into the atmosphere than nature can absorb. If we want to pass on a liveable planet Earth to our children and the generations that follow, we have no time to lose. With this in mind, we have laid down our purpose and essence of our business strategy in our One Planet Plan.

The One Planet Plan (OPP) formulates our strategic sustainability priorities and thereby is inextricably linked to our corporate strategy and business plan. It is the point of reference for all our strategic and investment decisions. It represents the material Environmental, Social and Governance (ESG) strategically relevant topics identified in 2021 by our Supervisory Board in collaboration with internal and external stakeholders. The introduction of the Corporate Sustainability Reporting Directive (CSRD) has presented momentum to Eneco for updating its sustainability pillars. A Double Materiality Assessment was carried out, which broadened the number of topics we attend to at Eneco, such as 'Pollution' and 'Water and marine resources'. The material topics will be included in the update of the One Planet Plan which is planned next year. For now, it does not change the topics in which we want to be frontrunners in. These are leading sustainability topics that are linked to our strategy and One Planet Plan, as included in below graph. Please refer to our website for more information on the definition of our strategic sustainability priorities.

We are aware that the One Planet Plan's implementation depends on three critical success factors: its acceptance by society and our customers' willingness to change, effective policies, and economic and technological progress, for example in green hydrogen. We also acknowledge that certain aspects of achieving our sustainability objectives bring risks and challenges. We focus our effects on mitigating these negative impacts if possible while creating positive impacts as further outlined in this annual report.

Climate change
Climate neutral by 2035

Biodiversity
Net positive impact on biodiversity for new onshore assets

Society & Community
Fair and inclusive performance

Circularity
Circular company by 2050

One Planet Plan Governance

Because of its importance to Eneco, the One Planet Plan is included in the portfolio of the Chief Executive Officer (CEO), who is also the chairman of Eneco's Management Board. The Management Board has delegated its ESG responsibility to the chair of the OPP Steering Committee. The OPP Steering Committee is responsible for the Management Board's decision-making, progress and knowledge development in all matters concerning sustainability. Each business is responsible for translating the One Planet Plan strategy into implementation, including initial measurement and reporting and compliance with internal policies, laws and regulations.

Double Materiality Assessment

Methodology and process

As a key change in our reporting this year, we have updated our approach for identifying material topics. We have followed a four steps process, where we built on the results and understanding gained from stakeholder engagements in previous years, and embedded new CSRD concepts, meaning we further explored boundaries, value chains, time horizons and the concept of due diligence. However, we are not yet fully aligned with CSRD requirements. In the coming years, we will continue to mature our approach and implement mandatory DMA requirements.

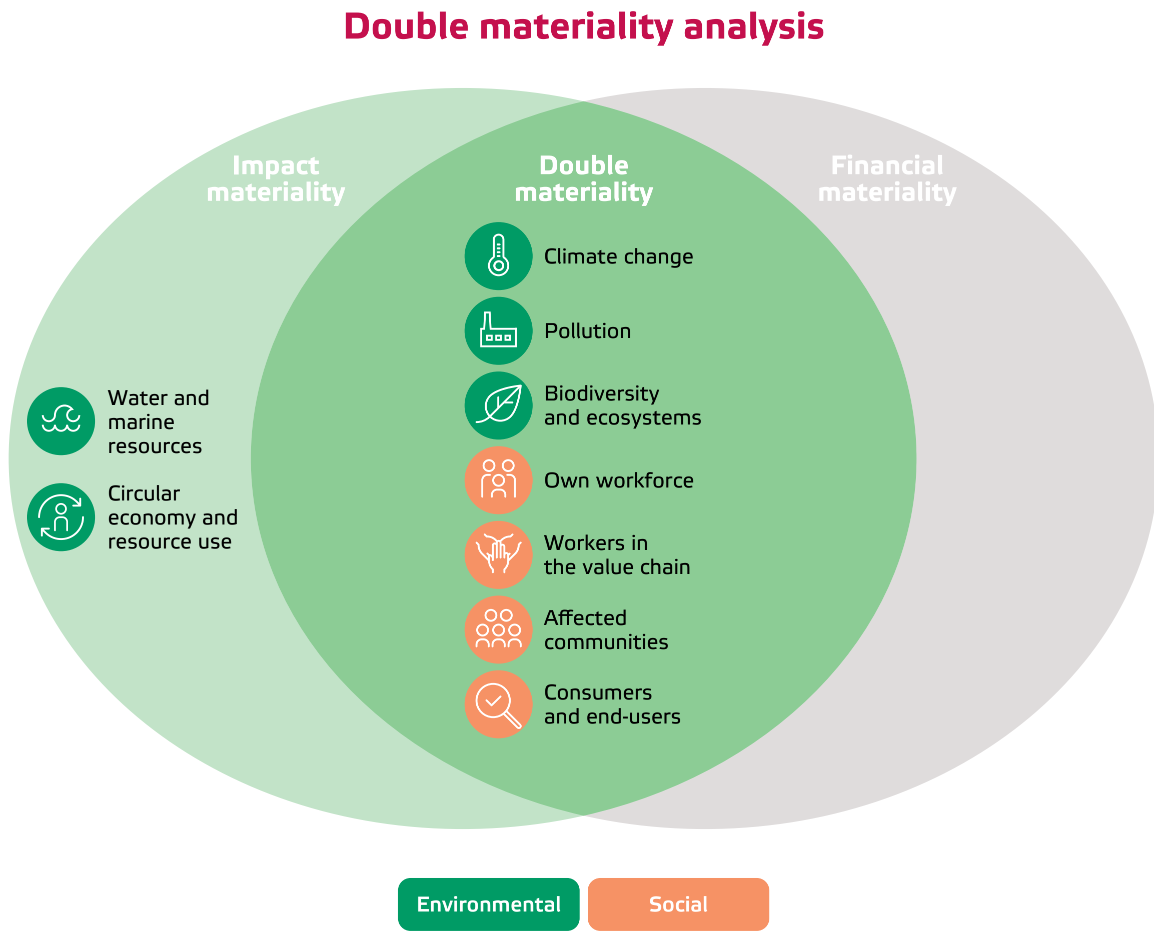
1. Understanding	To ensure a comprehensive list of potential topics for Eneco, we, the CSRD project team, conducted desk research, in which we reviewed our business operations, industry standards and various reporting frameworks. We interviewed and conducted workshops with internal stakeholders.
2. Identification	We then took a deeper dive into the topics listed together with selected topical experts, internal stakeholders and colleagues representing external stakeholders' perspectives (their close connection and collaboration with external stakeholders provides relevant insight). We identified potential impacts for Eneco in connection with each topic, whether directly through business operations or indirectly through relationships, and including positive and negative impacts and impacts in the short, medium and long terms. We also considered potential and actual financial effects for Eneco, whether positive or negative. We did this in workshops and interviews.
3. Assessment	Next, we worked with the same group as described in step 2. Identification to assess each impact, risk and opportunity. We applied criteria and thresholds suggested by the ESRS, after aligning them to our business. Based on these assessments, we assigned each of the topics a score according to its significance for Eneco, from both an impact perspective and a financial materiality perspective. We did this in workshops and interviews.
4. Determination	Based on the scores, we identified twenty-five sub-topics with impacts, risks and opportunities that were material for Eneco. We then clustered those sub-topics according to the relevant ESRS topical standards. This produced nine material topical ESRS, which revealed what disclosure requirements are relevant: 'Climate change', 'Pollution', 'Biodiversity and ecosystems', 'Water and marine resources', 'Circular economy and resource use', 'Own workforce', 'Workers in the value chain', 'Affected communities' and 'Consumers and end-users'.

Outcome of the Double Materiality Assessment

During the process we identified nine topics as material: Climate change; Pollution; Biodiversity and ecosystems; Water and marine resources; Circular economy and resource use; Own workforce; Workers in the value chain; Affected communities; and Consumer and end-users. When selecting those topics, we assessed all topics from both perspective of impact materiality and financial materiality, giving equal weight to both. The outcome is determined by the relevance of the identified impacts, risks and opportunities (IROs), meaning that certain topics are either material from an impact perspective, a financial perspective or both.

The outcome confirmed that climate change and other environment-related topics have the greatest materiality for Eneco. This aligns with our business strategy and the commitments that our company has undertaken. The outcome also showed that social impacts, such as executing the energy transition to bring benefits to local communities, will require added focus and greater future efforts. Pollution, Water and marine resources, Workers in the value chain, Affected communities and Consumer and end-users are newly emerging topics to Eneco. For our 2024 reporting, this meant that we have started understanding our impacts, risks and opportunities, started exploring our goals and approaches. We have deemed 'Business conduct' as immaterial, as the likelihood of identified impacts, risks and opportunities materialising is considered very low. This is due to the advanced implementation of business conduct processes, controls, and mitigation actions already in place, which are described in the Corporate Governance chapter of this annual report. These systems meet respective standards and are audited by third parties. We acknowledge how important good business conduct is and as part of our ongoing commitment to IROs management, we will continue to carefully monitor and manage it beyond our reporting.

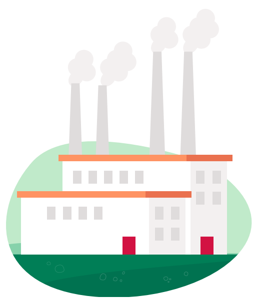
With material topics identified, we are in the process of incorporating them into our One Planet Plan, governance considerations and integration of key performance indicators, new targets and action plans that we will be reporting during the years ahead. For further details, see the separate sections on each of the topics.



Environmental

The environment is a complex and dynamic system that underpins all life on Earth. It includes the air we breathe, the water we drink, the soil in which we grow plants, the climate and the biodiversity that supports our ecosystems. It is now more important than ever to be aware of how our activities impact the natural environment, positively and negatively. At Eneco we therefore address material topics: Climate change, Water and marine resources, Biodiversity, Pollution and Circular economy and resource use.

This section presents our commitment and efforts towards these topics.



Total emissions
Absolute (x 1,000 tonnes CO_2eq) and relative changes (%) compared to 2023

Scope 1: +2% **+21**
Scope 2: +28% **+13**
Scope 3: -5% **−440**

Climate change

Long-term goal	• Climate neutral by 2035
Results 2024	• Well ahead of planned reduction of carbon emissions to 9.3 Mtonnes of CO_2-eq
Outlook	• Dependencies on governments, consumers and businesses and other uncertainties interfering the achievement of our One Planet Plan goals

Climate neutrality, or net-zero as it is also known, refers to a situation where carbon emissions are being cut down to a small enough amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero in the atmosphere.[1] This is done by reducing emissions in accordance with, or more than, the 1.5ºC emission pathway, through energy savings and production and supply of sustainable energy or by neutralising the residual emissions through the permanent removal of CO_2-eq from the atmosphere.

At Eneco we are committed to achieving climate neutrality for our company and our customers and suppliers by 2035. Our One Planet Plan emission pathway sets a mid-term target of 60% by 2030 relative to our baseline year of 2019 (see Key figures). Our reason for using 2019 as our baseline year is that it was the most recent year for which results were available when we drafted our climate plan.

The energy transition is progressing steadily. Reverse government decisions affecting the sale of heat pumps and investments in collective heat networks are working against our climate ambition. However, since the launch of our One Planet Plan in 2021, two causes have been decisive and the reason why we are well ahead of our One Planet climate path:

- In 2022, we stopped selling new fossil electricity to business customers.
- Despite the fall in energy prices since the recent energy crisis, the heat and gas demand of many Dutch households and businesses remains significantly below pre-2022 levels.

The natural gas business makes up a significant proportion of Eneco's revenues. Even so, Eneco wants to eliminate its customers' reliance on natural gas by 2035. In the short term, gas revenues and margins are expected to fall as insulation improves and customers adopt new energy-saving solutions such as heating electrification. To adapt, Eneco

1 List of terms sustainability | Eneco.

is investing in sustainable heating alternatives, including district heating and heat pumps. Eneco is also exploring new income sources such as electric transport, green hydrogen for industry and flexible demand-side response.

Regarding our gas-fired plants we are investigating how to phase out the reliance on fossil fuels, while continuing to ensure security of supply for our own portfolio as well as the energy systems we operate in. Solutions could include further increasing the penetration of renewable sources to reduce the annual run hours of the gas plants, converting the plant to green hydrogen, deploying green gas, divestment or closing the plant.

In the coming years, we expect to remain ahead of (or at the same level as) that pathway, based on the current organisational scope. Even more long term however, our emission reduction capacity is more uncertain as it depends on the extent of heat pump adoption, district heating expansion and the development of low-carbon flexible power capacity. In addition, we recognise the dependency to accelerate the pace of this energy transition on working together with customers, the world around us and local partners such as residents, municipal authorities, housing corporations and energy cooperatives.

Our impact, risks and opportunities

The DMA identified the following material impacts, risks and opportunities (IROs) with regard to Climate change:

- Negative impact resulting from GHG emissions emitted by Eneco customers, mainly resulting from the burning of natural gas for heating and cooling.
- Negative impact by emitting Scope 1 and Scope 2 greenhouse gases through operations (e.g., natural gas used to produce electricity in power plants or purchased electricity, steam, heat and cooling).
- Negative impact through energy use and emitting greenhouse gases throughout value chains, e.g., as result of manufacturing solar panels and wind turbines and gas exploration, production and transmission.
- Positive impact on energy transition and climate mitigation by providing sustainable energy products and services, e.g., products and services based on solar, wind, batteries and hydrogen.
- Opportunity to establish Eneco's reputation as leading company in the sustainable energy market, leverage circular economy concepts to mitigate the materials related footprint, gain a greater market share and expand business operations.
- Opportunity to benefit from financial resources, including government incentives for sustainable energy projects and green bond issuances.
- Risk of drop in demand for Eneco's services as a result of climate change, for example milder winters that require less heating, reduced demand for energy due to an increase in self-generated electricity and heat (solar panels/heat pumps).

Our approach

The following sections outlines how we have approached our impacts, risks and opportunities during the reported year. To draw on the best available data, results and developments discussed in this sub-section Climate change cover the 12-month period from 1 January to 31 December 2024 for comparison reasons.

2024 emission reduction efforts and results

We measure our progress towards achieving our goal of climate neutrality and thereby managing our impacts, risks and opportunities, using the Value Chain Carbon Footprint (VCCF). It covers the emissions from our entire value chain, with reference to the GHG Protocol:

- Scope 1: direct emissions from activities with operational control.
- Scope 2: emissions from procured electricity and heat for our own use.
- Scope 3: upstream and downstream emissions in our value chain.

In 2024, we succeeded (according to plan) in reducing the VCCF, i.e. the emissions from our entire value chain, to 9.3 Mtonnes of CO_2-eq (9,314 x1,000 tonnes of CO_2 emissions and other GHG emissions (measured as CO_2 equivalents). This is 2.5 Mtonnes below our One Planet Climate Target of 11.8 Mtonnes of CO_2-eq for the year 2024, and a slight decrease of 0.4 Mtonnes compared with the 9.7 Mtonnes CO_2-eq emitted in 2023. We achieved this by:

- Increased proportion of renewable electricity supplied, due to the business segment's stop on contracting grey electricity since 2022, which rose from 85.7% in 2023 to 91.7% in 2024. The result is a lower emission factor – including upstream emissions – for the electricity that we supplied (36.8 kg of CO_2-eq/MWh in Scopes 1, 2 and 3 in 2024 versus 59 kg in 2023). The electricity that we supply to consumer customers in each of our countries has been renewable for more than 10 years, as has the electricity for business customers of LichtBlick. In 2024, all new electricity contracts that we signed with business customers in Belgium and the Netherlands were for renewable supplies only. We are phasing out existing fossil electricity contracts, and in a few years' time we will supply only renewable electricity to both consumers and business customers. This increased proportion of renewable electricity in our total supplies, combined with other factors, helped our emissions to drop by 588 x 1,000 tonnes of CO_2-eq compared with the emissions from our electricity supplies in 2023.
- Increased customer investments in insulation and sustainable heating solutions, due to the high energy prices in recent years, reducing the demand for natural gas by 9.1% compared with 2023. Almost 80% of our GHG emissions are released by the energy – predominately from natural gas – that is used by our customers. Contributing factors included the continued warm weather and high energy prices. This drop appears to be structural, particularly among households. Part of the shift comes from customers' efforts to improve insulation and use heat pumps, although customers' behaviour is also shifting, as they set their thermostats to lower temperatures.

The CO_2 emissions from Eneco's heat supplies increased from 35.4 kg CO_2/GJ in 2023 to 39.2 kg CO_2/GJ in 2024, excluding upstream emissions. This increase was due to the fire at AVR Rozenburg in Rotterdam in 2023. As a result, the largest and most sustainable source of Eneco's heating network in Rotterdam and the surrounding area was unable to supply heat throughout the year. To ensure continuity of heat supply, temporarily less sustainable sources had to be used. At the same time, we continued to make other heat sources more sustainable. For example, we opened a large-scale heat pump at the Utrecht wastewater treatment plant, providing approximately 20,000 households in Utrecht and Nieuwegein with sustainable heating. Additionally, we installed electric boilers and heat buffers in Utrecht and invested in biomass-based heat in Amersfoort.

Eneco's total emissions over the period from 2019 to 2024 are lower than the One Planet Plan emission pathway until year-end 2024. Eneco is now ahead of its One Planet Plan emission pathway by 7.8 Mtonnes CO_2-eq.

The emission factor of the total energy supplied throughout our value chain (gas, electricity and heat in Scopes 1, 2 and 3) in 2024 was162.3 kg of CO_2-eq/MWh (2023: 154.8). The table below shows this figure broken down by Scopes 1,2 and 3.

The emission factors of our gas supplies vary per country: the Netherlands recorded 218.4 kg of CO_2-eq/MWh (2023: 212.8), Belgium recorded 209.4 kg (2023: 209.4) and Germany recorded 203.2 kg (2023: 207.5). These figures include upstream emissions.

Value Chain emissions of supplied energy [kg CO_2-eq/MWh]	2024	2023
Scope 1	*20.7*	*18.6*
Scope 2	*1.0*	*0.7*
Scope 3	140.5	135.5
Total	**162.3**	**154.8**

Carbon Budget and Carbon Budget Conservation

Eneco uses a system of a One Planet Carbon Budget and Carbon Budget Conservation. The One Planet Carbon Budget is the area below the Eneco One Planet Plan emission pathway, which is lower than the emission cap needed to stay within 1.5ºC established in accordance with the guidelines of the Science Based Target Initiative (SBTi). In 2024, 48% of the total One Planet Carbon Budget of 153.2 Mtonnes CO_2-eq has been used (73.0 Mtonnes CO_2-eq emitted during the 2019-2024 period). The remaining balance of the One Planet Carbon Budget is therefore 52% (80.2 Mtonnes CO_2-eq), of which 7.8 Mtonnes CO_2-eq are stored as Carbon Budget Conservation. The accrued Carbon Budget Conservations is mainly from stopping the sales of new fossil electricity contracts to business customers and the drop in heat demand from our customers due to hot weather and high prices.

Carbon Budget Conservation is the accumulated lead of CO_2-eq relative to the One Planet emission pathway, which is available for use at any time. Carbon Budget Conservation allows us to assign value to non-produced emissions from the past that is available for use in the future. Through this, we are more flexible to follow our pathway long term, even if we deviate at certain moments due to natural investment moments or other reasons.

Breakdown of total emissions by scopes and categories

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

Eneco's chosen preferences and interpretations are set out in the N.V. Eneco Greenhouse Gas Accounting Manual (PDF). This manual provides guidelines and information about Eneco's accounting policies, processing methods and disclosures, and it explains how emissions are to be measured, processed and disclosed for external reporting purposes.

- Scope 1 –direct emissions from our own operational activities (mainly natural gas used for producing electricity and heat in our energy plants): 1,190 x 1,000 tonnes of CO_2-eq (2023: 1,169).
- Scope 2 – indirect emissions as a result of purchases of electricity, steam, heat and cooling for our own use: 58 x 1,000 tonnes of CO_2-eq (2023: 46).
- Scope 3 – indirect emissions from upstream and downstream activities: 8,066 x 1,000 tonnes of CO_2-eq (2023: 8,505).

This represents a small increase relative to 2023 of 21 x 1,000 tonnes of CO_2-eq for Scope 1, 13 x 1,000 tonnes of CO_2-eq for Scope 2, and a drop of 440 x 1,000 tonnes of CO_2-eq for Scope 3.

The table below shows the greenhouse gas emissions broken down by scope and by category for the past year, the previous year relative to it, and the base year, with reference to the GHG Protocol.

Eneco's value chains also include biogenic emissions: CO_2 emissions from incineration or biological decomposition of biomass (source: GHG Protocol). These emissions are reported separately, as required by the GHG Protocol. In 2024, the biogenic emissions in Scope 1 were 572 x 1,000 tonnes of CO_2 (2023: 575). Details of the biogenic CO_2 in the other scopes are not available at this time, and will require further research. Besides biogenic emissions, Eneco also reports optional information about emissions from energy that was not supplied to end-users, as per the GHG Protocol. In 2024, this concerned 35.7 x 1,000 tonnes of CO_2-eq. In 2023 and 2019, the volumes were 155 and 78 x 1,000 tonnes of CO_2-eq, respectively. Eneco's termination of power and gas supply to several third-party suppliers led to a decline in the 2024 optional disclosed emissions.

Value Chain Carbon Footprint (VCCF)[1]	CO_2 equivalent emissions (tonnes x 1,000) 2024	2023	2019
Scope 1 - Direct emissions			
Fleet (commercial vehicles and company cars)	1	1	3
Energy production by gas-fired power stations	1,189	1,168	1,738
Refrigerant leakages	0	0	0
Total in Scope 1	**1,190**	**1,169**	**1,741**
Scope 2 - Indirect emissions from procured energy (market-based)			
Electricity procured for own use	0	0	0
Heat procured for own use	0	0	0
Heat procured for distribution losses on supplied heat	58	46	73
Total in Scope 2	**58**	**46**	**73**
Scope 2 - Indirect emissions from procured energy (location-based)			
Electricity procured for own use	2	2	1
Scope 3 - Indirect emissions in the value chain			
Category 1 - Goods and services procured[2]	97	146	149
Category 2 - Capital goods procured[3]	260	101	
Category 3a - Upstream emissions from fuel procurements	238	249	96
Category 3b - Upstream emissions from energy procurements	0	0	0
Category 3c - Emissions from transmission and distribution losses on procured energy	87	90	629
Category 3d - Emissions from sales of electricity and heat not produced by Eneco	152	301	3,725
Category 4 - Upstream transport & distribution of goods	*n/a*	*n/a*	*n/a*
Category 5 - Waste from operating activities	*n/a*	*n/a*	*n/a*
Category 6 - Business travel	0	0	0
Category 7 - Commuting	2	1	2
Category 8 - Upstream leased assets	*n/a*	*n/a*	*n/a*

1 In order to provide greater transparency, effective 2023 the VCCF information is broken down. Previously the breakdowns of the VCCF information were reported on Eneco's website. The results for 2023 and 2019 are included for comparison purposes. However, those figures were not included in Deloitte's limited assurance activities.
2 Categories 1 (goods and services procured) and 2 (capital goods) in Scope 3 were previously reported together. However, effective 2023 these categories are reported separately.
3 Since this year Eneco uses a different database to calculate spendbased emission for scope 3, category 1, and category 2. This new database is more up-to-date and allows for more distinct calculation per country that Eneco is active in.

Value Chain Carbon Footprint (VCCF)	CO_2 equivalent emissions (tonnes x 1,000) 2024	2023	2019
Category 9 - Supplies of products to customers (by external operators)	*n/a*	*n/a*	*n/a*
Category 10 - Processing of goods sold	*n/a*	*n/a*	*n/a*
Category 11 - Consumption of energy sold	7,230	7,616	10,069
Category 12 - Treatment of waste from products sold	*n/a*	*n/a*	*n/a*
Category 13 - Assets and products leased out	*n/a*	*n/a*	*n/a*
Category 14 - Franchises	*n/a*	*n/a*	*n/a*
Category 15 - Investments	*n/a*	*n/a*	*n/a*
Total in Scope 3	**8,066**	**8,505**	**14,670**
Value Chain Carbon Footprint (VCCF) of N.V. Eneco[1]	**9,314**	**9,720**	**16,485**

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

Science Based Targets

In 2022, Eneco became one of the first group of companies to receive SBTi approval for its net-zero target for 2035 for the entire value chain (Scopes 1, 2 and 3), based on the 1.5ºC pathway with 2019 as the base year. The table below shows Eneco's commitment and cumulative progress, in percentage, towards achieving our science based targets:

Science Based Targets	2024 (% towards achieving target)	2023 (restated)[1]	2023 (previously disclosed)	2019
92% reduction of absolute Scope 1, 2 and 3 GHG emissions by 2035 compared with base year 2019[2]	47%	45%	41%	0%
95.3% reduction of Scope 1 GHG emissions from power and heat production per MWh by 2035 compared with base year 2019[2]	34%	35%	34%	0%
94.4% reduction of Scope 1 and Scope 3, fuel and energy-related activities, power production GHG emissions per MWh of all electricity sold to end users by 2035 compared with base year 2019[2]	84%	70%	66%	0%
90% reduction of absolute Scope 3 GHG emissions from the use of sold products by 2035 compared with base year 2019	31%	27%	24%	0%

1 In last year's report, Eneco disclosed progress from the base year. In this annual report and in future reports, Eneco states the progress towards achieving net-zero in 2035.
2 The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Pollution

Pollution is a newly identified material topic for Eneco resulting from the DMA. 2024 was the year we started our efforts. Our long-term goals and general approach will be influenced by findings we make and thereby will be further developed in the coming years.

Results 2024	• Enhanced processes for identifying pollutants and updated the process for measuring polluting substances
Outlook	• Improve measurement polluting substances • Further assess our impacts, risks and opportunities throughout our value chains and work on policies, actions and targets.

Besides GHG emissions, pollution of air, water and soil is increasingly contributing to the current environmental challenges. Eneco's conventional energy plants emit polluting substances during the construction and use phases. In addition, during the construction and use of renewable assets such as wind farms, solar farms and batteries, pollutants could be released into air, water and soil quality with potentially negative impacts. Eneco's contribution to the issue underscores the importance to act.

Our impacts, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Pollution.

- Negative impact on human health and the environment resulting from the release of polluting substances (e.g. particular matter, Sox, Nox, VOCs and Haps) into the air, water and soil by Eneco's first tier supplier and a broader supply chain, for example resulting from mining, gas exploration and the manufacturing of solar panels and wind turbines.
- Risk as obtaining environmental permits will become increasingly difficult, or even impossible, for existing or new energy production, transmission and/or storage facilities in connection with the NOx that is released into the environment.

Our approach

In 2024, Eneco has been tracking polluting substances that are emitted into air and water, using the electronic annual environmental reports (e-MJV) required by the Dutch authorities for gas-fired power plants, biomass plants and Combined Heat and Power (CHP) plants. More information can be found on our website. In the coming years, Eneco will report material pollutants in its annual report.

Eneco is investing in more renewable energy and flexibility, which will make us less dependent on conventional assets. Moving forward, thereby we will be able to mitigate the exposure of polluting substances to water and prevent the negative impacts on nature and human health. 2024 was the year in which we prepared for this by identifying needs, making plans for formalising this further.

Beyond this, we are committed to researching impacts further and to exploring what options are available in connection with the negative impacts described above.

Water and marine resources

Water and marine resources is a newly identified material topic for Eneco resulting from the DMA. 2024 was the year we started our efforts. Our long-term goal and general approach will be influences by findings we make and thereby will be further developed in the coming years.

Results 2024	• Identified negative impacts throughout our value chains
Outlook	• Further assess our impacts, risks and opportunities throughout our value chains and establish policies, actions and targets.

Eneco relies on water for its operations. Considering that water scarcity increasingly becomes a global threat, water conservation is essential. Therefore, we are committed to using water resources responsibly and sustainably. Marine ecosystems are increasingly under stress through factors such as wastewater discharge or pollution, yet their health is essential for safeguarding biodiversity and managing climate change.

Our impacts, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Water and marine resources.

- Negative impact on the environment due to large quantities of water required for fracking of gas in US exacerbating the issue of water scarcity and putting additional strain on water resources.

Our approach

As this is an emerging topic for Eneco, 2024 was the year in which we started researching our impacts, risks and opportunities, furthermore exploring our pathways for mitigating negative impacts in the value chains. Eneco will research the impacts and explore the possibilities available to Eneco.

Biodiversity and ecosystems

Long-term goal	• All onshore investment decisions on renewable energy assets must have a net positive impact on biodiversity
Results 2024	• Management Board decision to have all onshore investment decisions committed to restoring biodiversity to at least 110% compared with the state of nature at the start of the project, as of 2025. • Setup and piloting of biodiversity metric to measure results in support of decision
Outlook	• Further assess our impacts, risks and opportunities throughout our value chains and work on policies, actions and targets.

Biodiversity[1] is the term used to describe the variety of life on Earth. Such diversity is vital to ensure that nature is resilient and the planet remains habitable. Unfortunately, biodiversity is under tremendous pressure globally. Since 1970, according to the Living Planet Report 2024 published by the World Wildlife Fund (WWF), populations of fish, birds, mammals, amphibians and reptiles worldwide have declined by an average of 73%. To reverse the loss of biodiversity, Eneco wants to take full responsibility for protecting biodiversity related to all its new onshore assets, such as wind and solar farms, heat grids and storage installations. Support for the energy transition will only be maintained if it is not at the expense of the impact on biodiversity.

Eneco's ambition for biodiversity is that, from 2025, all its onshore investment decisions in scope (§2.1 Code of Conduct on Biodiversity) will have a net positive effect on biodiversity. To reach our biodiversity goal of net positivity, Eneco is committed to restoring biodiversity to at least 110% compared with the state of nature at the start of the project. We will achieve this by minimising negative impacts on biodiversity as we develop and carry out new projects, and by investing in nature restoration and development. We will ensure that valuable, more species-rich nature develops compared with the current situation. Eneco will take its impact on local biodiversity into consideration in all decisions to realise, implement or decommission an asset.

1 Biodiversity: the variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and ecosystems. Source: biodiversity | IPBES secretariat.

Our impacts, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Biodiversity.

- Negative impact on biodiversity and ecosystems by Eneco's operations, for example through land use for energy production sites, marine system use from offshore wind, water use for cooling, emission of polluting substances and GHGs.
- Negative impact across Eneco's value chain, for example land use changes for mining, pollution related to the manufacturing of wind turbines and solar panels and GHG emissions related to natural gas exploration, production, transportation and use.
- Risk of raising standards to prevent damage to biodiversity and ecosystems resulting in increased difficulty to obtain the environmental permits to operate and develop (new) energy projects and exposure to litigation by NGOs and local communities.

Our approach

Code of Conduct on Biodiversity

Eneco naturally adheres to all relevant national and international rules and regulations. However, in achieving a net-positive impact on biodiversity, and thereby avoiding and mitigating its negative impacts described above, we have to go beyond compliance. For that reason, Eneco has adopted a Code of Conduct on Biodiversity (PDF).

The Biodiversity Code of Conduct, which we developed in partnership with Arcadis, describes the approach we are taking, including methods to measure our ambition, steps and monitoring mechanisms. It also demands certain behaviour from our suppliers involved in the construction, operational and decommissioning phases, necessary for reaching our goal of net positivity.

Biodiversity Metric method to assess new assets

To make our ambition measurable and thereby monitor our progress, we are using the Biodiversity Metric, a tool developed by Defra, the UK's Department for Environment, Food and Rural Affairs, and further modified by Arcadis to make the method applicable to the type of assets Eneco invests in.

Whenever we wish to develop a new solar, wind, large-scale batteries or heat asset, we use the Biodiversity Metric method to quantify biodiversity losses (due to project impacts) and gains (specific improved conditions, restoration and restoration measures) in order for each onshore project to contribute to our goal. We apply this approach on top of permitting requirements. Eneco's focus will initially be on preventing damage to nature. If it becomes impossible to avoid any harm at all, we will study possibilities for mitigating it or else restoring nature. The basic premise is that biodiversity must ultimately be at least 110% of the site's biodiversity before the development began. After the construction phase of a new asset, a nature management plan goes into effect. That management plan describes how to manage the local nature during the years that follow to achieve the biodiversity goal. In addition, the site will be monitored to assess whether the intended nature restoration is actually taking hold. A monitoring plan is drawn up for each renewable energy project, based on a monitoring framework. The purpose of the monitoring plan is to establish in advance what indicators will be measured and what measurement methods will be used, as well as other details such as location, timing and frequency and division of roles. If the monitoring results show that the targets will not be met, we will have sufficient time to evaluate the actions implemented and adjust the nature management efforts to as yet achieve the targeted result.

At this time, the Biodiversity Metric cannot be used for marine habitats. Eneco has asked Arcadis to research the possibilities; the results of that research is discussed with Defra, experts and NGOs. We believe that establishing biodiversity criteria in parameters for tenders is an essential parameter for achieving a positive impact on biodiversity, including in bidding projects. Eneco advocates including biodiversity measures in tenders to achieve a positive impact with a level playing field.

Methods to monitor the biodiversity impacts of companies are multifaceted and still evolving. We are proud of our partnership with Arcadis and how we have involved NGOs in developing our Biodiversity Metric method and our Code of Conduct. Moving forward, we will continue to involve NGOs in our further monitoring efforts and hopefully broaden the method's scope of application to include offshore assets.

Habitat restoration and formation

Eneco is actively involved in drafting an EcoCertified Solar Parks Label. Eneco's roles include chairing the Ecology Working Group at Holland Solar. In addition, measures to improve biodiversity have been implemented in several projects, with habitat restoration being a priority. Examples include the measures to encourage oysters at the offshore wind farms Borssele III and IV and Luchterduinen, the breeding island for common terns at the Delfzijl Noord wind farm and the creation of thickets and woodland at the Bosruitertocht wind farm in Zeewolde. The suitable habitats that we create offer numerous species somewhere to live and boost local populations.

Bird conservation through curtailment mechanism

Wind turbines we operate may present risk of a significant impact to species. Birds could be injured or killed as they pass through a wind farm. Our definition of significant impacts follows the wording used in European laws and regulations on protecting Natura 2000 values. A significant impact occurs if the plan or project makes it difficult to achieve the conservation objectives as set out in the designation decisions for the Natura 2000 sites. In addition, a decrease of 1% or more in the population of a species is also considered a significant impact. Therefore, to eliminate this risk of a significant impact on these species we have pilot windfarms where, a start-stop mechanism is in operation, linked to a radar system that can detect when birds are about to pass through the windfarm. This leads to the temporary shutdown of the wind turbines, mainly during the breeding season, when the greatest impact can be expected.

Mitigation efforts for river water interference

Eneco's conventional assets such as gas-fired power plants are cooled using river water. Eneco continuously monitors the temperature of its cooling water discharges and shares the data with the Dutch authorities, thereby helping to minimise potential impacts on the river ecosystem. This approach makes it possible to undertake action in time to avoid harmful environmental impacts, such as fish deaths, from higher river water temperatures.

Circular economy and resource use

Long-term goal	• Become a circular business by 2050
Results 2024	• Identified impacts, risks and opportunities. • Conducted pilot programs for improving circularity performance on material flow and usage. • Initiated a system for measuring circularity metrics to enable performance management.
Outlook	• Report results on measuring material usage and start monitoring. • Further assess our impacts, risks and opportunities, understand dependencies and uncertainties, and establish policies, actions and targets.

Eneco is making substantial efforts to help limit climate change by investing in the energy transition. However, the energy transition requires numerous materials and products to overhaul our energy infrastructure in a very short amount of time. Eneco recognises the importance of adopting circular business practices to preserve resources and to reduce waste. We thrive to see responsible action on circularity throughout our value chain, affecting every stage from raw material extraction and our suppliers' production processes (material inflow) to the construction and manufacture and the end-of-life processing of our assets and products (material outflow). Our complex and resource-intensive value chain makes resource use and circularity a crucial focus for us.

We expect to start reducing our negative impacts on circularity and material use during the years ahead and step by step move towards reaching our goal to become a fully circular business by 2050.

Our impacts, risks and opportunities

At this moment in time, our material outflow and waste are minimal: most of our assets and products are still in their use phase. As our assets and delivered products age, waste and material outflow will become more and more relevant and we expect this to increasingly become a strategic priority during the years ahead.

With this in mind, we are focusing our current efforts on material use in the upstream value chain. This involves key roles for ourselves, our partners, our suppliers (Tier 1) and our suppliers' suppliers (Tier 2 and beyond). We have identified the following negative impacts when it comes to material inflow and usage:

- Negative impact on the depletion of non-renewable resources used to produce equipment in Eneco's operations (e.g. steel, concrete, rare metals, silicon, cobalt and other materials used in the manufacture of wind turbines, batteries and photovoltaic panels).
- Negative impact on the environment and the livelihood and health of local communities through pollution and deforestation from mining and smelting.
- Negative impact on the environment and people's health through waste generated in the upstream value chain (our suppliers) and improper recycling and disposal of hazardous materials, batteries, landfill, unfiltered incineration, release of toxic chemicals or heavy metals and hazardous waste.

Our approach

At Eneco, circularity is still in its early stages, as it seems for many of our peers. With this in mind, our primary focus is on improving data availability and quality, which will enable us to track our performance towards managing our negative impacts. For this we are establishing methodologies and policies, and working together with our supply chains by sourcing more data directly from our assets and suppliers. Next to that, we are exploring how to reduce our material consumption and prolonging the lifecycle of our materials. We have set up a number of pilot projects described below. In addition, we are in the process of making plans to increase the durability, recyclability and repairability of our wind turbines to minimise material consumption and waste, mitigating our impacts.

Responsible use of materials

We are taking various measures in pursuit of our ambition to become a circular business. We are reducing GHG emissions from products and materials purchased in our upstream value chains, we aim to minimize waste by extending the useful lives of our assets and we are exploring how to make smarter use of materials by reusing and recycling them. The principal focus is on the wind, solar, heat and commercial batteries value chains, which consume the most materials and products in their realisation.

Reduced use of virgin materials for wind turbines

Our wind value chain is where most of our material consumption occurs. This is only logical, considering how large the wind turbines are. Our main priority is to increase the durability and recyclability of our wind farms. During the reported year, we further explored possibilities. Findings will serve as input for our approach and developing further plans, actions and setting targets.

Social

Own workforce

We are committed to ensuring that our operations prioritise our workforce and nurture a safe, open and inclusive work environment.

Long-term goal	• Continue and improve to provide an inclusive, diverse and safe working environment. • Foster innovation, well-being and greater job satisfaction of employees
Results 2024	• Improved diversity ratios, yet not all targets are met on diversity, equity and inclusion. • Employee Net Promoter Score, measuring employee satisfaction, decreased during the reporting year. • Performed well on recordable injury frequency (RIF) for Safety, Quality and Security
Outlook	• Further assess our impacts, risks and opportunities and work on policies, actions and targets.

Our business operates within the context of a society and with each of our projects, we reach, affect and interact with individuals, partners and other stakeholders. Safeguarding their well-being and meeting their interests is thereby a priority. At Eneco, we are committed to managing the impacts we have on our own workforce, workers in the value chain, the communities around us and end-users.

Our impacts, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Own workforce:

- Negative impact on employees' health and safety (including contractors) by managing unsafe situations that result in injury or work- related illness and longer-term effect on health.
- Positive impact by providing good employment terms and working conditions for employees and contractors.
- Positive impact by providing training and skills development to upskill employees and contribute to their development and career growth.
- Positive impact by providing equal treatment and opportunities for all, taking care of gender equality and equal pay for work of equal value, ensuring employment and inclusion for persons with disabilities, installing measures against violence and harassment in the workplace, and promoting (neuro) diversity (age, gender, cultural background, etc.).

Our approach

In 2024, we made important strides in diversity, talent development, wellbeing and leadership. Our focus is on growth and engagement, from promoting gender equality in management positions and setting up new Business Resource Groups to further fleshing out the Eneco Development Programme.

Another priority is the wellbeing of our people, with initiatives to prevent stress and to nurture health and sustainable employability. Our collective efforts will help us to create a strong and future-proof organisation where everyone feels comfortable and has room to excel.

Diversity, equity and inclusion

We believe that a strong culture stands on foundations of diversity. An organisation that truly values different perspectives and draws on them will see its teams innovate, make better decisions and deliver excellent performances. Eneco is dedicated to offering an open, inclusive and safe working environment, where every member of the team can put their unique talents to use.

In 2024, our targeted policies included actively recruiting female applicants for key positions and closely monitoring progress through quarterly reviews within the Management Board. Women make up 50% of the Management Board. We reached this milestone two years ahead of schedule. Female representation on the Supervisory Board has improved from 14% to 29%. Despite the good progress at the top management level, the balance between men and women at the sub-management level was 33%. Although this is a step forward from the initial 27%, it still falls short of our original target of 37% for 2025. We will review our performances to determine how best to move forward, including redefining our approach and KPIs. An initial observation is that we need to sufficiently strengthen the talent pipeline to support the advancement of women in senior management positions.

To better reflect society, we are committed to expanding our focus from gender to cultural balance, accessibility and inclusion. In early-2025, we achieved a new milestone when we formally integrated Business Resource Groups (BRGs) into our updated diversity, equity and inclusion (DEI) strategy. Active BRGs help to foster wellbeing, safety, engagement and ultimately greater inclusion at Eneco. Besides our existing employee networks such as women's network LEAD, informal leadership network Influencers and the Eneco Young Professionals Network, we also introduced three new BRGs: Neurodiversity, Pride Power (LGBTQ+) and Expats. Each of these networks is sponsored by a member of the Management Board.

Eneco continues to report to the Social and Economic Council of the Netherlands (SER) on its DEI progress and its plans of action, which reinforces our commitment to transparency and continual improvement. Integrating DEI into every aspect of our company enriches our culture, improves our performances and promotes our mission.

Employee satisfaction

As part of our annual employee survey, we measure our employee satisfaction with help of the Net Promoter Score (eNPS). In 2024 the eNPS score dropped to 44 from an average score of 54 in 2023. We anticipated this: our organisational changes and restructuring did cause worries. In addition, economic uncertainties and (geo)-political instabilities impact the mindset of our people.

The drop indicates that our people are less likely to recommend us as an employer to the people around them. Still more than half of our group employees rate Eneco at 7 or 8 out of 10 as an employer. This is similar to last year (2023: 55%, 2024: 55%). However, less employees rate Eneco at 9, and more provide a score of 6.

The survey also shows that what our employees appreciate most is the flexibility that Eneco offers, for example the possibility of hybrid working (combining working from home and at the office), the enjoyable/challenging work and the pleasant atmosphere. Improvement points are bureaucracy and collaboration between teams. Overall, people are proud to work for Eneco (78%), they feel included in the organisation (78%) and they say that our mission and goals energise them (75%). Most colleagues also want to stay with Eneco (80%). The majority of our employees answered that they feel motivated to contribute to changes that our organisation needs to make.

	2024	2023	Target 2024
Total	44%	54%	52%

Talent development

One of Eneco's people focus areas during the financial year was talent development. With the continuing scarcities on the labour market, talent development and retention are important. Next to our regular Perform & Grow cycle, we have initiated several new interventions. As part of the year's Perform & Grow cycle, managers and team members discussed conduct, work, wellbeing and development. We nurture that development with a broad selection of learning interventions, which we set up with help from the respective departments establishing Eneco Academy. This year, we drew on the full range of possibilities that the system offers and developed a large selection of digital learning paths.

Vitality and wellbeing

Other areas of attention included reducing absenteeism rates, improving our standard of service towards employees, supporting managers and fostering a culture that centres on health and prevention. We monitor this by introducing our new leave registration system Paradigma Online and working closer together with working conditions service De Arbodienst.

As a key milestone in our approach, we carried out a Preventative Medical Survey (PMS). That survey provided 1,351 of our people with valuable information about their health, to help them take a proactive approach to their wellbeing. The PMO also supplied management teams (MTs) with valuable (anonymised) data about health, performance and employability. A team of specialists discussed the findings from the PMO and the sick leave rates with 20 MTs. Vitality and wellbeing now have a more prominent place on the agenda.

Leadership and culture

Eneco's leadership underwent a major change this year when the Squad initiative was launched. The Squad initiative is a series of intensive coaching and close interaction, which helped to establish a small but powerful core team of leaders. With the Management Board's input, they took only a short time to present a new organisation design and realise significant cost savings and performance improvements. A series of offsites and leadership meetings throughout the year helped to bring many of our leaders closer together and reinforced our collective dedication to the One Planet Plan.

We also took a major step forward in enriching our company culture, by integrating 'soft controls' into our employee survey. In a new dashboard, teams can now see eight conduct-driving factors that foster the organisation's integrity and effectiveness: inspiration, standards and values, engagement, exemplary behaviour, transparency, discussing issues, holding each other responsible and enforcement.

Financial health of employees

Since the 2022 energy crisis, the financial health of our customers and our employees has featured prominently on our agenda. In 2022, we joined the Dutch National Financial Health Coalition (ncfg.nl), and we are committed to halving the number of employees who are not fully financially healthy by 2030. Compared with the baseline measurement (November 2023) of our employees' financial health, which showed complete control of their finances among 77% of employees, we saw a significant increase in the second measurement in November 2024, to 86%. We achieved an improvement of 38% out of the targeted 50% we set out to improve by 2030.

Safety, quality and security
We want our operations to be safe and healthy for everyone. We make every effort to comply with all laws and regulations and to safeguard and improve the quality of our services while respecting the environment and the world around us. We also ensure that our digital systems are secure. To guarantee business continuity for our stakeholders, we make continuous improvements throughout the entire supply chain. Physical, psychological, social and digital safety, quality and the environment are an integral part of how we operate, and our motto is: we do not compete on safety. Safety touches numerous aspects of our work, such as technology, organisation, processes and systems, our behaviours and our safety culture. Only by working together can we create a safe working and living environment. We use a range of KPIs to monitor and manage our performances:

Safety culture
As in previous years, we continued to invest in efforts to improve our safety culture. Organisational awareness has continued to grow, with a focus on physical, social and psychological safety. It is an indicator of a proactive safety culture to feed our organisation from different perspectives and to express constructive criticism, and this has been further embedded in our Eneco DNA. Following an independent external review, the business units in the asset organisation maintained their position at level 4 (on a scale of 1 to 5) on the safety culture ladder. Level 4 represents a proactive level: safety is the highest priority and deeply ingrained in the company's operations. We are advancing our Safety & Wellbeing programme, which further embeds our proactive behaviours into our culture, and in the office environment (including home offices) in particular. A key element of the programme is Leading Safety, aimed to improve the dialogue on safety.

Safety performances
We measure safety using a strategic KPI called the Recordable Incident Frequency (RIF)[1]. In the year under review, we achieved a RIF score of 0.12 (target: 0.40). This is an improvement compared with financial year 2023 (RIF: 0.32). Even though every incident is one too many, the actual results are better than our initial target. However, looking at our workers in the value chain, we had to mourn the death of a subcontracted worker. This puts the positive result for the strategic KPI (own workforce) into perspective. Also see section Contractor safety. During the financial year, we recorded 2 'lost time injury' accidents that resulted in a total of 6 days away from work, giving a severity rate of 3 (6/2). This is an improvement compared with the previous year's severity rate of 10.5 (84/8).

	2024	2023	Target 2024
RIF	0.12	0.32	=< 0.40
LTIF[1]	0.30	1.16	=< 0.60

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

Crisis management organisation
If a potential or actual crisis emerges, we mobilise a crisis management organisation to deal with the crisis in a professional manner, alongside the day-to-day organisation. This crisis management organisation is built dynamically by assigning trained employees to different roles such as chairman (director on duty), plotter, crisis manager, spokesperson and experts with knowledge of the specific topic/crisis. This team uses a special meeting technique to enable rapid and reliable decision-making.

The crisis management organisation was called into action once during the year. This was to properly manage the fatal accident mentioned above.

Quality Information System
Quality information and other data are stored in the Quality Information System (QIS). QIS provides assurance and links elements such as legislation, our processes, risks and controls, management systems and information to each other and to the organisation. This makes it one of the key resources behind our compliance with the ISO 9001 (Quality management), ISO 14001 (Environmental management), ISO 45001 Occupational Health & Safety management), ISO 27001 (Information security management) and ISO 55001 (Asset management) standards.

Audits and certification
We have an audit programme in place to audit the management system standards more efficiently and comprehensively. Findings from internal and external audits are recorded in QIS for follow-up. This ensures that key parts of our business operations are regularly reviewed for their effectiveness and efficiency.

We use independent external certification where it adds value. The result is that we ensure a sufficient level of visible follow-up, which is a key factor in maintaining our focus on the continuous improvement process. Continuous development and professionalisation help Eneco to provide customers with safe and high-quality products and services and to comply with laws and regulations.

Quality strategy
The Quality team developed a long-term strategy in 2024. The purpose of that strategy is to help Eneco to operate at its highest potential and in accordance with the principles of ISO 9001.

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

Workers in the value chain

Workers in the value chain is a newly identified material topic for Eneco resulting from the DMA. 2024 was the year we started our impact assessment. Our long-term goal and general approach will be influenced by findings we make and will be further developed in the coming years.

Results 2024	• Unfortunately a fatal injury occurred Setup measurement system for tracking injury frequency (RIF) of contractors • Established project plan for CSDDD alignment • Limited progress on implementing IRBC commitments
Outlook	• Report on recordable injury frequency (RIF) for contractors. • Further assess our impacts, risks and opportunities and work on policies, actions and targets.

We impact people directly through our own operations or indirectly through business relationships. Acknowledging this, we prioritise the wellbeing of our people, our employees, contractors, suppliers and partners alike throughout the value chains.

Our impacts, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Workers in the value chain.

- Negative impact on workers in the value chain through failing to prevent human rights violations (e.g., through mining and minerals processing necessary for manufacturing of Eneco's renewable energy equipment, that typically takes place in areas with weak or absent governance institutions and legislation that fails to tackle issues like child labour).
- Negative impact on value chain workers due to instances on improper management of health, safety, wellbeing and financial security (e.g., through mining and minerals processing necessary for manufacturing of Eneco's renewable energy equipment and working in biomass power plants, that typically takes place in areas with weak or absent governance institutions and legislation that fails to tackle poor working conditions).
- Negative impact on workers in the value chain related to unequal treatment and opportunities for all, including considerations around gender equality and equal pay for work of equal value, providing employment and inclusion for persons with disabilities, installing measures against violence and harassment in the workplace, and promoting (neuro)diversity (age, gender, cultural background, etc.) in new hires and promotions.

Our approach

Contractor safety

We are actively involved in industry initiatives such as the Working Conditions Catalogue for Production and Supply Companies and the Working Together Safely on Heat Governance Code. This gives us the opportunity to work more closely with other companies on health and safety challenges and to improve standards, awareness and culture throughout the entire value chain. In this context, we have also formalised our Contractor Safety Programme.

As part of our Contractor Safety Programme, we have updated our behavioural requirements and processes to proactively ensure safety in the workplace. These updates are being phased in through dialogue with our contractors, and aim to further reduce the number of accidents and to raise safety awareness throughout the value chain.

In 2024, contractors were involved in 18 accidents resulting in lost time, alternative work and/or medical treatment during the reporting period. We immediately follow up such accidents with a workplace dialogue between Eneco's management and the contractor's management: we believe that a constructive dialogue based on a shared interest in safety is the best way to create collective safety awareness. Despite these collective efforts, one fatal accident occurred on the morning of Monday, 25 November 2024. Our thoughts are with the victim's family and loved ones. Besides the Netherlands Labour Authority's investigation, we have conducted our own parallel investigation into the incident.

Besides the strategic KPI of Recordable Incident Frequency (RIF) for our own workforce, we have also carried out a comparable measurement for our contractors to further improve our understanding of this value chain responsibility. Engagement and a proactive attitude from our contractors and employees are essential ingredients in creating a proactive and safe working environment.

Our commitment to international standards

Eneco is implementing a structured sustainability due diligence approach, thereby committing to respecting internationally recognised human rights and environmental principles throughout its value chains. Our goal is to identify and address potential adverse impacts across our value chains, in terms of working conditions, human rights, governance, and the environment. We are building our approach on leading international frameworks.

In 2023, we joined the International Responsible Business Conduct (IRBC) Agreement for the Dutch renewable energy sector, a multi-stakeholder covenant that we actively helped to initiate. By signing this agreement, Eneco has committed to making international value chains more sustainable. To assess our process, the Social and Economic Council (SER) conducted a yearly maturity assessment. In combination with our own internal gap analysis, this is helping us to further strengthen our approach, particularly in regards to transparency and traceability.

Practical measures
We are continuously improving our sustainability due diligence with concrete actions to embed into our operations and sourcing practices. Our Sustainable Procurement Policy, Supplier Code of Conduct, as well as CSR Policy are in place and reflect the current state of our Sustainability Due Diligence.

Preparing for the EU Corporate Sustainability Due Diligence Directive (CSDDD)
The adoption of the EU CSDDD in 2024 underscores the growing importance of human rights and environmental due diligence in business. Eneco supports this step towards a more just and sustainable economy.

We are actively further developing our Sustainability Due Diligence to be compliant with the CSDDD and other current and future regulations that involve similar OECD based DD practices. In 2025–2026, we will roll out a structured project to align our policies, processes, and reporting with the Directive. This builds on our long-standing commitment to international standards and responsible business conduct.

Affected communities

Affected communities is a newly identified material topic for Eneco resulting form the DMA. 2024 was the year we started our impact assessment. Our long-term goal and general approach will be influenced by findings we make and thereby will be further developed in the coming years.

Results 2024	• Successfully run several engagement projects with different communities
Outlook	• Navigate challenges around participation and involvement of different communities. • Learn and improve from engagement projects and further expand these engagements. • Further assess our impacts, risks and opportunities and work on policies, actions and targets.

Besides the technical and economic aspects of the energy transition, it also poses social and societal challenges. When integrating renewable energy assets into the scarce space available, each of our projects impacts the landscape, local residents, businesses and NGOs. Yet, for the energy transition to succeed, each project needs the broadest possible local acceptance.

To manage this dynamic, Eneco is committed to actively engage with the communities around our projects thereby managing our impacts, risks and opportunities.

Our impact, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Affected communities.

- Negative impact on the well-being of communities surrounding mining and processing activities necessary for the manufacturing of (renewable) energy assets and exploration and production activities of natural gas used by Eneco and its customers, particularly when these activities take place in regions with weak governance (e.g., cobalt mining in the Democratic Republic of Congo).
- Negative impact on the livelihood of communities surrounding Eneco's energy assets like solar and wind farms during their construction, operation, maintenance and decommission phases (e.g., noise, light and changes to the landscape).
- Risk of delay in getting the approval from local authorities to commence construction of new energy projects resulting from communities protesting against their development forcing Eneco to invest substantially in community engagement and preventative measures to manage the risk.

Our approach

Direct involvement of local communities
A major challenge currently facing the energy transition is how to organise a participation process, and who should be involved, without deciding aspects for each other beforehand. Therefore, we start investing in local communities early on and a long time before we actually realise projects. This means hearing different spokespersons and engaging with different parties, such as local governments and interest groups. Ensuring that the right voices are being heard while managing these different relationships, can be a challenge in this process.

Our experience with early and intensive stakeholder relations management goes back to 2014, and is not limited to the energy sector alone. We can draw on Community Engagement experts to share their knowledge and the lessons learned. We are a learning organisation, we use self-reflection to improve and we incorporate feedback from stakeholders in our stakeholder approach.

With each new asset that we realise, we help to create opportunities for local stakeholders to invest or gain financial returns, through constructions ranging from bonds to local ownership and local funds.

In 2024, we embedded a process for all new employees working with external stakeholders to receive instructions in strategic stakeholder management. Our Community Engagement Experts will also instruct them in Eneco's own specific approach and provide support during projects.

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

Financial participation by local communities

An important step in developing new sustainable energy assets is generating participation. This includes financial participation by the local community and other relevant stakeholders. With each new wind and solar park on land that we realise, we help to create opportunities for local stakeholders to invest or gain financial returns, through constructions ranging from bonds to local ownership and local funds.

In practice, this means that local communities directly share the benefit of the energy transition financially. Our wind and solar associations NedZero and Holland Solar donate €0.40- 0.50 per generated MWh to local community funds for locals to manage independently and distribute as they see fit. We managed to establish a diverse collection of funds in collaboration with local communities in the better part of our projects in the Netherlands.

Environmental partnerships with local communities

When realising our projects we are in frequent contact with nature and environmental organisations, also thereby increasing the benefit of our project for local communities. In 2024, we celebrated the 10th anniversary of working together with nature organisation Groninger Landschap to develop a successful bird nesting island near the Delfzijl Noord wind farm. We also marked the 5th anniversary of our partnership with the Westvoorne aan Zee local authorities, nature organisations and energy company Vattenfall to benefit the Voornes Duin, a nature reserve in the immediate area around the Slufterdam wind farm. We are also involved in research and knowledge-sharing circles to minimise our assets' impacts. For example, we are currently involved in a project at the Maasvlakte II wind farm to study how seagulls behave around wind farms.

Social partnerships with local communities

Eneco has set up a number of partnerships and pilot projects to also provide social benefits to local communities. Eneco shares its know-how, offers financial support and provides input about possibilities for professional development, such as the Bospolder-Tussendijken Aardgasvrij project, where we work to disconnect houses from the gas grid, thereby improving housing standard. Together with De Beroepentuin Rotterdam, our contractor MVOI and social organisation WijkEnergieWerkt, we set up a pilot project where we train people with limited access to the labour market to become Heating Insulation Specialists. The pilot ends in 2025 parallel to the completion of the natural gas-free project.

Consumers and end-users

Together with our consumers and end-users we are continuously creating affordable products, services and energy solutions that make homes, workplaces and living smarter, cleaner and more sustainable. In this process, we continue to listen and closely engage, in order to assess our own impacts, and risks and opportunities that arise.

Long-term goal	• Maintain energy security and affordability for customers and end-users
Results 2024	• Performed well on customer satisfaction and digitalized customer journeys using GenAI. • Implemented several initiatives to make energy more affordable and help to reduce energy poverty
Outlook	• Navigate challenges around participation and involvement of different communities. • Learn and improve from engagement projects and further expand these engagements.

Our impact, risks and opportunities

The Double Materiality Assessment (DMA) identified the following material impacts, risks and opportunities (IROs) with regard to Consumers and end-users.

- Negative impact on the privacy of people in and around Eneco's operations and value chain that results from mismanagement of data containing personal information.
- Negative impact on customers health and safety resulting from faulty installation, improper maintenance of products like heating pumps, charging stations and electrical or gas boilers (e.g. short-circuits, fire hazards and carbon monoxide poisoning) as well as due to unclear information provided to customers (i.e., instruction manuals for using products).
- Positive impact on customers by providing affordable, reliable and unrestricted energy supply, with particular emphasis on affordability.
- Positive impact on customers by providing quality (i.e. reliable) information, inclusive treatment of customers and responsible marketing practices. For example, helping customers understand and gain insights into their energy bills can help them manage their energy usage and finances and enable to contribute to the energy transition.
- Risk of experiencing a data breach and non-compliance with relevant data protection laws and regulations also results in damage to Eneco's reputation and in consequence loss of customers forcing Eneco to take preventative measures.

Our approach

Customer satisfaction

Over the past year, our customer satisfaction rating has shown a visible recovery after the energy crisis. The low scores from during the energy crisis are now displaying a clear upward trend. Customers are demonstrating increased trust in us and feel more appreciated. Our relational customer satisfaction is up 2 percentage points to 85%, which is higher than our targeted score. To find out more, see the section on 'Operational results'.

	2024	2023	Target 2024
Total	85.5%	84.3%	83.9%

Customer satisfaction is measured as the percentage of Eneco customers that rate our brand as 'excellent', 'very good' or 'good'. This is measured on a quarterly base via a questionnaire sent to a selected sample of customers. The sample does not consider if there has been any direct contact recently with the respective customer, meaning that we report a relational Customer Satisfaction score. The year-end score is the average score of the quarterly measurements of our retail brands (B2C) in the Netherlands and Belgium. The scope excludes Eneco eMobility and Lichtblick and business-to-business (B2B) activities.

Affordability of energy for end-users

During 2022 and the early months of 2023, the energy crisis caused energy prices to soar. In response, a range of efforts were introduced to compensate users. Fortunately, energy prices stabilised in 2024, and our customers' uncertainty diminished. Although prices were lower than during the two preceding years, they were still significantly higher than before the crisis. We understand that some of our customers still struggle with their energy bills. To lessen the burden on them, besides supporting energy coaches and energy fixers including Energiebank, Fixbrigade and Energie Samen, we also continued our social debt collection policies and extended our lenient payment plan criteria.

In the years ahead, we will continue to work with partners and stakeholders across our entire value chain to actively help reduce the social footprint of debt and energy poverty on society.

Corporate Governance

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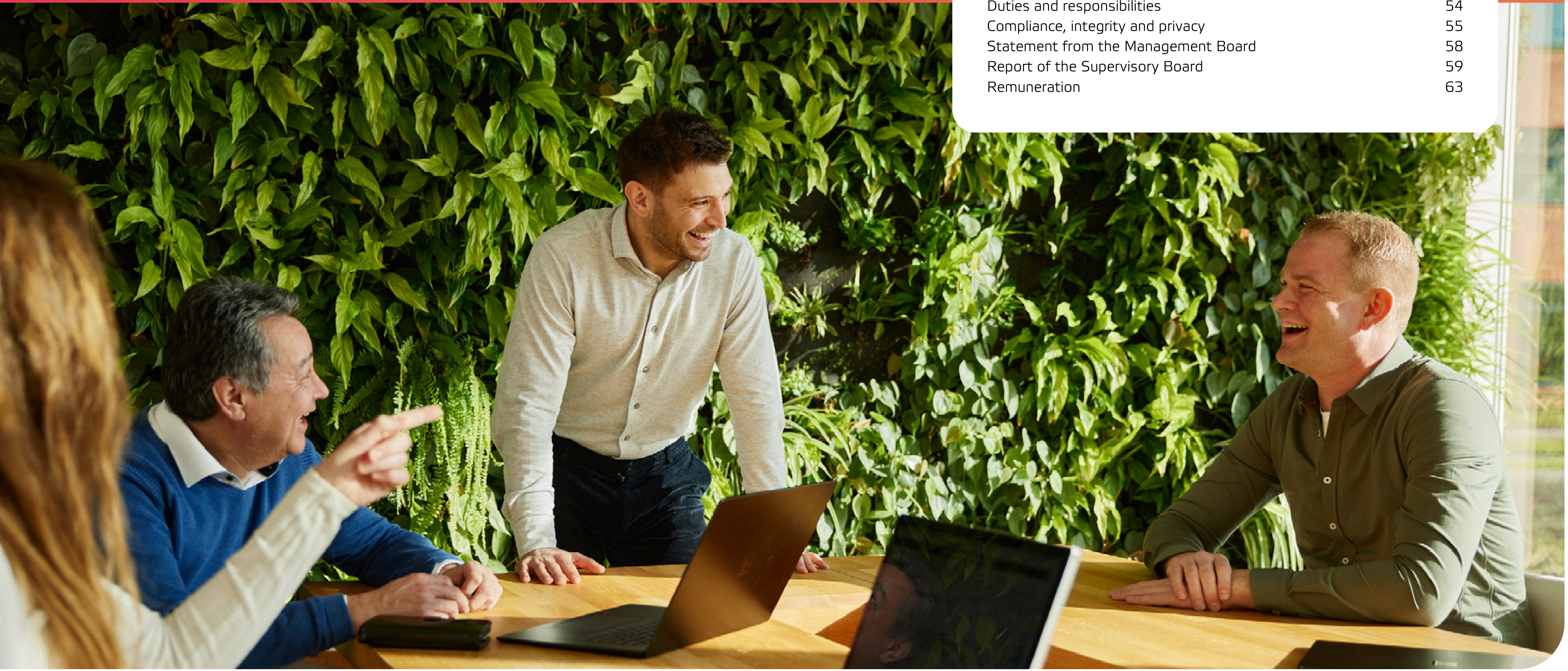

Introduction Corporate Governance

The current chapter provides an overview of the various executive and supervisory roles within the company, detailing their respective responsibilities and authorities as outlined in the corporate governance framework of Eneco. It also encompasses important topics, including compliance, integrity and privacy reflecting the company's commitment to these critical areas within its governance structure.

N.V. Eneco (or 'the company') is a company under the laws of the Netherlands, with its registered office in Rotterdam, and the holding company of various subsidiaries, participating interests in joint operations and joint ventures and associated participations (collectively: 'Eneco' or 'the Group').The company is registered with the Dutch Chamber of Commerce under number 24246970. The two-tier board regime applies in full. Mitsubishi Corporation (Tokyo, Japan) and Chubu Electric Power Co., Inc. (Nagoya, Japan), through Diamond Chubu Europe B.V., together hold 100% of the shares in N.V. Eneco since 24 March 2020. Through its 80% interest in Diamond Chubu Europe B.V., Mitsubishi Corporation is the ultimate controlling shareholder. Chubu Electric Power Co., Inc. owns 20% of Diamond Chubu Europe B.V. Within six months after the end of the financial year, or more often if the Supervisory Board or Management Board considers this necessary, Eneco will organise a General Meeting of Shareholders. The annual General Meeting of Shareholders discusses the annual report and adopts the annual financial statements.

Duties and responsibilities

Management Board

The Management Board represents the company, and has ultimate responsibility for Eneco's performances. Its members are appointed by the Supervisory Board, and it is accountable to the Supervisory Board and the General Meeting of Shareholders. The Management Board consists of six members: As Tempelman (CEO), Nynke Dalstra (CFO), Yasuyuki Asakura (CCIO), Kees-Jan Rameau (COO-Integrated Energy), Selina Thurer (COO-Customers) and Karen de Lathouder (COO-Assets). For the biographies of the members of the Management Board, visit the Who we are - Board page of Eneco's corporate website.

Supervisory Board

The Supervisory Board advises Eneco's Management Board and oversees the Management Board's policies and the general course of Eneco's business. The Supervisory Board operates independently. Of the seven members who make up the Supervisory Board, two are appointed under the Central Works Council's enhanced right of recommendation. The Supervisory Board has prepared a profile for its membership, giving due consideration to the nature of the company, the duties of its individual members and the expertise and background that they should preferably possess. The profile was discussed with the General Meeting of Shareholders and the Central Works Council when it was first adopted and is discussed again whenever it is updated. New members are put forward by the Supervisory Board and appointed by the General Meeting of Shareholders. The shareholders and the Central Works Council have the right to recommend candidates to the Supervisory Board for nomination. The Central Works Council has an enhanced right of recommendation for one third of the members. Besides the Supervisory Board's preferred profile, decisions about these recommendations and nominations also give due consideration to the Gender Balance Policy, which sets out appropriate and ambitious targets for each of the company's three leadership levels (Supervisory Board, Management Board and sub-management). Candidates who are put forward also need to comply with the criteria laid down in the Articles of Association of N.V. Eneco, including the requirements regarding their independence, and are to affirm that they are compliant with Article 142a of Book 2 of the Dutch Civil Code (*Wet Bestuur en Toezicht*) regarding the maximum of non-executive roles.

The members of the Supervisory Board are Mel Kroon (Chair), Yuji Okafuji (Deputy Chair), Yasuo Ohashi, Haruki Umezawa, Michael Enthoven (until 24 March 2025), Harold Naus (from 24 March 2025) and Annemieke Roobeek (until 24 March 2025). One position in the Supervisory Board is vacant per the end of the financial year. This vacancy has been fulfilled with the appointment of Hanna Hennig as of 15 April 2025. Until 24 March 2025, Michael Enthoven and Annemieke Roobeek exercised special duties and authorities as independent members; the nature of this arrangement was to warrant performance of the additional covenants that were agreed when Eneco was first privatised. However, the additional covenants expired on 24 March 2025, and with them the special role of these independent members. The Chair of the Supervisory Board is not an executive director.

In financial year 2024, the Supervisory Board included the following committees:

- a Remuneration, Selection and Appointment Committee (RSA), which advises on matters such as the remuneration, selection and appointment of members of the Management Board and the nomination of members of the Supervisory Board. This committee was chaired by Annemieke Roobeek (until 24 March 2025). Its other members are Harold Naus (before 24 March 2025: Michael Enthoven), Yasuo Ohashi and Mel Kroon.
- an Audit & Risk Committee (ARC), which oversees the integrity of the financial and non-financial reporting, the internal controls and risk management. The ARC also oversees the internal and external audit processes. This committee is chaired by Harold Naus (before 24 March 2025: Michael Enthoven). Its other members are Haruki Umezawa and Mel Kroon.

For the biographies of the Supervisory Board's individual members, visit the Who we are - Board page of Eneco's corporate website.

Compliance, integrity and privacy

Compliance

Policy

We derive our 'licence to operate' from our compliance with national and international laws and regulations and from our ability to meet our stakeholders' expectations. Wherever possible, we seek to avoid any adverse financial impact of fines and void contracts. The most recent version of our Compliance Charter was established in 2023 and implemented in 2024.

Risk assessments

In 2024, Compliance & Integrity focused on key matters such as the Code of Conduct, anti-bribery and anti-corruption (and the associated controls), internal and external fraud, conflicts of interest, insider trading, competition, penalties and the Compliance & Integrity Reporting Policy. All these topics were handled under the compliance framework. As part of that compliance framework, each of Eneco's business units performs risk assessments to map out risks, controls and shortcomings. The pattern revealed by those risk assessments is stable, and no ad hoc intervention is needed. Compliance & Integrity was in contact with the various business units throughout the year to discuss the quality and effectiveness of the risk controls.

Policies have been defined for the principal compliance issues, and their practical effect is monitored and updated or improved in response to internal changes, legislative developments, developments in society and follow-up on incidents. To minimise risks of non-compliance, specific groups also receive training on the relevant compliance topics, such as fair competition and trade conduct for traders, dispatchers and analysts. Several teams were also given face-to-face training on compliance basics.

REMIT

Eneco falls under REMIT: the EU's Regulation on Wholesale Energy Market Integrity and Transparency, which safeguards a fair and transparent energy market. In 2024 we updated our procedures to ensure that we remain compliant with the updated REMIT obligations. Eneco is also in frequent communication with (among other key parties) energy sector association Energie-Nederland and regulatory authorities such as ACER and, in the Netherlands, the Netherlands Authority for Consumers & Markets (ACM), to establish how to interpret and apply REMIT in practice. Following earlier commitments towards the ACM, in 2024 Eneco implemented a number of controls to minimise the likelihood and consequences of incorrect market orders. The process was formally finalised in August 2024 when the ACM confirmed that Eneco had implemented the agreed controls correctly and in the proper time.

Assurance

Internal assurance for the compliance process is obtained using the integrated approach in the ECRS (Eneco Control and Risk System) process, combined with internal audits. Eneco falls under external supervision of our legal compliance by various supervisory authorities at the national and regional levels, including the ACM, the Dutch Data Protection Authority, CREG, Vlaamse Nuts Regulator, CWAPE, Ofgem, German Federal Network Agency, Data Protection Authority of Hamburg and German competition regulatory agency. We are also in regular contact with our external auditor, Deloitte Accountants B.V.

Integrity

Code of Conduct

For our strategy to succeed in practice, it needs to be supported by the organisation's culture and leadership. We have adopted a Code of Conduct for all our employees that describes how we should conduct ourselves towards each other and towards our customers and partners. Integrity and decency are paramount in everything we do in pursuit of our mission. The Code of Conduct is available on our internal and external websites.

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

Employees are made aware of the Code of Conduct and what it means for them as part of the group onboarding sessions for new employees. Employees are also required to complete an online training module about the Code of Conduct. This module is mandatory for all employees in the Netherlands, Belgium, the UK and Germany and has been completed by the new workforce started in the financial year 2024: 86.1% of the Dutch workforce, 94.1% of the Belgian workforce and 97.6% of the German workforce in LichtBlick.

Integrity programme

Society today has become more aware of topics such as removing the stigma from mentioning transgressive behaviour (sexual and otherwise), reporting such behaviour and following up on those reports. Drawing on our integrity programme, Eneco has translated this into defining how an employee might be involved in such situations, and providing tools and guidances for what to do in each case. For example, what should an employee do if they witness an unacceptable situation? What happens if an employee is accused of such behaviour?

Compliance & Integrity Reporting Channel and confidential counsellor

Eneco fosters a 'speak-up' culture, where employees feel comfortable enough to express themselves and communicate their concerns at an early stage. To help identify issues as soon as possible, the Compliance & Integrity department plays an advisory role if and when a dilemma arises. If they prefer, employees may also talk to one of the confidential counsellors. Besides these confidential counsellors within our own organisation, employees also have the option of reaching out to an external service providing confidential counselling.

Besides asking for advice and support from the confidential counsellors, employees and third parties may also report issues through the Compliance & Integrity Reporting Channel. All reports are given follow-up in accordance with the Compliance & Integrity Reporting Policy. That policy covers issues such as potential breaches of our Code of Conduct, improper practices with an impact on society and non-compliance by Eneco with EU law. Examples of breaches of the Code of Conduct include not only unacceptable behaviour such as discrimination, aggression, violence, bullying and sexual harassment, but also bribery and corruption, conflicts of interest, fraud and theft, unfair competition and insider trading.

Various procedures are in place for reporting issues to the Compliance & Integrity Reporting Channel. Eneco's Compliance & Integrity Reporting Policy follows the EU Whistleblowing Directive and the Dutch Whistleblower Protection Act (*Wet bescherming klokkenluiders*). Eneco's policy and its Reporting Channel have been assessed by Transparency International, which has awarded Eneco second place in the 'Position of whistleblowers in Dutch business' rankings. A key aspect of Eneco's policy is encouraging and facilitating a dialogue, in an open climate where people are comfortable actually expressing and sharing situations.

In accordance with the Compliance & Integrity Reporting Policy, whenever a report is made, a notification is sent directly to the member of the Management Board whose portfolio includes the area that the report concerns in case a direct report of that Management Board member is involved, and/or to the CEO if the report carries the potential for major financial, reputational or other harm to Eneco. This did not occur last financial year. Where the report concerns the CEO's actions, the chair of the Supervisory Board is notified. This did not occur last financial year.

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

During 2024, 53 reports were made to the Compliance & Integrity Reporting Channel and 54 to the confidential counsellors, covering the Netherlands and Belgium. These numbers are in line with the trend over the past three years, however the number of contacts with the confidential counsellors have been significantly higher compared to last financial year.

Approximately 11% of the reports that the reporting channel received concerned fraud or theft, 4% concerned psychosocial working conditions such as discrimination, harassment and bullying, and 8% concerned other integrity-related issues. Of the total eight reports concerning discrimination, including harassment, four led to a finding that a breach had occurred. Examples of fraud and theft include several situations where residual materials were stolen, which had a very minor financial impact. In response to each of these reports, additional controls were implemented to reduce the risk of fraud and theft of (for example) residual materials. The other reports concerned compliance matters or the employer/employee relationship. Where necessary, we updated our processes to prevent further incidents. Where appropriate, disciplinary action has been taken.

In 2024, no monetary fines were imposed by regulatory or supervisory authorities for instances of significant non-compliance with laws and regulations, nor did Eneco pay any monetary fines during the reporting period because of earlier instances of significant of non-compliance. In addition, Eneco did not pay any fines, penalties or compensation for loss or damage as a result of complaints or incidents of discrimination including harassment.

Access to remedies

As part of our responsibility towards customers, suppliers, employees, contractors and other stakeholders, Eneco has set up easily accessible objection procedures, as well as complaint review procedures and remedies. To this end, various points of contact for each group to report potential irregularities concerning Eneco are being offered as set out in the Eneco Code of Conduct and the IRBC (International Responsible Business Conduct) policy and externally communicated. Eneco feels very strongly that anyone reporting a complaint, incident or situation should feel secure doing so, and any form of, or attempt at, retaliation against anyone making such a report in good faith is not tolerated.

Privacy

GDPR

The EU's General Data Protection Regulation (GDPR) contains very strict rules about privacy and data protection, and Eneco makes every effort to demonstrate compliance. This is achieved using a Privacy Risk and Control Matrix. All business units in the Netherlands, Germany and Belgium carry out privacy self-assessments and report 'in control' on GDPR matters. At the request of the Dutch Data Protection Authority (Dutch DPA), Eneco has participated in a thematic exploration of the energy sector and the Dutch DPA's algorithm research.

Eneco has established its own company-specific guidelines to ensure that its employees act responsibly if and when they use artificial intelligence (AI). Those guidelines help Eneco employees to prevent AI systems from having any negative impact on people's health and safety, on their fundamental rights and on the natural environment and the climate. To this end, Eneco employees are required to always follow eight principles throughout the AI system lifecycle, both for 'homegrown' AI systems and for procured AI.

Data protection authorities
During the reporting year, Eneco reported ten data breaches to authorities charged with overseeing privacy. In the Netherlands, three data breaches were reported to the Dutch DPA. In Belgium, four data breaches were reported to the Belgian DPA, and in Germany LichtBlick informed the Data Protection Authority in Hamburg about three data breaches.

Eneco's chatbot showed unexpected deviations in the volumes of certain dialogues. After examining the logs, we discovered that the same questions had been asked again and again in numerous chats: queries about contract end dates, rates, usage and instalment amounts. This data was revealed by the chatbot. We also found that seven out of eight verification attempts were incorrect and failed. We concluded that a malicious third party was actively using our chatbot to collect data about customers using a random list containing the data that we use to identify customers: postcode, house number and last three digits of their IBAN number. The random list almost certainly originated from a data breach at another company. After this discovery, we undertook action to mitigate the data breach and notified the Dutch DPA. We also added MFA to the chatbot. In total, we notified 2,334 customers about the incident.

Between 5 May and 17 May 2024, our data processor AddComm suffered a cyberattack that gave the attackers access to AddComm's systems and data. AddComm has a contract to print and send letters for Eneco Belgium, Eneco, Oxxio, WoonEnergie and AgroEnergy. The hackers succeeded in breaching data of our customers. At AddComm's request, all active data connections to AddComm were terminated and redesigned. AddComm itself reported the data breach to the Dutch DPA, and the report was disclosed in the notifications made by Eneco and Eneco Belgium to the Dutch and Belgian DPAs. The affected customers were informed about the data breach. Under the Eneco Consumers, Eneco SME, Oxxio and WoonEnergie labels, 8,543 unique customer numbers were affected. Under the Eneco Business label, 851 unique customer numbers were affected. At Eneco Belgium 3,890 unique customer numbers were affected. The national media also reported the data breach, which reflected on Eneco.

Eneco Belgium informed the Belgian DPA about a data breach caused by a manual error. B2B customers received an email with an incorrect link, namely linking to invoices for B2C customers. Thanks to Eneco Belgium's swift response after discovering the error, only 5,965 B2B customers needed to be informed.

Neither LichtBlick SE nor any of its subsidiaries were issued any GDPR fines. However, due to LichtBlick's ongoing customer service backlog, the company was unable to fulfil privacy-related requests within the statutory timelines. As a result, multiple customers issued complaints to the local Data Protection Authority in Hamburg, which then issued an official warning to LichtBlick in September 2024. Since further complaints could trigger an investigation or a fine, LichtBlick is working hard to improve its internal processes.

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

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

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

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

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

Eneco B.V., represented by its director S.M. (Selina) Thurer, in its capacity as director of Eneco Consumenten Nederland B.V., which in turn is a director of Eneco Consumenten B.V., Oxxio Nederland B.V. and CEN B.V., and in its capacity as director of Eneco Zakelijk Nederland B.V., which in turn is a director of Eneco Zakelijk B.V., hereby declares that during the period stated below Eneco and Oxxio complied with the rules and obligations described in the Suppliers of Smart Meters Code of Conduct.

Place of registered office: Rotterdam

Period: from 1 April 2024 to 31 March 2025

Rotterdam, 26 June 2025

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

Statement from the Management Board

The Management Board is responsible for the reliable and effective functioning of the Eneco Control and Risk System (ECRS), Eneco's set of risk management and control systems.

Among other instruments, the Management Board uses the systems described in the section on Risk Management to safeguard Eneco's ability to realise its strategic, operational and financial goals, the reliability of its financial and non-financial reporting and its compliance with the relevant laws and regulations.

Eneco's risk management and control systems are designed to manage the principal risks that could stand in the way of achieving our objectives.

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

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

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

- the annual report provides sufficient information about shortcomings in the functioning of the internal risk management and control systems, including strategic, operational, compliance and reporting risks;
- those systems provide a reasonable degree of certainty that the financial reporting does not contain any material misstatements;
- based on the current situation, the company is justified in preparing its financial reporting (annual report and financial statements) on a going concern basis;
- the annual report discloses Eneco's material risks and uncertainties that are relevant to the expectation of Eneco's continuity for a period of 12 months after preparation of the annual report.

Rotterdam, 26 June 2025

As Tempelman (CEO), Nynke Dalstra (CFO), Yasuyuki Asakura (CCIO), Kees-Jan Rameau (COO-IE), Selina Thurer (COO-C), Karen de Lathouder (COO-A)

Report of the Supervisory Board

The Supervisory Board oversees the Management Board's performances and provides advice. This chapter explains how the Supervisory Board gave shape to that role during the last financial year.

During financial year 2024, the Supervisory Board demonstrated a critical attitude in shaping the company's strategic direction, particularly in relation to sustainable development. The Supervisory Board was actively involved in developing, approving and updating the organisation's purpose, its mission statements, strategies, policies and goals. Its members oversaw and approved key documents such as the business plan for 2024-2028, the budget for 2024 and the finance strategy. These documents reflect Eneco's commitment to integrating sustainability into its core operations, to emphasise environmental stewardship and enduring economic growth.

The Board's involvement extended to overseeing due diligence processes and managing the organisation's impacts on people, the environment and the economy.

Important themes during the 2024 financial year included the continued attention for safety in the broadest sense; investments and other commitments in offshore wind assets and battery assets; regulatory developments in general, and in the heating domain specifically, including through dialogue with government representatives; the affordability of energy; passing on redelivery costs for solar energy; and market developments such as the increasing importance of Virtual Power Plants and the ongoing digitalisation in various domains. The Supervisory Board also oversaw the implementation of a programme to reduce the company's costs and increase its productivity.

The Supervisory Board wishes to express its sincere appreciation towards all the company's employees and customers for the enthusiasm and dedication with which they continue to look for new solutions together and for other possibilities to make sustainability improvements. The Supervisory Board engages with stakeholders to contribute to their role in overseeing the organisations impact on the economy, environment and people. This takes place on various way with the Dutch Central Works Council, with the shareholders but also via contacts such as with Ministries and third parties such as Joulz, Giga, and Groenleven.

One Planet Plan

In the summer of 2021, Eneco published its One Planet Plan, with its stated ambition to become climate-neutral by 2035.

The Supervisory Board fully embraces the One Planet Plan. Eneco is helping to ensure that the planet remains habitable for the generations that follow us and is making every effort to keep global warming to below 1.5ºC. The One Planet Plan, and related matters such as the Value Chain Carbon Footprint, the European Corporate Sustainability Reporting Directive (CSRD) and the European Corporate Sustainability Due Diligence Directive (CSDDD), are frequent topics of discussion between the Supervisory Board and the Management Board, whether about the necessary investments or about support for the Management Board's decisions to achieve the company's climate ambition by 2035.

In reflection of Eneco's desire to lead the way for the energy sector, one of our One Planet goals is that, from 2025 forward, all investment decisions for new onshore sustainable energy assets must have a net positive impact on biodiversity. The company increased its efforts to work with customers to identify solutions to reduce CO_2 emissions through radical electrification. The Supervisory Board contributed to ESG and CSRD topics by incorporating relevant metrics into an updated version of the Management Board's remuneration policy. It also included these topics in dialogues about grid congestion and how existing assets can contribute to a solution, recycling turbine blades and developing flexible energy to sustain the energy transition.

The One Planet Plan itself is also discussed by the Management Board and the Supervisory Board, both in its separate elements and in terms of their practical application. It is an important cornerstone of the business plan that sets out Eneco's vision, mission, strategy and policies. The Management Board updates that business plan every year, subject to the Supervisory Board's approval, in accordance with the company's Articles of Association and the internal rules of procedure. The Management Board is a collegiate administrative body: its members have collective responsibility for the One Planet Plan and the business plan, and therefore for sustainable development. The Supervisory Board receives quarterly updates on the latest results under the One Planet Plan. The results of the efforts towards achieving the goals described in the One Planet Plan are also presented in the annual report, for example in terms of reduction of CO_2 emissions.

Board composition

Composition of the Supervisory Board

The composition of Eneco's Supervisory Board changed during the 2024 financial year. Katsuji Sugimori stepped down on 1 July 2024. The shareholder Chubu Electric Power Co., Inc. used its right of recommendation to put forward Ms Yukiko Morishita for nomination, with due consideration in its process of selection and recommendation for the Supervisory Board's profile, the Gender Balance Policy and Chubu's internal policy rules.

Yukiko Morishita is the Deputy Division CEO, Global Business Division, of Chubu Electric Power. Co., Inc. in Japan. She has broad managerial experience, including in the international arena, and has been actively working in HR, with a focus on promoting women's participation, advancement and diversity-related work in senior and general management, including in the energy sector in the USA. Besides her role at Chubu Electric Power Co., Inc., Yukiko Morishita is Director of Japan NuScale Innovation, LLC (United States). Besides these roles she does not have any other positions that have any bearing on her performance on Eneco's Supervisory Board, nor does she hold seats on any other legal entities' supervisory boards.

The Supervisory Board presented Yukiko Morishita to the General Meeting of Shareholders, which appointed her to the Supervisory Board effective 1 July 2024, for a term of four years.

Michael Enthoven was appointed as an independent member of the Supervisory Board of N.V. Eneco based on the enhanced right of recommendation of the Dutch Central Works Council. His term expired on 24 March 2025. To facilitate a smooth transition, the Supervisory Board and the Central Works

Council made an early start with finding Michael Enthoven's successor. Based on its enhanced right of recommendation, the Central Works Council had put forward Harold Naus to the Supervisory Board for nomination to be appointed by the General Meeting of Shareholders.

Harold Naus holds a number of other positions, subject to the Dutch Management and Supervision of Legal Entities Act (*Wet Bestuur en Toezicht*). He holds a seat on the Supervisory Board of ING Group, and in that capacity is a member of the Remuneration Committee, the Risk Committee and the Technology and Operations Committee. He is also chair of the Advisory Board of Cardano.

On 24 March 2025, the Supervisory Board presented Harold Naus to the General Meeting of Shareholders, which appointed him to the Supervisory Board for a term of four years.

Annemieke Roobeek was appointed as an independent member of the Supervisory Board of N.V. Eneco based on the enhanced right of recommendation of the Dutch Central Works Council. Her term has expired on 24 March 2025. To ensure that the required knowledge and experience after the expiration of the term of of Annemieke Roobeek in the Supervisory Board is guaranteed, the process to fill in this vacancy has been early started by the Supervisory Board and the Central Works Council. This resulted in the appointment of Hanna Hennig as of 15 April 2025.

In connection with its role in the various succession pathways, the Central Works Council shared its favourable views on these appointments with the General Meeting of Shareholders. The Supervisory Board wishes to thank Katsuji Sugimori, Michael Enthoven and Annemieke Roobeek for all their efforts while they were in office.

For an overview of the Supervisory Board's composition, plus personal details and terms of office, visit the Who we are - Board page of Eneco's corporate website. That same page also includes summaries of the members' experience and areas of expertise.

Composition of the Management Board

The composition of the Management Board changed during the 2024 financial year. On 1 May 2024, Yasuyuki Asakura succeeded Hiroshi Sakuma as member of the Management Board and CCIO. On 21 May 2024 it was announced that Jeanine Tijhaar would leave Eneco in August, and on 23 August 2024 Nynke Dalstra was announced as her successor in the role of CFO effective 9 September 2024.

The four-year terms of office of CEO As Tempelman and COO-IE Kees-Jan Rameau expired on 30 June 2024 and 31 January 2025, respectively. Having heard the advice of the Dutch Central Works Council, the Supervisory Board decided to extend these terms of office. As Tempelman was reappointed as CEO for four more years effective 1 July 2024. Given the importance of continuity during these challenging times, particularly with the ongoing organisational changes in the face of evolving market conditions, the Supervisory Board extended Kees-Jan Rameau's appointment to 31 March 2026.

The Supervisory Board wishes to express its gratitude to Hiroshi Sakuma and Jeanine Tijhaar for their contributions while they were in office.

Meetings of the Supervisory Board

The Supervisory Board had both online and in-person meetings during the 2024 financial year. Besides the six regular meetings, one additional meeting was conducted in writing and one additional meeting was conducted online, for a total of eight Supervisory Board meetings. The Supervisory Board also met with the company's auditor, Deloitte Accountants B.V., to discuss the annual report and financial statements for financial year 2024.

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

Meetings of the Supervisory Board's committees

The task of the separate committees is to make sure that the Supervisory Board as a whole can be advised, and its resolutions on various important topics prepared, without compromising on the standard of care.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee (RSA) had eleven meetings during the 2024 financial year, four of which took place in writing. Topics that were discussed included the composition of Eneco's Management Board and Supervisory Board and the candidates put forward for nomination and their appointment or reappointment. The RSA prepared the performance dialogue with the Management Board and the review of the realisation of targets related to the variable remuneration of the Management Board's members. The RSA advised the Supervisory Board on its decisions about establishing the realisation of targets, granting the variable remuneration and establishing targets for the next performance year. On behalf of the Supervisory Board, the RSA committee also reviewed the remuneration policies of the Management Board and Supervisory Board. This process was supported by an external agency specialised in executive remuneration. After a comprehensive process, the RSA advised the Supervisory Board to propose to the General Meeting of Shareholders to update the remuneration policies of the Management Board and the Supervisory Board. The Dutch Central Works Council was involved in the process, and provided its own views on the remuneration policy of the Management Board. The General Meeting of Shareholders adopted the amended remuneration policies of the Management Board and Supervisory Board effective 1 April 2024. Another important item on the agenda for the year was the Supervisory Board's evaluation: the RSA committee prepared a proposal to conduct this evaluation using a structured questionnaire and a plenary discussion in the Supervisory Board. Lastly, the RSA discussed the annually recurring theme of succession management and the topic of diversity, equity and inclusion.

Audit & Risk Committee

The Audit & Risk Committee is responsible for overseeing the Management Board's policies, particularly in financial reporting. It facilitates communications with the external auditor while ensuring the effective operation of risk management systems. Key ongoing themes for the committee include monitoring the energy market's evolution and related risks, implementing risk management strategies and the Supervisory Board's oversight role. At the company level, risk limits have been clearly defined through various policy statements, codes and guidelines addressing areas such as safety, trading mandates and authorisation powers. The Audit & Risk Committee regularly updates the Supervisory Board on crucial market developments, risks, exposures (both financial and otherwise) and capital requirements. During the 2024 financial year, the Audit & Risk Committee convened six times. Its members engaged in comprehensive discussions with the CFO, external and internal auditors and members of the Finance organisation about the annual report, financial statements, management letter and audit plans. The committee also focused on strategic risks, such as the need for flexibility, energy affordability for consumers, J-SOx regulations and compliance and integrity issues disclosed in the annual report. It also gave attention to sustainability reporting requirements in accordance with the CSRD and the CSDDD and Eneco's preparations for compliance with those regulations. The Audit & Risk Committee discussed an audit report from Eneco's shareholder Mitsubishi Corporation regarding the Internal Audit department and governance, risk and compliance topics, and the Management Board's response. That audit revealed that in general Eneco is compliant with the relevant standards, and no significant deficiencies were identified that could have a material impact on the risk management system. Some suggestions were discussed, including improvements to the recording and coordination of decentralised mandates and the possibility of introducing a registration and approval process for entertaining public officials.

Self-evaluation

This year the Supervisory Board subjected its performance to self-evaluation. A structured questionnaire was used to obtain feedback from various related parties such as the Management Board, the Dutch Central Works Council, the Company Secretary and HR. Overall the results were positive. The Supervisory Board has good relationships with the Management Board and the Dutch Central Works Council, as is apparent, for example, from the process to adapt the organisation to the changing market conditions and from the ongoing support for the One Planet Plan. Critical concerns and risk management processes are communicated to and overseen by the Supervisory Board. The agenda of the Supervisory Board effectively integrates discussions on past, present and future topics. The Supervisory Board's separate committees function efficiently, incorporating various dilemmas and risks into their own deliberations.

Various points were identified that offer room for improvement, including the gender imbalance on the Supervisory Board and informal communications with multiple levels of management.

Knowledge development

Besides the various deepdives into topics and trends related to Eneco's business environment, the Supervisory Board members also pursue their own training and development. They attended industry seminars and conferences, such as those organised by the 'Big Four' accounting firms, Euromedion, Board Room Academy, the B-Corp Good Leaders Conference in Rome, the Social Finance Conference and a conference at the University of Utrecht with Maria Mazzucato on the role of governments in innovation and sustainability. They also engage with literature on sustainability trends and practices. Besides regular meetings, the Supervisory Board convenes twice each year for extended programmes in Japan and Europe. These on-site sessions not only strengthen relationships but also enhance the understanding of projects and significant themes.

Attendance overview

Each of the Supervisory Board's regular meetings was attended by all members. At three Supervisory Board meetings, one member was excluded from discussion and decision making on a topic to avoid a potential conflict of interest. Furthermore, at one extra Supervisory Board meeting a Supervisory Board member could not attend the meeting. For this meeting a power of attorney has been granted to another Supervisory Board member.

Interactions with the Dutch Central Works Council

The Chair of the Supervisory Board and the members appointed on the basis of the Central Works Council's enhanced right of recommendation are in regular communication with the Central Works Council. The two members appointed on the basis of the Central Works Council's enhanced right of recommendation each met separately with the Central Works Council. The Chair of the Supervisory Board is in regular contact with the chair of the Central Works Council outside meetings. Further regular communications with the Central Works Council concerned various processes, including the changes to the remuneration policy for the Management Board, the succession of the CFO and the CCIO, and the appointments on the Supervisory Board and reappointments on the Management Board.

Interactions with the shareholders

The Supervisory Board has a good understanding with Eneco's shareholders. The working relationships between the Management Board, the Supervisory Board and the shareholders are positive and constructive, both in matters concerning support for the climate ambitions under the One Planet Plan and in terms of realising those plans, including the associated investment proposals. They remain in regular communication to identify opportunities in concrete projects and partnerships. Numerous possibilities exist for giving further shape to the relationship between Eneco and its shareholders, and some of those possibilities have already yielded concrete results. For example, the Internal Audit department of Mitsubishi Corporation conducted a comprehensive audit addressing several relevant topics. This process was characterised by a high degree of cooperation, which facilitated a substantial exchange of knowledge and understanding between the parties.

Knowledge and experiences are shared by employees of the company and its shareholders, including in areas such as offshore wind projects, finance, J-SOx and asset operations.

Potential conflicts of interest and contracts with affiliated parties

Several contracts with and proposals concerning affiliated parties (Mitsubishi Corporation or a subsidiary, or Chubu Electric Power Co., Inc. or a subsidiary) were presented to the Supervisory Board for approval in 2024. These included investment proposals and contracts for seconding employees to foster mutual exchanges of knowledge and experience. In accordance with the internal guidelines and procedures, the members of the Supervisory Board with ties to the affiliated parties were not involved in the discussions or resolutions about these topics, and the two independent members gave their prior approval for the contracts, in accordance with the additional arrangements made at the time of the privatisation. The process for identifying and discussing potential conflicts of interest is part of the internal guidelines, including the Code of Conduct and the internal rules of procedure. Moreover, a procedure is in place requiring a member of the Supervisory Board with a conflict of interest or the appearance of a conflict of interest to recuse themselves from the deliberations and from reviewing the documentation pertaining to the relevant topics when the Supervisory Board meets. This procedure was enacted on several occasions during financial year 2024.

In conclusion

The Supervisory Board extends its gratitude to the entire team, including the Management Board, shareholders, Central Works Council, employees, customers and partners of Eneco. A primary focus has been on advancing the growth and development of a sustainable and adaptable energy system. Achieving a future where sustainable energy is accessible to all demands cooperation and commitment from our customers, the Management Board, the Central Works Council, our shareholders, our workforce and our partners. Eneco is dedicated to becoming a climate-neutral enterprise by 2035 and actively involves its customers and partners in its efforts to expedite the energy transition. We have only one Earth, and it is imperative that we preserve it and manage its resources responsibly for our benefit and, more importantly, for future generations.

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

Rotterdam, 26 June 2025

Remuneration

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

Remuneration policy for the Management Board

The Management Board's remuneration is established by the Supervisory Board, in accordance with the remuneration policy that was adopted for the Management Board by the General Meeting of Shareholders on 24 June 2024 and with retroactive effect from 1 April 2024. That remuneration policy reflects the general principles described above, and is based on the overall review of the policy for remunerating the Management Board that took place during the 2023 financial year. The review was conducted by the Supervisory Board with the assistance of PwC Netherlands, and took into account the Management Board's views. In accordance with the Dutch Civil Code and N.V. Eneco's Articles of Association, the Dutch Central Works Council gave its point of view on the revised remuneration policy. Compared with the previous remuneration policy from 29 March 2022, the main differences are new remuneration levels, a different way to measure performance for the long-term variable remuneration and the possibility of a retention bonus for the CEO. The revised remuneration policy replaces all prior policies for the Management Board's remuneration insofar it relates to remuneration from 1 April 2024 forwards.

A level of remuneration has been established for the members of the Management Board that is considered appropriate and competitive compared with a new reference group of a majority of European industry-related companies and a minority of Dutch multinational companies active in B2C and/or capital-intensive and/or digital industries. Since the reference group also includes larger (German) companies and publicly traded companies, a downward adjustment of the market data is warranted. Also to reflect the consumer brand proposition of a sustainable energy company, society's expectations and modest internal pay differences, a downward adjustment of at least 20% will be applied to the median total direct compensation level of the reference group.

Composition of the remuneration package

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

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

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

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

Whether or not a long-term variable remuneration is awarded for cycles that started before 1 April 2024 depends on how the financial results improve over a 3-year period. Whether or not a long-term variable remuneration is awarded for cycles starting on or after 1 April 2024 depends on how both the financial results and the sustainability results improve over a 3-year period. Effective 1 April 2024, a new measure was included for ESG performances, following the overall review of the remuneration policy for the Management Board in accordance with market practice and to underline Eneco's desire to be a frontrunner in sustainability.

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

Remuneration level

After careful consideration, the overall review of the policy for the Management Board's remuneration resulted in an increase in the salaries and an increase of the target levels for the short-term and long-term variable remuneration. Those increases, effected at 1 April 2024, consisted of the amounts and percentages shown in the 'Table for the 2024 financial year'. The Supervisory Board determined the increases by drawing on a benchmark study by PwC Netherlands based on a new reference group, as explained above.

The short-term variable remuneration as from 1 April 2024, if the targets are met (i.e. 'on target'), is 40% of the non-variable annual salary including holiday allowance, subject to a minimum of 30% and a maximum of 50%. The long-term variable remuneration as from 1 April 2024, if the targets are met (i.e. 'on target'), is 50% of the non-variable annual salary including holiday allowance (with a minimum of 40% and a maximum of 60%), subject to review of the realisation at the end of the appropriate 3-year period.

Table for the 2023 financial year:

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

Table for the 2024 financial year:

Direct remuneration components	CEO	Other members of the Management Board
Salary	€682,440	€494,769
Variable remuneration, short term	40% of salary	40% of salary
Variable remuneration, long term	50% of salary	50% of salary

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

Eneco reports on the internal pay ratio. The internal pay ratio is based on the highest paid individual's salary, i.e. the CEO's total remuneration (including all remuneration components), compared to the median total remuneration (including all remuneration components) based on all employees[1] excluding the CEO. The total remuneration of the CEO and the total remuneration of the median employee are based on paid remuneration data over the period 1 April 2024 – 31 March 2025.

The internal pay ratio for 2024 is 14.9 (2023: 15.2). This means that in 2023 the CEO earned 15.2 times as much as the median employee, in 2024 this decreased to 14.9. The percentage increase in annual total compensation for the CEO (comparison 2023 to 2024) is 7.7% and the percentage increase in annual total compensation for the median employee is 9.5%. The ratio of both increases is 98.3%.

Remuneration policy for the Supervisory Board

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

The remuneration provides for a non-variable fee for membership of the Supervisory Board, plus a fee for the committee roles that the individual members have. The overall review of the remuneration policy for the Supervisory Board that took place during the 2023 financial year resulted in a revised remuneration policy that was adopted by the General Meeting of Shareholders on 24 June 2024 with retroactive effect from 1 April 2024. The review was performed by the Supervisory Board itself, with the assistance of PwC Netherlands. Following careful consideration, the overall review of the policy for remunerating the Supervisory Board resulted in the first increase in the fees, as foreseen when the remuneration policy was first adopted in 2020. To determine the increases, the Supervisory Board drew on a benchmark study performed by PwC Netherlands based on a new reference group constituted of publicly traded Dutch companies of comparable size and complexity, to reflect the supervisory role and duties under the Dutch governance model for two-tier companies. The increases effective 1 April 2024 consisted of the amounts shown in the 'Table for the 2024 financial year'.

Table for the 2023 financial year:

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

Table for the 2024 financial year:

Non-variable annual fee	Chair	Members
Basic fee for membership of the Supervisory Board	€88,000	€66,000
Fee for membership of the Audit Committee	€11,000	€8,250
Fees for membership of other committees	€9,350	€7,150

The members of Eneco's Supervisory Board that were appointed on the shareholders' recommendation have waived their rights to remuneration for their role.

For details of the cost of the 2024 remuneration of the Management Board and Supervisory Board, see Note 6 to the financial statements, Remuneration of the Management Board and Supervisory Board.

1 The definition and scope used are the same as for FTE reporting; the employee population was determined at the reference date of 31 March 2025.

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Consolidated financial statements for the year ended 31 March 2025

Consolidated income statement

For the year ended 31 March 2025

x €1 million	Note	2024	2023
Revenues from energy sales and energy-related activities	3	7,239	8,223
Purchases of energy and energy-related activities		-5,627	-6,603
Gross margin		**1,612**	**1,620**
Other income	4	23	126[1]
Gross margin and other income		**1,635**	**1,746**
Cost of contracted work and other external costs		-485	-574
Employee benefit expenses	5	-389	-358[1]
Depreciation and impairment of property, plant and equipment	11, 12	-286	-283
Amortisation and impairment of intangible assets	13	-97	-94
Other operating expenses		-37	-43
Operating expenses		**-1,294**	**-1,352**
Operating profit		**341**	**394**
Share of profit of associates and joint ventures	7	20	64
Financial income	8	19	38
Financial expenses	9	-66	-42
Profit before income tax		**314**	**454**
Income tax	10	-69	-86
Profit after income tax		**245**	**368**
Attributable to			
Shareholders of N.V. Eneco		244	364
Non-controlling interests		1	4
Profit after income tax		**245**	**368**

1 An amount of €10 million was reclassified between Other income and Employee benefit expenses for comparative purposes.

Consolidated statement of comprehensive income

For the year ended 31 March 2025

x €1 million	Note	2024	2023
Profit after income tax		**245**	**368**
Unrealised gains and losses that will not be reclassified to profit or loss			
Remeasurement of defined-benefit pension plans	5	-	-1
Unrealised gains and losses that may be reclassified to profit or loss			
Currency translation differences			
- Current period	25	7	8
Net investment hedge			
- Current period, change before tax	25	-7	-8
- Income tax effect	25	2	2
Cash flow hedges			
- Current period, change before tax	25	-115	216
- Income tax effect	25	29	-55
Share of unrealised profit of associates and joint ventures after tax	7, 25	-7	-11
Total other comprehensive income		**-91**	**151**
Total comprehensive income		**154**	**519**
Total comprehensive income attributable to:			
Shareholders of N.V. Eneco		153	515
Non-controlling interests		1	4
Total comprehensive income		**154**	**519**

Consolidated balance sheet

x €1 million	Note	At 31 March 2025	At 31 March 2024
Non-current assets			
Property, plant and equipment			
- Owned assets	11	3,558	3,439
- Right-of-use assets	12	352	341
Intangible assets	13	1,083	1,115
Associates and joint ventures	7	323	346
Deferred tax assets	10	34	41
Derivative financial instruments	25	46	139
Other non-current assets	15	152	135
Total non-current assets		**5,548**	**5,556**
Current assets			
Assets held for sale		-	-
Intangible assets and inventories	13	301	286
Trade receivables	16	1,522	1,415
Other current assets	17	252	679
Current tax assets		38	25
Derivative financial instruments	25	157	466
Cash and cash equivalents	18	303	405
Total current assets		**2,573**	**3,276**
TOTAL ASSETS		**8,121**	**8,832**

x €1 million	Note	At 31 March 2025	At 31 March 2024
Equity			
Equity attributable to shareholder of N.V. Eneco	19	3,614	3,643
Non-controlling interests	19	12	14
Total equity		**3,626**	**3,657**
Non-current liabilities			
Employee benefit obligations		4	4
Provisions	20	235	230
Deferred tax liabilities	10	188	249
Derivative financial instruments	25	158	250
Lease liabilities	12	329	311[1]
Borrowings	21	542	583
Other liabilities	22	235	222
Total non-current liabilities		**1,691**	**1,849**
Current liabilities			
Employee benefit obligations		5	3
Provisions	20	31	15
Derivative financial instruments	25	155	408
Lease liabilities	12	33	35[1]
Borrowings	21	656	945
Current tax liabilities		22	35
Trade creditors and other liabilities	22	1,902	1,885
Total current liabilities		**2,804**	**3,326**
TOTAL EQUITY AND LIABILITIES		**8,121**	**8,832**

1 An amount of € 6 million was reclassified from current lease liabilities to non-current lease liabilities for comparative purposes.

Consolidated cash flow statement

For the year ended 31 March 2025

x €1 million	Note	2024	2023[1]
Operating profit		**341**	**394**
Adjustments for:			
- Depreciation, amortisation and impairment	11, 12, 13	383	377
		724	**771**
Changes in:			
- Intangible current assets and inventories		-15	349
- Trade receivables		-112	420
- Other current assets		223	83
- Non-interest bearing-debt		15	-1,539
- Provisions, derivative financial instruments and other		-47	128
Net cash flow from business operations		**788**	**212**
Interest paid		-51	-32
Interest received		18	33
Other financial income and expenses		-6	-5
Income tax paid/received		-110	-179
Net cash flow from operating activities		**639**	**29**

x €1 million	Note	2024	2023[1]
Loans granted		-10	-1
Repayment of loans granted		5	1
Dividend received from associates and joint ventures		45	46
Acquisition of subsidiaries (net of cash acquired)	14	-1	-77
Acquisition of joint operations, joint ventures and associates	14	-8	-28
Investments in property, plant and equipment	11	-371	-584
Disposal of property, plant and equipment	14	218	-
Investments in intangible assets	13	-67	-59
Net cash flow from investing activities		**-189**	**-704**
Dividend payments		-185	-192
Payment of lease liabilities	12	-35	-31
Repayment of borrowings	21	-338	-43[2]
Proceeds from borrowings	21	6	908[2]
Net cash flow from financing activities		**-552**	**642**
Movement in cash and cash equivalents		**-102**	**-33**
Balance of cash and cash equivalents at 1 April		405	437
Translation gains and losses on cash and cash equivalents of subsidiaries		-	1
Balance of cash and cash equivalents at 31 March		**303**	**405**

1 In the current reporting period, the starting point of the cash flow statement has been changed from "Profit after income tax" to "Operating profit". See note 1.2 for an explanation on this change in presentation.
2 An amount of €300m was reclassified from Proceeds from borrowings to Repayments of borrowings for comparative purposes, based on netting criteria in IAS 7.22(b) / 23A(c)

Consolidated statement of changes in equity

	Equity attributable to shareholders of N.V. Eneco[1]						
x €1 million	Issued capital	Translation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 April 2023	**122**	**-15**	**-113**	**3,323**	**3,317**	**12**	**3,329**
Profit after income tax	-	-	-	364	364	4	368
Total other comprehensive income	-	2	150	-1	151	-	151
Total comprehensive income	**-**	**2**	**150**	**363**	**515**	**4**	**519**
Dividend to shareholders of N.V. Eneco 2022	**-**	**-**	**-**	-189	-189	-3	-192
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	1	1
Total transactions with owners of the company	**-**	**-**	**-**	**-189**	**-189**	**-2**	**-191**
At 31 March 2024	**122**	**-13**	**37**	**3,497**	**3,643**	**14**	**3,657**
Profit after income tax	-	-	-	244	244	1	245
Total other comprehensive income	-	2	-93	-	-91	-	-91
Total comprehensive income	**-**	**2**	**-93**	**244**	**153**	**1**	**154**
Dividend to shareholders of N.V. Eneco 2023	-	-	-	-182	-182	-3	-185
Total transactions with owners of the company	**-**	**-**	**-**	**-182**	**-182**	**-3**	**-185**
At 31 March 2025	**122**	**-11**	**-56**	**3,559**	**3,614**	**12**	**3,626**

1 See note 19 'Equity' for further information on equity.

Notes to the consolidated financial statements

1. Accounting principles for financial reporting

1.1 General information

N.V. Eneco ('the company') is a company incorporated under Dutch law, with its registered office in Rotterdam. N.V. Eneco is the holding company of subsidiaries, interests in joint operations, joint ventures and associates (referred to jointly as 'Eneco' or 'the Group'). Mitsubishi Corporation (Tokyo, Japan) is the ultimate parent company of N.V. Eneco. The full large company regime applies to N.V. Eneco pursuant to the articles of association. The company is registered at the Chamber of Commerce under number 24246970. The current financial reporting period of the company is from 1 April 2024 to 31 March 2025.

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

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

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

The consolidated financial statements have been prepared by the company's Management Board. The financial statements for the year ended 31 March 2025 were authorised for issue by the Management Board during its meeting on 26 June 2025 and will be submitted to the General Meeting of Shareholders for adoption on 3 July 2025.

1.2 New and amended IFRS standards, and other changes compared to last year

Changes to existing IFRS standards or new IFRS standards applied by Eneco since 1 April 2024

A number of changes to existing IFRS standards or new IFRS standards adopted by the European Commission have been in force since 1 January 2024 and, where relevant, have been applied by Eneco since 1 April 2024. They are as follows:

- **Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' regarding supplier finance arrangements**
  The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Eneco does not hold any supplier finance arrangements. Consequently, the amendments have no impact on the Group's financial statements.

- **Amendments to IFRS 16 'Leases' regarding a lease liability in a sale and leaseback**
  The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Specifically, they state that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction. The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Eneco has not entered into any material sale and leaseback transactions since its application of IFRS 16 (i.e. 1 January 2019). Consequently, the amendments do not have a material impact on the Group's financial statements.

New IFRS standards and amendments to existing standards to be applied by Eneco starting on 1 April 2025
Amendments to an existing standard that Eneco has not adopted early become effective from 1 January 2025 and will be applied by Eneco from the next reporting period (starting on 1 April 2025) if applicable:

- **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' regarding lack of exchangeability**
  The amendments provide clarity on how entities should assess exchangeability and determine an appropriate spot exchange rate when exchangeability is lacking. The amendments include additional disclosure requirements and are effective for annual reporting periods beginning on or after 1 January 2025. The amendments are expected to have no material impact on the Group's financial statements, because the group does not enter into transactions in foreign currencies that lack exchangeability.

Standards issued but not yet effective
As of 31 March 2025, the following standards and amendments have been issued by the IASB but have not yet been endorsed for application in the European Union. Eneco is currently assessing the potential impact, if any, of these standards on its financial statements.

Title	Nature of impending change	IASB effective date	Planned date of application by Eneco
IFRS 18 - Presentation and Disclosure in Financial Statements	IFRS 18 replaces IAS 1. This standard revises the presentation and disclosure requirements by introducing more structured notes, categorization of income and expenses and disclosure principles.	1 January 2027	1 April 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 provides a simplified disclosure framework for subsidiaries without public accountability, allowing these entities to reduce the complexity of financial statements presentation while still complying with IFRS.	1 January 2027	1 April 2027
Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 9 and IFRS 7)	These amendments clarify the accounting treatment for financial contracts referencing electricity prices influenced by nature-dependent factors, such as weather conditions. The revisions refine the classification of such contracts under IFRS 9 and improve the required disclosures under IFRS 7.	1 January 2026	1 April 2026
Amendments to the Classification and Measurement of Financial Instruments (IFRS 9)	These amendments refine the classification and measurement of financial instruments under IFRS 9 by providing clearer guidance on derecognition criteria and fair value measurement. IFRS 7 is updated to improve disclosures related to the transaction price and unobservable market inputs.	1 January 2026	1 April 2026, pending evaluation early adoption
Annual Improvements to IFRS Standards - Volume 11	The annual improvements introduce minor amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Changes include: • refinement of financial instruments derecognition disclosures, • derecognition of lease liabilities, • additional guidance on assessing 'control' relationships, • disclosure of deferred difference between fair value and transaction price, • credit risk disclosures, • determination of a 'de facto agent'.	1 January 2026	1 April 2026

Presentation and disclosure changes in comparison to last year

In the reporting period for the year ended 31 March 2025, the Group has changed the presentation of the cash flow statement and certain disclosure notes. The adoption of these presentation changes was not mandated by a new or amended IFRS but was applied voluntarily. In accordance with IAS 8, the Group has retrospectively restated the comparative figures to reflect the new presentation formats. The changes do not impact the recognition, measurement or classification of any item in the financial statements. The changes are as follows:

- **Cash flow statement**
  In the current reporting period, the cash flow statement starts with the "Operating profit" instead of the previously reported "Profit after income tax". The Group believes that this change provides more relevant information to users by focusing on operating results as the starting point for the cash flow analysis. A reconciliation between "Operating profit" and "Profit after income tax" is still provided within the income statement.
  The change does not affect the cash flows from operating, investing, or financing activities.
- **Movement schedules PP&E, right-of use assets and intangible assets**
  In the current reporting period, the movement schedules for property, plant and equipment (PP&E) and intangible assets (notes 11 and 13), present the cost and accumulated depreciation for the beginning and end of the reporting periods, including the movements of the net carrying amounts. Furthermore, the movement schedule for right-of-use assets (note 12) only shows the movements of net carrying amounts. In previous reporting periods Eneco additionally reported cost and accumulated depreciation / amortisation movements. The Group believes that this change provides more relevant information to users by focusing on the net movements. In the case of a material transaction (e.g. a disposal), the gross amounts will be disclosed. The change does not affect the cost, (accumulated) depreciation/amortisation or carrying amounts.
- **Purchase and sale commitments**
  In the current reporting period, the disclosure note for 'Commitments, contingent assets and liabilities' includes a qualitative disclosure of the energy purchase and sale commitments. In previous reporting periods Eneco additionally disclosed aggregated amounts of the energy purchase and sale commitments (i.e. a

quantitative disclosure). The Group believes that this change provides information to users that is more in line with the objective of IFRS. Focussing on the fact that the Group entered into energy purchase and sales commitments for which a quantitative disclosure is not required. In case a contract becomes onerous, this fact will be disclosed (and accounted for).

Furthermore, the Group has ceased to include certain voluntary disclosures. The main disclosures compared to the previous year that are not included in these financial statements concern:

- the cost and accumulated depreciation of the right-of-use assets (note 12); and
- the comparative figures in the movement schedule for provisions (note 20).

In addition, certain notes have been aggregated with the objective to combine information related to specific items into a single disclosure note.

The Group believes that these changes provide more relevant information to users by focusing on material information.

1.3 Basis of consolidation

The consolidated financial statements have been prepared in compliance with the IFRS Accounting Standards in force at 31 March 2025, as adopted by the European Commission, and with the provisions of Part 9, Book 2 of the Dutch Civil Code. Where necessary, the accounting policies of joint operations, joint ventures and associates are brought into line with those of N.V. Eneco. The consolidated financial statements have been prepared on a going-concern basis using the accrual basis of accounting.

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

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

Subsidiaries

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

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

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

Joint operations/Joint ventures

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

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

Associates

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

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

Other capital interests

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

1.4 Impact of the energy crisis

As a response to volatile and rising European energy prices, in 2022 and 2023, governments in Europe introduced certain customer support arrangements to partly compensate for the financial effects of higher energy prices for consumers and businesses. In addition, an inframarginal revenue cap was introduced by the European Union to transfer earnings made from the production of electricity with renewable assets above a certain threshold to the respective local government. The impact on N.V. Eneco's financial statements related to these customer support arrangements in the main countries Eneco operates in and the inframarginal revenue cap law, is explained in more detail below. In financial year 2024 this impact mainly relates to final settlements with the governments.

The Netherlands

The Dutch government implemented the following customer support arrangements:

Temporary contribution to energy bills for small-scale electricity connections in November and December 2022 ('Tijdelijke overbruggingsregeling tegemoetkoming energieprijzen kleinverbruikers 2022 (CEK22)'): In November and December 2022, households with small electricity connections received €190 per month. Final settlement took place in February 2024.

Price cap for gas, electricity and district heating ('Subsidieregeling bekostiging plafond energietarieven kleinverbruikers 2023 (CEK23)'): For calendar year 2023, a price cap was applied to gas, electricity and district heating. The amount of the compensation from the government to the energy supplier covers the difference between the energy price in the price cap and the average contractual energy price agreed with the customer multiplied by the volume of energy supplied up to the volume cap. Final declaration and settlement with the Dutch government will be no later than June 2025.

As part of the price cap arrangement, the government requires energy suppliers to perform a margin test for calendar year 2023. Eneco has performed this margin test, according to the definitions and calculations as defined in the government regulation. The outcome of the margin test was that the gross margin for calendar year 2023 did not exceed the benchmark. Consequently, no adjustment has been made in the financial statements of 2023 and 2024.

Eneco and other suppliers were compensated with €4.31 per connection per year for implementing the price cap (*TUK – 'tegemoetkoming uitvoeringskosten'*).

For the balance sheet positions as at 31 March 2025 refer to note 22 Trade creditors and other liabilities.

Germany

The German government implemented the following customer support arrangements:

Emergency Assistance ('Soforthilfe'): Energy suppliers were instructed not to collect the December 2022 prepayments from their customers. Instead, the federal government transferred the forecasted one-twelfth part of the yearly consumption of these customers to the energy suppliers. The final settlement was in April 2024.

Electricity and gas price brake ('Strom- und Gaspreisbremse'): In 2023, the government subsidised gas and electricity prices for households and small businesses based on consumption levels. The final settlement was submitted to the government in May 2025.

For the balance sheet positions as at 31 March 2025 refer to note 22 Trade creditors and other liabilities.

Belgium

In Belgium the government implemented the following customer support arrangements:

Regular social tariff and Extended social tariff customers ('Sociaal tarief' and 'Uitgebreid sociaal tarief'): Eligible households received compensation for the difference between social tariffs and market prices for gas and electricity. The extended social tariff is no longer applicable as of this financial year and only the regular social tariff remains. The final settlement was in March 2025.

Basic energy packages I and II ('Winterpremie'): From November 2022 to March 2023, residential customers with a variable energy contract received monthly payments of €135 (gas) and €61 (electricity). The final settlement was in March 2024.

For the balance sheet positions as at 31 March 2025 refer to note 17 Other current assets and note 22 Trade creditors and other liabilities.

Accounting treatment

The customer support arrangements have been accounted for in the manner described below.

The customer support arrangements described per country do not have Eneco as their intended beneficiary, but the households and other small-scale users/businesses. Therefore, the amounts received from the respective governments are processed through the balance sheet as transitory amounts and then settled with households and other small-scale users/businesses. These received amounts from the government did not affect the amount of revenues presented in the income statement based on the application of IFRS 15 'Revenue from contracts with customers'. Eneco also evaluated alternative accounting treatments under IAS 20 'Accounting for government grants and disclosure of government assistance' but concluded the impact would be similar.

Inframarginal revenue cap

The EU imposed a temporary cap on the revenues of renewable energy producers, effective from December 2022 to June 2023. This levy targets the excess profits of solar, wind, and biomass producers, with a cap of €130 per MWh for solar and wind, and €240 per MWh for biomass.

For all assets in scope of this levy the remaining payable is recognised as 'Trade creditors and other liabilities' in the balance sheet for €7 million per 31 March 2025 (31 March 2024: €13 million). The final settlement was on 1 April 2025.

The estimated costs for this levy are based on the final legislation in the Netherlands (enacted in July 2024 by the Dutch parliament) and in Belgium. The electricity producer (regardless of whether the producer is part of a larger or integrated group) may choose from two methods to determine the realised market revenues. The producer cannot switch between the methods during the period mentioned. The methods to determine the market revenues are:

1. based on day ahead pricing;

2. based on the administration of the producer.

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

2. Material accounting policies

2.1 General

The material accounting policies used when preparing the financial statements for the year ended 31 March 2025 are summarised below.

The accounting policies used in these financial statements are consistent with those set out in the financial statements for the reporting period ended 31 March 2024, except for the effect of amended standards and voluntary presentation and disclosure changes as set out in 1.2 New and amended IFRS standards, and other changes compared to last year. All amounts presented are in millions of euros unless stated otherwise.

Measurement basis

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

Judgements, estimates and assumptions

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

Judgements

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

- Note 1.3 Basis of consolidation and the List of principal subsidiaries, joint operations, joint ventures and associates: The Group must determine the level of influence (i.e. 'control', 'joint control' or 'significant influence') it holds over each of its investments. This assessment decides whether an entity is classified as a subsidiary, joint operation, or associate, which directly affects financial reporting. Judgement is required to evaluate whether other factors than the voting rights pursuant to the articles of association affect the level of influence. Particularly when one or several investors have:
  - special rights pursuant to the shareholders' agreement, with respect to voting or nominating directors; or
  - options to acquire additional shares of the investee.
- Revenue recognition – 'principal' vs. 'agent' (notes 2.2 Revenues from energy sales and energy-related activities and 3 Revenues from energy sales and energy-related activities): Revenue from energy sales often involves complicated relationships between suppliers, intermediaries, and customers. The Group must determine whether it acts as a principal, controlling the goods or services before transfer, or as an agent, merely arranging for the provision of goods or services by another party. This decision affects the recognition and presentation of both revenue and costs. The group determines which entity controls the specified good or service before it is transferred based on certain indicators. Judgement is required to evaluate which of these indicators has more weight based on the terms and conditions of the specific contract.
- Lease identification (note 12 Property, plant and equipment – right-of-use assets and lease liabilities and note 3 Revenues from energy sales and energy-related activities): The group must determine whether agreements related to PP&E (especially those for renewable energy projects) qualify as leases or service contracts. In this respect, the group must assess which party has the right to direct how and for what purpose the asset is used. Judgement is required to evaluate which party has this right, based on the terms and conditions of the contract.

Estimates and assumptions

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

- Energy consumption and revenue recognition (note 3 Revenues from energy sales and energy-related activities): For energy sales, the Group must estimate the consumption patterns of its customers, including feed-in of electricity produced by solar panels to the grid. Since energy billing often lag usage (based on actual meter readings), these estimates are vital for accurate revenue recognition in each reporting period.
- Valuation of PP&E (note 11 Property, plant and equipment – owned assets) and intangible assets excluding goodwill (note 13 Intangible assets): The Group holds significant assets, such as power plants, wind turbines, district heating networks, customer databases, concessions, permits and trade names. The valuation of these assets require estimations, especially given the sector's exposure to technological change and market and regulatory developments. Therefore, the useful life of these assets is reviewed annually. Moreover, changes in laws, such as the draft Dutch Heat Act (*Warmtewet*), could have significant impact on the recoverable amounts of these assets. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable (i.e. impairment trigger). For the purpose of impairment testing, the assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).
- Lease terms and renewal options for right-of-use assets (note 12 Property, plant and equipment – right-of-use assets and lease liabilities): For leased assets by Eneco as a lessee, including land and equipment leases, the Group estimates the useful lives and certainty to exercise renewal options. If the estimated useful life differs significantly from the lease term, this could impact the carrying value of right-of-use assets and the concerning lease liabilities. Additionally, management must consider renewal options if they believe the Group will exercise them based on the strategic importance of the leased assets.
- Impairment test for goodwill (note 13 Intangible assets): Irrespective of whether there is any indication of impairment, the Group performs an annual impairment test for goodwill. For the purpose of impairment testing, the assets are grouped into cash-generating units. The test is performed for goodwill, by comparing the carrying amount of the concerning cash-generating units with their recoverable amount. Impairment testing requires assumptions about future cash flows, discount rates, and market conditions, especially in the face of large volatility in energy prices, technological changes and regulatory factors. These assumptions could considerably impact the recoverable amount of the cash-generating units.
- Fair value of level 3 financial instruments (note 25.2 Measurement of fair values): For financial instruments such as derivatives related to investments in renewable energy projects. Fair value measurements at level 3 (where market data is not readily observable) involve significant assumptions. Factors like long-term price forecasts for energy, discount rates, and project-specific risks are estimated to ensure fair value valuation.
- Trade receivables and expected credit losses (notes 16 Trade receivables and 25.3 Financial risk management): In the energy sector, customers can be impacted by energy price volatility and macro-economic downturns. The Group applies the expected credit loss model (simplified approach) to estimate provisions for doubtful debts. The provision is determined using historical payment data and forward-looking information, which reflect the probability of default over the expected life of receivables.
- Provisions and and contingencies (note 20 Provisions) and note 23 Commitments, contingent assets and liabilities): The Group estimates the recognition and measurement of provisions for various obligations, such as decommissioning, and contingent assets and liabilities. These provisions require forecasting future cash outflows, often with uncertain timing and influenced by regulatory developments, environmental standards, and operational considerations. The assessment of recognition (on balance) of a contingent asset or contingent liability includes the likelihood and magnitude of an inflow respectively outflow of resources.

Accounting estimates and management judgements related to climate changes

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

The existing asset base of Eneco already consists of renewable assets. Eneco operates some smaller gas-fired combined heat and power (CHP) plants as part of Eneco's district heating infrastructure and operates two gas-fired electricity plants as balancing plants for when there is too little wind and solar energy. Eneco is developing a strategy on renewable heat sources to supply heat for Eneco's district heating operations. Regarding our gas-fired plants we are investigating how to phase out the reliance on fossil fuels, while continuing to ensure security of supply for our own portfolio as well as the energy systems we operate in. Solutions could include further increasing the penetration of renewable sources to reduce the annual run hours of the gas plants, converting the plant to green hydrogen, deploying green gas, divestment or closing the plant.

Impairment of assets

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

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

Goodwill is allocated on initial recognition to one or more cash-generating units in line with the way in which the goodwill is assessed internally by management. An impairment test on goodwill and intangible assets not yet available for use is performed annually to determine the recoverable amount. The sensitivity analysis in respect of the recoverable amount of goodwill is presented in note 13 Intangible assets.

The recoverable amount of an asset or cash-generating unit for which no annual impairment test is performed, is determined if an impairment trigger analysis provides evidence of impairment. If the carrying amount of assets allocated to a cash-generating unit is higher than the recoverable amount, the carrying amount is reduced to the recoverable amount. This impairment is recognised through the income statement. Impairment of a cash-generating unit is first deducted from the goodwill attributed to that unit (or group of units) and then deducted proportionately from the carrying amount of the other assets of that unit (or group of units).

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

Foreign currencies

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

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

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

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

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

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

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

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

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

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

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

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

Note 25.3.2 Market and regulatory risk provides further information on net investment hedges in foreign operations, including a statement of the movements in the translation reserve.

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

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

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

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

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

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received compensation. Amounts to be settled under advances paid for energy are presented as 'Other liabilities'.

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

Sales to large-volume customers are billed monthly based on meter readings. Billing for sales to retail customers is also based on actual meter readings or readings taken throughout the year. Part of the amount of energy supplied to retail customers during the reporting period and the resulting revenues is, therefore, estimated from historical consumption figures, standard customer profiles, weather conditions and applicable energy tariffs. This estimation is corrected for factors such as feed-in of electricity (given the year-on-year increasing number of customers with solar panels) and gas savings by customers.

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

Revenues for energy delivered under ongoing energy contracts correspond directly with the amount consumed by the customer.

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

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

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

The ‘Purchases of energy and energy-related activities’ in the income statement also include the amortisation of capitalised contract acquisition costs. These expenses are the incremental costs of obtaining a contract with a customer if Eneco expects to recover those costs (for example, sales commission). These expenses are initially measured at nominal value in the line item 'Other (non-)current assets' and are recognised in the income statement consistent with the transfer to the customer of the goods or services to which the expenses relate. As a practical expedient, Eneco recognises the incremental costs of obtaining a contract with a customer as an expense when incurred if the amortisation period of the asset that the entity would otherwise have recognised is one year or less.

2.4 Employee benefits

Defined-contribution pensions

Pension liabilities of almost all Dutch business units have been placed with the industry-wide pension funds: Stichting Pensioenfonds ABP (ABP) and the Stichting Pensioenfonds Metaal en Techniek (PMT). There is a state pension plan for employees in Germany; contributions are collected with the social security charges on the employee's salary. A limited number of employees have individual plans insured with various insurance companies.

In the event of future shortfalls, the pension funds may only adjust future contributions and only within a limited range. Under IFRS, the ABP and PMT plans are classified as multi-employer defined-contribution plans. A defined-contribution plan is a plan in which a fixed contribution is paid for the benefit of an employee without any further claim by or liability to that employee. Liabilities in respect of contributions to pension and related plans on the basis of available contributions are recognised as an expense in the income statement in the period to which they relate.

The amount of the pension in the Netherlands depends on age, salary and years of service. Employees may opt to retire earlier or (with the Group's agreement) later than the state retirement age, in which case their pension is adjusted accordingly.

Defined-benefit plans

Defined-benefit plans are obligations to pay out future pension entitlements. The defined-benefit entitlements depend on age, years of service and salary. The liabilities under defined-benefit plans are calculated actuarially for each plan separately. This applies for the pensions plans in Belgium, which are classified as defined-benefit plans since the employer has issued a certain guarantee on returns.

Liabilities for defined-benefit plans are based on the actuarial present value of the liability determined using the projected unit credit method that is based on a straight-line accrual of rights using projected salaries and takes into account aspects such as future salary increases and inflation. The net liabilities are determined as the net amount of the actuarial present value of the liabilities and the fair value of the fund assets according to actuarial reports. Service charges and net interest are included in employee benefits. Gains and losses on settlement of a defined-benefit plan are taken and recognised in the result at the time of settlement. Actuarial gains and losses on the revaluation of a net pension liability are recognised in other comprehensive income.

Other employee benefit obligations

An obligation is recognised to pay out amounts related to long-service benefits and on the retirement of employees. A liability is also recognised for the obligation to contribute towards the health insurance premiums of retired employees, salary payments in the event of illness and the employer's risk under the Dutch Unemployment Insurance Act (*Werkloosheidswet*). Where appropriate, these liabilities are calculated actuarially at the reporting date using the projected unit credit method, using a pre-tax discount rate which reflects the current market assessment of the time value of money.

2.5 Financial income and expenses

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

2.6 Income taxes

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

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

2.7 Property, plant and equipment - owned assets

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

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

Government grants

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

Expenditure incurred subsequent to initial recognition

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

Depreciation

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

2.8 Property, plant and equipment - leased assets

Eneco as a lessee

Recognition

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

Lease of underlying assets with a low-value or leases with a lease term of less than 12 months are exempt from recognition of a right-of-use asset and lease liability. Variable lease payments that do not depend on an index or a rate are also not included in the measurement of lease liabilities These payments are recognised in the period in which an event or condition occurs and are charged to the income statement in line item ‘Cost of contracted work and other external costs’.

Measurement of lease liabilities

Liabilities arising from a lease are initially measured as the present value of fixed and variable payments that depends on an index or a rate, payments for residual value guarantees and/or payments for terminating the lease, if any. Exercise prices of purchase options and lease payments to be made under an extension option are included in the lease liability if the group is reasonably certain to exercise the option.

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

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

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

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

Measurement of right-of-use assets

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

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

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

Eneco as a lessor

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

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

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

2.9 Goodwill

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

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

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

2.10 Other intangible assets

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

Customer databases

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

Software and software licences

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

Concessions, permits and other rights

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

Trade names

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

Development expenditure

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

Amortisation

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

2.11 Emission rights

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

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

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

2.12 Derivative financial instruments

General

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

Own use

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

Measurement and recognition

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

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

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

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

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

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

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

Level 3
The fair value of financial instruments in level 3 is based on calculations involving significant inputs that are not based on observable market data. The fair value of these energy contracts is determined using Eneco's internal valuation models for forecasting energy prices. These models use statistical methods such as linear mathematical programming and include observable information such as quoted market prices (observable for a maximum of five years ahead) and market prices from external sources commonly used in the electricity industry. The models also use unobservable information such as historical data on wind and solar generation, relationships with historical commodity prices, the electrification of demand and the development of renewable and conventional electricity assets in Western Europe in relation to climate goals set by governments. Eneco updates the scenarios periodically in line with current market circumstances and/or changes in government policy. The scenarios and their inputs are independently reviewed and approved by Eneco's Commodity Risk Team. The models present long-term scenarios for electricity and other prices which differ primarily in their assumptions on the achievement of government climate goals and the way the market responds to this. The fair value of the contracts is measured using the expected trends in the energy price included in these scenarios and volatility in cases where the contracts have option characteristics.

Presentation in the balance sheet

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

Hedge accounting

Cash flow hedges

Contracts are classified as hedging instruments if they mitigate the risk of fluctuations in future cash flows that could affect the result. More specifically, if the hedge can be attributed to a particular risk or to the full movement in the transaction (energy contracts) associated with an asset, liability or highly probable forecast transaction, the attributed derivative financial instruments are recognised as hedging instruments. The cash flow hedging instruments are mainly energy contracts agreed with other market parties in order to mitigate price risks of

Eneco's energy positions. The cash flow hedge reserve also recognises the effective portion of hedging with interest rate swaps and currency contracts.

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

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

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

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

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

2.13 Other non-current assets

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

Long-term receivables and loans

Long-term receivables and loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. To the extent necessary, other receivables and loans are impaired using the expected credit losses method in IFRS 9. See note 25.3.1 Credit risk (subparagraph 'Debtor risk') for the specific application of this method.

Prepayments

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

Capitalised contract acquisition costs

For more information on capitalised contract acquisition costs, see note 2.3 Purchases of energy and energy-related activities.

Regular way purchases or sales are purchases or sales of financial assets

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

2.14 Inventories

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

See note 2.11 Emission rights for the accounting policy for emission rights held for trading purposes.

2.15 Trade receivables and other current assets

Trade and other receivables

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

The Group applies the IFRS 9 'simplified approach' for determining impairment losses on trade receivables using the lifetime expected credit losses method. See note 25.3 Financial risk management (subparagraph 'Debtor risk') for the specific application of this method.

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

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

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

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

Other current assets

For capitalised contract acquisition costs and prepayments, see note 2.13 Other non-current assets.

Paid margin calls are initially recognised and measured at nominal value. See note 25.3 Financial risk management and note 25.3.2 Market and regulatory risk (subparagraph 'Price risk') for a more detailed explanation of these margin calls.

Customer support arrangements concern amounts receivable from governments related to the various financial measures that local authorities have taken to reduce energy costs for retail customers and small businesses, especially those most in need. See note 1.4 Impact of the energy crisis for more information and the financial impact.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and deposits that have a maturity of approximately three months or that can be called within approximately three months.

2.17 Provisions

A provision is recognised when, due to a past event, there is a present legal or constructive obligation that is of an uncertain size or that will occur at an uncertain timing. The settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Provisions are recognised at the present value of the expected expenditure. The specific risks inherent to the relevant obligation are taken into account when determining this expenditure. The present value is calculated using a pre-tax discount rate which reflects the current market assessment of the time value of money. The determination of the expected expenditure is based on detailed plans in order to limit the uncertainty regarding the amount.

Provisions that will be settled within one year of the reporting date, or that are of limited material significance, are recognised at face value.

Decommissioning

A provision is recognised that equals the present value of the expected costs where there is an obligation to dismantle, demolish or remove an item of PP&E when it ceases to be used. The present value is calculated using a pre-tax rate which reflects the current market assessment of the time value of money and the risks specific to the liability, with a minimum of 0%. No decommissioning provision is recognised if there is only a possible or remote likelihood of an outflow of resources under the obligation. The initial recognition of the decommissioning provision for an asset is included in the cost of that asset. If a subsequent assessment shows that the present value of the estimated decommissioning and restoration costs differs considerably from the provision, the difference is settled as an addition or release against the cost of the asset concerned. The adjusted cost is then depreciated over the remaining useful life of that asset. Any increase in the provision due to the passage of time is recognised as interest expense.

Restructuring provision

A restructuring provision is included when a detailed formal plan has been prepared and approved, and the key features of that plan have been communicated to those directly involved, creating a valid expectation that the restructuring will occur. The restructuring provision only includes costs that are directly related to the restructuring, thus those that are necessary as a result of the restructuring and are not related to ongoing activities.

2.18 Borrowings

On initial recognition, borrowings are carried at fair value of the consideration received less the directly attributable transaction costs (including any premium/discount). Subsequent to initial recognition, borrowings are recognised at amortised cost using the effective interest method.

2.19 Trade creditors and other liabilities

Trade creditors and other liabilities are recognised at fair value and subsequently at amortised cost. Payables with a term of less than one year are not discounted on initial recognition. In view of their short-term nature, the carrying amount of trade creditors and other liabilities at the reporting date is equal to their fair value.

Contributions received from district heating customers for connection costs and amounts received in advance from business customers are part of the contract liabilities.

2.20 Cash flow statement

The cash flow statement has been prepared using the indirect method, which is applicable to the category 'net cash flow from operating activities'. To reconcile the movement in cash and cash equivalents, the operating profit is adjusted for items in the income statement and movements in the balance sheet that did not affect receipts or payments.

The cash flow statement distinguishes between cash flows from operating, investing and financing activities:

- Net cash flow from operating activities includes interest and income tax payments and interest receipts;
- Net cash flow from investing activities comprises payments in connection with the purchase and sale of non-current assets such as intangible assets, PP&E, investments in subsidiaries, joint operations, joint ventures and associates. Dividend receipts from these investments are also included;
- Net cash flow from financing activities comprises changes in the size or composition of borrowings, payment of lease liabilities and receipts or payments related to equity, such as dividend payments.

2.21 Commitments, contingent assets and liabilities

Commitments, contingent assets and liabilities (except for guarantees and lease liabilities) are measured at present value, calculated using a discount rate that reflects current market assessments of the time value of money.

Notes to the consolidated income statement and balance sheet

3. Revenues from energy sales and energy-related activities

Revenue per activity

The nature of the revenues from energy sales and energy-related activities is shown below:

	2024	2023
Electricity	4,543	5,348
Gas	2,160	2,289
Heat	417	434
Energy-related activities	119	152
Total	**7,239**	**8,223**

Government grants of €69 million (2023: €52 million) are included in electricity revenue.

Each year, the Group settles prior-year revenues with its customers. Positive revenue of €34 million that related to earlier years of supply was recognised (2023: € 112 million).

Revenue per country

The revenue per country of sales is shown below:

	2024	2023
Netherlands	4,387	5,338[1]
Germany	1,635	1,711[1]
Belgium	1,027	977
United Kingdom	190	197
Total	**7,239**	**8,223**

1 Amounts related to the revenues recognised for the period 1 April 2023 to 31 March 2024 under the price cap arrangement collected from the government are included. See note 1.4 'Impact energy crisis'.

Revenue included transmission charges of €410 million (2023: €347 million) invoiced by grid operators and €211 million (2023: €178 million) of environmental and other levies and taxes, both from operations in Germany as, under local regulations, Eneco is acting as principal for these items.

Contract acquisition costs and contributions received

The company has recognised an asset for the costs of obtaining customer contracts (contract acquisition costs). Contributions received from customers, for connections to district heating networks, are recorded as contract liabilities.

The movements in contract acquisition costs were as follows:

	Note	2024	2023
At 1 April		**125**	**75**
Capitalisation		80	96
Amortisation (included in 'Purchases of energy and energy-related activities')		-55	-46
At 31 March		**150**	**125**
Classification			
Current	17	53	46
Non-current	15	97	79
At 31 March		**150**	**125**

The table below shows the movements in contributions received for connections and other long-term contract liabilities:

	Note	2024	2023
At 1 April		209	196
Additions		29	19
Disposals		-	-2
Releases to the income statement (in revenues)		-7	-4
At 31 March		**231**	**209**
Current	22	14	8
Non-current	22	217	201
At 31 March		**231**	**209**

4. Other income

Other income mainly concerns the recharge of costs to retail customers for the use of manual payment transfers instead of direct debit, fines paid by retail customers in the event of early termination of their contracts, settlement of claims, release from the Energy Investment Allowance (tax credit) to be amortised and income from sales of tangible and intangible assets and partial or full disposal of subsidiaries and joint operations, if applicable. In the prior financial reporting period, Other income includes the result from the sale of a part of the Group's interest in Ecowende (HKW).

5. Employee benefits

The breakdown of the employee benefits expenses recognised in the income statement is shown below:

	2024	2023
Wages and salaries	-342	-306
Social security contributions	-45	-38
Pension contributions	-30	-25
Other employee benefits	-27	-30
Total employee benefits	**-444**	**-399**
Capitalised as PP&E – owned assets / Assets under construction	35	23
Presented as Purchases of energy and energy-related activities	20	18[1]
Total	**-389**	**-358**

1 An amount of €10 million was adjusted for consistency purposes.

Number of employees in Full Time Equivalents (FTEs)

These numbers are presented in the table below:

	2024	2023
Average for the period		
FTEs employed	3,780	3,678
of whom, working outside the Netherlands	1,115	1,171
At 31 March		
FTEs employed	3,778	3,810
FTEs employed at 31 March by country		
The Netherlands	2,669	2,604
Germany	724	837
Belgium	373	357
The United Kingdom	12	12
Total	**3,778**	**3,810**

6. Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board

General

The initial remuneration policy for the members of the Management Board[1] as proposed by the Supervisory Board was approved by the General Meeting of Shareholders and took effect on 24 March 2020 and was amended in financial years 2021 and 2022.

During financial year 2023 a review of the remuneration policy for the members of the Management Board resulted in a revised remuneration policy that was determined by the General Meeting of Shareholders on 24 June 2024 and took effect on 1 April 2024. Compared to the previous remuneration policy dated 2022 the main differences are that the new remuneration levels (both base salary and target levels of the short-term incentive plus long-term incentive) are included, the performance measures of the long-term incentive have changed as explained below in more detail and the possibility of a retention bonus for the CEO is included. The revised remuneration policy replaces any preceding remuneration policies applicable to the Management Board insofar it relates to remuneration as of 1 April 2024. The remuneration of the Management Board is determined by the Supervisory Board on the recommendation of its Remuneration, Selection and Appointments Committee.

No sign-on bonuses or recruitment incentive payments were paid to the members of the Management Board nor were claw backs applied during the reporting period.

Variable remuneration - short-term incentive

In addition to a fixed salary, the policy provides for variable remuneration consisting of a ‘short-term incentive’ (STI) and a ‘long-term incentive’ (LTI). The STI is granted on the basis of targets set each year by the Supervisory Board for the financial result (measured via 'net result[2]', with a weight of 60%), for customer satisfaction (measured via 'Relationele KTV' (‘relational customer satisfaction’), with a weight of 10%), employee engagement (measured via 'eNPS', with a weight of 10%), safety (measured via 'RIF', with a weight of 5%) and sustainability (measured via 'Mtonne CO2eq', with a weight of 15%). As from 1 April 2024 the on-target level of the STI is set at 40% of base salary including holiday allowance (2023: 30%). Pay-out starts at the threshold level of 30% of base salary including holiday allowance (2023: 20%) and is maximised at an above-target of 50% of base salary including holiday allowance (2023: 40%). The STI 2024 applies from 1 April 2024 to 31 March 2025. Most targets for the STI 2024 have been achieved and the related amounts are disclosed in the 'Remuneration of the Management Board' table.

Variable remuneration - long-term incentive

The grant of LTI of which the cycles have started before 1 April 2024 is fully dependent on the improvement of the financial performance over a period of three years (measured via 'net result[2]'). The on-target annual grant level of the LTI is set at 30% of base salary including holiday allowance. The pay-out starts at the threshold level of 20% of base salary including holiday allowance and is maximised at an above-target of 40% of base salary including holiday allowance.

The grant of LTI of which the cycles have started as of 1 April 2024 is dependent on both the improvement of the financial performance (measured via ‘net result[2]’, with a weight of 60% for threshold and at target level) and the sustainability performance (measured via ‘Mtonne CO2eq’, with a weight of 40% for threshold and at target level) over a period of three years. The on-target annual grant level of the LTI is set at 50% of base salary including holiday allowance. The pay-out starts at the threshold level of 40% of base salary including holiday allowance and is maximised at an above-target of 60% of base salary including holiday allowance.

This grant of LTI is conditional upon the continued employment of the members of the Management Board during a period of three years. The level of achievement is assessed at the end of the relevant three-year period. The 2022-2024 LTI applies from 1 April 2022 to 31 March 2025, the 2023-2025 LTI applies from 1 April 2023 to 31 March 2026 and the 2024-2026 LTI applies from 1 April 2024 to 31 March 2027. The target for 2022-2024 LTI has been realised and the related amount is disclosed in the 'Remuneration of the Management Board' table.

Pension entitlements

The pension entitlements of the members of the Management Board have been placed with Eneco’s standard pension plan. Since 1 January 2015, tax facilities for accrual of pension entitlements have been limited to an indexed maximum gross annual salary of €137,800 (2024 and 2025). As a result, the contribution to pensions for the part of the gross salary in excess of €137,800 is presented in the 'Other pension compensation' column in the Remuneration of the Management Board table.

The employment contracts with the members of the Management Board are for an unlimited time, with a period of notice of four months for the company and two months for the members of the Management Board. The members of the Management Board have been appointed for a period of four years. The members of the Management Board are entitled to a payment of 12-month salary including the holiday allowance if the employment contract is terminated by or at the initiative of the company.

Changes in the composition of the Management Board in 2024

Mr Sakuma’s four-year term as CCIO ended on 23 March 2024 and he was reappointed as CCIO for the period from 24 March 2024 up to and including 30 April 2024. Mr Sakuma stayed on as an adviser in the month of May 2024 and his employment contract ended on 1 June 2024.

1 Members of the Management Board and Supervisory Board are regarded as key management personnel pursuant to IAS 24 ‘Related Party Disclosures’.
2 The Supervisory Board has the discretionary authority to apply normalisations to the 'net result'.

Mr Asakura was appointed as CCIO on 1 May 2024, but his employment contract commenced on 1 April 2024.

Ms Tijhaar stepped down as CFO with effect from 1 August 2024. Ms Dalstra was appointed as CFO on 9 September 2024, but her employment contract commenced on 1 September 2024.

On 28 May 2025 Mr Tempelman announced to leave Eneco, adjustments to the unvested variable remuneration and other long-term benefits have been processed in below table in accordance with the remuneration policy.

The total remuneration was as follows:

Remuneration of the Management Board 2024[1]

x €1,000	Gross salary	Variable remuneration (STI)[2]	Variable remuneration (LTI)[3]	Pension contributions	Other pension compensation	Termination benefits	Total
A.C. Tempelman	718	276	54	27	77	-	1,152
C.J. Rameau	539	200	217	26	50	-	1,032
J.M.J. Tijhaar[4]	177	66	58	9	16	495	821
N.G. Dalstra[5]	309	117	48	15	29	-	518
S.M. Thurer	532	200	216	26	50	-	1,024
K.M. de Lathouder	530	200	130	26	50	-	936
H. Sakuma[6]	90	33	29	4	8	-	164
Y. Asakura[7]	530	200	82	26	50	-	888
Total	**3,425**	**1,292**	**834**	**159**	**330**	**495**	**6,535**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Termination benefits' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 Includes the 2024 STI (April 2024 to March 2025 based on a 'best estimate' of the achievement of the financial and non-financial targets). The 2024 STI is calculated on a pro rata basis, if applicable, based on the start date or end date of the employment of the individual board member. The calculation of the 2024 STI for Ms Tijhaar and Mr Sakuma is based on on-target achievement, in accordance with the agreements related to the end of their employment.
3 Three LTI cycles overlap in 2024: LTI 2022-2024: Net result (April 2022 to March 2025), LTI 2023-2025: Net result (April 2023 to March 2026) and LTI 2024-2026: Net result and Sustainability (April 2024 to March 2027). This amount has been calculated as a 'best estimate' of the achievement for the completed LTI cycle (LTI 2022-2024) and for the continuing LTI cycles assuming on-target achievement of the financial and non-financial targets after the three-year period. The LTI amounts are calculated on a pro rata basis, if applicable, dependent on the start date or end date of the employment of the individual board member. The calculation of all LTI cycles for Ms Tijhaar and Mr Sakuma are based on on-target achievement, in accordance with the agreements related to the end of their employment.
4 Ms Tijhaar stepped down as board member with effect from 1 August 2024.
5 Ms Dalstra was appointed with effect from 9 September 2024, but was remunerated from 1 September 2024.
6 Mr Sakuma stepped down as board member with effect from 1 May 2024. His employment contract ended on 1 June 2024.
7 Mr Asakura was appointed with effect from 1 May 2024, but was remunerated from 1 April 2024.

Remuneration of the Management Board 2023[1]

x €1,000	Gross salary	Variable remuneration (STI)[2]	Variable remuneration (LTI)[3]	Pension contributions	Other pension compensation	Termination benefits[4]	Total
A.C. Tempelman	695	251	246	26	70	-	1,288
C.J. Rameau	520	182	178	25	46	-	951
J.M.J. Tijhaar	513	182	178	25	46	-	944
S.M. Thurer	510	182	91	25	46	-	854
K.M. de Lathouder[5]	257	91	24	13	23	-	408
H. Sakuma	514	182	178	25	46	-	945
Total	**3,009**	**1,070**	**895**	**139**	**277**	**-**	**5,390**

1 'Gross salary' (including social security contributions and mobility benefits) and 'variable remuneration (STI)' meet the definition of short-term employee benefits in IAS 19 'Employee Benefits' and IAS 24 'Related Party Disclosures'. 'Variable remuneration (LTI)' is covered by the definition of other long-term employee benefits in both IFRS standards. 'Pension contributions' and 'Other pension compensation' are in line with the definition of post-employment benefits. The remuneration in the 'Termination benefits' column is in line with the definition of termination benefits in IAS 19 and IAS 24.
2 Includes the 2023 STI (April 2023 to March 2024 based on a 'best estimate' of the achievement of the financial and non-financial targets). The 2023 STI for Ms De Lathouder is calculated on a pro rata basis for the period October 2023 to March 2024.
3 Three LTI cycles overlap in 2023: LTI 2021-2023: Net result (April 2021 to March 2024), LTI 2022-2024: Net result (April 2022 to March 2025) and LTI 2023-2025: Net result (April 2023 to March 2026). This amount has been calculated as a 'best estimate' of the achievement for the completed LTI cycle (LTI 2021-2023) and for the continuing LTI cycles assuming on-target achievement of the financial targets after the three-year period. The LTI amounts are calculated on a pro rata basis, if applicable, dependent on the start date of the employment of the individual board member.
4 Not applicable in financial year 2023.
5 Ms De Lathouder was appointed with effect from 1 November 2023, but was remunerated from 1 October 2023.

Remuneration of the Supervisory Board

The General Meeting of Shareholders adopted the remuneration policy for the Supervisory Board with effect from 24 March 2020 and was thereafter amended in the financial year 2024, with retrospective effect from 1 April 2024.

The remuneration of the chairperson of the Supervisory Board is €88,000 per year. The other members of the Supervisory Board each receive an annual fee of €66,000. The chairperson and other members of the Audit & Risk Committee receive additional annual fees of €11,000 and €8,250 respectively. The chairperson and other members of the Remuneration, Selection and Appointments Committee receive additional annual fees of €9,350 and €7,150 respectively. Each member of the Supervisory Board receives a fixed expense allowance of €1,150 per year.

Total remuneration was as follows:

Remuneration of the Supervisory Board 2024		Committees			
x €1,000	Remuneration	Audit & Risk Committee	Remuneration/ Selection and Appointments Committee	Expenses	Total
J.M. Kroon	88	8	7	1	104
M. Enthoven[1]	66	11	7	1	85
J.M. Roobeek[2]	66	-	9	1	76
K. Sugimori[3,4]	-	-	-	-	-
Y. Morishita[3,4]	-	-	-	-	-
Y. Okafuij[3]	-	-	-	-	-
Y. Ohashi[3]	-	-	-	-	-
H. Umezawa[3]	-	-	-	-	-
H.H.J.G. Naus[1]	-	-	-	-	-
Total	**220**	**19**	**23**	**3**	**265**

1 Mr Naus was appointed as member of the Supervisory Board effective on 24 March 2025 and succeeded Mr Enthoven, whose appointment expired on that day. The remuneration of Mr Enthoven ends as 31 March 2025 and that of Mr Naus starts at 1 April 2025.
2 Ms Roobeek appointment terms expired on 24 March 2025 and her remuneration ends at 31 March 2025. Ms Hennig was appointed as member of the Supervisory Board, and member of the RSA committee effective on 15 April 2025 and succeeded Ms Roobeek.
3 These members have voluntarily waived their remuneration entitlements.
4 Ms Morishita was appointed as member of the Supervisory Board on 1 July 2024 and succeeded Mr Sugimori, who stepped down on the same date.

Remuneration of the Supervisory Board 2023		Committees			
x €1,000	Remuneration	Audit & Risk Committee	Remuneration/ Selection and Appointments Committee	Expenses	Total
J.M. Kroon	80	7	7	1	95
M. Enthoven	60	10	9	1	80
J.M. Roobeek	60	-	7	1	68
K. Sugimori[1]	-	-	-	-	-
A. Matsunaga[1,2]	-	-	-	-	-
S. Hamada[1,3]	-	-	-	-	-
G. Yaguchi[1,4]	-	-	-	-	-
Y. Okafuij[1,2]	-	-	-	-	-
Y. Ohashi[1,3]	-	-	-	-	-
H. Umezawa[1,4]	-	-	-	-	-
Total	**200**	**17**	**23**	**3**	**243**

1 These members have voluntarily waived their remuneration entitlements.
2 Mr Okafuij was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Matsunaga, who stepped down on the same date.
3 Mr Ohashi was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Hamada, who stepped down on the same date.
4 Mr Umezawa was appointed as member of the Supervisory Board on 1 March 2024 and succeeded Mr Yaguchi, who stepped down on the same date.

7. Associates and joint ventures

The Group engages in several business ventures through associates and joint ventures in order to execute shared operations with one or more partners. The Group's interests in associates and joint ventures are outlined in the List of principal subsidiaries, joint operations, joint ventures and associates within these financial statements.

Financial performance of associates and joint ventures

The following table summarises the Group's share of profits and impairment losses from its associates and joint ventures:

	2024	2023
Share in net profit and result on sales of associates and joint ventures	22	68
Impairment	-2	-4
Total	**20**	**64**

Carrying amount of associates and joint ventures

The carrying amounts of the Group's interests in associates and joint ventures were as follows:

		At 31 March 2025	At 31 March 2024
Interest in Norther wind farm (50%)	Joint venture	176	204
Other joint ventures		28	25
Associates		119	117
Total		**323**	**346**

The decrease in the carrying amount of Norther wind farm by €28 million reflects the Group's share of the joint venture's results, adjusted for dividends received and movements in the cash flow hedge reserve.

The following tables present the summarised financial information for Norther, including reconciliation to the carrying amount of the Group's interest. The financial information is based on the latest available internal data for Norther[1]. Adjustments have been made where necessary to align the information with the Group's accounting policies under IFRS.

Balance sheet information (x €1 million)	Norther	
	At 31 March 2025	At 31 March 2024
Non-current assets	804	868
Current assets	150	236
- of which cash and cash equivalents	109	171
Non-current liabilities	660	729
- of which non-current financial liabilities (excl. trade creditors, other obligations and provisions)	611	673
Current liabilities	106	143
- of which current financial liabilities (excl. trade creditors, other liabilities and provisions)	62	63
Net assets (100%)	**188**	**232**
Eneco's share of net assets (50%)	94	116
Carrying amount of interest (incl. acquired premium)	**176**	**204**

Comprehensive income information (x €1 million)	Norther	
	At 31 March 2025	At 31 March 2024
Revenues (100%)	164	251
Depreciation, amortisation and impairment (100%)	-52	-52
Financial income (100%)	4	5
Financial expenses (100%)	-20	-20
Tax charge or gain (100%)	-11	-29
Profit for the period (100%)	44	114
Total other comprehensive income (100%)	-14	-22
Total comprehensive income (100%)	30	92
Group's share of total comprehensive income (50%)	**15**	**46**

The Group's share of comprehensive income from associates amounted to a profit of €6 million (2023: €15 million profit). The share of total comprehensive income from other joint ventures was a profit of €1 million (2023: €3 million loss). This financial information is based on the latest available internal data for the associates and other joint ventures.

1 The figures are reported with a one-month delay, in line with the application of IAS 28.34.

8. Financial income

	2024	2023
Interest income	10	16
Interest on margin calls	8	18
Other	1	4
Total	**19**	**38**

9. Financial expenses

	2024	2023
Interest expenses on borrowings	-42	-27
Interest added to provisions and lease liabilities	-13	-11
Other	-11	-4
Total	**-66**	**-42**

See note 21 Borrowings for the average interest rate on the debt.

10. Income taxes

Amounts recognised in the income statement

	2024	2023
Current tax expense	-92	-91
Movements in deferred taxes	23	5
Income tax	**-69**	**-86**

The corporate income tax rates for the Netherlands, Belgium, Germany and the United Kingdom (UK) remain unchanged in the period from 1 April 2024 to 31 March 2025 and are 25.8%, 25%, 30%-33% and 25% respectively for the high rate.

Current income tax charges are €92 million (2023: €91 million), including prior year adjustments of €7 million (2023: €3 million).

Deferred income tax gains are €23 million (2023: €5 million), including prior year adjustments of €3 million (2023: €0 million).

Pillar Two rules ensure that international groups pay at least a minimum tax rate (2024: 15%) per country. For all those countries the new enacted tax legislation regarding Pillar Two is applicable as from 1 January 2024, which means financial year 2024, starting 1st April 2024, for Eneco. Eneco operates mainly in The Netherlands, Belgium, Germany and the UK. All of these countries have a tax regime combining a statutory rate of 25% or over and limited deductions and reliefs. The minimum tax rate has no material impact on our tax position in financial year 2024.

Amounts recognised in other comprehensive income and directly in equity

Deferred tax amounts that are recognised in other comprehensive income are disclosed in the main table ‘Consolidated statement of comprehensive income’.

Reconciliation of effective tax rate

The table shows the effective income tax burden expressed as a percentage of the profit before income tax and the equivalent amount of income tax:

	2024	2024	2023	2023
Profit before income tax		**314**		**454**
Nominal tax rate (in the Netherlands)	25.8%	-81	25.8%	-117
Effect of:				
- Participation exemption		5		37
- Non tax-deductible expenses		-3		-4
- Tax incentives		4		1
- Adjustment of prior year results (current and deferred taxes)		4		3
- Investment allowances and foreign loss relief		1		0
- Tax effect of different foreign tax rates		0		-5
- Tax-exempt income and other		1		-1
Effective tax rate	**22.0%**	**-69**	**18.9%**	**-86**

Deferred tax balances

Carrying amounts and movements in deferred taxes for the period from 1 April 2024 to 31 March 2025 were as follows:

	Net balance at 1 April 2024	Recognised in profit or loss	Recognised in other comprehensive income	Other (including business combinations)	Net balance at 31 March 2025	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-135	20	-	-	-115	6	-121
Intangible assets	-80	10	-	-	-70	7	-77
Leases	4	1	-	-	5	89	-84
Hedges and derivatives	1	-	31	1	33	45	-12
Receivables	-27	-8	-	-	-35	6	-41
Loss carry forwards	28	-	-	-	28	28	-
Losses at non-resident participating interests	-9	2	-	-	-7	-	-7
Provisions	10	-2	-	-	8	9	-1
Tax liabilities (assets) before offsetting	**-208**	**23**	**31**	**1**	**-153**	**190**	**-343**
Offsetting deferred taxes						-156	156
Total						**34**	**-187**

Carrying amounts and movements in deferred taxes for the period from 1 April 2023 to 31 March 2024 were as follows:

	Net balance at 1 April 2023	Recognised in profit or loss	Recognised in other comprehensive income	Other (including business combinations)	Net balance at 31 March 2024	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-143	8	-	-	-135	-	-135
Intangible assets	-66	6	-	-20	-80	10	-90
Leases	3	1	-	-	4	85	-81
Hedges and derivatives	55	-	-53	-1	1	14	-13
Receivables	-13	-15	-	1	-27	6	-33
Loss carry forwards	18	4	-	6	28	28	-
Losses at non-resident participating interests	-10	1	-	-	-9	-	-9
Provisions	13	-	-	-3	10	10	-
Tax liabilities (assets) before offsetting	**-143**	**5**	**-53**	**-17**	**-208**	**153**	**-361**
Offsetting deferred taxes						-112	112
Total						**41**	**-249**

No deferred tax asset has been recognised on pre-consolidation and other losses (including tax facilities not yet used) of €3 million (31 March 2024: €6 million) since it is not certain whether sufficient taxable profits will be available in the future at the companies and permanent establishment which are not members of the fiscal unity. The tax regulations in the relevant jurisdictions state that these losses can be carried forward indefinitely (31 March 2024: indefinitely).

11. Property, plant and equipment – owned assets

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
At 31 March 2023					
Cost	93	5,167	49	439	5,748
Accumulated depreciation and impairment	-33	-2,459	-40	-	-2,532
Carrying amount at 31 March 2023	**60**	**2,708**	**9**	**439**	**3,216**
Movements 2023					
Investments	1	6[1]	2	575[1]	584
Acquisitions	-	-	1	-	1
Disposals	-	-3	-	-128	-131
Annual depreciation and impairment	-3	-245	-1	-	-249
Changes in decommissioning provision	-	17	-	-	17
Reclassified assets	-	510[1]	-	-513[1]	-3
Translation differences	-	4	-	-	4
Carrying amount at 31 March 2024	**58**	**2,997**	**11**	**373**	**3,439**
At 31 March 2024					
Cost	94	5,696	52	373	6,215
Accumulated depreciation and impairment	-36	-2,699	-41	-	-2,776
Carrying amount at 31 March 2024	**58**	**2,997**	**11**	**373**	**3,439**

1 An amount of €22m has been reclassified between "Machinery and Equipment" and "Assets under Construction" for comparative purposes

	Land and buildings	Machinery and equipment	Other operating assets	Assets under construction	Total
Carrying amount at 31 March 2024	**58**	**2,997**	**11**	**373**	**3,439**
Movements 2024					
Investments	-	11	-	360	371
Acquisitions	-	-	-	1	1
Disposals	-	-8	-	-4	-12
Annual depreciation and impairment	-3	-241	-5	-1	-250
Reclassified assets	1	415	-	-416	-
Reclassification from right-of-use assets	-	5	-	-	5
Translation differences	-	4	-	-	4
Carrying amount at 31 March 2025	**56**	**3,183**	**6**	**313**	**3,558**
At 31 March 2025					
Cost	95	6,123	52	314	6,584
Accumulated depreciation and impairment	-39	-2,940	-46	-1	-3,026
Carrying amount at 31 March 2025	**56**	**3,183**	**6**	**313**	**3,558**
Useful life in years	25 - 50	10 - 50	3 - 25	-	

Draft Dutch Heat Act

In 2023, the bill for a Dutch Collective Heat Act (*Wet collectieve warmte* or 'new Heat Act') became public when the Minister of Economic Affairs and Climate submitted it to the Council of State. The purpose of the new Heat Act intends to regulate heat tariffs as a remuneration of efficient costs plus a reasonable return on investment. The parameters of the new tariff regulations will only be published if and when the new Heat Act is adopted. The cost-plus methodology means that the guarantee that heat cannot be more expensive than natural gas is abandoned and at the same time large tariff differences could arise between different districts. Furthermore, under the new Heat Act future ownership of district heat grids will dictate a minority stake only for private investors, such as Eneco, which is one of the largest operators of district heating grids in the Netherlands. The carrying value at the reporting date is material.

It is expected that district heating grids owned by private investors will be transferred at market value at the end of a transition period. This transition period will be determined separately for each grid, but will cover at least 14 years and no more than 30 years after inception of the new Heat Act gains force of law.

Since the new Heat Act was first announced in 2022, significant uncertainties have surfaced for new investments. This has resulted in an almost stand still of the efforts to expand of district heating grids and transform the existing grids to become climate neutral.

The anticipated date on which the new Heat Act will enter into force is 1 January 2026. However, the bill has not yet been decided on in Dutch Parliament, nor has any date been announced when the details will be finalised and the bill will be enacted. The uncertainities concerning the new Heat Act could have significant impact on the recoverable amount of our assets. Pending the adoption of the Collective Heat Act, the current Heat Act will remain unaffected and in force.

Capitalised interest

Attributable interest capitalised for PP&E was €1 million (2023: €1 million). The capitalisation rate of interest was 1.1% (2023: 1.1%).

Assets under construction

Assets under construction consist mainly of investments in district heating grids, onshore and offshore wind farms, and solar farms.

Leases – property, plant and equipment leased by Eneco ('lessor')

Equipment and energy installations (such as domestic water heaters and solar panels) leased to customers for periods of 5 to 20 years remain the property of the Group. The lease terms cover both making the equipment available to users and the maintenance costs. Lease revenues of €23 million (2023: €21 million) have been recognised through the income statement.

The carrying amount of assets as shown in the table below, includes assets subject to operating leases by Eneco as lessor:

	At 31 March 2025	At 31 March 2024
Machinery and equipment	30	30
Total	**30**	**30**

The minimum receivables (nominal amounts) from non-terminable lease agreements fall due as follows:

	At 31 March 2025	At 31 March 2024
Within 1 year	23	21
From 1 to 2 years	22	19
From 2 to 3 years	20	18
From 3 to 4 years	19	16
From 4 to 5 years	17	15
After 5 years	93	73
Total	**194**	**162**

12. Property, plant and equipment – right-of-use assets and lease liabilities

The classification and movements in the rights-of-use for the lease assets were as follows:

	Land and buildings	Machinery and equipment	Other operating assets	Total
At 31 March 2024				
Carrying amount at 1 April 2024	283	45	8	336
Additions	19[1]	-	4	23
Acquisitions	4	-	-	4
Revaluation	9	-	6	15
Disposals	-1	-2	-	-3
Annual depreciation	-25	-4	-5	-34
Carrying amount at 31 March 2024	**289**	**39**	**13**	**341**
At 31 March 2025				
Carrying amount at 1 April 2024	289	39	13	341
Additions	20[2]	-	4	24
Revaluation	25	-	3	28
Disposals	-1	-	-	-1
Annual depreciation	-26	-4	-6	-36
Reclassification to property, plant and equipment	-	-5	-	-5
Translation differences	1	-	-	1
At 31 March 2025	**308**	**30**	**14**	**352**
Useful life in years	5 - 40	6 - 15	2 - 6	

1 The new 'Land and buildings' leases for the year ended 31 March 2024 include €6 million of leases with a commencement date in previous financial years.
2 The new 'Land and buildings' leases for the year ended 31 March 2025 include €11 million of leases with a commencement date in previous financial years.

Movements in lease liabilities were as follows:

	At 31 March 2025	At 31 March 2024
At 1 April	**346**	**333**
New leases	24[1]	28[2]
Lease payments	-44	-39
Interest added to lease liabilities (financial expenses)	9	8
Acquisition of group companies	-	3
Changes of contract period, indexation	28	15
Disposal of contracts	-2	-3
Translation differences	1	1
At 31 March	**362**	**346**
Classification		
Current	33	35[3]
Non-current	329	311[3]
At 31 March	**362**	**346**

1 The new 'Land and buildings' leases for the year ended 31 March 2025 include €11 million of leases with a commencement date in previous financial years.
2 The new 'Land and buildings' leases for the year ended 31 March 2024 include €6 million of leases with a commencement date in previous financial years.
3 An amount of € 6 million was reclassified from current lease liabilities to non-current lease liabilities for comparative purposes.

Eneco’s leasing activities as lessee

The Group rents or leases assets such as land for wind and solar farms, roofs of commercial buildings for solar panels, solar panel equipment, offices, warehouses, ICT, company cars and other equipment. Leases are usually entered into for fixed periods but may include extension and termination options. No leases impose covenants but lease assets may not be used as collateral for financing purposes.

Amounts for leases recognised in the income statement

	2024	2023
Depreciation charge for right-of-use assets	36	34
Interest added to lease liabilities	9	8
Costs for short-term and low-value leases[1]	2	2

1 This concerns the costs for ‘short-term leases’, costs of ‘low-value leases’ not included in ‘short-term leases’ and costs relating to variable lease payments that are not included in the lease liabilities.

Amounts for leases recognised in the cash flow statement

Total lease payments were €46 million (lease repayments of €35 million, interest of €9 million and costs for short term and low value leases of €2 million), 2023: €41 million (lease repayments of €31 million, interest of €8 million and costs for short term and low value leases of €2 million).

Variable lease payments

Eneco has several agreements for the use of batteries in the Netherlands and Belgium, containing arrangements which classify as variable lease payments. These variable payments are contingent upon the market performance of the respective batteries. Additionally, Eneco has variable land lease agreements related to wind farm operations in the United Kingdom, where the variable components are determined based on the volume of electricity generated.

Other possible lease payments and liabilities

See note 23 Commitments, contingent assets and liabilities for future lease payments resulting from renewal or termination options in leases. These amounts relate to the nominal value of the future lease payments. Leases which have been entered into but are not yet in force amount to €831 million (31 March 2024: €229 million) of which €711 million (31 March 2024: €225 million) relates to variable lease payments. These predominantly relate to the aforementioned battery agreements. Residual value guarantees are not applicable to Eneco. Leases do not otherwise include any special arrangements involving restrictions or covenants that could lead to a restriction on the use of the lease assets.

13. Intangible assets

	Goodwill	Customer databases	Software and software licences	Concessions, permits, trade names and other rights	Development expenditure	Total
At 31 March 2023						
Cost	548	793	225	177	26	1,769
Accumulated amortisation and impairment	-29	-473	-136	-71	-17	-726
Carrying amount at 31 March 2023	**519**	**320**	**89**	**106**	**9**	**1,043**
Movements 2023						
Investments	-	-	59	-	-	59
Acquisitions	38	-	-	66	-	104
Disposals	-	-	1	-	-	1
Annual amortisation and impairment	-	-54	-28	-11	-1	-94
Reclassified assets	-	-	6	3	-7	2
Carrying amount at 31 March 2024	**557**	**266**	**127**	**164**	**1**	**1,115**
At 31 March 2024						
Cost	586	793	288	246	15	1,928
Accumulated amortisation and impairment	-29	-527	-161	-82	-14	-813
Carrying amount at 31 March 2024	**557**	**266**	**127**	**164**	**1**	**1,115**

	Goodwill	Customer databases	Software and software licences	Concessions, permits, trade names and other rights	Development expenditure	Total
Carrying amount at 31 March 2024	**557**	**266**	**127**	**164**	**1**	**1,115**
Movements 2024						
Investments	-	-	66	-	1	67
Disposals	-	-	-	-2	-	-2
Annual amortisation and impairment	-	-55	-34	-8	-	-97
Reclassified assets	-	-2	2	1	-1	-
Carrying amount at 31 March 2025	**557**	**209**	**161**	**155**	**1**	**1,083**
At 31 March 2025						
Cost	586	793	356	244	14	1,993
Accumulated depreciation and impairment	-29	-584	-195	-89	-13	-910
Carrying amount at 31 March 2025	**557**	**209**	**161**	**155**	**1**	**1,083**
Useful live in years	N/A	6 - 20	3 - 5	3 - 30	5 - 15	

Goodwill

Goodwill was €557 million (31 March 2024: €557 million) and consisted mainly of €152 million (31 March 2024: €152 million) of goodwill relating to the group of cash-generating units in the Netherlands, €191 million (31 March 2024: €191 million) relating to the group of cash-generating units in Belgium, €197 million (31 March 2024: €197 million) relating to the group of cash-generating units in Germany and €17 million (31 March 2024: €17 million) relating to the cash-generating unit in the United Kingdom.

An impairment analysis was performed on this goodwill at 31 December 2024 which showed that the recoverable amount of each group of cash-generating units (determined by the value in use) was higher than their carrying amount.

The following assumptions were used to establish the value in use:

- the value in use of the cash-generating units was based on expected future cash flows for five years as in the Group's long-term plans, which are approved by the Management Board and the Supervisory Board and thereafter extrapolated from the expected life of the assets of these cash-generating units, which is generally longer than the five-year period;
- a terminal growth rate and a long-term growth rate of about 2.6% have been taken into account from 2029;
- these expected future cash flows are based on the Business Plan 2025–2029, for which, where applicable, changes were made based on planned investments to determine the recoverable amount of the cash-generating units; and
- the pre-tax discount rates, which reflect the risks of the activities of the relevant cash-generating units, were 5.8% - 14.5% (2023: 5.4% - 14.1%). These discount rates are based on the weighted average cost of capital (WACC) calculated using parameters derived from data from a peer group and market information.

The calculation of the value in use of these assets is sensitive to the following assumptions: the discount rate, the growth figure applied for extrapolating cash flows beyond the five-year plan and the average useful life of the assets. Of these factors, the discount rate is the most sensitive and an increase of 0.5 percentage point would reduce the value in use of the total cash-generating units by some €0.7 billion and would not lead to an impairment.

Customer databases

Customer databases relate for the largest part to LichtBlick and Eni which were acquired in 2017. The customer database of EZN was acquired in 2018. In 2021 Eneco acquired the business customer contracts of Essent Energie Verkoop Nederland B.V. (renamed Eneco Midzakelijk B.V.).

Concessions, permits, trade names and other rights

Concessions, permits, trade names and other rights consist mainly of the capitalised trade name of LichtBlick and permits and development rights for wind farms and solar farms in Belgium, Germany and the United Kingdom.

Current intangible assets and inventories

Current intangible assets and inventories were €301 million (31 March 2024: €286 million). €223 million (31 March 2024: €203 million) related to green certificates and emission rights and the remaining €78 million (31 March 2024: €83 million) to other inventories.

14. Business combinations and other changes in the consolidation structure

During financial year 2024 no material business combinations or other related transactions occurred.

In financial year 2023 Eneco sold a 30% interest in the Ecowende wind farm to Chubu Electric Power (20% shareholder of N.V. Eneco) for some €0.2 billion. This leaves Chubu Electric Power with a 30% interest in the Ecowende wind farm and Eneco with a 10% interest. The legal transfer of the shares and receipt of the transaction price was concluded and executed on 8 May 2024.

15. Other non-current assets

	At 31 March 2025	At 31 March 2024
Financial assets		
Loans	10	7
Other capital interests	5	5
	15	**12**
Non-financial assets		
Other assets and prepayments	40	44
Contract acquisition costs	97	79
	137	**123**
Total	**152**	**135**

See note 3 Revenues from energy sales and energy-related activities for the movements in contract acquisition costs.

16. Trade receivables

The table below shows the trade receivables:

	At 31 March 2025	At 31 March 2024
Trade receivables	1,067	1,153
Amounts to be invoiced	569	384
Less: loss allowance	-114	-122
Total	**1,522**	**1,415**

The table below shows the aging analysis of the outstanding receivables:

	At 31 March 2025			At 31 March 2024		
	Nominal receivables	Loss allowance	Percentage for loss allowance	Nominal receivables	Loss allowance	Percentage for loss allowance
Not past due	1,319	-11	1%	1,247	-22	2%
After due date						
- under 3 months	114	-14	12%	96	-13	14%
- 3 to 6 months	45	-13	29%	49	-16	33%
- 6 to 12 months	60	-25	42%	60	-19	32%
- over 12 months	98	-51	52%	85	-52	61%
Nominal value	**1,636**	**-114**		**1,537**	**-122**	
Less: Loss allowance	-114			-122		
Total	**1,522**			**1,415**		

The table below shows the movements in loss allowance:

	2024	2023
At 1 April	**-122**	**-105**
Additions	-33	-39
Write offs	41	22
At 31 March	**-114**	**-122**

See note 25.3.1 Credit risk (subparagraph 'Debtor risk') for the main assumptions for determining the provision for doubtful debts using the expected credit losses method.

17. Other current assets

	At 31 March 2025	At 31 March 2024
Financial assets		
Margin calls	24	222
Prepayments, receivables and accruals	59	261
	83	**483**
Non-financial assets		
Prepayments and accruals	97	96
Contract acquisition costs	53	46
Customer support arrangements[1]	19	54
	169	**196**
Total	**252**	**679**

1 See note 1.4 ‘Impact energy crisis’.

Prepayments, receivables and accruals classified under financial assets primarily consist of deposits made to the grid operator to support day-to-day operation. In the prior financial reporting period, this line item also includes the receivable from the sale of a part of the Group’s interest in Ecowende (HKW). The prepayments and accruals classified as non-financial assets mainly relate to the subsidy SDE ("Subsidie Duurzame Energie").

See note 3 Revenues from energy sales and energy-related activities for the movements in contract acquisition costs.

18. Cash and cash equivalents

Cash and cash equivalents comprises bank balances, cash and deposits of €303 million (31 March 2024: €405 million). Term deposits and blocked accounts, which are not at the free disposal of the Group, were €156 million (31 March 2024: €147 million).

19. Equity

Share capital

N.V. Eneco’s authorised share capital is €341.25 million divided into 341,250,000 shares with a nominal value of €1 each. At 31 March 2025, 121,693,390 shares had been issued and fully paid (31 March 2024: 121,693,390 shares). N.V. Eneco has only issued ordinary shares.

Translation reserve

The foreign currency translation reserve comprises:

- exchange rate adjustments arising on translation of the financial statements of entities with a currency that is not the Group’s presentation currency;
- exchange rate adjustments relating to loans that form part of Eneco’s net investment in such entities; and
- the effective portion of any exchange rate adjustments relating to hedging transactions on Eneco’s net investment in such entities.

On disposal or partial disposal of the net investment, the exchange rate adjustments are recognised through the income statement if a foreign exchange gain (loss) is realised by the divested entity.

Cash flow hedge reserve

The cash flow hedge reserve recognises the effective portion of gains and losses in respect of the net change in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges for which the hedged transaction has not yet been settled. The cash flow hedge reserve is not freely at the disposal of the shareholders.

Note 25.3.2 Market and regulatory risk provides further information on cash flow hedge and translation reserves, including a statement of the movements.

Non-controlling interests

Non-controlling interest presents the interest of other (third-party) shareholders in consolidated subsidiaries.

20. Provisions

	Decommissioning	Onerous contracts	Other	Total
At 1 April 2024	**225**	**1**	**19**	**245**
Additions	4	-	45[1]	49
Withdrawals	-	-	-7	-7
Releases	-	-1	-20	-21
Adjustments for changes in inflation and discount rate / unwinding of discount	-	-	-	-
At 31 March 2025	**229**	**-**	**37**	**266**
Current	-	-	31	31
Non-current	229	-	6	235
At 31 March 2025	**229**	**-**	**37**	**266**

1 The additions include €12 million which was recorded as an expense in previous financial year.

Decommissioning

The decommissioning provision has a long-term nature. Most of the cash flows will occur after five years but within twenty-five years. The amounts recognised are the best estimate at the reporting date of the expected expenditure for the machinery, transport, materials and labour that will be required. These amounts are reviewed annually for expected future movements in the cost of removing assets, allowing for inflation in a range of 1.6% to 1.9% (2023: 1.9% to 2.2%). The amounts estimated for decommissioning are inherently uncertain since it is expected that some assets will not be dismantled for several years and only limited historical data is available. For unwinding of the present value, discounts rates range from 2.0% to 3.0% (2023: ranging from 2.2% to 2.8%).

Other provisions

The other provisions concern partly a restructuring provision, which is based on the social plan 'Sector Production and Supply Companies WENB'. Given the generally short-term nature, the restructuring provision is not discounted for.

21. Borrowings

The Group's borrowings related largely to financing wind farms and general financing.

	Note	At 31 March 2025	At 31 March 2024
Non-recourse (mainly financing wind farms)		304	344
Borrowings from Mitsubishi Corporation Finance Plc	24	815	950
Other loans and liabilities		79	234
Total		**1,198**	**1,528**

See note 25 Financial instruments – fair values and financial risk management for details of the periods over which the repayments will be made.

The movements in borrowings were as follows for the periods ended:

	2024	2023
At 1 April	**1,528**	**678**
Amounts drawn	6	908[1]
Repayments	-338	-43[1]
Other changes	2	-15
At 31 March	**1,198**	**1,528**
Current	656	945
Non-current other liabilities	542	583
At 31 March	**1,198**	**1,528**

1 An amount of €300m was reclassified from Proceeds from borrowings to Repayments of borrowings for comparative purposes, based on netting criteria in IAS 7.22(b) / 23A(c)

Non-recourse loans, being project-specific collateral have been provided for the borrowings for financing wind and solar farms, in the form of mortgages, pledges of shares in the legal entities, bank balances, trade receivables, energy purchase contracts and/or grant contracts. No collateral has been provided for the other borrowings.

In 2021, the Group agreed a loan facility of €1,000 million with Mitsubishi Corporation Finance Plc. An amount of €250 million had been drawn at 31 March 2025 (31 March 2024: €250 million). On 27 September 2022, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. This working capital facility has been reduced with € 1,250 million to € 1,250 million per 5 July 2024. At 31 March 2025 €565 million had been drawn from this facility (31 March 2024: €700 million).

The liability for loans of a fixed-rate nature (fair value risk) was €357 million (31 March 2024: €519 million). The remaining borrowings are at market-linked variable rates. Repayment obligations for the first year after the reporting date are recognised under current liabilities. See note 25.3.1 Credit risk (subparagraph 'Interest rate risk') for further explanation on interest rate risk management.

The average annual interest rate was 2.9% (2023: 2.4%). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

The fair value of the loans was €1,113 million (31 March 2024: €1,458 million) and was calculated using the income approach, based on relevant market interest rates for comparable debt. Consequently, the information for establishing value is covered by level 2 of the fair value hierarchy.

22. Trade creditors and other liabilities

	At 31 March 2025	At 31 March 2024
Financial liabilities		
Trade and energy creditors	1,059	990
Margin calls	3	-
Accruals and other liabilities	387	388
	1,449	**1,378**
Non-financial liabilities		
Contributions received for connections and other long-term contract liabilities	231	209
Other liabilities	389	318
Accruals	34	69
Customer support arrangements and inframarginal revenue cap[1]	30	126
Pension contributions	4	7
	688	**729**
Total	**2,137**	**2,107**
Classification		
Current	1,902	1,885
Non-current	235	222
Total	**2,137**	**2,107**

1 See note 1.4 'Impact of the energy crisis'.

Trade and energy creditors include advances already invoiced if they are higher than the actual or estimated energy consumption during the reporting period. Accruals and other liabilities classified as financial liabilities primarily consist of accrued grid fees and accrued employee benefits. Other liabilities classified as non-financial liabilities mainly comprise VAT payable and energy tax payable.

Contributions received for connections are considered contract liabilities for amounts paid by customers towards connections to district heating grids. See note 3 Revenues from energy sales and energy-related activities for the movements in 'Contributions received for connections and other long-term contract liabilities'.

Due to the current nature of trade creditors and other financial liabilities, their carrying amounts approximate their fair value.

23. Commitments, contingent assets and liabilities

Energy purchase and sale commitments

Eneco has a number of long-term sales commitments related to its contracts with customers (unsatisfied performance obligations) entered into in its normal course of business (see note 2.2). As a result, the group also has various energy purchase commitments (executory contracts) to fulfil its future sales obligations (see note 2.3). Eneco enters into energy commodity contracts for the sale and purchase of electricity, gas, heat, biomass and emission allowances. Eneco applies the practical expedient of IFRS 15.121, in not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are (partially) unsatisfied.

Investment obligations

The Group had entered into investment obligations totalling €0.4 billion of which €0.1 billion relates to district heating projects for which Eneco has contractual obligations towards project developers and municipalities to realise the projects, which entails entering into agreements with suppliers after the balance sheet date (31 March 2024: € 0.4 billion).

Commitments under leases not recognised in the balance sheet

The minimum commitments for short-term leases, low-value leases and variable lease payments not recognised as lease liabilities in the balance sheet are €43 million (31 March 2024: €16 million), of which €8 million falls due within 1 year (31 March 2024: €2 million), €17 million between 1 and 5 years (31 March 2024: €7 million) and €18 million after 5 years (31 March 2024: €7 million).

Potential future cash outflows of €99 million (31 March 2024: €70 million) have not been included in the lease liabilities because it is not reasonably certain that the lease contracts will be extended (or they may be terminated early).

Other (contingent) obligations

There were other contractual obligations of €0.7 billion (31 March 2024: €0.7 billion), mainly under maintenance contracts.

Guarantees

The Group has issued several guarantees to third parties involving material amounts for which the possibility of any outflow of resources for settlement has been assessed as remote (31 March 2024: remote).

Fiscal unity

N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries and N.V. Eneco also heads a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries.

All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

LichtBlick Holding GmbH heads a fiscal unity for corporate income tax purposes which includes most of the operative German subsidiaries. LichtBlick Holding GmbH also heads a fiscal unity for VAT purposes which includes most of the operative German subsidiaries.

Cash pools

As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Legal proceedings

The Group is involved as either plaintiff or defendant in various legal and regulatory claims and proceedings related to its operations. Management ensures proper representation in these matters. The amounts claimed in some of these proceedings may be significant to the financial statements.

Liabilities and contingencies in connection with these claims and proceedings are assessed periodically based on the latest information available, usually with the assistance of lawyers and other specialists. A liability is only recognised if an adverse outcome is probable and the amount of the loss can be reasonably estimated. The actual outcome of proceedings or a claim may differ from the estimated liability and, consequently, could have a material adverse effect on the financial performance and position of the Group.

Since the start of the energy crisis, price levels and volatility in the electricity and gas markets have been very high. Consequently, the sector has experienced more frequent adjustments of consumer tariffs. The legal validity of various tariff changes has been challenged by a number of consumer customers who have filed complaints. It is still unclear if and how this will evolve.

24. Related party disclosures

The Group's related companies (the shareholder and its subsidiaries which are not part of the Eneco Group), associates, joint ventures and board members are considered as related parties.

Sales to and purchases from related parties are on terms of business normally prevailing with third parties. Receivables and liabilities are not covered by collateral and are paid by bank transactions. Eneco has issued bank and group guarantees to its associates and joint ventures of some €10 million (31 March 2024: €10 million).

The tables below shows the transactions and receivables / payables with the principal related parties:

	Sales		Purchases	
	2024	2023	2024	2023
Shareholder N.V. Eneco and related companies[1]	2	2	9	7[2]
Associates	1	-	2	2
Joint ventures	-	-	37	118

1 This mainly relates to charges to shareholder N.V. Eneco and related companies, and interest expenses on borrowings from Mitsubishi Corporation Finance Plc.
2 For comparative purpose adjusted based on IAS 24.18.

	Receivables		Liabilities	
	At 31 March 2025	At 31 March 2024	At 31 March 2025	At 31 March 2024
Shareholder N.V. Eneco and related companies	3	6	815	950
Associates	4	3	1	1
Joint ventures	4	-	4	-

See note 6 Remuneration of the Management Board and Supervisory Board for the remuneration of Management Board and Supervisory Board. In the year ended 31 March 2025 and in the year ended 31 March 2024, five members of the Supervisory Board voluntarily waived their remuneration entitlements representing a departure from arm's length remuneration.

If board members are energy customers of the Group, there is no other relationship than that of customer and supplier.

See note 21 Borrowings for further information on the borrowings from Mitsubishi Corporation Finance Plc.

See note 14 Business combinations and other changes in the consolidation structure for some explanation regarding the finalisation of the partial sale of Eneco's investment in Ecowende wind farm to Chubu Electric Power (20% shareholder of NV Eneco) in financial year 2024.

25. Financial instruments – fair values and financial risk management

25.1 Accounting classifications and fair values

The table below shows the fair value of the derivative financial instruments, including the split in fair values recognised through the income statement and in equity through the cash flow hedge reserve:

	At 31 March 2025			At 31 March 2024		
Financial assets	Recognised through income statement	Recognised through cash flow hedge reserve	Total	Recognised through income statement	Recognised through cash flow hedge reserve	Total
Interest rate swap contracts	-	12	**12**	-	19	**19**
Currency swap contracts	-	1	**1**	3	-	**3**
Energy commodity contracts	168	-	**168**	443	115	**558**
CO_2 emission rights	22	-	**22**	25	-	**25**
Total	**190**	**13**	**203**	**471**	**134**	**605**
Classification						
Current	154	3	**157**	346	120	**466**
Non-current	36	10	**46**	125	14	**139**
Total	**190**	**13**	**203**	**471**	**134**	**605**

	At 31 March 2025			At 31 March 2024		
Financial liabilities	Recognised through income statement	Recognised through cash flow hedge reserve	Total	Recognised through income statement	Recognised through cash flow hedge reserve	Total
Currency swap contracts	2	3	**5**	2	4	**6**
Energy commodity contracts	154	143	**297**	491	154	**645**
CO_2 emission rights	11	-	**11**	7	-	**7**
Total	**167**	**146**	**313**	**500**	**158**	**658**
Classification						
Current	120	35	**155**	379	29	**408**
Non-current	47	111	**158**	121	129	**250**
Total	**167**	**146**	**313**	**500**	**158**	**658**

The fair value of our commodity derivatives has decreased as a result of the lower volatility in the past year, with a stable portfolio, resulting in less marked-to-market value on our derivative contracts.

The total amount recognised in the income statement for financial assets and liabilities measured at fair value through profit or loss (including recycling and other effects of financial assets and liabilities allocated to hedge accounting) was €50 million gain (2023: €36 million loss). The financial instruments recognised in equity through the cash flow hedge reserve are used in cash flow hedge transactions to hedge interest rate, currency and energy price risks and the currency risk in a net investment in a foreign operation.

25.2 Measurement of fair values

Fair value hierarchy

See note 2.12 Derivative financial instruments for the main assumptions for determining the fair value measurement of level 1, 2 and 3 financial instruments. The hierarchy of derivative financial instruments measured at fair value was as follows:

At 31 March 2025	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	104	60	26	190
Interest rate and currency swap contracts	-	13	-	13
	104	**73**	**26**	**203**
Liabilities				
Energy commodity contracts and CO_2 emission rights	76	101	131	308
Interest rate and currency swap contracts	-	5	-	5
	76	**106**	**131**	**313**

At 31 March 2024	Level 1	Level 2	Level 3	Total
Assets				
Energy commodity contracts and CO_2 emission rights	441	127	15	583
Interest rate and currency swap contracts	-	22	-	22
	441	**149**	**15**	**605**
Liabilities				
Energy commodity contracts and CO_2 emission rights	107	371	174	652
Interest rate and currency swap contracts	-	6	-	6
	107	**377**	**174**	**658**

Level 3 derivatives

The level 3 derivative financial instruments are mainly contracts for hedging purposes of future market prices relating to wind farms that have a limited subsidy or are unsubsidised. The 'unobservable inputs' relate primarily to the forward electricity prices in years where the market is illiquid or non existent. Eneco has hedged the variability in electricity market prices by entering into floating or fixed power sales agreements. These contracts secure long-term stable electricity sale proceeds and cash flows.

The valuation techniques, main assumptions and sensitivity analysis are shown below.

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input on fair value
Forward electricity contract	Discounted cash flow method	Average price €73 per MWh for the measurement year (at 31 March 2024: €71)	A 5% increase or decrease would result in a change in fair value of €15 million (at 31 March 2024: €15 million)
Option contract	Option pricing model	Average price €71 per MWh for the measurement year (at 31 March 2024: €68)	A 5% increase or decrease would result in a change in fair value of €7 million (at 31 March 2024: €17 million)
		Volatility	A 10% increase or decrease would result in a change in fair value of €12 million (at 31 March 2024: €13 million)

The movements in the level 3 derivative financial instruments are set out below.

Changes in fair value of level 3 energy commodity contracts and CO_2 emission rights	At 31 March 2025	At 31 March 2024
At 1 April	**-159**	**-489**
Included in income statement	-12	-22
Included in statement of comprehensive income	8	351
Purchases	27	19
Sales and settlements	31	-18
At 31 March	**-105**	**-159**
Classification		
Financial assets	26	15
Financial liabilities	-131	-174
At 31 March	**-105**	**-159**

25.3 Financial risk management

This note explains Eneco's exposure to financial risks and how those risks could affect the future financial performance of the Group. Eneco's normal business activities involve exposure to credit, commodity market, foreign currency, interest rate, inflation and liquidity risks that are a natural part of Eneco's business activities. The Group's risk management policy is designed to monitor these risks and minimise the adverse consequences of unforeseen circumstances on its financial results.

The unprecedented market volatility caused by the war in Ukraine is still noticeable in 2025. While at the start of 2024 the commodity prices (including futures) were still high, prices gradually fell during the year and increased the last part of the year and through the beginning of 2025 due to global developments. Commodity prices (including futures) still exceed pre-Ukraine war levels. In response to the high prices, the Group had intensified the risk control measures described below. It is monitoring developments very closely and actively managing its business and commodity portfolios as there is a chance that the market volatility could increase again. See note 1.4 Impact of the energy crisis for a general description of the financial impact of the energy crisis on Eneco.

The Management Board is responsible for risk management. Procedures and guidelines have been drawn up and they are evaluated at least once a year and updated if required. In this context, the Management Board sets out procedures and guidelines and ensures they are complied with. Authority to enter into commitments on behalf of the Group is specified in the Eneco Authority Structure. Mandates are in place for all business units and management, including the Group's trading department, the business units with energy and heating production and the sales channels, to manage the above risks such as commodity (electricity, gas, heating, emission rights and fuels) risks. All of Eneco's business units are subject to endorsed Credit Mandates which state the terms and conditions under which transactions may be entered into with external parties.

The Management Board and senior business unit management regularly review and discuss the figures in the income statement, key figures such as changes in KPIs and the trading positions, the principal risks (and any concentration of certain risks) and the measures to manage them. Stress tests are developed for the principal identified risks and incorporated in the long-term financial plan. This clarifies the impact of risks on business operations. Senior business unit management reports this regularly to the Management Board and confirms this yearly by means of an official In Control Statement.

The Commodity Risk Team and Investment Risk Team, whose members include several Management Board members, are in charge of the formulation and monitoring of the Group's financial risk policy, decide on business and other proposals and advise the Management Board accordingly.

25.3.1 Credit risk

Credit risk is the risk of a loss for the Group resulting from a counterparty or its guarantor, if applicable, not fulfilling their contractual obligations. For the purposes of managing this risk, a distinction is drawn between debtor risk (on trade and other receivables) and counterparty risk. The maximum credit risk[1] exposure is the carrying amount of the financial assets including the derivative financial instruments, which are disclosed in notes 15 Other non-current assets, 16 Trade receivables, 17 Other current assets, 18 Cash and cash equivalents and 25 Financial instruments – fair values and financial risk management.

Debtor risk

Debtor risk is the risk that a debtor (primarily customers) fails to pay a receivable due. There are large numbers of debtors and most receivables from debtors are of a limited size. There is, therefore, a limited concentration of risk.

Credit risk policy is designed not to provide customers with any credit going beyond normal supplier credit as set out in the applicable conditions of supply. Policy is also formulated at a decentralised level within the organisation. The effectiveness of that policy is monitored at corporate level and changes are made if required.

Measures in place to limit debtor risk are:

- an active debt collection policy;
- credit limits, bank guarantees and/or margining (cash collateral) for business customers; and
- using the services of debt collection agencies, cooperation with municipalities and debt relief agencies, further alternative collection methods for current and former customers; and
- credit insurance, if necessary, to cover settlement exposures for B2B customers (in the Netherlands and Belgium) and Agro energy customers.

1 Without taking account of any collateral held or other credit enhancement (e.g. netting agreements that do not qualify for offset in accordance with IAS 32 'Financial Instruments: Presentation' such as the ISDA agreements related to the derivative financial instruments for the energy commodities).

Trade receivables

The Group applies the IFRS 9 'simplified approach' for determining expected credit losses on trade receivables using the lifetime expected credit losses method. This method is based on the inherent risk that a debtor will not pay or fully pay the receivable. Consequently, this risk has to be recognised from the initial recognition of the receivable and a loss allowance is formed for part of the amount of trade receivables that have not reached their due date and the amounts to be billed. A provision matrix is used to ascertain the expected credit losses on receivables from retail and SME customers. This classifies trade receivables by shared credit risk characteristics and the number of days that the receivables are outstanding.

The provision matrix incorporates different percentages for the various phases of collection of receivables, such as first reminder, dispute, debt collector or bankruptcy, related to the risk profile for ascertaining the expected credit losses. The percentages have been established from historical figures adjusted for non-recurring past effects. The percentages have been set taking account of current and forward-looking information on macro-economic factors for each country that could affect customers' ability to pay the receivables. The provision matrix is also segmented into different customer classifications, such as different customer propositions, and countries.

This procedure also applies to large business customers but is in that case supplemented by an individual assessment involving credit ratings (if available), financial statements, press releases and specific contractual agreements with those customers (credit limits, bank guarantees and/or margining (cash collateral)).

In the financial year, the credit risk was still higher compared to the levels seen before the war in Ukraine. This is a consequence of still high electricity and gas prices. In financial year 2024 there was a decrease in gross trade receivables and an increase of amounts to be invoiced compared to last year. The impact of the continuing high debtor risk has been continuously reviewed during this financial year. During 2024 there was a net decrease of the loss allowance of EUR 8 mln (7%), mainly caused by a non-recurring effect.

The expected credit losses on trade receivables at 31 March 2025 were ascertained in this way. See note 16 Trade receivables for the figures (carrying and nominal amounts of trade receivables at the reporting date, amounts of the loss allowance and movements during the reporting period and percentages for loss allowance).

Other receivables

The expected credit losses on other current and non-current receivables measured at amortised cost are calculated using the 12-month expected credit losses method unless a significant increase in credit risk has arisen for these receivables since initial recognition. In that case, any impairment is established using the lifetime expected credit losses method according to IFRS 9. To this end, there is an individual assessment of each receivable, incorporating credit ratings (if available), financial statements, press releases and specific contractual agreements with the relevant customers.

Counterparty risk

Counterparty risk is the likelihood or probability that a trading partner (counterparty) cannot or will not meet its delivery or payment obligations. This risk is primarily encountered in trading in energy commodities (and also emission rights, green certificates and fuel (or 'feedstock') for Eneco's biomass electricity stations), interest rate and foreign currency hedge transactions. The basis for managing this risk is set out in the Credit Mandates and Commodity Mandates.

The size of the counterparty risk is primarily determined by the replacement value of the future deliveries and the commodity delivered which has not yet been paid for. The replacement value is calculated almost every day for each counterparty based on current market prices for future deliveries. The risk position is measured against the risk tolerance. That tolerance is drawn up for each counterparty on the basis of an assessment of the creditworthiness of that counterparty derived from a public or internal rating and/or alternative assessment methods.

Counterparty risk is managed through the following measures:

- setting financial limits based on the financial strength of the trading partner;
- setting trading restrictions for each counterparty (position management);
- use of standard agreements, in particular based on EFET and ISDA terms;
- use of third-party margining and clearing;
- use of bilateral margining agreements with counterparties;
- executing risk-reducing transactions with counterparties leading to an offset, or by exchange-for-physical swaps;
- requiring additional guarantees from counterparties, such as bank guarantees; and
- credit insurance taken if necessary to cover exposures exceeding the credit limits.

Counterparty exposures fluctuate resulting from changing volumetric trade positions as well as market price levels and are closely monitored. Standard methods as described above were used for risk mitigation. Trades were still mainly carried out via the exchange (see note 25.3.2 Market and regulatory risk for more detailed comments).

Third-party margining and clearing are in place for exchange-traded futures. This transfers the counterparty risk of a forward contract to a clearing bank. This bank is linked to a clearing house that facilitates settlement of futures transactions through exchanges such as ICE ENDEX (Intercontinental Exchange European Energy Derivatives Exchange N.V.) and the EEX (European 3 Energy Exchange A.G.). Every day, the clearing house settles interim changes in market value with its clearing banks which in turn settle with the market parties concerned (margin calls). This neutralises counterparty risk for each party to the contract.

Bilateral margining arrangements are also concluded with counterparties. This implies periodic (daily, weekly, etc.) settlement directly with the counterparty to the transaction. The contract with the counterparty sets individual limits (thresholds) based on the creditworthiness of both parties. Bilateral margining is only applied if the thresholds are exceeded.

The margining system creates liquidity risk (see note 25.3.3 Liquidity risk). A risk policy is set to monitor and manage the margining, liquidity and counterparty risk. There is a system for monitoring internal limits using regular reports, scenario analyses and stress tests to manage both risks. Eneco managed to keep the liquidity need for margining under control through active position management between the over-the-counter market and the exchange as well as adapting the product offerings to customers. Eneco also maintained credit facilities via Mitsubishi Corporation and external banks, so that the Group has sufficient liquidity. These facilities were partly used in the financial year.

25.3.2 Market and regulatory risk

Market risk is the exposure to changes in the fair value or future cash flows of financial instruments arising from changes in market prices, market interest rates and exchange rates. Changes in contract volumes, offtake patterns, predictability and the spot price impact of customers also pose a market risk. Regulatory risk is the risk that a change in laws and regulations will materially impact a security, business or market. In the financial year, the regulatory measures taken at a national and European level to manage the energy crisis were gradually ended.

The (governmental) financial measures to reduce energy costs for retail customers and small businesses were also gradually phased out. Social funds for customers who have difficulty paying their bills are still available. Another effect that is still there is the reduced consumption of power and gas by the customers. Consumption dropped during the period of very high prices.

Price risk

Price risk inherent in the energy generation, purchasing and supply portfolios is managed using a structure of mandates and limits adopted by the Management Board using volume limits, mark-to-market limits and sensitivity assessment measures. Appropriate limits are determined for each business activity. The Financial Risk Managers and commodity traders monitor and make sure that the respective limits are followed. Limit infringements are reported in line with escalation procedures.

The price risk inherent in the commodity portfolios for purchasing and delivering to customers is initially limited by back-to-back transactions for purchase and sale obligations. Structured hedging strategies are used where back-to-back hedging is not possible, or only with excessively high bid-ask costs. In these cases, positions are hedged temporarily in other commodities, delivery periods and/or countries which have a historically strong correlation with the price risks to be hedged. Gas storage, trading on the short-term gas market and volume flexibility under the Group's own and contracted positions are used to respond to short-term fluctuations in demand and supply, for example, as a result of changes in the weather.

The price risk inherent in the Group's own 'must run' generation and long-term structured commodity purchase contracts is also limited through back-to-back transactions and structured hedging strategies as described above. The expected rewards for hedging are weighed up against the costs and downward risk for controllable generation in the portfolio. It should be noted that there is no liquid energy trading market for exposures that lie far away in the future and they are difficult or impossible to hedge.

The positions from the above activities that can be hedged in the markets are combined so that the Group's aggregated price risk is clear. Management and strategic decisions on these positions take account of prevailing market conditions, along with the expected short and medium-term demand for and supply of energy by the Group. These decisions are taken exclusively by the trading department for the entire Group and the other business units must at all times immediately hedge their exposure with the trading department. There is a residual risk in the above activities given the inherent existing imperfections between the positions to be hedged and available hedging instruments, limited market liquidity and movements between commodity prices (for example, between different commodities, delivery periods and/or countries). Weather derivatives are used to hedge against weather specific risks, such as an unusual cold winter.

The sensitivity analysis of electricity and gas derivative financial instruments is based on volumes and market prices at year end. Changes in fair value that are recognised in the income statement arise mainly from movements in the electricity and gas prices. An increase or decrease in the market prices of electricity and gas by 5% would change the profit before income tax by € 3 million (2023: €1.2 million). The electricity and gas prices drive the changes in fair value of hedge accounting recognised in other comprehensive income. An increase or decrease in the market price of electricity and gas by 5% would change other comprehensive income by €23.9 million (2023: €38.3 million).

The Group applies cash flow hedge accounting to its energy generation, purchasing and delivery portfolios and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and forward contracts (hedging instruments). Unforeseen changes in electricity and gas consumption and generation of electricity may lead to ineffectiveness in the hedging relationship.

For quantitative information on these hedges, see the table 'Quantitative information hedges' below.

Foreign currency risk

Foreign exchange risk is the risk of financial impact due to exchange rate fluctuations. This is the risk that the Group's financial performance or financial position will be impacted by changes in the exchange rates between currencies.

Companies included in the consolidation are not permitted to maintain open positions in currencies other than the functional currency, in excess of €250,000 without the Treasury department's approval. Based upon the aggregate foreign currency position and the associated limit set for open positions, the Treasury department determines whether hedging is desirable and the hedging strategy to be followed. Eneco uses derivatives to mitigate foreign exchange risk. The derivatives used have counteracting risk profiles and the same underlying currency, principal and timing as the risk arising from commercial operations, leading to an effective hedge on which hedge accounting is applied. This approach also aims to minimise ineffectiveness in currency hedges.

Eneco applies hedge accounting for the hedging instruments it had entered into for future cash outflows in a currency other than the subsidiaries' functional currency (cash flow hedging) and partly for the net asset value of the business operations in the UK (hedge of net investment in a foreign operation). For quantitative information on the cash flow and net investment hedges, see the table 'Quantitative information hedges' below.

The sensitivity of the translation reserve in equity to a 5% movement in the pound sterling/euro exchange rate was €3.0 million (after application of net investment hedge accounting) (2023: €5.5 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk policy is aimed at managing the net financing liabilities through fluctuations in market interest rates. A specified range for the proportions of loans at fixed and variable interest rates serves as a primary steering mechanism.

The Group may use derivative financial instruments such as interest rate swap contracts to achieve the desired risk profile. The Group holds interest rate swaps for risk-management purposes which are designated as cash flow hedging relationships. If all other variables remain constant, it is estimated that a general increase of 100 basis points in Euribor (for a period of twelve months) would lead to a decrease in profit before income tax of €6.1 million (after application of cash flow hedge accounting using interest rate swaps) (2023: €8.1 million).

The Group applies cash flow hedging to its interest rate risks and recognises temporary movements through equity for the effective portion of the hedging relationship. The Group aims for a one-on-one hedge accounting relationship between the volumes of the hedged risks and contracted derivative financial instruments (hedging instruments).

For quantitative information on these hedges, see the table 'Quantitative information hedges' below.

Quantitative information hedges

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2025				
Hedged volumes				
Unity	**GWh**	**in €1 million**	**in £ million**	**in £ million**
12 months or less	881	29	3	169
More than 12 months	8,364	206	24	-
Total	**9,245**	**235**	**27**	**169**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	40.73	1.09%	0.98	0.84
x € million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	377	235	28	201
Carrying amount of derivative financial instruments	-143	12	-2	-
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	-104	-7	-	-
Other movements in fair value of derivative financial instruments (sales, purchases or other transactions)	-6	1	1	2
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**-110**	**-6**	**1**	**2**
Hedge ineffectiveness in the cash flow hedges	-	-	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	110	6	-1	-2

Nature of risk	Energy price	Interest rate	Currency	Currency
Nature of hedges	**Cash flow**	**Cash flow**	**Cash flow**	**Net investment**
At 31 March 2024				
Hedged volumes				
Unity	**GWh**	**in € million**	**in £ million**	**in £ million**
12 months or less	5,616	30	3	171
More than 12 months	10,185	235	27	-
Total	**15,801**	**265**	**30**	**171**
Unity	**Average price per MWh (€)**	**Average interest rate**	**Average currency rate (£/€)**	**Average currency rate (£/€)**
Average price or rate	45.77	1.08%	0.98	0.87
x €1 million				
Gross contract value of the derivative financial instruments (often settled net compared with market price)	723	265	31	197
Carrying amount of derivative financial instruments	-39	19	-2	-2
Movements in elements for assessing hedging relationships				
Movement in fair value of derivative financial instruments presented in the balance sheet	226	-10	-	-1
Other movements in fair value of derivative financial instruments (sales, purchases or other transactions)	1	-	-1	-
Movement in fair value of derivative financial instruments to determine possible ineffectiveness	**227**	**-10**	**-1**	**-1**
Hedge ineffectiveness in the cash flow hedges	-	-	-	-
Movement in fair value of hedged risks to determine possible ineffectiveness	**-227**	**10**	**1**	**1**

Derivative financial instruments are recognised as 'Derivative financial instruments' in non-current and current assets and liabilities in the balance sheet, see note 25.1 Accounting classifications and fair values. The reclassified amounts and ineffectiveness of cash flow hedges for commodity risks are recognised in the 'Purchases of energy and energy-related activities' and for foreign currency and interest rate risks in 'Financial income' or 'Financial expenses' in the income statement. The unrealised gains and losses on commodity risks, foreign currency risks and interest rate risks are recognised in the 'Unrealised gains and losses on cash flow hedges' in the statement of comprehensive income. The unrealised gains and losses on hedges of a net investment in a foreign operation are recognised in the 'Net investment hedge' in the statement of comprehensive income.

Cash flow hedge reserve

The movements in the cash flow hedge reserve for the reporting period from 1 April 2024 to 31 March 2025 and from 1 April 2023 to 31 March 2024 were:

	Energy commodities	Interest rate swap contracts	Currency swap contracts	Total
At 1 April 2023	**-169**	**57**	**-1**	**-113**
Movements in derivatives	481	-3	-1	477
Reclassification of cash flow hedge reserve to the consolidated income statement	-254	-7	-	-261
Ineffective portion of cash flow hedges recognised in income statement	-	-	-	-
Movements in derivatives, Reclassification and Ineffective portion	**227**	**-10**	**-1**	**216**
Deferred tax liabilities	-58	3	-	-55
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	-11	-	-11
At 31 March 2024	**-**	**39**	**-2**	**37**
Movements in derivatives	-13	2	1	-10
Reclassification of cash flow hedge reserve to the consolidated income statement	-97	-8	-	-105
Ineffective portion of cash flow hedges recognised in income statement	-	-	-	-
Movements in derivatives, Reclassification and Ineffective portion	**-110**	**-6**	**1**	**-115**
Deferred tax liabilities	28	1	-	29
Share of movements in cash flow hedges of associates and joint ventures, after tax	-	-7	-	-7
At 31 March 2025	**-82**	**27**	**-1**	**-56**

The cash flow hedging instruments are derivative financial instruments that are subject to net settlement between parties. The table below shows the periods in which the cash outflows from the cash flow hedges are expected to be realised:

	At 31 March 2025	At 31 March 2024
Expected cash outflow		
Within 1 year	63	-236
From 1 to 5 years	114	31
After 5 years	98	46
Total	**275**	**-159**

The total cash flow hedges that will be reclassified through the income statement in the future are recognised in the cash flow hedge reserve after deduction of taxes. The table below shows the periods in which the cash flows from the cash flow hedges are expected to be realised:

	At 31 March 2025	At 31 March 2024
Expected recognition in result after tax		
Within 1 year	-14	82
From 1 to 5 years	-12	-25
After 5 years	-30	-20
Total	**-56**	**37**

Translation reserve

The foreign exchange risk in hedging a net investment in a foreign operation affects the translation reserve. The table below shows the effect of the foreign exchange hedges on this reserve:

	2024	2023
At 1 April	**-13**	**-15**
Translation gains and losses during the reporting period	7	8
Movements in hedges of net investment in a foreign operation	-7	-8
Tax effects value changes in hedges of net investment in a foreign operation	2	2
At 31 March	**-11**	**-13**

The amount remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting has no longer been applied on 31 March 2025 was €19 million (31 March 2024: €12 million).

25.3.3 Liquidity risk

The Group is a capital-intensive business. Its financing policy is aimed at growing into an optimum financing structure taking into account its current asset base and investment programme while maintaining and further developing them. The criteria are access to the capital market and flexibility with acceptable financing costs and conditions.

The Group uses both corporate financing and non- or limited-recourse project financing to fund its sustainable assets, according to the project characteristics and financing costs and conditions. In addition to its own electricity generation, the Group also buys energy on standardised physical supply contracts and long-term structured purchasing contracts with third parties to source its energy supplies. A downgrade in the Group's credit rating may, without further mitigation, lead to an increase in the capital requirement for providing collateral and/or guarantees.

A specific liquidity risk arises from margining energy contracts through clearing houses and contracts with bilateral margin obligations. There are limits in the mandate for the trading department (Commodity Trading Mandates) to cover both the outstanding balance and price change sensitivity. This risk is the subject of regular reports to business unit management and the Commodity Risk Team.

Great importance is attached to managing all the above risks to avoid a position in which the financial obligations cannot be met. The necessary management reports, applications and back-up facilities have been set up for this. In addition, liquidity needs are planned on the basis of cash flow forecasts with a medium-term horizon. The cash flow forecasts incorporate operating and investing cash flows, dividends, interest payable and debt redemption, as well as the periodicity of the cash flows, also allowing for sensitivity to weather influences. The Treasury department sets this capital requirements against available funds. A report is submitted to the Management Board every month. Next to general cash flow forecasting, additional stress scenarios are developed by the Financial Risk Management department to assess the impact of high margin needs in extreme situations. The simulated scenarios and accompanying margin requirements are compared to total liquidity facilities available and discussed on a regular basis with the Management Board.

Uncommitted credit and guarantee facilities

Uncommitted credit and guarantee facilities totalling €5,893 million (31 March 2024: €6,228 million) have been agreed with a number of banks and Mitsubishi Corporation Finance Plc.; €1,063 million of these facilities had been drawn / bank guarantees have been issued at 31 March 2025 (31 March 2024: €1,199 million). Included in this amount is a € 1,250 million Euro Commercial Paper programme (31 March 2024: €1,250 million) of which €47 million had been drawn at 31 March 2025 (31 March 2024: €200 million).

Committed credit facilities

On 22 June 2021, N.V. Eneco entered into two Revolving Credit Facilities totalling €800 million. Both facilities have a term of five years. Eneco increased these two facilities during 2022 to a combined total of €1,250 million, of which €700 million is closed with Mitsubishi Corporation Finance Plc.

Moreover, a five-year committed working capital facility of €2,500 million was closed with Mitsubishi Corporation Finance Plc. on 27 September 2022.This working capital facility has been reduced with € 1,250 million to € 1,250 million per 5 July 2024.

An additional €750 million committed Revolving Credit Facility was signed with a number of banks on 14 December 2022 with a two-year tenor, but was cancelled on 22 April 2024.

In total €2,500 million relates to committed credit facilities, €565 million of which had been drawn at 31 March 2025.

Cash outflows on financial instruments and lease obligations

The table below includes the remaining contractual maturities at the reporting date for:

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows;
- all non-derivative financial liabilities; and
- lease obligations.

The amounts disclosed in the table below are the contractual undiscounted cash flows, and include contractual interest payments but exclude the impact of netting agreements. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

At 31 March 2025	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	38	70	43	151
Lease obligations	41	139	253	433
Borrowings	687	181	412	1,280
Trade and other payables	1,640	-	-	1,640
Total	**2,406**	**390**	**708**	**3,504**

At 31 March 2024	Within 1 year	From 1 to 5 years	After 5 years	Total
Derivative financial instruments	-128	8	62	-58
Lease obligations	43	144	218	405
Borrowings	993	197	476	1,666
Trade and other payables	1,535	-	-	1,535
Total	**2,443**	**349**	**756**	**3,548**

25.3.4 Netting financial assets and financial liabilities

Where the Group meets the presentation criteria for netting, financial assets and financial liabilities are netted and recognised net in the balance sheet. Transactions in derivative financial instruments use standardised terms and conditions and contract types such as the master netting agreements based on ISDA and EFET terms. Most of the Group's contracts for derivative financial instruments meet the netting criteria since there is a legally enforceable right to set off the recognised amounts and also because all amounts relating to netted financial assets and financial liabilities are settled as a single sum.

At 31 March 2025	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	1,264	-1,061	203	-58	-	145
Other financial instruments	1,712	-92	1,620	-	-19	1,601
Total	**2,976**	**-1,153**	**1,823**	**-58**	**-19**	**1,746**

At 31 March 2025	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	1,374	-1,061	313	-58	-19	236
Other financial instruments[1]	1,541	-92	1,449	-	-	1,449
Total	**2,915**	**-1,153**	**1,762**	**-58**	**-19**	**1,685**

1 Excluding financial instruments related to borrowings (note 21).

At 31 March 2024	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Assets						
Derivative financial instruments	2,725	-2,120	605	-50	-	555
Other financial instruments[1]	1,995	-85	1,910	-	-217	1,693
Total	**4,720**	**-2,205**	**2,515**	**-50**	**-217**	**2,248**

1 The amounts presented are adjusted to align with the balances of financial assets included in notes 15, 16 and 17.

At 31 March 2024	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets/ liabilities offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments not offset in the balance sheet	Cash collateral received not offset in the balance sheet	Net amount
Liabilities						
Derivative financial instruments	2,778	-2,120	658	-50	-217	391
Other financial instruments[1]	1,463	-85	1,378	-	-	1,378
Total	**4,241**	**-2,205**	**2,036**	**-50**	**-217**	**1,769**

1 The amounts presented are adjusted to align with the balance of financial liabilities included in note 22. These amounts exclude financial instruments related to borrowings (note 21).

26. Capital management

The primary aim of the Group's capital management is to maintain good creditworthiness and healthy solvency to support operations and minimise the cost of debt. The Group regards both capital and net debt as relevant elements of its financing and so of its capital management. The Group can influence its capital structure by altering the proportions of equity and debt.

The Group monitors its capital using the Financial Boundaries Framework. This includes the Return on average capital employed (ROACE), Adjusted FFO/Net debt (rolling average) and Return on equity, which are regularly monitored by the Management Board.

	2024	2023
ROACE[1]	5.6%	7.8%
Average FFO/Net debt (rolling average)[2]	34.6%	51.7%
Return on equity[3]	6.7%	10.5%

1 ROACE: the ratio between (EBIT plus profit from associates and joint ventures less corporate income tax) and the average of (fixed assets plus adjusted net working capital less non-current non-interest-bearing debt).
2 Adjusted FFO/Net debt (rolling average): the ratio between (EBITDA plus dividend received from associates and joint ventures minus cash interest paid minus cash taxes paid) to the 13-month rolling average of (non-current & current interest-bearing debt minus accessible cash plus asset retirement obligations net of corporate income tax plus pension obligation). The rolling average is based on the monthly positions in the period, including starting balance.
3 Return on equity: the ratio between (net income) and the average of (shareholders' equity).

27. Events after the reporting date

No material events or transactions have been identified after the balance sheet date, which should be disclosed in this paragraph.

List of principal subsidiaries, joint operations, joint ventures and associates

This is a list of the principal subsidiaries, joint operations, joint ventures and associates at 31 March 2025. See note 1.1 General information for further details of the Group's activities and composition.

Subsidiaries

Name	Seat	Share
AgroPower B.V.*	Rotterdam	100%
Axel Ventus B.V.*	Rotterdam	100%
BioEnergieCentrale Delfzijl B.V.	Rotterdam	100%
CEN B.V.*	Rotterdam	100%
Eneco B.V.*	Rotterdam	100%
Eneco Belgium NV	Mechelen (B)	100%
Eneco Bio Golden Raand C.V.	Rotterdam	100%
Eneco Consumenten B.V.*	Rotterdam	100%
Eneco Consumenten Nederland B.V.*	Rotterdam	100%
Eneco DCO B.V.*	Rotterdam	100%
Eneco eMobility B.V.*	Rotterdam	100%
Eneco Energy Trade B.V.*	Rotterdam	100%
Eneco Gasspeicher B.V.*	Rotterdam	100%
Eneco Heat Production & Industrials B.V.*	Rotterdam	100%
Eneco HKN B.V.	Rotterdam	100%
Eneco HKW-A B.V.	Rotterdam	100%
Eneco HKW-B B.V.	Rotterdam	100%
Eneco Installatiebedrijven B.V.*	Rotterdam	100%
Eneco Installatiebedrijven Groep B.V.*	Rotterdam	100%
Eneco Installatiebedrijven TI B.V.*	Rotterdam	100%
Eneco Leiding over Noord B.V.	Rotterdam	100%
Eneco Liberis B.V.*	Rotterdam	100%
Eneco Midzakelijk B.V.*	Rotterdam	100%
Eneco Mistral B.V.*	Rotterdam	100%
Eneco Services B.V.*	Rotterdam	100%
Eneco Smart Energy B.V.	Rotterdam	100%
Eneco Solar B.V.*	Rotterdam	100%
Eneco Solar Belgium N.V.	Gent (B)	100%
Eneco UK Limited	Leeds (UK)	100%
Eneco Verda B.V.*	Rotterdam	100%
Eneco Vortex B.V.*	Rotterdam	100%
Eneco Warmte & Koude B.V.*	Rotterdam	100%
Eneco Warmte & Koude Leveringsbedrijf B.V.*	Rotterdam	100%
Eneco Warmtenetten B.V.*	Rotterdam	100%
Eneco Warmteproductie Utrecht B.V.*	Rotterdam	100%
Eneco Wind B.V.*	Rotterdam	100%
Eneco Wind Belgium Holding NV	Brussels (B)	100%
Eneco Wind Belgium NV	Wavre (B)	100%
Eneco Windenergie Delfzijl B.V.*	Rotterdam	100%
Eneco Windmolens Offshore B.V.*	Rotterdam	100%
Eneco Windpark Autena B.V.*	Rotterdam	100%
Eneco Zakelijk B.V.*	Rotterdam	100%
Eneco Zakelijk Nederland B.V.	Rotterdam	100%
LichtBlick Holding GmbH	Hamburg (G)	100%
LichtBlick Renewables GmbH	Hamburg (G)	100%
LichtBlick SE	Hamburg (G)	100%
Nordgröön Energie GmbH	Medelby (G)	100%
Oxxio Nederland B.V.*	Rotterdam	100%
Solargrün GmbH	Saulheim (G)	100%
Speciosa B.V.*	Rotterdam	100%
Spontanae B.V.	Rotterdam	100%
Warmtebedrijf Eneco Delft B.V.*	Rotterdam	100%
Windpark de Beemden B.V.*	Rotterdam	100%
Windpark De Graaf B.V.*	Rotterdam	100%

Name	Seat	Share
Windpark Houten B.V.*	Rotterdam	100%
Windpark Maasvlakte II B.V.*	Rotterdam	100%
Windpark Nieuwe Waterweg B.V.*	Rotterdam	100%
WNW W.T. B.V.*	Rotterdam	100%
WP HZP B.V.*	Rotterdam	100%

* N.V. Eneco has issued a declaration of joint and several liability for the subsidiaries marked with *, pursuant to Section 403(1f), Part 9, Book 2 of the Dutch Civil Code.

Joint operations

Name	Seat	Share
Blauwwind Management II B.V.	Rotterdam	10%
CrossWind Beheer B.V.	The Hague	20.1%
Enecogen V.O.F.	Rotterdam	50%
Ecowende Beheer B.V.[1]	The Hague	10%
Q10 Offshore Wind B.V.	Rotterdam	50%
SeaMade NV	Ostend (B)	12.5%
Zonnepark Ameland B.V.	Ballum	33.3%

1 See note 14 Business combinations and other changes in the consolidation structure

Joint ventures

Name	Seat	Share
Norther NV	Ostend (B)	50%
Rotterdam Shore Power B.V.	Rotterdam	50%

Associates

Name	Seat	Share
Greenchoice B.V.	Rotterdam	30%

A full list of companies has been filed with the trade registry in Rotterdam pursuant to Section 379 of Part 9, Book 2 of the Dutch Civil Code.

Company financial statements for the year ended 31 March 2025

Company income statement

x €1 million	2024	2023
Share of profit of subsidiaries	225	345
Other results after income tax	19	19
Profit for the period	**244**	**364**

Company balance sheet

Before profit appropriation

x €1 million	Note	At 31 March 2025	At 31 March 2024
Fixed assets			
Intangible fixed assets		-	1
Property, plant and equipment		1	-
Financial fixed assets	3	4,837	4,757
Total fixed assets		**4,838**	**4,758**
Current assets			
Receivables from group companies	4	2,244	1,952
Other receivables		3	8
Cash and cash equivalents	5	109	149
Total current assets		**2,356**	**2,109**
TOTAL ASSETS		**7,194**	**6,867**

x €1 million	Note	At 31 March 2025	At 31 March 2024
Equity			
Share capital		122	122
Translation reserve		-11	-13
Cash flow hedge reserve		-56	37
Other legal reserves		164	176[1]
Retained earnings		3,151	2,957[1]
Undistributed profit		244	364
Total equity	**6**	**3,614**	**3,643**
Provisions			
Provisions	7	28	23
Total provisions		**28**	**23**
Long-term liabilities			
Borrowings	8	250	250
Total long-term liabilities		**250**	**250**
Current liabilities			
Borrowings	8	612	900
Liabilities to group companies	9	2,493	1,879
Liabilities for tax and social security contributions	10	188	156
Pension contributions		4	7
Trade and other liabilities		5	9
Total current liabilities		**3,302**	**2,951**
TOTAL EQUITY AND LIABILITIES		**7,194**	**6,867**

1 An amount of € 18 million was reclassified from Retained earnings to Other legal reserves for consistency with the Equity movement schedule (Note 6)

Notes to the company financial statements

1. Material accounting policies

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

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

Valuation of subsidiaries with negative net asset value
Subsidiaries with a negative net asset value are valued at nil. This measurement also covers any long-term receivables provided to the subsidiaries that form part of the net investment in the subsidiaries. If N.V. Eneco partially guarantees the debts of the relevant subsidiary or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by N.V. Eneco on behalf of the subsidiary.

Investments in foreign operations
If an investment in a foreign operation is partially or fully disposed of, the related accumulated translation differences in the translation reserve are recognised through the income statement as part of the gain or loss on disposal. The translation reserve is not freely at the disposal of the shareholders.

The descriptions of the activities and structure of the enterprise as stated in the Notes to the consolidated financial statements also apply to the company financial statements.

For the principal interests in entities of N.V. Eneco, see the ' List of principal subsidiaries, joint operations, joint ventures and associates'.

2. Employee benefit expenses

Average number of FTEs
The average number of FTEs employed by N.V. Eneco is 21 (2023: 24).
The average number of FTEs working abroad is 3 (2023: 2).

Remuneration of the Management Board and Supervisory Board
See note 6 Remuneration of the Management Board and Supervisory Board to the consolidated financial statements for the remuneration of the Management Board and Supervisory Board pursuant to Section 383, Part 9, Book 2 of the Dutch Civil Code.

3. Financial fixed assets

	Subsidiaries	Receivables from subsidiaries	Other receivables	Deferred tax assets	Total
At 1 April 2023	**2,531**	**1,616**	**2**	**2**	**4,151**
Share of profit of subsidiaries	345	-	-	-	345
Movements in loans to subsidiaries	-	89	-	-	89
Movements in cash flow hedges	150	-	-	-	150
Movements in deferred tax assets	-	-	-	3	3
Translation differences	8	-	-	-	8
Movements in participation value	11	-	-	-	11
At 31 March 2024	**3,045**	**1,705**	**2**	**5**	**4,757**
Share of profit of subsidiaries	225	-	-	-	225
Movements in loans to subsidiaries	-	-62	-	-	-62
Movements in cash flow hedges	-93	-	-	-	-93
Movements in deferred tax assets	-	-	-	2	2
Translation differences	7	-	-	-	7
Movements in participation value	3	-	-2	-	1
At 31 March 2025	**3,187**	**1,643**	**-**	**7**	**4,837**

4. Receivables from group companies

Receivables from group companies included current granted loans receivable related to inhouse banking facilities and short-term interest-bearing receivable of €1,942 million (31 March 2024: €1,718 million) and non-interest-bearing receivables of €302 million related to intercompany accounts (31 March 2024: €234 million).

5. Cash and cash equivalents

Cash and cash equivalents comprised bank balances, cash and deposits of €109 million (31 March 2024: €149 million). All cash and cash equivalents are at the free disposal of the Company.

6. Equity

Movements in the equity of N.V. Eneco were as follows:

	Paid-up and called-up share capital	Translation reserve	Cash flow hedge reserve	Other legal reserves	Retained earnings	Undistri-buted profit	Total
At 1 April 2023	**122**	**-15**	**-113**	**140**	**2,806**	**377**	**3,317**
Profit for the period	-	-	-	-	-	364	364
Profit appropriation 2022	-	-	-	-	188	-188	-
Dividend paid	-	-	-	-	-	-189	-189
Other movements	-	2	150	36	-37	-	151
At 31 March 2024	**122**	**-13**	**37**	**176**	**2,957**	**364**	**3,643**
Profit for the period	-	-	-	-	-	244	244
Profit appropriation 2023	-	-	-	-	182	-182	-
Dividend paid	-	-	-	-	-	-182	-182
Other movements	-	2	-93	-12	12	-	-91
At 31 March 2025	**122**	**-11**	**-56**	**164**	**3,151**	**244**	**3,614**

See note 19 Equity to the consolidated financial statements for details of individual components of equity.

Distributable results

N.V. Eneco distributed a dividend of €182 million in financial year 2024 (2023: €189 million).

Non-distributable reserves

Legal reserves are recognised pursuant to Part 9, Book 2 of the Dutch Civil Code and are non-distributable. N.V. Eneco's legal reserves are a translation reserve, cash flow hedge reserve, reserve for undistributed profit of participating interests and a reserve for development expenditure. These last two reserves are combined in the above table to form the Other legal reserves. The development expense reserve was €0 million (31 March 2024: €0 million). The total amount of the Other legal reserves of €164 million was deducted in full from Retained earnings. In determining the non-distributable amount, the legal reserves have been accumulated on an individual basis.

In addition to the carrying amounts included in these non-distributable reserves, an amount is included in Retained earnings of €95 million (31 March 2024: €101 million), which is also non-distributable. The amount consists of the debit amounts in the cash flow hedge reserve of €84 million (31 March 2024: €88 million) and debit amounts in the translation reserve of €11 million (31 March 2024: €13 million).

The total amount of the non-distributable reserves at 31 March 2025 is €192 million (31 March 2024: €301 million).

7. Provisions

The provisions of €28 million (31 March 2024: €23 million) consist for €25 million of a provision for subsidiaries with a negative equity for which the Company is liable (31 March 2024: €20 million).

8. Borrowings

The company's borrowings related mainly to general financing, and consists of financing drawn under short-term facilities at banks and with Mitsubishi Corporation Finance Plc.

	Total
At 1 April 2024	**1,150**
Proceeds from borrowings drawn	-
Repayments of borrowings	-288
At 31 March 2025	**862**
Maturity within 1 year	612
Maturity after 5 years	250
At 31 March 2025	**862**

The liability for fixed interest-rate loans (fair value risk) was €250 million (31 March 2024: €250 million). Other loans are at market-linked variable rates.

The average interest rate was 2.9% (2023: 2.8%). This was calculated as the weighted average monthly interest expense directly related to the borrowings, excluding other financial expenses.

See note 21 Borrowings for further information on the borrowings from Mitsubishi Corporation Finance Plc.

9. Liabilities to group companies

Liabilities to group companies included current borrowings related to inhouse banking facilities and cash pool accounts of €2,413 million (31 March 2024: €1,853 million) and non-interest-bearing liabilities related to intercompany creditors of €80 million (31 March 2024: €26 million).

10. Liabilities for tax and social security premiums

Liabilities for income tax, VAT and social security premiums comprised current amounts related to tax liabilities of €188 million (31 March 2024: €156 million).

11. Commitments, contingent assets and liabilities

Liability

N.V. Eneco has issued declarations of joint and several liability pursuant to Section 403(1)(f), Part 9, Book 2 of the Dutch Civil Code for the principal subsidiaries marked with an * in the 'List of principal subsidiaries, joint operations, joint ventures and associates'.

Fiscal unity

N.V. Eneco heads a fiscal unity for corporate income tax purposes which includes almost all of its Dutch subsidiaries. N.V. Eneco is a member of a fiscal unity for VAT purposes which includes almost all of its Dutch subsidiaries. All companies in a fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity.

Cash pools

As a result of its participation in the Group cash pools, N.V. Eneco is jointly and severally liable, with the other participants, for deficits in the pools as a whole.

Guarantees

See note 23 Commitments, contingent assets and liabilities to the consolidated financial statements for the guarantees issued by N.V. Eneco.

12. Auditor's fees

The fees below relate to the fee for services provided by Eneco's external auditor, Deloitte Accountants B.V., as defined in Section 1.1 of the Dutch Audit Firms Supervision Act (Wet toezicht accountantsorganisaties - Wta), and includes those charged by entities associated with the auditor in the Deloitte network.

x €1.000	Deloitte Accountants B.V.	Affiliated Deloitte entities	2024
Audit of the financial statements	3,447	-	3,447
Other audit engagements	2,456	1,357	3,813
Other non-audit services	213	-	213
Total	**6,116**	**1,357**	**7,473**

x €1.000	Deloitte Accountants B.V.	Affiliated Deloitte entities	2023
Audit of the financial statements	3,503	-	3,503
Other audit engagements	2,691	1,515	4,206
Other non-audit services	271	-	271
Total	**6,465**	**1,515**	**7,980**

The fee for the audit of N.V. Eneco's financial statements included audit work on its consolidated and company financial statements. The above fees are charged to the consolidated income statement on an accrual basis.

Other audit engagements relate to the audit/review of the quarterly financial information reported to Mitsubishi Corporation, the Japanese Sarbanes-Oxley audit and the audit of the statutory financial statements of subsidiaries and joint operations and related engagements.

13. Proposed appropriation of the profit for the year ended 31 March 2025

The Management Board, with the approval of the Supervisory Board, recommends that the General Meeting of Shareholders on 3 July 2025 declares a dividend to the shareholder of €122 million from the profit after tax attributable to the shareholder. This represents a distribution of €1.00 per share. A recommendation will also be made to add the remaining €122 million of the profit to retained earnings.

Rotterdam, 26 June 2025

N.V. Eneco

Management Board

A.C. (As) Tempelman, chairperson
N.G. (Nynke) Dalstra
Y. (Yasuyuki) Asakura
C.J. (Kees-Jan) Rameau
S.M. (Selina) Thurer
K.M. (Karen) de Lathouder

Supervisory Board

J.M. (Mel) Kroon, chairperson
H. (Hanna) Hennig
H. (Harold) Naus
Y. (Yuji) Okafuji
Y. (Yasuo) Ohashi
H. (Haruki) Umezawa
Y. (Yukiko) Morishita

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Independent auditor's report

To: The shareholders and the Supervisory Board of N.V. Eneco

Report on the audit of the financial statements for the year ended 31 March 2025 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 March 2025 of N.V. Eneco, based in Rotterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2025, and of its result and its cash flows for the year ended 31 March 2025 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of N.V. Eneco as at 31 March 2025, and of its result for the year ended 31 March 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 31 March 2025.
2. The following statements for the year ended 31 March 2025: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity.
3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 March 2025.
2. The company income statement for the year ended 31 March 2025.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of N.V. Eneco in accordance with, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Scope of the group audit

N.V. Eneco is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of N.V. Eneco.

Our group audit mainly focused on significant group entities within the Netherlands, Belgium and Germany.

By performing the procedures on significant group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit, we obtained an understanding of the company and its environment, as well as the components of the system of internal control. This includes the risk assessment process, management's process for responding to the risks of fraud, monitoring the internal control system, and how the Supervisory Board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control, particularly the fraud risk assessment, as well as, among other things, the code of conduct, whistleblower procedures and incident registration. We assessed the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- The presumed risk that management may override controls to manipulate accounting records and prepare fraudulent financial statements by overriding controls.
- The presumed risk with respect to revenue recognition and the associated energy balance positions.

We held discussions among team members to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of material misstatements due to fraud.

We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, that may indicate risks of material misstatements due to fraud.

We assessed whether the selection and application of accounting policies by the entity, particularly those related to subjective measurement and complex transactions, may be indicative of fraudulent financial reporting.

We obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We reviewed available information and made enquiries of relevant executives, directors (including the head of compliance, head of internal audit and other relevant managers) and the Supervisory Board.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.

Regarding estimates in revenues and the associated energy balance positions, we verified the reliability of the information on which the revenue estimates were based, verified the mathematical accuracy of the energy balance reconciliation model, tested the revenues still to be invoiced after year-end (including subsequent review testing after 31 March 2025), and assessed the reasonableness, relevance and consistency of the assumptions applied.

We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgements and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management's key judgments, estimates and assumptions that might have a significant impact on the financial statements are disclosed in note 2.1 of the financial statements. We performed a retrospective review of management's judgements and assumptions related to significant accounting estimates reflected in prior year financial statements.

For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussion with management, those charged with governance and others within Eneco, including but not limited to the head of legal and the head of compliance, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the government measures following the energy crisis, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, N.V. Eneco is subject to other laws and regulations, such as energy laws and regulations, where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of N.V. Eneco's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to N.V. Eneco's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Management Board and others within N.V. Eneco as to whether N.V. Eneco is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us. Management disclosed fraud or non-compliance matters in the Compliance, integrity and privacy section of the annual report.

Audit approach going concern

We are responsible for obtaining reasonable assurance that the Group is able to continue as a going concern. Management is responsible to assess the Group's ability to continue as a going concern and disclosing in the financial statements any events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern.

As described in note 1.3 of the financial statements, the Management Board has prepared the financial statements on a going concern basis. Management believes that no events or conditions, including those related to the energy crisis and other geopolitical conflicts, give rise to doubt about the ability of the Group to continue in operation in the next reporting period.

We performed the following specific procedures:

- We evaluated management's assessment of the going concern assumption and related disclosures in note 1.3 of the financial statements.
- We challenged management's five-year business plan and the underlying assumptions. Additionally, we evaluated the Company's finance facilities, Eneco's credit rating and management's outlook as reported in the Financial results paragraph.

Although there always remains an inherent level of uncertainty in relation of future events, we concur with management's application of the going concern assumption in preparing the financial statements.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon. The other information consists of:

- Management's Review;
- Sustainability Statements;
- Corporate Governance; and
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Statement from the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, 26 June 2025

Deloitte Accountants B.V.
A. van der Spek

Limited assurance report on the sustainability information

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

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

Our conclusion

We have performed a limited assurance engagement on the sustainability information in the accompanying annual report for the year ended 31 March 2025 (hereafter the “sustainability information”) of N.V. Eneco (hereafter “Eneco” or the “Company”) based in Rotterdam.

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

- The policy with regard to sustainability matters and
- The business operations, events and achievements in that area for the year ended 31 March 2025

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

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

- Management’s Review
  - Key figures (page 3);
  - About Eneco (page 6-7);
  - Strategy and value (pages 8-11);
  - Operating results (pages 12-19);

- Sustainability Statements(pages 32-52).

Basis for our conclusion

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

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

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

Criteria

The reporting criteria applied for the preparation of the sustainability information are the GRI Sustainability Reporting Standards (GRI Standards) and the criteria supplementally applied as disclosed on pages 134-136 of the annual report.

The sustainability information is prepared with reference to the GRI Standards and the applied supplemental reporting criteria as disclosed in the chapters ‘Non-financial KPI information’ and ‘General reporting information” on pages 134-137 of the annual report. The GRI Standards used are listed in the GRI Content Index as disclosed on pages 138-139 of the annual report.

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

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

Emphasis of Matter on Eneco's disclosure "towards CSRD-aligned reporting"

We draw attention to Eneco's disclosure "towards CSRD-aligned reporting" on page 33.

In this disclosure, Eneco explains that while writing its report, it is in the process of preparing for upcoming regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD). As this will have significant impact on how they report going forward, they have initiated the implementation process in 2024 already. This approach includes the adoption of a CSRD-aligned reporting structure, while continuing reporting with reference to the GRI Standards, as in previous years.

Moreover, we draw attention to Eneco's explanation in this paragraph about its double materiality assessment. For the 2024 report, Eneco conducted a double materiality assessment ("DMA"). From this preliminary DMA, they captured their learnings which will allow to further refining the DMA approach for future reporting.

Our conclusion is not modified in respect of these matters.

Limitations to the scope of our assurance engagement

The sustainability information includes forward-looking information such as ambitions, strategy, plans, expectations, estimates and risk assessments. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

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

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board and the Supervisory Board for the sustainability information

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

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

The Supervisory Board is responsible for overseeing the sustainability reporting process of N.V. Eneco.

Our responsibilities for the assurance engagement on the sustainability information

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

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

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

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the management board.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the group structure, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance

procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted among others of:
  - Obtaining inquiries from management and relevant staff at corporate and local level responsible for the sustainability strategy, policy and results;
  - Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the sustainability information;
  - Determining the nature and extent of the procedures to be performed for the group's components. For this, the nature, extent and/or risk profile of the group's components and locations are decisive, as is our assessment of the possibility to perform assurance-procedures at a central level and the presence of common information systems and processes;
  - Obtaining assurance evidence that the sustainability information reconciles with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation;
  - Considering the data and trends reported.
- Verifying consistency of relevant (financial) information with the financial statements.
- Reading the information in the annual report which is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the sustainability information.
- Considering the overall presentation and balanced content of the sustainability information.
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

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

Rotterdam, 26 June 2025

Deloitte Accountants B.V.
A. van der Spek

Profit appropriation pursuant to the articles of association

Pursuant to the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders. Distributions from the profit may only be made if the financial statements show that this is permitted. The articles of association also state that the General Meeting of Shareholders may resolve to make interim distributions subject to the approval of the Supervisory Board. The provisions of the articles of association and the law apply to the amount and formalities for this.

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Non-financial KPI information

One planet KPI

This KPI is measured as the total CO_2-eq-emissions (in metric tonnes) in Eneco's value chain (suppliers, customers and own operations) as determined with reference to the Greenhouse Gas (GHG) Corporate Standard Protocol, GHG Corporate Value Chain (Scope 3) Standard, GHG Technical Guidance for Calculating Scope 3 Emissions, the ISO 14064-1 standard and the Eneco GHG Accounting Manual. The Eneco GHG Accounting Manual provides guidelines and information about Eneco's accounting policies, processing methods and disclosures and clarifies how to measure, process and disclose emissions for external reporting purposes.

To report its GHG emissions, Eneco applies the 'operational control' approach described in the GHG Protocol. Besides CO_2, this scope also includes for Eneco other relevant greenhouse gases such as CH_4 (methane) and N_2O (nitrous oxide). These GHGs are converted into CO_2-equivalents based on their Global Warming Potential (GWP), so that the emissions are expressed in tonnes of CO_2-eq. Eneco's Climate Plan includes a roadmap for staying within the limits of the 1.5ºC pathway and reducing Eneco's value chain emissions to zero by 2035. Each year, the outcome of this KPI is compared with the pathway in Eneco's Climate Plan to achieve net-zero emissions by 2035.

Eneco does not currently use carbon offsetting methods. Instead, we pursue absolute emission reductions in line with the 1.5ºC pathway objectives. Eneco is committed to investing in measures to neutralise all residual emissions. Although we do not yet have specific plans for neutralising the remaining emissions once we reach net-zero, we will apply neutralisation methods in accordance with the Science Based Targets initiative (SBTi) net-zero standard. Those methods will be used for up to 0.9 Mtonnes of CO_2-eq, which is lower than the maximum specified by the SBTi of 10% (1.65 Mtonnes) of the total emissions in the base year.

One Planet KPI method

Eneco reports its emissions in accordance with the Corporate Value Chain (Scope 3) standard. This standard, which was developed by the World Business Council of Sustainable Development (WBCSD) and the World Resources Institute (WRI), makes it possible to report on the entire value chain: the emissions from our own operations and the related emissions produced by our suppliers and by our customers.

The emissions are calculated by multiplying the relevant volumes by the corresponding emission factor. The emission factors used are described below. Adding up the result yields Eneco's value chain carbon footprint. The annual outcome is compared with the target from Eneco's Climate Plan: to become climate-neutral by 2035 in our own operations and in the energy that we deliver to our customers.

The volumes used in Scope 1 consist of the amount of natural gas used for energy production and fuel for our vehicle fleet.

The volumes used in Scope 2 consist of the purchased electricity and heat used by the organisation and the grid losses and electricity for transmitting heat purchased from third parties.

The volumes used in Scope 3 consist of:

- the amounts of gas, electricity and heat supplied;
- the fuel and electricity used by our vehicle fleet, for calculating upstream emissions;
- our spend on purchased goods and services;
- the commuting kilometres of our employees (exclusively relating to the vehicle fleet), categorised according to our modal split (average mode of transport that our employees use for commuting, or work from home) and based a representative survey among out employees;
- the fuel and electricity used for business travel.

Consolidation approach One Planet KPI

For its corporate GHG reporting, Eneco uses the operational control approach to consolidate GHG emissions. This means that Eneco accounts for 100 percent of the emissions of its subsidiaries. The emissions of joint operations are prorated according to the percentage of operational control.

Operational control is the best approach to use to reflect our desire to take full ownership of all GHG emissions that Eneco can directly influence and reduce.

As part of the GHG accounting process, structural changes such as mergers, acquisitions and divestments are taken directly into account. Structural changes that have a significant impact on the base year, whether individually or cumulatively, are recalculated retroactively in order to ensure that the reported GHG emissions remain consistent and relevant.

Emission factors

For our natural gas emissions in Germany and Belgium, we now use the emission factors specified by the International Institute for Sustainability Analysis and Strategy (IINAS). IINAS hosts the GEMIS (Global Emissions Model for Integrated Systems) tool. The emission factors used are country-specific and include direct and upstream emissions and emissions due to grid losses. For the Netherlands we continue to use the emission factors published on www.co2emissiefactoren.nl. The direct emissions from electricity supplies are based on the KPI 'CO_2 emissions from power supplied to end-users', i.e relative CO_2 emissions of the total volume of electricity supplied to Eneco's end-users. See below for a detailed description of this KPI. The emissions factors for grid losses are drawn from the International Energy Agency (IEA) and, specifically for the Netherlands, are also based on the Guarantees of Origin (GoOs) purchased by the grid operators as specified in their annual reports. The direct emission factor for district heating is based on the heat labels that are required by law. The upstream emission factor is also taken from www.co2emissiefactoren.nl, as are all emission factors for company cars, commuting and business travel.

Estimates

For some office buildings we do not purchase the energy ourselves. Instead, it might be procured by the building's owner, for example. We extrapolate the amount of energy used per square metre. For these office buildings, we purchase GoOs based on the extrapolated amount of energy.

CO_2 emissions from electricity supplied to end-users

This KPI refers to the CO_2 emissions relative to the total volume of electricity supplied to Eneco's end-users of Eneco. Our goal is to reduce the GHG emissions related to the power supplied, and not exceed the limits of the 1.5ºC pathway (kg of CO_2/MWh). The emission factor for supplied electricity consists of direct emissions and indirect upstream emissions from the total volume of electricity supplied to end-users. Each MWh of renewable energy supplied requires a GoO. Every MWh of fossil electricity supplied in the Netherlands requires a Certificate of Origin (CoO). These requirements do not apply in Belgium or Germany, where the national grid factor is used for fossil electricity supplies (if any). The direct emission factors used are the factors established by the Netherlands Authority for Consumers and Markets (ACM) for calculating electricity labels in the Netherlands. Where applicable, indirect upstream emission factors are taken from www.co2emissiefactoren.nl.

CO_2 emissions from heat supplied to end-users

This KPI, reported as RCF2, reflects the direct CO_2 emissions resulting from Eneco's production, distribution and supply of heat. It is expressed in kg of CO_2 emissions per GJ of heat, and covers all heat (including, for example, heat that originates from our large district heating grids and the smaller collective heat systems, but not including BGR Farmsum's steam deliveries).

The objective is a gradual reduction from 28.0 kg/GJ in 2018 to 18.9 kg/GJ by 2030, and climate-neutral heat by 2035. Climate-neutral, also known as CO_2-neutral or net-zero, refers to a process or product that does not contribute to climate change along the value chain. This can be achieved through energy savings, sustainable production and supply, CO_2 storage and/or use and/or CO_2 compensation. The method used to calculate the emissions matches the NTA8800-based method described in the Dutch Heat Act, which we also use for our annual sustainability reporting to the ACM. The figure covers the direct emissions and is based on the CO_2-emission factor for the energy input (electricity, gas, biomass, waste, waste heat), the energy performances of the separate heat sources, the relative proportions of the different heat sources, heat losses that occur during transmission and the required auxiliary energy in the system. The emission factors of the energy input that we use for our calculations are provided each year by the Netherlands Enterprise Agency (RVO).

The emission factor relevant for the Scope 2 emissions is calculated separately, and is based on the amount of electricity used for our own heat production, grid losses and electricity for the transmission of heat purchased from third parties.

For the indirect upstream emissions, the value for an average district heating grid is used, as published on www.co2emissiefactoren.nl.

Sustainable electricity production (incl. PPAs) relative to the total electricity supply

Sustainable own production represents the amount of sustainable electricity, measured in MWh, generated by assets of Eneco. This includes electricity produced by assets fully or partially in ownership of Eneco (proportionally to its legal ownership shares of those assets), as well as electricity from assets where output is contractually secured through Power Purchase Agreements (PPAs). This figure is then expressed as a percentage of the total electricity supply, excluding volumes not delivered due to curtailment. Examples of such assets include solar farms and wind farms.

Installed sustainable capacity

Installed sustainable capacity represents the amount of sustainable energy, expressed in MWh, that is available to Eneco. This energy is generated by or stored in assets fully or partially in ownership of Eneco (proportionally to its legal ownership shares of those assets). Examples of these assets include solar farms, wind farms, batteries, sustainable heat generation (i.e. heat pumps, biomass) and sustainable heat storage (heat buffers, storing excess heat). Only sustainable capacity that is technically operational at year-end is included in this KPI.

Customer contracts

A customer contract is defined as an agreement between Eneco, as the supplier, and a customer to supply and purchase energy commodities and/or energy-related services. One customer might have multiple contracts. In terms of products, customer contracts extend to all energy types and all energy-related services. The customers included in this KPI are end-users. All medium-sized companies and large corporates are excluded from the KPI (except for eMobility, for which we include all charging cards/stations). Only contracts that are active and recurring and that generate revenue are included in the KPI.

Customer satisfaction

Customer satisfaction is measured as the percentage of Eneco customers that rate our brand as 'excellent', 'very good' or 'good'. This is measured on a quarterly base via a questionnaire sent to a selected sample of customers. The sample does not consider if there has been any direct contact recently with the respective customer, meaning that we report a relational Customer Satisfaction score. The year-end score is the average score of the quarterly measurements of our retail brands (B2C) in the Netherlands and Belgium. The scope excludes Eneco eMobility and Lichtblick and business-to-business (B2B) activities.

RIF

The Recordable Injury Frequency (RIF) represents the moving average number of incidents resulting in absenteeism (LTI), alternative work (RWC) or medical treatment (MTC) per 200,000 hours worked. It does not include first aid cases (FAC). The rate is based on the number of recordable incidents registered in our systems during the reporting period, relative to the 12-month average of registered FTEs (staff with an Eneco employee number). As such, it does not include workers of Eneco's contractors and subcontractors. Our definition of a recordable incident follows the definition of a 'work accident' under Dutch law (*arbeidsongeval*); as a result, accidents during commuting, for example, are not included in the scope.

Employee NPS

The Employee Net Promoter Score (eNPS) is a metric used to indicate employee satisfaction and loyalty. We ask employees the following question: How likely are you to recommend Eneco as an employer to someone in your immediate surroundings? Responses range from 0 to 10, where 0 means 'highly unlikely' and 10 means 'very likely'. We use the European method for calculating the eNPS: Promoters – Detractors = eNPS. In other words, the score reflects the proportion of employees who award Eneco an 8 or higher as an employer, less the proportion of employees who award a 5 or lower. The KPI extends to all divisions of Eneco, except LichtBlick. Contractors are not included.

Diversity

The diversity metric measures the proportion of female-identifying employees in the four highest layers of management below the Management Board.

General reporting information

In this report, N.V. Eneco reports on its financial and non-financial performances during the financial year running from 1 April 2024 to 31 March 2025, and on the financial, social and ecological value that it created during that period. We have chosen to present a compact and transparent report to provide the information required by our stakeholders. The publication date of the 2024 annual report is 3 July 2025. The previous annual report was published on 25 June 2024.

The basic premise for the preparation of the annual report was Eneco's strategy, including the strategic topics and key performance indicators (KPIs) determined by the Management Board. The information presented in the annual report is also based on the materiality assessment described in the section Double materiality assessment. Each strategic KPI has its responsibility, definition, scope, calculations, necessary resources and systems, quality assurance and process, and the latest developments concerning each are reported periodically and discussed with management of the relevant Eneco entities. The Internal Audit department reviews the information periodically to ensure that it is accurate and complete; if necessary, remedial action is taken.

Reporting frameworks and standards used

The Management Board's annual report has been prepared with reference to the standards of the Global Reporting Initiative (GRI) and the provisions of the Dutch Civil Code. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Commission, and the relevant provisions of the Dutch Civil Code.

Consolidation of information

The financial statements have been prepared on a consolidated basis. The data in the Management Board's report and sustainability statements where possible, have been consolidated using the same principles as those used for the financial statements. The consolidation comprises the parent company N.V. Eneco, plus the subsidiaries controlled by N.V. Eneco. Joint operations are prorated according to Eneco's share. Associates and joint ventures are not included in the consolidated data for this reporting year. Unless the accounting policies for the financial statements or the Management Board's report state otherwise, all data are presented using the same consolidation principles.

Information gathering and accountability

We have a process description that we use for preparing the annual report. The general rule is that the Management Board is responsible for the integrated annual report. The Management Board has delegated the preparation of the Management Board report to the Director of Financial Services & Reporting, who leads a multidisciplinary team. Responsibility for the information presented in the report is divided between the Strategy, Communication and Finance departments. The financial and non-financial strategic KPIs are an integral part of the planning and control cycle, and the results are discussed in the regular business reviews. A responsible officer is appointed for each topic, based on an accountability index. The Management Board reviews the final version before it is submitted to the Supervisory Board. The Supervisory Board is responsible for reviewing and approving the reported information.

Assurance on financial information

The financial statements are audited by Deloitte. For further details, see the assurance report.

Assurance non-financial information

In order to assess the reliability of the sustainability statements in our annual report, we asked Deloitte to review it. See the assurance report for further details.

GRI content index

Statement of use

N.V. Eneco has reported the information cited in this GRI content index for the period starting 1 April 2024 and ending 31 March 2025 with reference to the GRI Standards.

Thereby, Eneco complies with the GRI 'with reference to' requirements to (1) publish a GRI content index; (2) provide a statement of use; and (3) notify the GRI that a report has been published. Eneco also applies the reporting principles and explains how it manages material topics.

GRI 1 used: GRI 1: Foundation 2021

General Disclosures

DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	
2-1 Organisational details	• About Eneco p.6-7
2-2 Entities included in the organisation's sustainability reporting	• General Reporting Information p.137
2-3 Reporting period, frequency and contact	• General Reporting Information p.137
2-4 Restatements of information	• N/A
2-5 External assurance	• Limited Assurance Report of the independent auditor on the sustainable information presented in the annual report p.129-131
2-6 Activities, value chain and other business relationships	• About Eneco p.6-7
2-7 Employees	• Own workforce p.46-48
2-8 Workers who are not employees	• Workers in the value chain p.49-50
2-9 Governance structure and composition	• Corporate governance p.53-64
2-10 Nomination and selection of the highest governance body	• Corporate governance p.53-64
2-11 Chair of the highest governance body	• Corporate governance p.53-64
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2-29 Approach to stakeholder engagement	• Double Materiality Assessment p.36-37
2-30 Collective bargaining agreements	• Corporate governance p.53-64

Material Topics

DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	
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3-2 List of material topics	• Outcome Double Materiality Assessment p.37
3-3 Management of material topics	• Environmental p.38-45 • Social p.46-52

Environmental

DISCLOSURE	LOCATION
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	• Key figures p.3 • Climate change p.38-41
305-2 Energy indirect (Scope 2) GHG emissions	• Key figures p.3 • Climate change p.38-41
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305-4 GHG emissions intensity	• Key figures p.3 • Climate change p.38-41
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Pollution	
Own indicator – qualitatively disclosed	• Pollution p.42
Water and marine resources	
Own indicator – qualitatively disclosed	• Water and marine resources p.43
Biodiversity and ecosystems	
Own indicator – qualitatively disclosed	• Biodiversity and ecosystems p.43-44
Circular economy and resource use	
Own indicator – qualitatively disclosed	• Circular economy and resource use p.45

Social

DISCLOSURE	LOCATION
Affected communities	
Own indicator – qualitatively disclosed	• Affected communities p.50-51
Consumers and end-users	
Own indicator – qualitatively disclosed	• Key figures p.3 • Consumers and end-users p.52
Own workforce	
Own indicator – qualitatively disclosed	• Own workforce p.46-48
Workers in the value chain	
Own Indicator - Customer Satisfaction KPI	• Workers in the value chain p.49-50

Workforce

	Year ended 31 March 2025	Year ended 31 March 2024
Number of own employees		
Total average workforce in FTE[1]	3,780	3,678
Total workforce in FTE at year end[1]	3,778	3,810
NL	2,669	2,604
GE	724	837
BE	373	357
UK	12	12
Men - women ratio		
percentage of men and women of the total number of employees in FTE at year end		
Men	65%	65%
Women	35%	35%
Undeclared	0%	
Age distribution		
percentage per age group of the total number of employees in FTE at year end		
Age 15 - 24	2%	3%
Age 25 - 34	30%	29%
Age 35 - 44	34%	35%
Age 45 - 54	20%	19%
Age 55 and over	14%	14%
Diversity		
in percentages at year end		
Women in managerial positions	33%	35%

	Year ended 31 March 2025	Year ended 31 March 2024
Employment contract		
in percentages at year end		
Employees with a Collective Labour Agreement (CLA) contract	52%	51%
Employment contract for an indefinite period	3,419	3,351
Men	65%	65%
Women	35%	35%
Undeclared	0%	0%
NL	69%	66%
GE	20%	23%
BE	11%	11%
UK	0%	0%
Employment contract with a fixed term	359	459
Men	65%	69%
Women	35%	31%
Undeclared	0%	0%
NL	83%	86%
GE	16%	13%
BE	1%	1%
UK	0%	0%
Employees with a full-time contract	2,988	3,028
Men	89%	89%
Women	61%	61%
Undeclared	100%	100%
NL	77%	
GE	78%	
BE	91%	
UK	93%	

	Year ended 31 March 2025	Year ended 31 March 2024
Employees with a part-time contract	791	782
Men	11%	11%
Women	39%	39%
Undeclared	0%	0%
NL	23%	
GE	22%	
BE	9%	
UK	7%	
Absenteeism		
In percentages	6.0%	5.1%

1 The comparative number of 'total average workforce in FTE' for the previous year has been adjusted upward by 19 to a total of 3,678 and 'total workforce in FTE at year end' for the previous year has been adjusted upward by 21 to a total of 3,810, in order to correct an inconsistency between the appendix and the financial statements.

Eneco records most of the workforce data in SAP. Other management systems are used for a number of business units both in the Netherlands and abroad.

Eneco Supplier Code of Conduct

Everyone's sustainable energy

Since 2007, Eneco's strategy is aimed at increasing sustainability. Our mission stems from the conviction that we must pass the earth on in a liveable manner to our children and the generations that follow. Living within the natural boundaries of the planet, that is what Eneco believes in. Eneco has laid down its sustainability targets in the One Planet plan. The One Planet plan contains concrete objectives in the field of climate, biodiversity, circularity and society.

Together we have an important task: to prevent the earth from warming up by more than 1.50 C. The challenge we face as a society is urgent and its scale far greater than many realize. The energy sector has an important pioneering role in the energy transition. It is Eneco's ambition is to be climate-neutral in 2035. Not only in our own activities, but also in the energy we supply to our customers. In doing so, we will go faster than the scientifically substantiated 1.50 C path prescribes. We believe we have to and we believe we can. To this end, we seek to collaborate with our customers, government bodies, suppliers and other partners that share this ambition.

Code of Conduct for Suppliers

The Supplier Code of Conduct is based on the UNDHR[1], UNGP's[2], the ILO[3] core labour standards for corporate social responsibility, the OECD[4] guidelines and relevant laws on environmental protection. Social responsibility and responsibility with respect to sustainability is something we also expect from our suppliers to be incorporated in their business conduct. Furthermore, we expect our suppliers to select their own suppliers in accordance with to the guidelines of this Supplier Code of Conduct.

Corporate governance

Under no circumstances do we work with dishonest suppliers or (suspected) criminals, or get involved in business where proceeds of crime play a role. We do not engage with third parties that are in any way involved in the weapon industry, nor with parties and countries that are on the UN, EU sanction list or on the Politically Exposed Persons list. Our suppliers therefore are expected to at least comply with national and international legislation and regulations, ensure that they have all the necessary permits and observe the principles of good corporate governance with a focus on continuity and integrity. Our suppliers are expected to implement the principles, norms and values described in this Supplier Code of Conduct and to monitor compliance by employees and their suppliers. Our suppliers will not tolerate discrimination against anyone who reports violations of these principles. Our suppliers have the obligation to report and be transparent to Eneco about (potential) severe violations of these principles.

Human rights and working conditions

Our suppliers:

- recognise and act in accordance with the Universal Declaration of Human Rights and work to ensure respect for human rights along the supply and value chain,
- ensure that there is no child labour, forced labour or (modern) slavery along the supply and value chain,
- prevent any discrimination or exclusion based on sexuality, gender, religion, culture, country or region of origin, or age,
- recognise and respect the right of employees to organize and join trade unions,
- do not pay their employees less than the legal minimum wage or what could be expected for employees to live at a decent life standard,
- adhere to acceptable working hours and social security in accordance with local standards, national and international legislation and regulations,
- ensure adequate working conditions in the areas of health and safety,
- ensure that regular appraisal interviews are conducted with their employees and provide training opportunities for employees.

1 United Nations Universal Declaration of Human Rights
2 United Nations Guiding Principles on Business and Human Rights
3 International Labour Organization
4 Organization for Economic Co-operation and Development

Fair trading and integrity

Our suppliers:

- commit to fair trade practices and make equitable decisions to avoid corruption, abuse of power and conflicts of interest,
- in no way tolerate, and therefore take appropriate measures in their supply and value chain, to prevent the use of legitimate financial resources for criminal activities including terrorism and espionage,
- take appropriate measures in their companies to prevent financing the production of weapons,
- consider the principles of fair competition as an elementary part of their actions,
- ensure that applicable competition regulations are complied with and take appropriate measures to ensure compliance with competition law by their business partners,
- do not enter into agreements or concerted practices with other companies that have the purpose of preventing, restricting or distorting competition, and act in accordance with the principles of fair competition,
- adhere to applicable security and privacy standards and respect intellectual and other property rights,
- carefully select their suppliers, consultants, agents and other intermediaries according to appropriate suitability criteria.
- Compensation of suppliers, consultants, agents and other intermediaries shall not be used to provide improper benefits to business partners, customers or other third parties,
- shall not promise, give or accept any gift or entertainment that is improper or given with the expectation of receiving improper consideration or other favour in return,
- do not tolerate any form of unlawful tangible and intangible benefits (including their providers) to public officials or persons comparable to them (whether directly or indirectly through third parties),
- reject material and immaterial donations of any kind (e.g. illegal donations) to political parties, their representatives as well as to mandate holders and candidates for political offices,
- always make donations on a voluntary basis and without the expectation of anything in return,
- will not use sponsorship of individuals, groups or organisations to gain unlawful business advantage.

Consumer issues

Our suppliers:

- take measures to protect the health and safety of consumers that include providing reliable, environment-friendly and safe products that enable sustainable consumption,
- apply fair business standards with respect to marketing, sales and customer communication,
- prevent misleading information being provided
- respect intellectual and other property rights and take appropriate measures to protect the personal details of (Eneco) customers, (Eneco) employees and other (Eneco) business contacts.

Environment

Our suppliers are expected to proactively be committed to environmental and climate protection through continuous improvements. These include:

- energy saving and reduction of emissions of carbon dioxide and other harmful greenhouse gases,
- responsible as well as traceable procurement of products and their components, especially if they contain ecologically and/or socially critical raw materials,
- promotion of waste sorting, re-use, processing and recycling,
- continuous optimization of the product's reusability and/or recyclability,
- limiting water consumption and improving water quality,
- avoidance of local pollution in the form of spilled fluids, airborne particles, noise and light,
- enhancing of biodiversity,
- preventing the use of resources whose extraction damages the environment,
- limiting the harmful effects of a product on the environment during the product's life cycle,
- having an environmental quality management system in place that is in accordance with or similar to ISO14001 or being committed to having such a system in place within an agreed period of time.

Involvement with and development of the community

Our suppliers:

- are involved with the community in which they operate,
- create local jobs and develop the skills of their (local) employees,
- seek for opportunities to employ people with a distance to the labour market with decent work within their abilities,
- consider and take responsibility for the impact of their activities on the community as a whole and on the health of the people and animals in that community.

Audit

Eneco has the right to ensure, by means of an audit, that suppliers comply with this Code of Conduct. Evidence of inconsistent compliance with this Supplier Code of Conduct may have consequences for the continuation of the relationship between the supplier and Eneco. Severe violation will result in the discontinuation of the relationship.

Signing

All suppliers of Eneco are required to sign the Supplier Code of Conduct. By signing, suppliers commit to comply with the content of this Eneco Suppliers Code of Conduct.

Responsible Procurement

Another area where Eneco is making progress is Responsible Procurement (RP). We are shifting the focus of our regular procurement process to also consider social and ecological criteria when selecting suppliers. The four pillars of our One Planet Plan all come together here: Climate, Biodiversity, Circularity and Society.

Although the main focus of our expenditure is on Europe, and the Netherlands in particular, it in fact covers nearly 2,000 procurement partners in 23 countries and in numerous sectors of the economy. Suppliers include wind turbine manufacturers, EPC contractors, solar energy contractors, earthwork contractors, soil surveyors, software vendors, legal experts, cleaners, caterers and consultancy firms amongst others. We divide them into separate categories: Energy Solutions (26%), General Construction & Installation Technology (15%), Business & Professional Services (36%), IT Technology (17%), Contingent Workforce (2%) and Maintenance, Repair & Operations (3%). The remaining 2% has not been assigned to a particular category.

In accordance with our Responsible Procurement targets, at least 90% of our procurement expenditure should be spent at suppliers that have agreed to our Supplier Code of Conduct. During the financial year, 92% of our procurements were from suppliers that have signed that Code. We monitor their compliance by regularly selecting random suppliers and asking them to describe how sustainable their business is. Leaders in Corporate Social Responsibility (CSR), according to EcoVadis, make up 41% of our key suppliers. This proportion was similar last year, and is above our target of 40%.

Sustainable Development Goals

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

SDG	Eneco's goal	Result achieved in 2024
Target 5.1 End all forms of discrimination against all women and girls everywhere	Women to make up 37% of the sub-management level and 50% of the Management Board by 2025	Women make up **33%** of the sub-management level and **50%** of the Management Board
Target 7.2 Promote the use of renewable energy (CBS)	Increase the installed sustainable capacity of our assets to 4,827MW by 2029	The installed sustainable capacity increased by **16.6%** from 2,394MW in 2023 to **2,792MW** in 2024
Target 11.6 Less environmental impact in cities (CBS)	Working together towards 100% sustainable mobility	**69%** less CO_2 emission per FTE relative to 2016 (0.9 tonnes versus 2.9 tonnes of CO_2) **73%** fossil free vehicles in our total car fleet (2023: 66%)
Target 13.2 Climate policy and reducing greenhouse gas emissions (CBS)	Climate-neutral by 2035. Our annual CO_2 budget (absolute volume in Mtonnes) is based on achieving or bettering the 1.5ºC emissions pathway for Scopes 1, 2 and 3, as defined by the SBTi.	**9.3** Mtonnes CO_2-eq
Target 14.2 Sustainable management and conservation of marine and coastal ecosystems (CBS)	Contributing to nature restoration in the North Sea	Nature developed in the form of oyster projects and nature-inclusive erosion protection at multiple offshore wind farms
Target 15.2 Protect, restore and promote sustainable use of ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	From 2025 onwards, all investment decisions for new onshore renewable energy sources will have a net positive impact on biodiversity	Discuss the methodology, pilot results and establish Code of Conduct on Biodiversity (PDF) with NGOs and expert in support of Management Board decision. Management Board decision to have all onshore investment decisions committed to restoring biodiversity to at least 110% compared with the state of nature at the start of the project, as of 2025

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Design
CF Report

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