PRECONDITIONS FOR A SUSTAINABLE RESULT

Working in the energy sector has never been as challenging as now. We are making history by building the energy system of the future and thus helping to limit climate change. With a team of nearly 5,000 skilled employees, we are working and learning every day to fulfil our task within society. And we are looking for more talent!

8.3

Enexis is facing a period of unprecedented growth. We will have to recruit a lot of employees to be able to facilitate the energy transition. A challenge, as there was a large shortage of experienced technicians, IT specialists, and data analysts on the labour market in 2021 and this will probably not change in the coming years. By means of targeted labour market communication, an attractive referral programme and our own training facilities, we still managed to hire 529 new colleagues in 2021. At the same time, colleagues also left the company or moved on to other jobs within the company. This is a matter of concern because it puts extra pressure on the training and coaching of new colleagues. It takes approximately two years to train new employees as technicians before they can work independently in the field. It is also of crucial importance that we value and retain skilled technical personnel. As a first step, nearly 2,000 employees at Enexis and Fudura with technical jobs for which there is a shortage of personnel, received an extra gross bonus of € 1,500 in 2021.

4.3
4.4
4.7

Only by looking for creative solutions can we prevent the energy transition from stagnating. Therefore, we are doing everything in our power to increase our workload capacity and make maximum use of the capacity of contractors. This year, we organised a webinar for the first time for potential technicians, foremen and engineers to introduce them to Enexis. In this manner, we came into contact with hundreds of interested candidates. We also try to attract talented candidates with other backgrounds and expertise. We opened three large simulation halls in 2021, where we train as many specialists as possible, such as technicians and foremen. The Enexis Academies for technicians, engineers and foremen are also successful. Around 230 participants started in 2021. In addition, we hired several people with a temporary residence permit in 2021 whom we are training as technicians. Via the Training and Development Fund (O&O Nwb), we also launched the campaign 'Power up the Planet!' to stimulate young people to choose for a study programme in the energy technology field.

We motivate all employees to continue to develop in their careers in addition to the obligatory modules. Therefore, together with external parties, we offer hundreds of professional training and personal development programmes. Due to the COVID-19 measures and working from home, the number of participants in personal development programmes decreased in 2021 compared to previous years. Enexis monitors the number of training programmes that are followed and does not set targets for the number of hours that employees follow a training programme. Technical training programmes were continued in as far as possible, but then in smaller groups in order to comply with the COVID-19 measures. Safety training programmes are an obligatory and essential part of training and education within Enexis. Besides Enexis' own employees, third parties, including contractors, follow safety and technical training programmes via Enexis. We share knowledge with other parties in the energy sector, as we all face the same challenges.

	2021	2020	2019	2018	2017
Personnel					
Number of employees at year-end (own personnel)	4,947	4,767	4,488	4,324	4,332
FTEs at year-end (own personnel)	4,772	4,591	4,317	4,167	4,175
Female employees as a % of the total workforce	19.8	19.7	18.8	18.6	18.5
Absence due to illness (%)	4.7	4.9	5.4	5.6	4.8

	Male	Female	Total
Age category			
under 30 years	431	89	520
30 - 50 years	1,841	465	2,306
over 50 years	1,694	427	2,121
Total	**3,966**	**981**	**4,947**
Percentage	80.2%	19.8%	100%

	Male				Female				
	Wajong[1]	WAO[2]	WIA[3]	Total male	Wajong[1]	WAO[2]	WIA[3]	Total female	Total
Labour participation									
under 30 years	2	-	-	2	-	-	-	-	2
30 - 50 years	3	-	3	6	1	-	1	2	8
over 50 years	-	11	5	16	-	2	4	6	22
Total	**5**	**11**	**8**	**24**	**1**	**2**	**5**	**8**	**32**

1 Disablement Assistance Act for Handicapped Young Persons.
2 Invalidity Insurance Act.
3 Work and Income according to Labour Capacity Act.

	Male				Female			
	Inflow	Outflow	Total male	Average term of employment[1]	Inflow	Outflow	Total female	Average term of employment[1]
In- en outflow[2)]								
under 30 years	113	23	**90**	1.30	33	10	**23**	1.20
30 - 50 years	249	78	**171**	5.44	55	28	**27**	4.71
over 50 years	61	184	**-123**	34.32	18	26	**-8**	32.23
Total	**423**	**285**	**138**	**23.75**	**106**	**64**	**42**	**15.34**

1 Average term of employment in the event of outflow.
2 Employee turnover rate 6,6%.

WORKING MORE EFFICIENTLY AND SMARTER

In order to be able to handle the amount of work resulting from the energy transition, we are also looking at how we organise our work. We are doing everything we can to increase the efficiency of our business operations. First, we make sure that every employee knows what his or her personal contribution is to our goals. In addition, in 2021, we have become better and better at discussing our performance. Not to call each other to account, but to learn. Why were we not able to have the material at the project timely? What can one branch learn from the other? And how can we improve the collaboration with contractors? We analyse situations to remove the cause of waste in the process. Finally, we are working on improving our conduct and leadership. As we have to be able to apply our insights in practice. We give a lot of attention to complex change projects that form a risk in the execution of our strategy. For instance, we do our utmost to complete projects within the budget and with added value in our processes. Over 550 employees have now been certified in the LEAN method. They help teams to analyse their performance in a structured manner, to identify waste and to improve processes. ICT also helped by providing a new software solution with which work preparators can calculate the impact that customer requests for new connections and additional capacity have on our grids. With this capacity test, work preparators can see directly whether there is sufficient grid capacity. This reduces the workload for our engineers.

WORKING TOGETHER SAFELY AND HEALTHILY DURING THE COVID-19 PANDEMIC

8.8

Our work on the vital infrastructure can never come to a standstill; also not during a pandemic. With clear instructions regarding the applicable COVID-19 measures, the work on our grids continued as usual in 2021. Nevertheless, there were a few anxious moments when nationwide measures against COVID-19 were announced. Can we continue to work behind the front door at customers? How should team meetings be organised? When can we go back to the office? The doors of our offices opened little by little again in the summer and closed again unfortunately in the fall. That was difficult for many colleagues. Fortunately, there were no major COVID-19 outbreaks at work within Enexis. This gave confidence that our measures and protocols for a safe and healthy working environment are effective.

Dilemmas and insights

IMPACT OF COVID-19 MEASURES ON THE WELL-BEING OF EMPLOYEES

The COVID-19 pandemic does not only effect our work, it also effects our employees. We received signals in the past year that the COVID-19 measures were beginning to take their toll. As working from home also has a downside. It can lead to loneliness and an imbalance in the work / private life situation. In particular, young colleagues and new employees missed meeting each other and learning from each other. In the teams, we stimulated colleagues to stay in contact with each other and to look for customised solutions for employees who needed to work on site or meet each other. The resilience that we demonstrated again this year as an organisation strengthens our confidence in our ability to deal with the challenges facing us in the future.

As an organisation, we also want to learn from this exceptional period and hold on to the positive aspects of our way of working in the future. For instance, a decrease in travel time, more efficient meetings, and the fact that we have become increasingly digital savvy. How we will work in the future is not yet clear exactly; however, we do know that we will continue to work in a flexible manner. With the team result as the point of departure, we will look for a new balance together in working from home and working in the office. Experimenting and learning together are important keywords in this context. In this manner, we will work step-by-step in the coming years on creating a working environment that enables colleagues to do their work optimally every day.

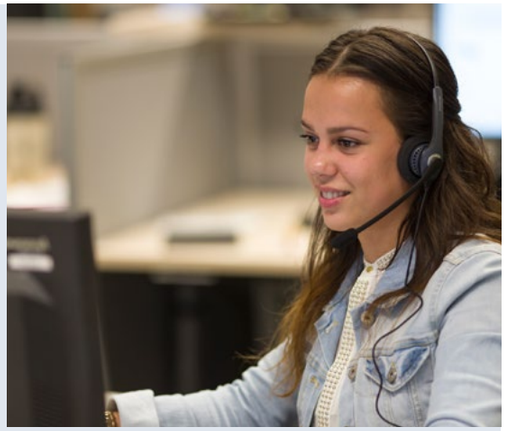
No matter how we work, safety will always remain our number one priority. Working with electricity and gas entails risks. The number of serious accidents remained limited in 2021 despite the heavy workload. This shows that colleagues know the safety instructions well and comply with these instructions; although, we do consider every accident one too many. Our LTIF score was higher this year than last year. This is mainly due to a higher number of minor accidents, such as tripping and stumbling. On the other hand, the LTIF score among contractors improved strongly in 2021. The reason for this is unknown and our contractors are looking into this.

	2021	2020	2019	2018	2017
Accidents and LTIF[1]					
Fatal accidents	-	-	-	-	1
Enexis	1.16	0.81	1.16	1.48	1.65
Contractors	1.21	2.64	2.58	4.53	2.20

1 LTIF the LTIF is the number of accidents resulting in absence per 1,000,000 hours worked.

It is our ambition to increase the level of our safety culture. One of the ways to measure safety awareness and consciously working safely is with the Safety Ladder of the Dutch Organisation for Standardisation (NEN, the Dutch equivalent of ISO). Based on a baseline measurement, which we carried out with external auditors, Enexis as a whole was at the end of step 2 in 2021. By constantly learning from incidents and good examples in all branches and departments, we intend to progress to step 3 in 2020. It is our aim to reach step 4 on the safety ladder within five years. We aim to prevent risks. Social safety is essential in this case, as a prerequisite for working safely is that people dare to speak up. This includes, for instance, discussing matters that are not going the way they should. We stimulate an integrity-aware company culture through targeted awareness programmes that encourage employees to speak up. We also updated the Enexis Code of Conduct in 2021, which sets out how Enexis employees should conduct themselves regarding people, devices and tools (such as telephones, laptops and emailing), and information.

AWARENESS OF HUMAN RIGHTS AND A SOCIALLY SAFE WORKPLACE



We are working on building a culture of integrity in our organisation. This concerns, in particular, the right conduct and a good dialogue. We consider a socially safe workplace important for all employees. There are various reporting procedures, internal and external confidential counsellors, and a suspected misconduct regulation for reporting any violations. In addition, Enexis has an internal integrity committee that discusses integrity and fraud issues and ensures that integrity is embedded in our corporate culture.

We endorse the United Nations Universal Declaration of Human Rights and the fundamental principles and rights to work of the International Labour Organisation (ILO). Enexis considers diversity and caring for employees to be of primary importance. We stimulate employees to express their opinions and points of view and Enexis offers employment conditions based on equal pay for equal work, and there is also attention for training and development. Employees have a considerable number of days off and specific leave days, for example, to provide support to parents and volunteer caregivers. Enexis makes no distinction of whatever nature. Aspects with regard to human rights are set out in the Collective Labour Agreement (CAO), company regulations, and the Enexis Code of Conduct. We have not formulated an objective, but we take a wide range of measures to mitigate risks with regard to human rights, corruption and bribery. Our policy to prevent corruption, such as conflicts of interest or bribery of employees, has been laid down in the Code of Conduct for Employees, the Suppliers Code of Conduct, in the CAO, and in our General Purchasing Conditions. With our Compliance Protocol, we stimulate employees to comply with laws and internal and external regulations.

ADAPTING TO A CHANGING WORLD

9.1 9.4

Flexibility in our approach and solutions is essential as we observe that new issues are rapidly coming to the fore in the energy transition. Laws and regulations also need to be adapted in various areas. For example, which rules apply to new types of energy such as district heating and hydrogen? And how do we keep the energy supply affordable when we have to invest so much? We worked on influencing policy and entering into a dialogue on the European, national and regional level in 2021. We developed broadly supported strategic visions and gave concrete advice together with other energy companies. For example, regarding subsidy schemes for (home) batteries to store energy and reduce balancing schemes. In a letter to the Formateur of the new Dutch coalition government, we gave advice on urgent issues that the new government should take action on to facilitate the energy transition. For instance, setting priorities for the installation of infrastructure, efficient use of the system and drastically shortening procedures including procedures for permits. We also presented a guideline with concrete solutions to the RES regions in 2021 to make efficient used of the transmission capacity. We enter into coalitions with energy market parties and chain partners to increase our influence. For instance, we advocated establishing one sector association for green gas and to jointly work on increasing the production of green gas to realise the ambitions set out in the Climate Agreement. Together, we continue to advocate feasible plans and appropriate regulations to keep the system affordable.

DIGITAL SECURITY

Another aspect that has our constant attention and where we respond to changes is digital security. The threat of cyber-attacks is growing worldwide as well as the impact and complexity of the necessary measures. Hackers and cyber criminals are becoming increasingly cunning and seek political gains, money, or disruption of the chain. This poses a risk for Enexis. That is why we are constantly alert, and we protect our vital infrastructure, ICT systems, data and personal data structurally against cyber-attacks. In our information security and digital security approach, we not only focus on technology, but also on people, processes, and culture. In 2021 as well, we tested the security level of our systems regularly, we monitored our systems 24/7, and trained our employees actively to recognise and prevent cyber threats. Especially, the awareness regarding cyber security risks and incidents is of great importance. We also intensified the monitoring of, for example, email traffic in 2021 to prevent hacking attempts. Of course, we comply with privacy laws in this respect. We pay attention that data are not stored longer than strictly necessary. In this manner, we reduce the impact of any data leaks, and we are better able to protect the privacy of our customers as laid down in the General Data Protection Regulation (GDPR). Our ISO27001 certificate shows that Enexis Netbeheer has a well-functioning management system for information security.

To ensure the security of our business operations, we are in close contact with the National Cyber Security Centre, the Telecom Agency and other energy companies regarding potential risks and threats. Our own cyber security specialists also participate in the Energy ISAC, a knowledge network of cyber security specialists of the vital companies in the energy sector. In this manner, we can share valuable knowledge quickly about incidents, threats, and vulnerabilities. We can thus take adequate measures quickly to ward off cyber criminals and others with evil intentions and prevent damage.

MARKET FACILITATION

Data are becoming increasingly important in our work and for an effective market facilitation. With the aid of registers, processes and systems, we provide insight into who consumes how much energy when. In this manner, customers can easily switch between energy suppliers. Also when a number of energy suppliers went bankrupt in 2021, we were able to arrange the administration carefully so that the energy supply was assured for customers. This process, which proceeded seamlessly for customers, demanded coordination in the background with many parties. The amount of data is becoming increasingly large now that customers are not only consuming energy, but also producing electricity and feeding it back into the grid. We must make even smarter use of data and we worked on this actively in 2021 together with grid operators, energy suppliers, and the bodies that responsible for programmes and measurements. Based on a shared vision, we want to facilitate the market in a uniform manner together with the other grid operators.

WHAT WE ARE DOING TO INCREASE OUR OWN SUSTAINABILITY

Climate change is something we are very concerned about. We feel the responsibility to contribute to a sustainable world and fair business practices. In 2021, we focused on increasing circularity within our organisation and reducing our ecological footprint. Our contribution as a sustainable organisation has attracted attention. In 2021, we were again nominated the best grid operator in the category sustainability in the MT500, the list of 500 companies with the best reputation.

INCREASING CIRCULARITY

12.2 12.4 12.6

The Netherlands aims to be a circular economy in 2050; an economy without waste, in which everything centres on reusable resources. To achieve this goal, we have to take steps today in our consumption patterns and the production chain. To this end, we are entering into agreements with suppliers to use less raw materials, which also contributes to the reduction of CO_2 emissions. To gain insight into the composition of products, we ask the suppliers of our components to provide a 'material passport'. We also make agreements regarding circularity when purchasing products and services. To know where we stand with regard to our circularity performance and how we can achieve this goal, we performed a baseline measurement in 2021. This baseline measurement showed that we could achieve the largest CO_2 impact by increasing the circularity in cables, gas pipelines and transformers. We are looking into ways to reduce the impact of materials together with our suppliers. For example, can we use more recycled copper in gas pipelines or recycled polyethylene in electricity cables? We will develop a top 10 with concrete measures in the coming year.

	2021[1]	2020[1]	2019[1]	2018[1]	2017
Amount of waste (in tons)[2,3]					
Recycled waste	24,825	29,369	28,540	27,281	30,185
Incinerated waste	1,325	1,505	1,523	1,618	1,529
Waste to landfill	203	471	355	1,142	2,177
Biomass	162	126	92	203	-
Fermentation	50	78	95	101	-
Composting	9	33	33	35	-
Total	26,574	31,582	30,638	30,380	33,891
Of which hazardous waste (%)	6.9	9.3	4.7	5.3	0.4

1 Figures 2020 and 2019 contain the period januari 1st up to December 31st whithin which the last weeks of the year are based on an estimate by Milgro because the definite numbers are not yet known. Figures 2018 contain the 12 month period December 2017 up to november 2018.
2 From 2018 the Milgro classification method has been used. Up to the end of 2017, the SUEZ classification was used (Lansink ladder).
3 Enexis does not dispose of any radioactive waste. This is not released in our operating processes.

By carrying out repairs and maintenance, we are able to purchase fewer materials and we produce less waste. This is sustainable and saves costs. We can make use of installations for a longer period of time by carrying out repairs and maintenance. Approximately 330 transformers were overhauled and stations, transformer installations and gas components were upgraded and reused in 2021. This enabled us to save over € 8.6 million and we avoided the CO_2 emissions that would have been produced in the production.

At the end of the useful life, we opt for a sustainable solution for our waste. We work together with the waste processor Milgro to manage and reduce waste flows, to prevent waste, and increase recycling. We distinguish between 85 different waste flows and recycle 93% of our waste. By disposing of transformers and cast iron in a different way, processing cables in a more advanced manner and actively steering on the emptying of containers, we were able to save over € 200,000 in 2021. And we continue to look for more possibilities for sustainable waste management.

REDUCING OUR FOOTPRINT

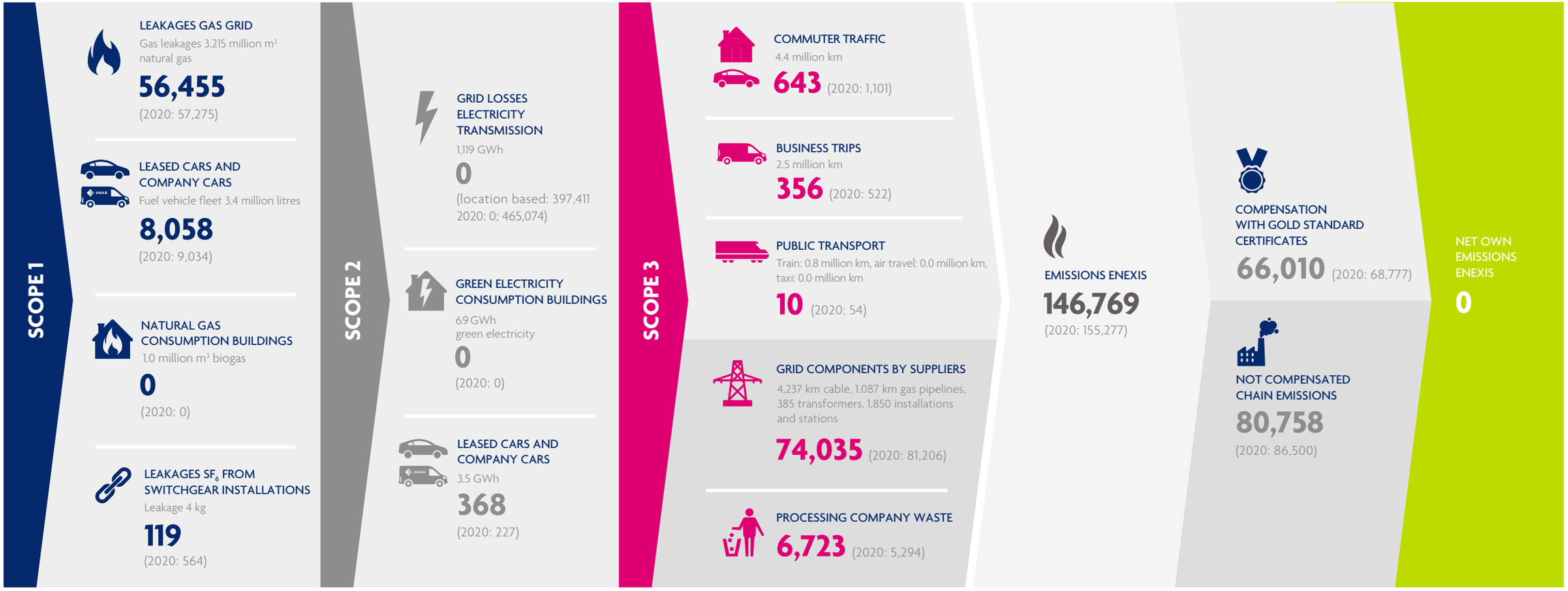
13.2

With our work and the use of raw materials, it is unavoidable that we have an impact on the climate. We feel responsible for the emissions that we cause. Therefore, we make a conscious choice to work CO_2 neutral and to reduce our emissions where possible. The biggest challenge for us are grid losses and leakages; this is energy that is lost during transmission in our cables and pipelines. We have chosen to procure 100% renewable energy for the electricity grid losses. This concerns large quantities. As the volume of our electricity grid losses equals the consumption of around 400,000 households. In 2021, 30% of our volume consisted of energy from Dutch wind farms (2020: 35.1%). The remaining 70% came from countries that are members of the European Union and from the Association of Issuing Bodies (AIB) (2020: 64.9%). It is our aim that 55% of our grid losses will by 2030 be comprised from renewable sources from the Netherlands.

We are taking steps, together with suppliers and chain partners, to reduce grid losses, for instance, by making use of alternative materials or designing our grids differently. To stimulate sustainable choices, we use an internal value for CO_2 in our purchasing and investment decisions (€ 50 per ton in 2021). This forces us to constantly search for sustainable alternatives. The CO_2 valuation model is part of the ROBAM system (Risk & Opportunity Based Asset Management). We assess the valuation of CO_2 every year together with other energy companies. To learn and evaluate the effects, we work together closely with other grid operators.

If reduction of emissions or green purchasing is not possible, we compensate the climate effect. With the purchase of Gold Standard Certificates, we invest in projects that provide for the reduction of emissions elsewhere in the world. Our gross emissions amounted to 146,769 tons CO_2 equivalent in 2021. A detailed explanation of our CO_2 footprint is provided in the 'Additional information section'.

CO_2 FOOTPRINT (IN TONS OF CO_2 EQUIVALENT)



Scope: Emission scopes GHG (Greenhouse Gas Protocol)
Scope 1: Direct emissions: These are emissions of greenhouse gases from property owned or equipment leased by Enexis resulting directly from Enexis's core activities.
Scope 2: Indirect emissions: All emissions of greenhouse gases when producing electricity consumed by the company, but produced by third parties.
Scope 3: Other indirect emissions: emissions of greenhouse gases in connection with energy and fuel consumption for transport, extraction, energy production (excluding electricity generation) and emissions at third parties, as a consequence of the grid operator's activities.