ORES Assets BGAAP consolidated Annual Report

2021

ORES

NAME AND FORM
ORES Assets. Intermunicipal Cooperative Association. CBE number 0543.696.579

HEAD OFFICE
Avenue Jean Mermoz 14, 6041 Gosselies.

INCORPORATION
Deed of incorporation published in the Appendices to the Moniteur belge (Belgian Official Gazette) of 10 January 2014 under number 14012014.

ARTICLES OF ASSOCIATION
The articles of association have been amended on several occasions most recently under the terms of a deed received by notary, Mr Frédéric de RUYVER, residing in Court-Saint-Etienne, on 18 June 2020, published in the Appendices to the Moniteur belge dated 13 July 2020 under number 20079215.

Table of contents

I

INTRODUCTION

1. Message from the Chairman of the Executive Board

As we look back and take stock of 2021, there are a number of important events in the life of our business that need to be highlighted. Just like other companies, we were affected by the continued pandemic, with its succession of lockdowns, as well as its effects on the global economy, which influenced the daily lives of our teams and threatened the continuity of some supplies of materials. On the other hand, though, ORES also demonstrated its resilience in the face of these and other events that punctuated what was a complicated year, most particularly during the dreadful floods that struck Belgium in mid-July, causing considerable damage to the distribution networks.

2021 also saw us reach several important milestones. One of the key points for the future of ORES is undoubtedly the response made by the company to towns, cities and local council areas as part of the procedure for renewing the management mandates of the electricity and gas distribution networks. Launched in February, this procedure provided for a call for applications to be made by each of the 262 municipalities in Wallonia to enable them to propose their future distribution system operator (DSO) for the period 2023-2043 to the Walloon Government. For ORES, it was an opportunity to examine the expectations of the Municipalities, in particular with regard to the challenges of energy transition, our ability to respond to them, their level of satisfaction regarding the quality of our service and the close relationship maintained with the authorities and citizens. We submitted applications to all of the local authority areas served by ORES, as well as to several others to which we firmly believed we can bring genuine added value. As 2022 begins, this procedure is still in progress and will culminate next summer with the appointment of the DSOs by the Walloon Government. Thus far, the feedback received about our applications is more than encouraging. The various Municipal Boards and Councils have very much restated their confidence in ORES, which reinforces us in our vision and in the continued implementation of our strategic plan.

Another vital landmark moment for ORES – as for the country's other system operators – was the launch of the new, unified data exchange platform for the gas and electricity sector. Working together within Atrias, the DSOs have spent a number of years on its development, in consultation with the energy providers. From the beginning of November to mid-December 2021, a gradual start-up phase led to the final go-live of what is now called the CMS (Central Market System) for energy in Belgium. The CMS will enable the centralised processing of a considerable number of operations and a large volume of data about the market – all with greater speed, transparency and accuracy. This major change is yet another very important step in the development of the market, with future benefits for all of the parties involved – and particularly for customers in terms of service. It will also be a tool for energy transition, in particular by supporting the rollout of smart meters.

As part of our programme to further guide and facilitate energy transition, we achieved more tangible results on our roadmap. For instance, in September we passed the milestone of 100,000 LED fittings for public lighting and, today, almost 30% of the public lighting stock managed by ORES has already switched to this technology. October saw another symbolic figure reached with the installation of the 30,000th smart electricity meter on our network. These meters are essential elements for the future, as is the introduction of data management tools that enable both the better management of the way (renewable) energy flows into the grid, as well as the ability to make efficient solutions available for customers to monitor and control their energy consumption.

Elsewhere, our teams connected two new biomethanisation units to the gas distribution network in 2021. Located in Quévy and Les Bons Villers, these new units come in addition to the Fleurus installation, which was the first to be connected to our network, back in 2020. They now enable several thousand customers to be supplied with green gas. ORES is convinced, both in the short and medium term, that biomethane and "new gases" will have a role to play as energy sources for our transition to a low-carbon society.

For thousands of people living in Wallonia, especially in the East of our region, 2021 will be remembered above all for the deadly storms in mid-July, the effects of which were still being felt some months later. The damage was particularly extensive in the Vesdre and Ourthe valleys and the power distribution infrastructures did not escape the force of the storm. Across the various ORES networks, hundreds of electricity transformers, cabinets and boxes were destroyed, not to mention the thousands of meters left damaged or inoperable following the rapid rise of the floodwaters. On the day after the floods, more than 25,000 of our customers found themselves cut off from electricity.

What must be highlighted above all else for ORES was the amazing surge of mobilisation and support that ran through the whole company. Dozens of engineers immediately volunteered to go out and assist their colleagues in the devastated areas, helping them to manage the very complex situations being experienced on the ground. Very quickly, a disaster recovery plan was put in place and emergency repair works scheduled. The sheer size of ORES and our organisation enabled us to marshal the resources required quickly and send out the specialist skills needed in sufficient numbers to be able to respond directly to the emergency and to people's needs. Al this was done in an extraordinary spirit of mutual assistance and self-sacrifice. In a little over three weeks, all of the ORES networks were up and running again and supplies were restored to all customers. The recovery operation generated an enormous and justified sense of pride for everyone at ORES – administrative staff, engineers and managers.

In addition to providing a statement of our finances, this 2021 annual report also sets out the achievements and prospects of ORES in what was a very special year. Throughout the year, our company, like the eight other Belgian grid operators, also carried the title of "SDG Voice", as ambassadors of the United Nations' Sustainable Development Goals. More than ever – and against a rapidly changing background – we are assuming our role in energy transition and corporate social responsibility.

I hope you will enjoy reading this report.

Fernand Grifnée
Chairman of the Executive Board

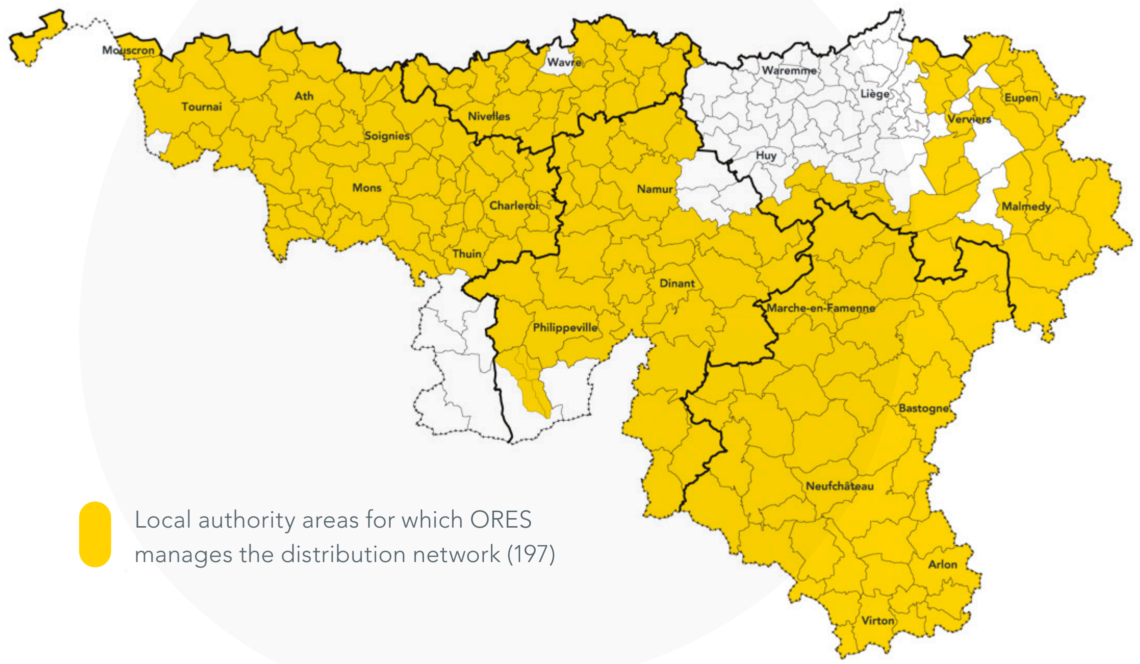
2. Presentation of the company

ORES manages and operates the electricity and gas distribution networks, as well as the public lighting infrastructures for more than three in every four local authority areas in Wallonia. Our company is also there to guide customers and the public authorities in their process of energy transition. It does this through the ongoing, ambitious and targeted investment in equipment and systems that will enable us to prepare the future of the energy market for all, including the more vulnerable people among us.

The health crisis that has now been going on for two years has reaffirmed the importance of the position occupied by public utility companies. By ensuring daily access to energy for households, business people, companies and government departments, our mission is to provide an essential service, whose vital character comes to the fore when adverse weather events occur – as was the case with the exceptional storms that hit Wallonia in July 2021 – and with the succession of named storms, Dudley, Eunice and Franklin, in mid-February 2022.

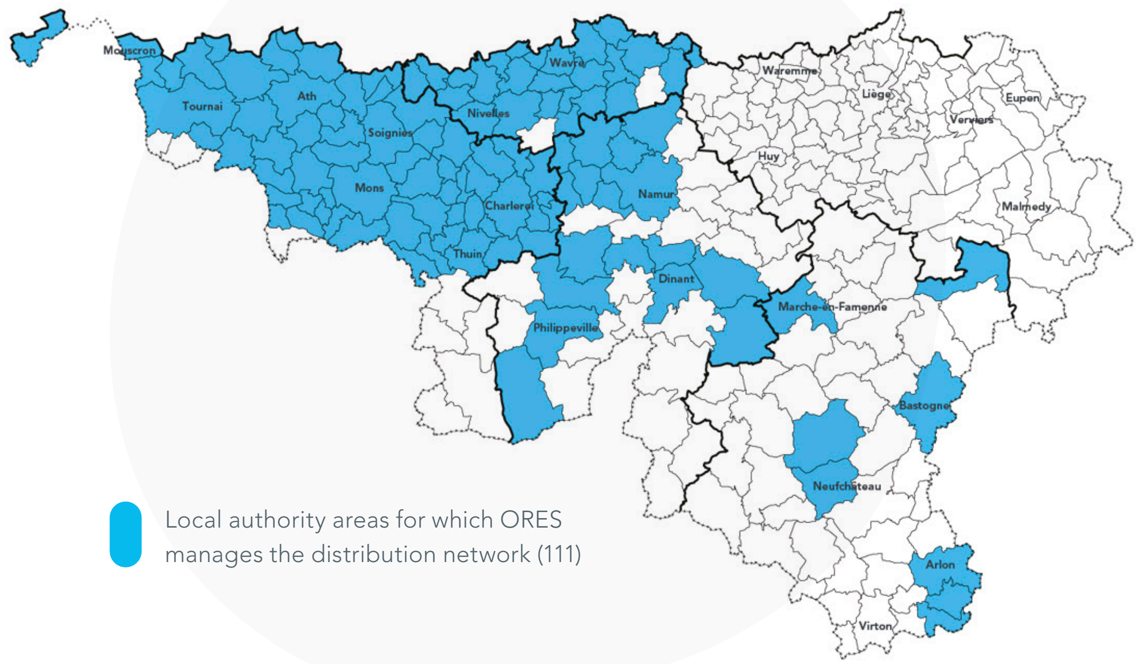
With a workforce of almost 2,400 – engineers, technicians, IT specialists, administrative staff – ORES operates more than 52,000 kilometres of electricity networks and 10,000 kilometres of gas networks. Through this intricate grid of cables and pipes, we supply nearly 2.7 million people with electricity and/or gas in 198 local authority areas in Wallonia, 24 hours a day, 365 days a year. The company also maintains and monitors the modernisation of more than 463,000 public lighting fixtures, some 30% of which have already been fitted with LED technology.

Areas of activity in 2021
ELECTRICITY



Local authority areas for which ORES manages the distribution network (197)

Areas of activity in 2021
GAS

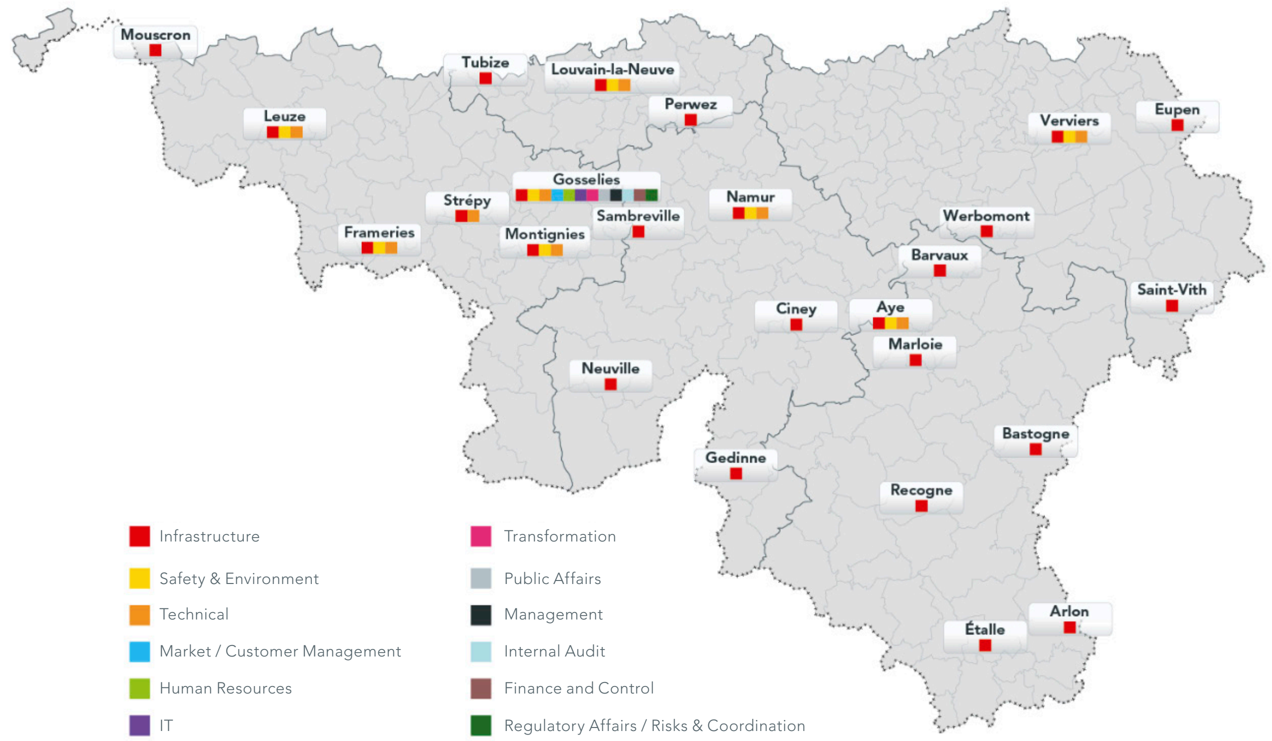


Local authority areas for which ORES manages the distribution network (111)

2 PRESENTATION OF THE COMPANY

The next map shows all of the ORES locations in Wallonia at the end of 2021, identifying the divisions, departments or businesses conducted in each of these locations.

The company's central head office has been located in Gosselies since 2020.



For local authorities, customers and partners of ORES, this organisation ensures that there is efficient and effective local service across the whole of the territory covered by the company.

Over the past five years, ORES has invested more than a billion euros in its distribution networks, with the aim of guaranteeing supplies to customers and modernising its infrastructure so that energy can be transmitted more easily. Our aim is to be a driving force behind this transition, in particular by connecting the production of green energy, while at the same time making sure that all of our different target audiences are included in the current energy system, as well as in the system that will be in place tomorrow.

Making energy easier, making life easier

When it comes to energy, ORES has set itself the task of making life easier both for all customers – residential, business and corporate – and for the authorities. Our goal is to help and guide them, while shielding them from the complexities that are part and parcel of the way the market operates. We offer them a local service that meets their requirements and expectations, in particular by simplifying the procedures associated with what we do: connection works, the installation or relocation of meters, taking meter readings and validating energy consumption and production data, managing relocations, etc.

Practical example: the Connect My Home service, launched in 2020 and rolled out in 2021 across the whole of our territory, is an exclusive first for Belgium. In conjunction with three other cable and pipe operators – Proximus, VOO and SWDE, who will shortly be joined by a number of others – ORES offers customers the facility of connecting their new home to the electricity, water, telecommunications and gas (if applicable) networks through a single administrative application and a single price quote, with no additional charges and with ORES coordinating all the procedures.

This aim can also be seen from our Public Service Obligations (PSO). Our job is to ensure access to energy for everyone, more particularly by participating in Local Energy Committees (LEC) in PCSWs and assisting people who are experiencing difficulties in paying their energy bills by ensuring the social supply of electricity and gas for customers who meet the conditions for receiving a grant. We also help to prevent people from becoming overloaded with debt by providing prepayment solutions.

Towards inclusive energy transition

Today, ORES aims to make all of its technological expertise and networks available for energy transition in order to help society in Wallonia to gradually move away from fossil fuels.

Since it was created, ORES has connected more than 152,000 decentralised renewable electricity production units – wind, photovoltaic, hydraulic or biomass – to its electricity networks. In 2021, more than 2,164 GWh of green electricity was injected into the grid from production units with a power in excess of 10 kVA. For green gas, two new biomethanisation units were connected to our distribution network during the year and the equivalent of nearly 10,000 households now consume gas produced locally from organic waste, generated in particular by farming.

We are also working on developing innovative solutions designed to contribute towards increasing the proportion of renewable energy in our networks and speed up energy transition: the use of artificial intelligence to avoid network congestion, community renewable energy projects or the development of solutions to facilitate the rollout of electric mobility. The network and the way it is run and managed are adjusting to new energy flows and making sure that energy can flow in both directions (i.e. into and out of the system), as well as dealing with the intermittent nature of renewable energy production, yet still guaranteeing supplies to the population at large.

ORES firmly believes that energy transition must be accessible and provide a source of employment and prosperity for the community. We need to be inclusive and positive in the way we progress towards greener energy by involving everyone in Wallonia in the process, including those customers who are in vulnerable or precarious economic circumstances. This aim is expressed in the company's vision and in particular in the 2022 edition of the 2021-2023 Strategic Plan approved by our Board of Directors and the General Meeting in December 2021.

ORES in numbers

(as of 31 December 2021)

Human resources

2,306
full-time equivalent employees

110.6 days
of homeworkin
(on average per year)

20.29
hours of training
(on average per year per employee)

Municipal public lighting

46,132
light fixtures

36,536 kW
of installed capacity

35,246
repairs per year

Electricity

52,058 km
of distribution networks

12,032,198 MWh
distributed across the networks

1,392,186
customers served

36,866
socially protected customers supplied by ORES

33,506
active budget meters

Gas

10,111 km
of distribution networks

15,226,916 MWh
distributed across the networks

522,365
customers served

18,189
socially protected customers supplied by ORES

18,335
active budget meters

Consolidated financial balance sheet

1,267 Million €
consolidated turnover
(ORES group)

234 Million €
total investments (net)

II

ACTIVITY AND SUSTAINABILITY REPORT – STATEMENT ON NON-FINANCIAL INFORMATION

1. 2021 at a glance

JAN. 27

« SDG Voice »

The Federal Minister responsible for Climate, the Environment, Sustainable Development and the Green Deal, Zakia Khattabi, awards the title of ambassador for the United Nations' Sustainable Development Goals to ORES and to all of the electricity and gas distribution system operators in Belgium. ORES becomes a "SDG Voice" for one year, with the mission of making the public and companies aware of more rational and planet-friendly use of energy.

FEB. 16

Appointment of ORES Assets as DSO

Following publication in the Moniteur belge (Belgian State Gazette), the procedure for the renewal of the mandates of the electricity and/or gas distribution system operators is officially launched. Towns, cities and local authorities are given one year to initiate their calls for applications and to notify the CWaPE of their proposals.

JUN. 15

Renewable gas

ORES connects the second biomethane connection station to its distribution network, located in Quévy at the site occupied by Vanheede Biomass Solutions, a company specialising in the recycling of organic waste. The facility now enables more than 2,000 households in the Mons region to be supplied with 100% locally produced and renewable gas.

JUN. 30

Artificial intelligence

ORES, Luminus and Blacklight Analytics, a spin-off from ULiège, officially introduce "O-One", a new algorithm based on artificial intelligence that makes it easier to predict and manage congestion risks on the network. The implementation of O-One and its rollout across the territory of ORES will make it possible to maximise the injection of electricity generated by wind power into the energy mix in Wallonia.

JUL. 14-16

Deadly floods

Catastrophic bad weather affects the whole of Wallonia, causing deadly floods, particularly in the East. The distribution infrastructure suffers significant damage. More than 25,000 customers are cut off from power in the local authority areas managed by ORES. There is an extraordinary mobilisation of our technical teams and, with administrative and logistical support from the company's central departments, they restore power quickly to all of the homes affected. Despite the extent of the damage, intensive work means that the whole network is fully operational again within three weeks.

SEPT. 17

CNG

Inauguration of the CNG facilities at Ham-sur-Heure-Nalinnes. After works on the distribution network, the system to supply compressed natural gas (CNG) exclusively to the vehicles in the council's fleet comes into service. The supply solution is a first for a local authority in Wallonia: Ham-sur-Heure now has its own CNG facilities, which will facilitate the work carried out by the council's departments. It also demonstrates ORES's technical expertise in this particular field.

SEPT. 29

Tariffs

The ORES Board of Directors endorses the proposal to align distribution tariffs – known as tariff equalisation – across the entire territory where the company manages energy networks. This means that an identical distribution tariff will apply uniformly from 1 January 2024 for each category of customer, across the whole territory and regardless of the local authority.

OCT. 15

Smart Meters

The milestone of 30,000 smart meters installed across ORES's territory is reached. More than half are fitted for the owners of photovoltaic panels.

NOV. 1

Atrias

After several years in development, the centralised data platform for the Belgian electricity and gas market is launched by Atrias, the federal subsidiary of the Belgian DSOs. As a result, exchanging information, meter readings and invoicing data, as well as market processes, all benefit in terms of speed and accuracy. The centralised system will also allow for the faster, less expensive rollout of future applications linked to the market to support energy transition.

DEC. 20

Viva for Life

ORES takes part for the ninth consecutive time in the Viva for Life solidarity campaign, handing over a record cheque for 35,897 euros raised by the in-house efforts of ORES staff in aid of the cause.

2. Corporate social responsibility and sustainable development

ORES's policy on corporate social responsibility and sustainable development is based on the United Nations' Sustainable Development Goals (SDG). Appointed an "SDG Voice" – i.e. an SDG ambassador – with the eight other Belgian electricity and gas distribution system operators, as well as their trade federation, Synergrid, our company continued its activities and carried out a transversal exercise to clarify and structure its CSR policy.

A committed dynamic

Since 2018, ORES has opted to structure and report on its sustainability approach based on the guidelines of the Global Reporting Initiative (GRI), which has become one of the best practices in the field. Our economic, social, environmental and governance initiatives and performance are dealt with in this report in accordance with the GRI methodology.

To define its main sustainable development challenges, ORES conducted an initial consultation exercise with its stakeholders in 2019, based on the 17 sustainability themes in which its societal engagement and efforts can be most beneficial to the community. The exercise led to the establishment of an initial materiality matrix prioritising the sustainable development issues for ORES. Reiterated at the end of 2020 via a questionnaire sent to 35 stakeholders outside the company and at a meeting held in "remote" mode, this consultation confirmed the leading role played by ORES in energy transition in Wallonia. The company is viewed as the backbone around which the energy market is (will be) organised, as well as a tool working on behalf of the policies implemented in the area of sustainability. ORES is considered to be a facilitator of the transition, guaranteeing supplies of electricity and gas to the public, two forms of energy considered as complementary in the context of the progressive move towards the complete decarbonisation of the economy, scheduled at a European level for 2050. The new materiality matrix was established after an internal consultation exercise and is shown below

The matrix reflects a general convergence of sustainable development issues. Practically all of the topics are assessed as being important, with a score above 6 on a scale of 10. Energy transition, network reliability, the cost of energy, fuel poverty and prevention/safety are positioned as the five major challenges for ORES. The exercise also confirmed the directions of the 2021-2023 strategic plan, both in terms of the company's mission and vision, as well as on the five strategic directions agreed.

A redefined CSR policy

The results gathered from the questionnaires in 2020, along with the ongoing exchanges on the topic of corporate social responsibility and sustainability, prompted the company to revisit its policy in this area and the way it is put into operation. Indeed, unified understanding and action were still lacking. ORES put 2021 to good use to engage in internal reflection as part of a transversal working group, which focused on formulating a unified vision enabling this policy to be implemented, monitored and communicated within the company. As this annual report goes to press, the proposal is still awaiting formal approval. It is aligned on the company's strategic plan and incorporates sustainable development targets based around six main lines of action.

Acting as an accelerator of energy transition

Working towards inclusive energy

Reducing the direct carbon footprint of our activities

Being an effective business, in terms of costs and the quality of public service

Being a benchmark employer in Wallonia

Maintaining listening and collaboration between the energy stakeholders

These six lines of action are now and will take the form in the years ahead of practical commitments, which themselves will bring together initiatives carried by the company, its Divisions and departments and by its staff in a spirit of joint action that is shared by all. Many of these commitments and initiatives are dealt with in the various sections of this report.

3. Energy transition and the environment

Wallonia is resolutely committed to the path of energy transition. To achieve a 55% reduction in greenhouse gases by 2030, the Region will need to rely on the efforts of one and all. ORES intends to put its energy and expertise to work on behalf of this regional ambition and for the benefit of all. Faced with the challenge of climate change and mitigating its effects, we are investing in a targeted manner in the modernisation and digitalisation of our networks within an environment marked by the increasing electrification of needs. At the same time, we continue to apply measures to control our own emissions and waste.

The energy sector is in the front line in the fight against greenhouse gas emissions. The distribution system operators in particular need to be capable of controlling more efficiently the growing quantities of renewable energy being injected into the grid, essentially in terms of windfarms and photovoltaic systems. To facilitate energy transition, ORES intends to continue its investment strategy, in particular through the modernisation of its infrastructures, digitalisation or "smartisation" and innovation, so that we can strengthen:

- the integration of renewable electricity production units into the networks
- the emergence of smart networks and the rollout of smart meters as key elements of the transition
- the development of the flexibility market, in particular to meet the needs of balancing the electricity system and the multiplication of exchanges of information, both in real-time and provisionally, with the various stakeholders
- the development of renewable energy communities (REC)
- the greening of the gas distributed via our networks through the guidance and promotion of the connection of biomethane production units
- the preparation for the massive development of electric vehicles (EV), with the need to be able to account separately for the energy used for charging vehicles
- the execution of our public social services, the replacement of budget meters by smart meters, with the ability to incorporate remote pre-payment.

Facilitating the connection and injection of renewable energy

To be able to contribute to the targets set by Wallonia as part of its contribution to the National Energy-Climate Plan, ORES must be capable of accommodating a total capacity in excess of 6 GW of renewable electricity production by 2030. At the end of 2021, all sectors combined, no less than 3,723 GWh of renewable electricity was consumed in Wallonia during the year. From just a few thousand units at the end of the 2000s, more than 185,000 local production units – photovoltaic, wind, hydropower, etc. – were connected to the grid in Wallonia at the end of the 2021 financial year, 152,233 of which we connected to the ORES network. The vast majority of renewable production in Wallonia was generated by windfarms, hydropower stations and photovoltaic solar systems. In 2021, despite the ongoing Covid-19 crisis and its repercussions, ORES connected more than 14,000 new local electricity production facilities. The production of renewable electricity that transited our networks during the year represented consumption of some 2,127 GWh of the total. Despite the growth in the number of installations, this figure was down in comparison with 2020, due main-ly to a reduction in wind production associated with the weather conditions.

In addition to renewable electricity, "new gases" also have an important role to play in the transition phase that will lead to the future decarbonisation of society. The gas distribution network offers undeniable advantages in this regard, because it is capable of distributing other "molecules" that are greener than natural gas – biomethane or synthetic gases, etc. – in numerous urban centres. In this regard, Wallonia has a real biomethane production potential – evaluated in total at 8.7 TWh – which can support the targets for regional renewable energy production and the reduction of the emissions of greenhouse gases. The use of biomethane concerns both heating and mobility – via organic CNG – and industrial processes. If the development of this line delivers on its promises, 25 to 33% of the gas flowing through ORES's pipes – 3 TWh of it – could be green by 2030. In this way, the gas market is becoming increasingly green and local, with initiatives emanating §from private individuals or cooperatives, companies and public organisations. As far as ORES is concerned, it is not only a question of connecting these units, but also of completing any reinforcement work required on the network, carrying out calculations, analyses and advance tests, installing injection cabinets and, finally, checking and guaranteeing the quality of the gas distributed to customers downstream from the injection.

[1] Bron: Renouvelle „Energie Commune" statistieken 2021 - inclusief fotovoltaïsch zelfverbruik

Following on from the connection in 2020 of the first biomethanisation unit to our distribution network in Fleurus, two new facilities were connected in 2021, which now inject biomethane on a continuous basis into our infrastructures in the Province of Hainaut. First, in Quévy, near Mons, an industrial biomethanisation unit belonging to the Vanheede group, which converts organic products into biogas, supplying an electricity cogeneration unit, was connected to the distribution network in May 2021. Beginning in June 2021, the facility began injecting biomethane into the network, enabling some 2,000 households in the region to start consuming gas produced locally.

A little after mid-August, the ORES technical teams commissioned a third biomethane injection point into our network in the borough of Bons Villers at the site of the company BBA - Biométhane du Bois d'Arnelle. Numerous farmers in the region can now deliver their operating residue on-site and their livestock effluent to be reused and converted into energy that is consumed locally. Just as effective as traditional natural gas, biomethane is supplied via our distribution infrastructure to some 3,000 customers in the neighbouring boroughs of Bons Villers, Pont-à-Celles, Fleurus and Courcelles

Supporting green project developers

For the past few years, ORES has been making mapping tools available that can be viewed online on its website by investors wanting to develop their own green production projects. These freely available maps cover not only local electricity production sites, but also potential injections of biomethane – and, in the future, potentially hydrogen. The maps show the capacity of the networks to absorb future injections of green energy, depending on the geographic location of the planned site. By offering transparent information to project developers and enabling them to take an informed decision, ORES is contributing to the organised and efficient development of renewables in Wallonia.

Managing flexibility

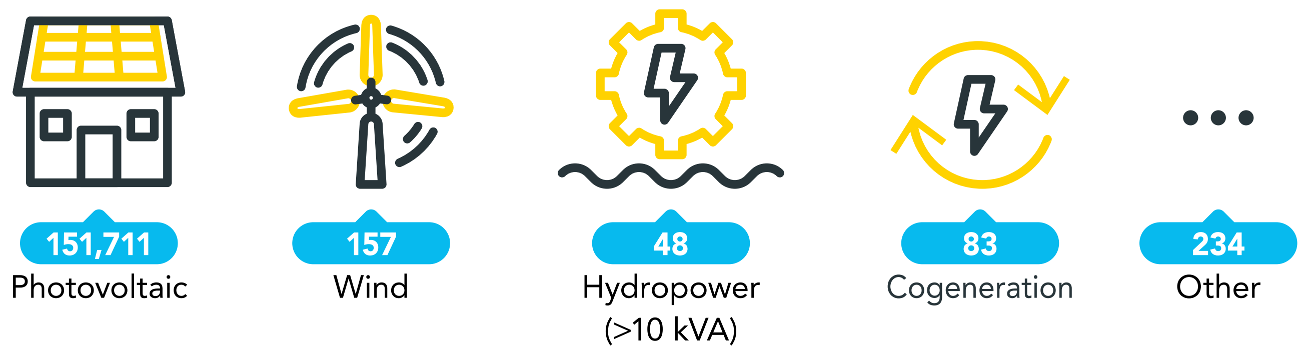
The multiplication of renewable energy injection points, as well as growing electrification, require the processes to be adjusted and new methods to be introduced for managing infrastructure. This infrastructure is increasingly subject to more constraints and the more complex management of the networks than in the past and so must become more active. This applies particularly in the context of developing electric mobility or heat pumps. Peak times for the drawing down and injecting electricity, which are one of the constraints and one of the main sizing elements of the electricity network, will necessarily be affected by this development.

The teams at ORES have been working for some years on mechanisms to provide flexibility. Legal obligations make provision for a technical flexibility mechanism for controlling production facilities when the network is "overused". This makes it possible to accommodate production facilities even in instances where the availability of the network is not 100% guaranteed. The company offers flexible connection contracts to large customers for which the supply of energy is not guaranteed at all times. To reduce these constraints to the minimum, ORES has worked in particular with ULiège and its spin-off, BlackLight Analytics, to develop an artificial intelligence tool called O-One (see section 4. "Reliable and sustainable networks").

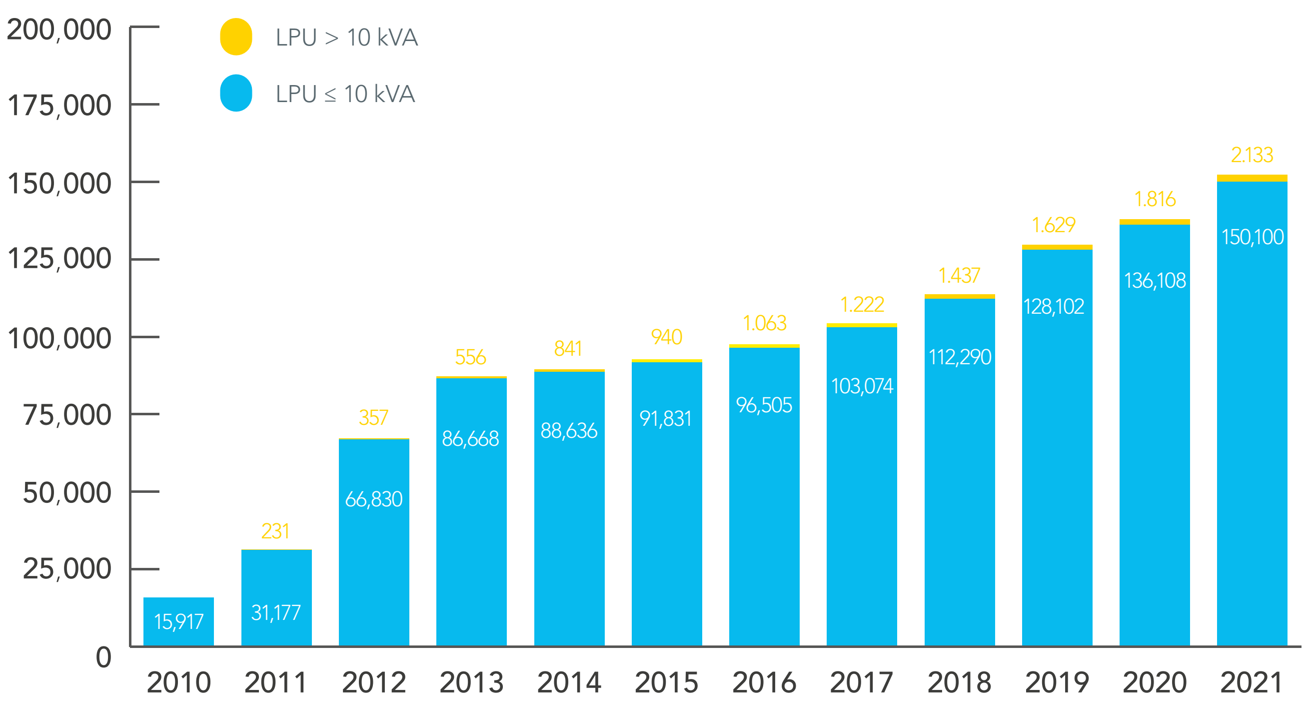
Development of renewable production on the ORES network

The penetration of renewable energy is becoming greater with each passing year. The tables and graphs below illustrate its ongoing development. In 2021, more than 21% of the energy transiting over the ORES network came from renewable sources.

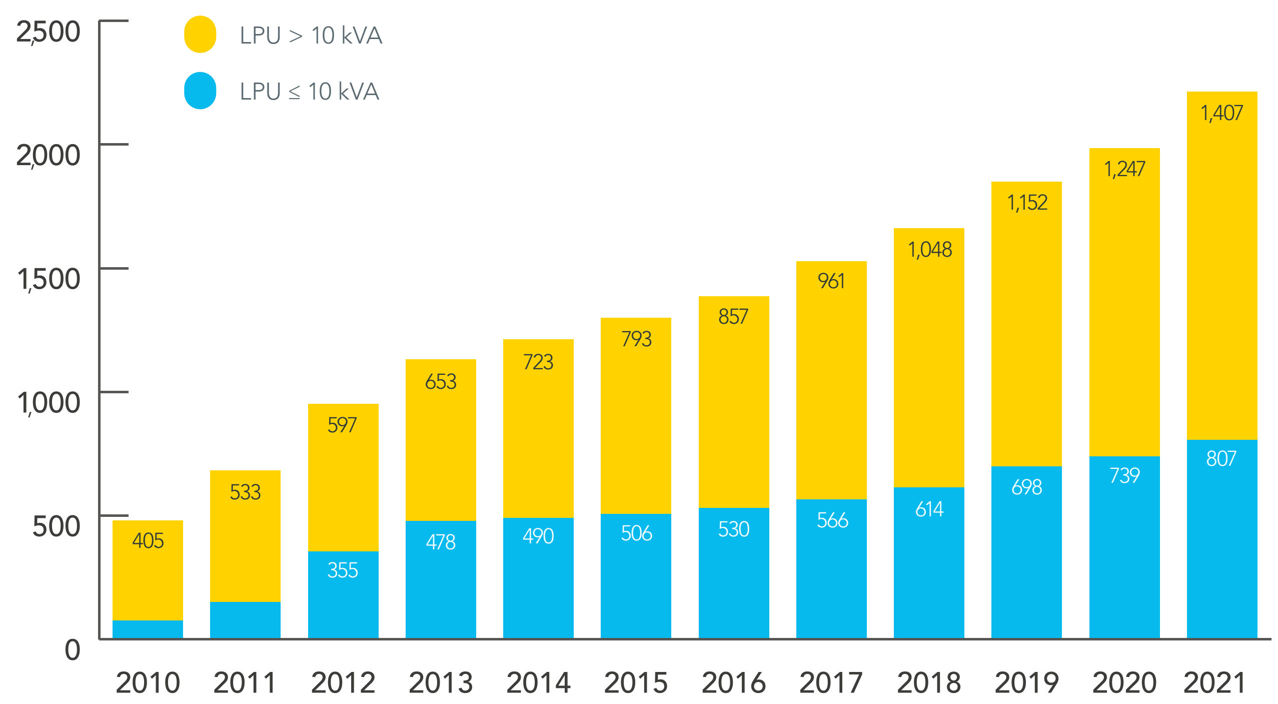
Number of local production units (LPU) connected to the ORES electricity network



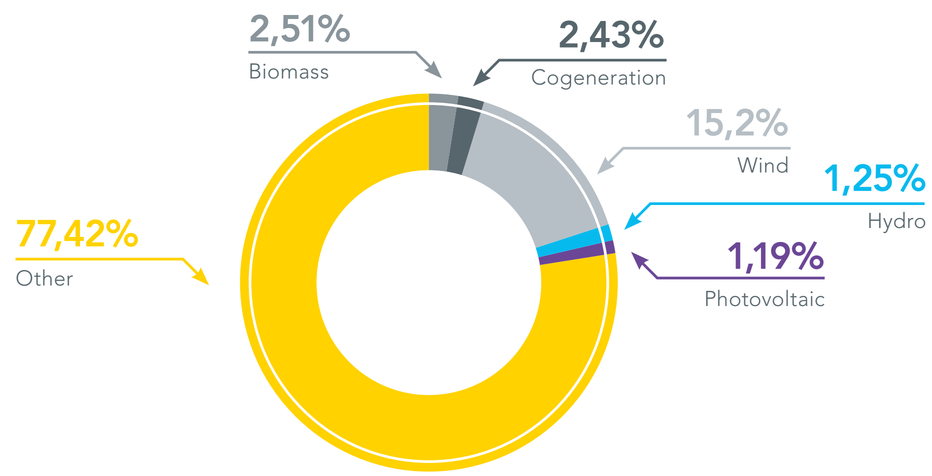
Annual movements in the number of LPU, by type of power



Movements in total installed power (in MVA)



Share and origin of renewables injected into the ORES network in 2021 (UPD >10kVA) (in %)



Collective self-consumption and renewable energy communities

Within the context of transition, the concept of the renewable energy community (REC) is currently gaining a great deal of attention. These communities, the first outlines of which already feature in the Walloon and European legal framework, clearly fit into the societal dynamics of short circuits and businesses have been the first to implement them. Increasingly aware of the need to upgrade their energy efficiency, some companies have got together to cater for their basic energy consumption by using shared local electricity production, either by means of solar panels, cogeneration units or wind production. These RECs – when they are correctly sized – provide an effective and rational solution for managing production and consumption at the local level.

Through its E-Cloud pilot project, ORES has gained real expertise in implementing this type of REC and managing the impact they have, not only in terms of its network, but particularly with regard to the interaction between members of the community itself and the energy market. The REC system put in place in Tournai (ZAE Tournai Ouest) with the assistance of IDETA has not only enabled the participating companies to consume a maximum amount of green energy produced locally, but it has also enabled more of them to make energy savings of between 4 and 8%.

We are currently running a new REC pilot project, this time low-voltage, for residential customers. This initiative is being conducted as part of the Walloon SocCER project with a community of residential customers living in social housing belonging to Logisvesdre in Verviers. Some of these customers are in fuel poverty. This project has, of course, suffered from the effect of the catastrophic floods experienced across the whole region in July 2021. But its development needs to continue, making it possible to provide solid evidence of the uses and potential benefits of collective self-consumption, with the aim of making energy transition accessible to all.

Reduction of network losses

In terms of energy efficiency and especially losses of electricity across the network – a non-negligible factor in the carbon footprint of the electricity network managers – the company is continuing its efforts to reduce losses, both technically and administratively. In 2021, calculated losses amounted to 589,325 MWh, or the equivalent of 4.9% of the energy injected into the grid. This result, a significant improvement compared with the previous period (-65 MWh), provides a practical demonstration of the relevance of the investment and modernisation works that have been carried out on the networks by ORES over many years, as well as the effectiveness of the detailed and targeted checks conducted by the company in terms of the energy consumed.

Support for alternative forms of mobility

Electrification of the vehicles on the road is undeniably making progress today, with manufacturers taking some very significant decisions in this regard. Insofar as the rapid recharging of electric vehicles at home continues to be somewhat problematic, ORES supports public and private operators wanting to install public recharging points or stations. Essentially, it is a matter of informing these operators about the capacity of the grid to accommodate their systems at an affordable cost, guiding them through the procedures for obtaining the relevant permits and, of course, connecting these installations to the distribution network.

But, at the same time, our approach to planning and investing in electricity networks in the medium and long term is also based on the current and future needs of customers, especially with regard to electric vehicles. Basing ourselves on academic studies, we are able to learn about the pace of progress of new technologies and the markets associated with them. As was the case with the development of photovoltaic panels, we study the habits of the various profiles of consumers and then establish a link between these profiles and the way our network is placed, based on the statistics and publications produced by Statbel. This enables us to identify priority areas where investments to refurbish and/or strengthen the existing infrastructure are needed to be able to accommodate recharging capacity.

In doing so, we can plan for the massive development of electric vehicles (EV) – and, to a lesser extent, heat pumps – while also continuing to incorporate green energy production by planning for the switch from a "3x230V" network to a "3x400V + N" network (60% of the network by 2030) or to strengthen it in areas where the number of EV expected is greater than the national average.

On the other hand, natural gas fuel (CNG) provides a transitional solution on the environmental front as part of the decarbonisation of society: vehicles powered by CNG emit less CO_2 than their diesel or petrol equivalents and practically no nitrogen oxide. From a health point of view, they also have a crucial role to play as their fine-particle emissions are 77% lower than conventionally powered vehicles. This means that they help improve air quality. And the future development of bio-CNG – two stations supplying this green, sustainable fuel opened in Wallonia in 2021 – will be even more beneficial for the environment.

In recent years, in agreement and working with the CWaPE, ORES has developed an incentive tariff and connection method for CNG service stations. At the beginning of 2022, Wallonia had 44 public recharging stations, 38 of which were within the territory managed by ORES. More than twenty other projects are also underway.

Mobility powered by natural gas
41 public CNG service stations available in Wallonia – situation in January 2022

LED and dimming deliver increasingly sustainable and responsible public lighting

Energy transition also applies to the modernisation of municipal public lighting equipment (PL). PL is owned by the Towns and Local Authorities that call on ORES to provide the design, construction, management and operation of public lighting. For more than five years now, ORES has been supplying local authorities with the best technologies available on the market, applying careful thought to aspects relating to energy, compliance with standards and legislation (illumination levels), the best environmental compromise – colour temperatures leaning towards warm, pre-programmed and remotely modifiable dimming, remote sensing, double flow, etc. We provide local authority decision-makers with all the information they need to take their decisions and tell them about all of the aspects linked to new technologies, including their indirect impact on the production of CO2 or their effective service life.

For the municipalities that partner ORES, the challenge of rationalising energy consumption – especially electricity – is a real one. Street lighting represents more than 50% of local authorities' electricity bill on average. So, achieving more sustainable management of council resources also includes the upgrading and optimisation of public lighting stocks.

Across the territory where ORES operates, the systematic renewal of lighting fixtures with LED technology, combined with a systematic reduction in the level of illumination between 10 pm and 6 am (dimming) produces an average reduction in consumption of 60 to 65%. Our plan is to modernise all lighting across the board within a 10-year period (2019-2029), giving preference during the first five years to replacing industrially obsolete light sources – i.e. ones that are no longer manufactured, such as low-pressure sodium lamps – and those units that consume the most energy. This strategy enables the continuity of service, as well as providing an opportunity to make major energy savings in the first few years of the programme and to maintain industrial and financial sustainability. Once the operation has been completed for all 463,132 of the lighting points managed today, more than 110,000 MWh in power consumption will be saved each year – which corresponds to an annual reduction in emissions of approximately 29,000 tons of CO2 equivalent. Also, thanks to their longer service life, LED lamps require less maintenance than conventional lighting units.

By the end of January 2022, ORES had replaced over 26% of the lighting fixtures under its responsibility, meaning that 121,733 units are now equipped with dimmable LEDs. For the councils themselves, this means an annual overall saving of 46,750 MWh of electricity and the equivalent of 12,251 tons of CO2 emissions avoided. Following the delays experienced in 2020 due to the early effects of the pandemic, the modernisation programme gradually picked up pace again and everything is being done to ensure the programme is completed by 2029.

The networks and their environmental footprint

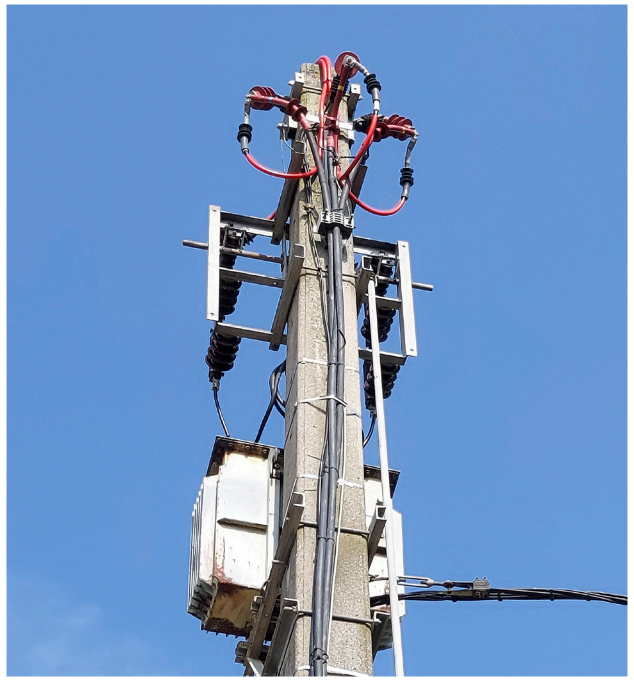
ORES pays particular attention to the effect its activities have on the environment and aims to gradually reduce its carbon footprint through the sustainable management of its infrastructure, moveable assets, transport requirements and waste. This is all based on our policy for sustainable development.

These principles focus in particular on the way the materials we use are implemented. For example, when laying out new installations, we ensure that they have only limited impact on local flora and fauna, as well as on the comfort and convenience of local residents. In 2021, with the aim of improving the quality of supply, ORES buried more than 80 km of old overhead medium-voltage electricity lines. This is because an underground network is less exposed to bad weather, but also it reduces the impact on the fauna, birdlife in particular, and there is less disruption perceived by local residents in terms of the landscape.

The responsible approach taken by ORES with regard to biodiversity also takes other forms. For example, the company conducts regular dialogue with various stakeholders involved in the protection and preservation of the environment in Wallonia. For the past two years, several of the company's departments have been working with the Walloon Public Service responsible for Natural Resources and the Environment. Exchanges with the Directorate for Nature and Forests (DNF) are designed to contribute towards better protection of natural heritage spaces and protected animal species. There has also been cross-referencing work carried out with the various mapping databases, including with the Natagora conservation association, to identify sections of local authority roads that have lighting, but are "sensitive". Then there's the proximity of the Natura 2000 network and sites of great biological interest for flora and fauna, the presence of protected species of firefly, allocation to the sector plan, the proximity of surface water, dwellings, the grouping of light points into coherent sections, etc. All of these elements are now taken into account in great detail in order to inform and guide the partner local authorities of ORES in the best possible way in making their decisions about the modernisation of their lighting, on the one hand, and about issues of mitigating and even removing lighting located close to sensitive sites, on the other.

We are also aware of the problem of birds being killed as the result of electricity lines and equipment. This is one of the main factors for the non-natural mortality of medium-sized and large birds in Europe. Across the areas managed by ORES, close and regular contacts are maintained with Natagora to encourage targeted intervention relating to recorded bird deaths. In 2021, sections of medium-voltage lines, transformers, pole and connectors reported as being problematic by members of Natagora were made secure for the purpose of limiting any negative effect. This was the case in particular at Thieu (see photo) where the equipment on one post that had caused the death of certain migrating birds was replaced by components less likely to pose a risk.

Before



After

3 ENERGY TRANSITION AND THE ENVIRONMENT

Controlling energy consumption

Sustainable development is also part of the management and renewal of the company's moveable assets, in particular via the control of energy consumption. Centralised management systems – automation of the control of technical equipment, such as heating, air-conditioning, lighting, etc. – make it possible to reduce heat loss and better control energy costs in many buildings. More effective techniques used for insulation, ventilation and the use of natural light are implemented in the design of new buildings.

ORES's new central office in Gosselies has been operational since 2020. Still sparsely occupied in 2021 on account of the restrictions associated with the health crisis, the building has nevertheless demonstrated its quality and ability to perform, as intended from the time it was designed. In fact, the building was developed to meet the certification requirements for the VALIDEO and BREEAM sustainable building systems, as part of the company's overall approach to the environment. With a floor area of approximately 15,000 m², the building features very low energy consumption, thanks to geothermal input, the use of photovoltaic panels and its low rate of heat loss. It was designed to set a benchmark in terms of the rational use of energy and water, as well as for its ergonomics. 2021 was put to good use for conducting the final tests and validation processes and, on 2 September, the building was awarded its VALIDEO certification, with the report highlighting its "particularly careful" energy performance and hygrothermal comfort.

The preparatory work for drawing up an initial carbon assessment (scheduled in 2022) has enabled the company to obtain more detailed data about the consumption levels of its buildings. In 2021, there was a very small overall increase in the consumption of electricity (+1%), with the reduction recorded at a large number of sites not completely offsetting the commissioning of the central office. It should also be noted that the current figures do not include the consumption of old buildings that used to house staff in the past and who are now employed at the central office. As for the consumption of gas, the increase was more marked (+12% in total). This was mainly on account of the weather conditions. The year was slightly colder than the previous one, with wide temperature ranges and no heat waves. 2021 also saw more intense rainfall during the summer months. This meant that there was a greater need for heating than in 2020.

At the end of 2021, 11 of the company's buildings were equipped with photovoltaic panels, representing an installed capacity of 663 kWc. These systems produced the equivalent of 514 MWh of electricity during the year, providing an average of 11% of the power needs of the buildings in question. Overall, 92% of the electricity produced was consumed.

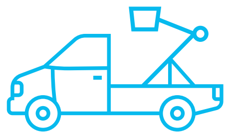
Movements in the energy consumption of the company's buildings

Locations	2019	2020	2021
Arlon	391	495	351
Aye 1	1,024	899	1,085
Aye 2	65	66	29
Aye 3	345	340	340
Ciney	91	14	100
Eupen	48	54	54
Fermette	144	128	99
Frameries	495	581	554
Gosselies (siège)	0	160	651
Gosselies	1,304	1,140	1,254
Lambermont	392	329	328
Leuze	36	80	107
Louvain-la-Neuve	483	664	819
Montignies-sur-Sambre	1,193	1,215	1,214
Mouscron	139	116	174
Namur 1	362	513	605
Namur 2	657	635	485
Namur 3	332	303	303
Namur 4	236	105	201
Perwez	67	39	41
Recogne	0	73	120
Sambreville	120	241	158
Strépy-Bracquegnies 1	494	141	221
Strépy-Bracquegnies 2	739	511	600
Total	**9,157**	**8,842**	**9,893**

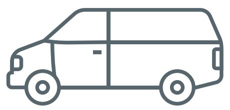
Responsible fleet management

At the end of 2021, ORES had a service fleet of 1,108 vehicles, of which a little over 11.5% were fitted with drive systems alternative to conventional fuels and hence less polluting. Our preference goes to CNG (compressed natural gas) when it comes to renewing our fleet, depending on the models and configurations available on the market and the purpose of the vehicles themselves. There were 38 more CNG-powered utility vehicles in 2021.

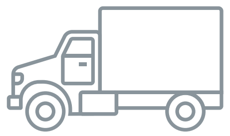
Cars/utility vehicles
< 3,5T of which CNG 125
of which electric 2



111 Aerial work platforms
of which CNG 1



72 Vans
> 3,5T



20 Trucks

With directors and senior managers entitled to a leased company vehicle, a financial incentive was also put in place for hybrid or CNG models. In 2021, 68 managers opted for one or other of these solutions.

Car-sharing is also encouraged for staff travelling to work in a private vehicle. In 2021, the figures for car-sharing did not recover compared with 2020 and remained extremely low, due to the continued health restrictions and teleworking, which was either recommended or made compulsory. As a result, working from home increased for employees in positions that enabled them to do so (average calculated for 2021: 110.6 days per member of staff).

Waste: better sorting for better recycling

After a period of successive freezing and unfreezing of activities caused by the beginning of the health crisis in 2020, 2021 saw a gradual resumption of work, punctuated by catching up with the delays that had accumulated at the various worksites. The catastrophic floods in July also brought their fair share of destruction. This is the background against which the two tables below need to be interpreted. The first shows the changes in the statistics for the company's production of waste over five years; the second shows the types of waste and the methods of treatment over the past three years.

The overall volume was up significantly (+8.5%), due mainly to an increase in the number of transformers and the volume of metal disposed of. The system of selective sorting introduced for the past few years for Class II non-hazardous industrial waste, will continue into the future, because apart from exceptional occurrences such as those encountered in 2021, it still remains entirely relevant.

Changes in the volumes of waste produced

Waste by type Unit (kg)	2017	2018	2019	2020	2021
Non-hazardous industrial waste (Class 2; LLW)	523,401	493,460	516,971	449,106	484,993
Mixed paper/cardboard	143,945	126,380	117,559	116,635	106,302
PMC	5,394	5,459	6,069	4,902	6,583
Miscellaneous oils	10,924	17,854	10,780	16,956	15,402
Transformers	266,328	372,672	461,592	400,701	500,494
SF6 cells	10,502	5,398	6,362	2,386	12,608
Wood	22,280	33,480	33,300	41,640	45,280
Discarded equipment	1,854	6,353	11,797	4,488	9,147
Contaminated soil	16,608	-	5,700	21,060	-
Asbestos	18,480	29,110	18,370	24,350	14,482
Copper, bronze, brass	4,934	7,183	8,579	5,723	6,020
Miscellaneous metals	375,747	431,968	441,885	431,494	450,343
Small hazardous waste	4,795	2,059	2,212	2,118	2,170
Total	**1,405,192**	**1,531,376**	**1,641,175**	**1,521,558**	**1,653,823**

Treatment methods

	2019		2020		2021	
Unit (kg)	**Hazardous waste**	**Non-hazardous waste**	**Hazardous waste**	**Non-hazardous waste**	**Hazardous waste**	**Non-hazardous waste**
Energy recovery		6,832		13,936		9,540
Organic recycling						
Inorganic recycling		10,091,48	1,750	457,90		1,470
Exchange for recovery	472,952	1,118,656	411,447	1,037,401	504,106	1,097,763
Use as backfill or foundations	4,420		1,240		2,200	
Landfill (CET)	13,580		780		1,180	
Physico-chemical treatment before disposal	7,500		30,190		10,660	
Grouped before disposal	412		136		1,298	
Stored off-site before disposal	6,732		23,950		25,606	

Carbon footprint

In its 2022 update, the ORES Strategic Plan 2021-2023 was brought even more strongly into line with Wallonia's target for reducing greenhouse gases – i.e. -55% by 2030. ORES is committed to making a practical contribution towards this target, including by reducing its carbon footprint.

However, due to the continued pandemic in 2021 and mandatory working from home during most of the year for 70% of staff, this period cannot be considered as being totally representative. The company has not yet set itself any precise targets in terms of reducing its carbon footprint. In the light of ongoing changes to the regulations being implemented on a European level (guidelines on sustainable corporate governance and the publication of information about sustainability), ORES elected in 2021 to redefine the framework and scope for its carbon footprint. This is in the process of being put into effect as this report is being written.

Whatever happens, we continue to make practical contributions every day to the fight against climate change, whether by reducing the volume of paper we use, continuing to reduce electricity losses from the grid, managing our electricity consumption effectively, modernising municipal public lighting or awarding contracts that incorporate clauses about responsibility and sustainability. This aim is now firmly embedded in the company and its industrial intentions.


CO2logic

LE TRAITEMENT DE VOS ENVOIS ADRESSÉS NEUTRE EN CO_2

CO2logic certifie que bpost est conscient de l'impact de ses émissions de CO_2 et, grâce à son soutien au projet Gold Standard 'Eritrea Water', a compensé les émissions relatives à:

OPERATEUR DE RESEAUX D'ENERGIES

Cela correspond à la compensation du traitement de 2.321.338 envois adressés au cours de l'exercice fiscal 2021. Atteindre la neutralité CO_2 tout en obtenant ce label 'CO_2-NEUTRAL', conforme au PAS2060, le standard internationalement reconnu de neutralité CO_2, c'est la garantie d'une action climatique crédible et vérifiée.

Antoine Geerinckx
Founder

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Belgique

Individual Transaction Certificate N° 21/183
Certification cycle start date: 04/05/2021
Certification end date: 03/05/2022

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CO_2-Neutrality & the "CO_2-NEUTRAL" label are reviewed and validated by Vinçotte, an independent international certifying authority. Through in-depth audits, Vinçotte controls the implementation of the CO2logic approach: calculate, reduce & offset CO_2 emissions. All CO_2-NEUTRAL companies, organisations, entities, services or products must undergo the same approach in order to achieve any "CO_2 NEUTRAL" status. This approach is in line with the PAS2060, the international standard for CO_2 neutrality by the British Standard Institute

In addition to the digitalisation of certain exchanges with customers and the significant reduction in the volumes of paper used by the company, ORES has opted for a responsible contract formula – with the offsetting of emissions – for sending its mail by bpost.

4. Reliable and sustainable networks

The reliability of the distribution networks is one of the major sustainability challenges for the future, both for ORES, but also for the whole of society. As demonstrated by the floods in July 2021, it is both the robustness of the networks themselves, plus their resilience and that of the teams who manage them, who are the guarantors – at least in part – of the vital minimum needed for public requirements in these extreme situations, as in everyday life.

The primary responsibility facing ORES in its role as DSO is to provide a long-term guarantee of the reliability of the energy distribution networks. To be able to make an active contribution towards the dynamic of energy transition, while also incorporating renewable production, ORES intends and must continue to invest in its networks effectively and in an economically sound way. Faced with climate change and its increasingly obvious effects, it is a question more than ever of guaranteeing the safety of supply to benefit a population that relies legitimately on a continuous and high-quality supply of energy. ORES's operating and breakdown services are organised and sized in such a way that they are able to take action effectively and urgently on the ground, 24 hours a day, 7 days a week.

In 2021, in addition to continuing with the specific measures associated with the Covid-related restrictions and a number of equipment supply problems associated with the effects of the pandemic, operating the distribution networks saw the continuation and finalisation of the investment works mentioned in the pages that follow. But what will stay in everyone's memory will, of course, be the disastrous storm that occurred between 14 and 16 July, which cost numerous lives and caused widespread destruction, including to our networks.

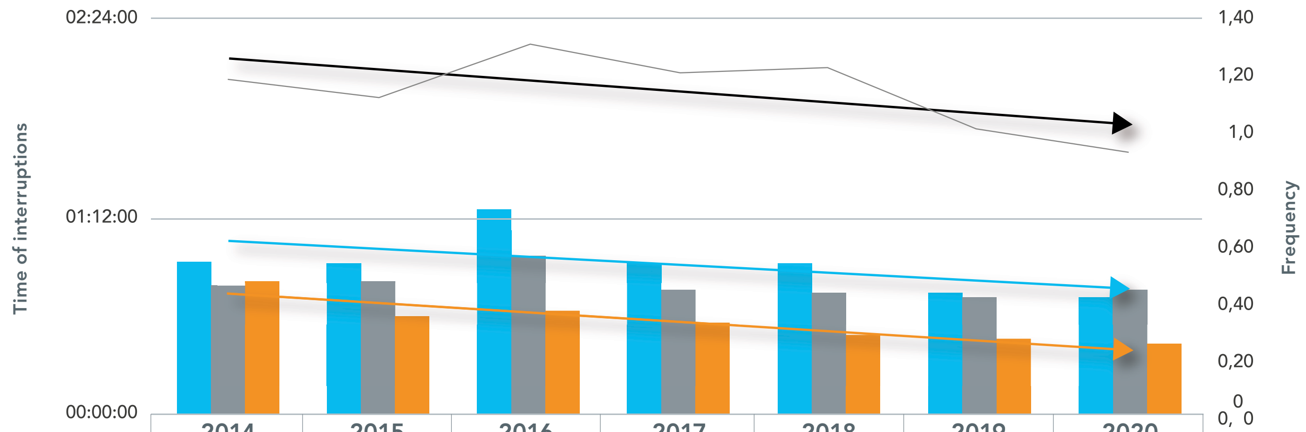
Electricity

Quality resulting from years of investment

Our networks benefit from the investment strategy applied by our company for more than 15 years. Throughout these years, significant amounts have been dedicated to the maintenance, modernisation and development of the low and medium-voltage electricity networks: burying power lines underground, maintaining and updating infrastructures, remote medium-voltage meter reading and the automation and control of distribution cabinets, enabling us today to provide a remarkable quality of service to users of the network, as well as to have solid foundations for developing the networks of tomorrow.

The table below illustrates the quality of our electricity networks and the way it has evolved in recent years.

ORES Assets
Length of interruptions



	2014	2015	2016	2017	2018	2019	2020
Total unavailability	00:56:00	00:55:00	01:15:00	00:55:00	00:55:00	00:44:00	00:43:00
Time to restore power	00:47:27	00:49:06	00:57:15	00:45:27	00:44:43	00:43:35	00:46:09
Unavailability	00:49:00	00:36:00	00:38:00	00:34:00	00:29:00	00:28:00	00:26:00
Frequency of interruptions	1.18	1.12	1.31	1.21	1.23	1.01	0.93

The quality statistics for 2021 continued in line with this trend, even if, in terms of unscheduled works, the figures were affected by the weather events dotted through the year. Our teams were called out 11,537 times in 2021, a figure that was up by 10% compared with the previous year. The duration of work and times to restore supplies on the **medium-voltage network** are shown below.

Medium voltage	Average in time **2020**	Average in time **2021**
Scheduled unavailability – works	00:22:38	00:25:32
Restoring supplies	03:10:22	02:32:30
Unscheduled unavailability - works	00:43:00	01:01:00
Restoring supplies	00:46:09	01:11:51

On the **low-voltage network**, which supplies customers directly from distribution cabinets, breakdowns were due to technical issues and defects, as well as bad weather and "external incidents" – usually cables torn out accidentally by companies carrying out roadworks in the public domain close to network infrastructure. The indicators recording the time to arrive on-site and the duration of the works to remedy breakdowns on the low-voltage networks were notably higher compared with the previous year: +6 minutes on average for the former and +55 minutes for the latter. The succession of events that occurred during the year – cold snap and snow at the beginning of February, tornadoes in Beauraing and Houffalize in June, exceptional floods in July – was related to this worsening of the results. The number of call-outs for which our teams took more than two hours to arrive on-site was also up considerably (+58%). So it comes as no surprise to report that the number of outages during which the power was off for more than 6 hours also increased – 140 compared with 108 in 2020.

Low voltage	Average in time **2020**	Average in time **2021**
Average time to arrive on-site	00:52:35	00:58:03
Average work time	01:10:04	02:05:41
Time of unscheduled unavailability	02:02:39	03:03:44

Exceptional support and solidarity

Between 14 and 16 July 2021, torrential rain fell across practically the whole of Wallonia. The resulting floods caused considerable damage to the networks managed by ORES and a total of approximately 25,000 customers found themselves without electricity across our territory. In the provinces of Hainaut, Namur, Walloon Brabant and part of the province of Liège, customers soon had their power restored in the days following the disaster, thanks to the extraordinary response of the company's technical and administrative teams.

However, in the area around Verviers and in the valleys of the Vesdre, Wayai, Hoëgne and Ourthe, repair operations were far more complicated on account of the extent of the damage and the need to operate on a door-to-door basis. In the boroughs served by ORES across this sector – Eupen, Baelen, Limbourg, Verviers, Spa, Theux, Ferrières and Hamoir – local teams were assisted by engineers and administrative staff who provided reinforcements from all our other regions. This spirit of solidarity and the amazing work carried out tirelessly by our teams made it possible to restore power to more than 15,000 customers in the regions within a fortnight.

During the last weekend of July and the first few days of August, the teams prided themselves on continuing tirelessly to carry out the repair operations needed on the network infrastructures and at customer premises still without power in Verviers. But in the end, the final meters were all verified or replaced, where necessary. On 3 August, the whole of the network was operational again, albeit under downgraded conditions, but at least it was possible to restore supplies to the whole population. A toll-free number was also set up for customers who could not be contacted in the field, in order to resolve situations that were still problematic.

The work carried out and the overall results achieved by the teams in just three weeks were quite simply phenomenal. They were congratulated unanimously by the public and local authorities. In these extreme situations, the sheer size of ORES, its ability to mobilise a response and the skills of its teams are all huge advantages – all working to the benefit of our customers and the local authority areas we serve.

Developments on the electricity network

ORES's electricity network grew by nearly 300 km in 2021. As part of our investment strategy, our teams installed 132 new distribution cabinets, made nearly 9,200 new low-voltage connections to customers and fitted more than 13,500 new meters. They also maintained 120 km of overhead electricity wires and buried 64 km of lines.

The modernisation of our electricity infrastructures and their adaptation to the increasingly intensive development of renewable also includes digitalisation and the "smartisation" of the network. These developments relate in particular to the high-voltage/medium-voltage transformer units, which provide the link between the network of the distribution system operator (DSO) Elia and the electricity grid, as well as the main distribution cabinets. At the end of 2021, ORES had 126 interconnection points with the transmission network and 22,897 distribution cabinets, 11.18% of which were "smartised" – in other words they can be operated by remote control. The contribution made by new digital or optical technologies to this work makes it possible to secure the way they operate and ensure they are reliable. This is to the ultimate benefit of customers, as well as energy transition.

Innovation working on behalf of flexibility and transition

At Lierneux, a windfarm with 6 turbines with a total power injection capacity of 19.2 MW is connected to the distribution network. These wind turbines are installed at a significant distance from residential dwellings and the local distribution network, which was initially intended to distribute electricity to a fairly sparse population and is not able to accommodate the entire production from this windfarm (19.2 MW of total power). In a case such as this, where supply and demand are not closely related, the risks of congestion are very real. The windfarm's capacity is therefore limited to a safety threshold, restricting the injection of power to 11.7 MW.

To accommodate this new green, local production, ORES makes investments in its networks each year. In parallel, we also work with various academic bodies to develop new technologies aimed at speeding up integration of renewable energy, at low cost. With a spin-off from ULiège, Blacklight Analytics, and other partners, we worked on developing an algorithm capable of forecasting congestion on the network more accurately. Its name: "O-One", stands for "ORES – Operator Network Expert". Trialled on the windfarm in Lierneux for nearly two years, this active network tool has been operational since March 2021, making it easier to predict risks in order to exceed the injection limits imposed on windfarms. As a result, the Lierneux windfarm was able to increase its average production by 5% to 6% during the test periods, with a peak of up to 10% additional production at the end of the pilot project.

This technology is already in use at another windfarm at Floreffe and in Wallonia, with several dozen other green production units – wind, but also photovoltaic or cogeneration – adopting it gradually over the months. As far as ORES is concerned, the "O-One" solution, combined with investments in the network infrastructures planned for the next few years, should make it possible to multiply the capacity for accommodating renewable power by a factor of more than three between now and 2028 (from 1,906 to 6,282 MVA).

4 RELIABLE AND SUSTAINABLE NETWORKS

Rollout of fibre optics: a pilot project and an agreement open to all telecoms operators

In January 2022, Proximus and ORES signed an agreement organising the use of ORES's electricity poles for the rollout of fibre optics in Wallonia. This agreement follows on from a pilot project carried out in Namur during 2021, as part of which, 177 homes were connected to fibre as a result of the installation of two kilometres of ducts fitted to 50 ORES poles. To mark the occasion, the CEOs of the two companies, Guillaume Boutin and Fernand Grifnée, and the Mayor of Namur, Maxime Prévot, reiterated the importance of fibre optics for the development of Wallonia. The results of this pilot project were particularly encouraging and the programme has been extended to other areas. The rollout of fibre on electricity poles – rather than by underground cables – makes it possible to speed up the connection of users, while at the same time significantly reducing the impact associated with the work for local residents.

The new agreement therefore represents an important milestone in the accelerated rollout of fibre in Wallonia and, as a result, it should exceed the 70% target for cover set by Proximus after 2028. The agreement is open to all telecoms carriers operating in Belgium, on the same terms and at the same price.

Gas

Renovations and conversion

Investment works were also undertaken on the gas networks in 2021, mainly as part of the programme to refurbish the infrastructures. Nearly 80 km of new pipes were laid in the context of small local extensions. The remediation of old pipes continued at a slower pace, due to the circumstances relating to Covid; at the end of 2021, ORES's networks still had 56 kilometres of pipes in nodular cast iron or fibre cement, or just 0.5% of the total length of the network. In addition to this decommissioning and the renovation of steel pipe replaced by polyethylene (18 km), the main works were to connect new customers to the network, with more than 7,400 new connections and nearly 10,900 additional meters, as well as the installation of approximately fifty new cabinets on the distribution network and at customers consuming large volumes of gas. Almost 3,000 connections were upgraded during the year.

Dinant: major utility works

In March and April 2021, major works were carried out in the centre of Dinant as part of the modernisation plan to upgrade the city's distribution networks. In addition to replacing worn-out electrical systems, the works also included the replacement of a low-pressure steel natural gas pipe with a polyethylene pipe and switching this portion of the network to medium pressure (4 bar). The aim was to meet the new and future needs of the population: establishing connections for green energy produced locally, new heating solutions, alternative forms of mobility, etc. These works, which represented an overall investment of nearly 350,000 €, were carried out in close collaboration with the municipal authorities and the police services so that the best possible information could be provided to local residents, along with an alternative traffic plan to ensure optimum safety.

Constant focus on safety

As part of a preventative approach, the natural gas distribution networks are checked systematically for leaks, with inspections carried out along some 20% of their total length each year; 2,052 km of low-pressure and medium-pressure pipes were inspected 2021, which was practically the equivalent of the previous year. The number of leaks detected and repaired as a result of this systematic search was again down by 15%, which reflects the improvement in the quality of the networks in the wake of the upgrade and replacement policy conducted in recent years.

With regard to the incidents and leaks caused to the network by external causes, it should be pointed out first of all that with the Impétrants Decree coming into effect and the launch of the Powalco platform over the past four years, the result has been better communication and more synergies between the various managers of cables and pipes for carrying out their work. This consultation is designed to limit the number of incidents caused by pipes becoming snagged or perforated. Repairs to leaks resulting from these events were also down by 18%. It should be noted, however, that the economic slowdown linked to the pandemic and the temporary halting of numerous worksites no doubt have something to do with this. On the other hand, repairs to leaks on connections caused in particular by material defects, were up by 12% in 2021, but their number remains lower than in 2019.

Pipes inspected (in km)	2020	2021
Medium pressure	779	833
Low pressure	1,307	1,219
Total	2,086	2,052

Leaks repaired on the gas network	2020	2021
Work carried out due to third-party calls	1,002	1,156
Work carried out following a systematic inspection on the network	223	189

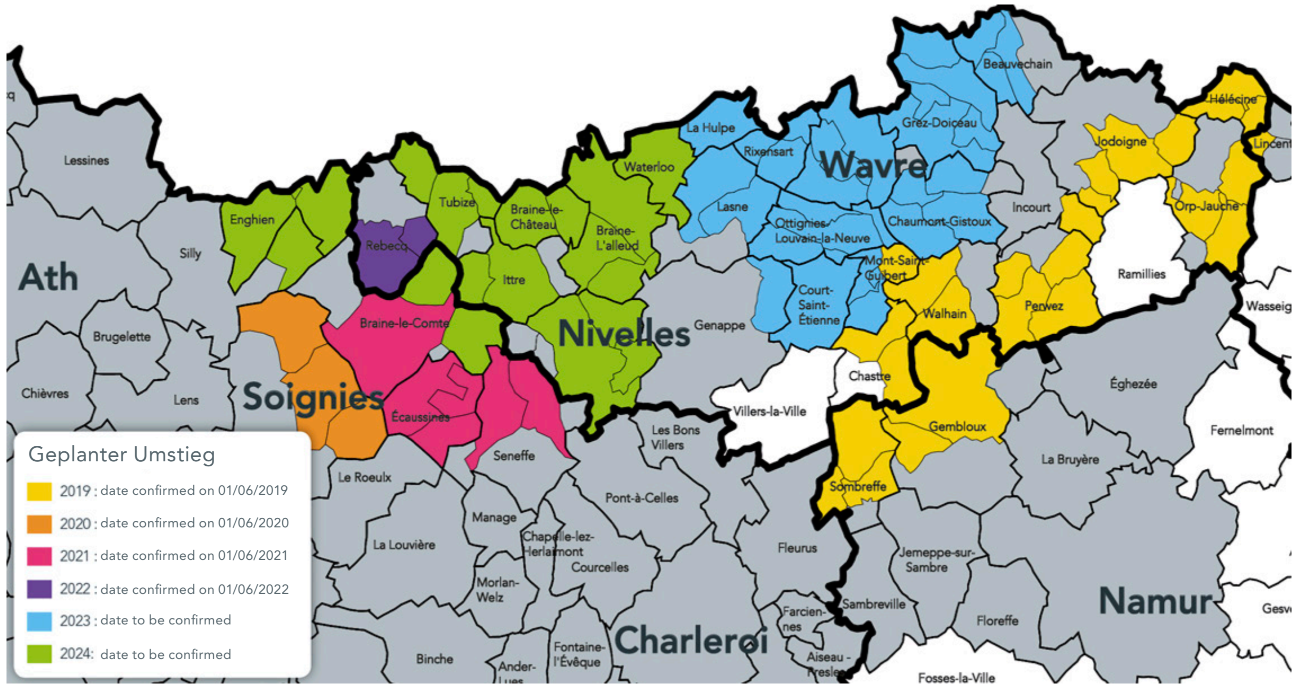
Urgent response times on the gas network (after damage) (in hours)	2020	2021
Average time to arrive on-site (call -arrival)	00:56:59	00:45:50
Average time for the works (arrival -end)	01:03:28	01:12:46
Time to arrive and complete the works (call -end)	02:00:27	01:58:36

Conversion from lean gas to rich gas

In 2021, the gradual conversion works on networks supplied with lean gas to rich gas continued in line with the terms announced at the beginning of the programme. Across the territory covered by ORES, some thirty local authority areas were supplied originally with "lean" gas – which has a low calorific value – imported from the Netherlands. Following the announcement of the forthcoming halt to the export of this gas by our Dutch neighbours, the networks of the local authority areas in question have been gradually switching to rich gas. For ORES, this operation has been phased between 2019 and 2024.

After Chastre, Gembloux, Hélécine, Incourt, Jodoigne, Lincent, Mont-Saint-Guibert, Orp-Jauche, Perwez, Sombreffe and Walhain, which converted in 2019, then Soignies in 2020, it was the turn of Arquennes, Écaussinnes-d'Enghien, Écaussinnes-Lalaing, Marche-lez-Écaussinnes and Feluy to switch to rich gas in 2021. Our teams are handling the conversion of the network, along with organising the replacement (if needed) of the pressure regulators located close to customer meters. The teams are also making customers aware of the possible need to have some domestic appliances adjusted so that they can use rich gas.

The next stage of the operation will be for Rebecq in 2022, followed by the boroughs coloured in blue and green on the map below, where the networks will be converted in 2023 and 2024. A structured communication plan is also scheduled to be put in place to enable the customers concerned to make provision well in advance of this conversion.



Management of municipal public lighting

Maintaining municipal public lighting is a public service obligation (PSO) that falls to the distribution system operators. In this context, ORES is responsible for maintaining, repairing and upgrading the light fixtures on borough roads and in parks and public places, as well as for lighting systems that highlight some of the municipal buildings (also see section 3 "Energy transition and the environment").

At the end of 2021, there was a very slight increase in the number of lighting fixtures managed by the company (+0.5%), although the power installed and overall consumption were down by 6% and 5.2% compared with 2020. This situation is linked mainly to the performance of the new LED fixtures equipped with dimming systems. Thanks to dimming, the overall savings achieved across the whole area of the municipalities managed by ORES amounted to more than 23,000 kWh per day in 2021.

Changes in the composition of the lighting fixtures managed by ORES

Work by type of lamp	2020	2021
NaLP – low-pressure sodium	83.909	64.765
NaHP – high-pressure sodium	232.746	211.846
MHHP – metal halide/iodide	68.190	66.301
LED – electroluminescent diodes	74.812	119.457
Other	867	763
Total	**460.524**	**463.132**

Municipal public lighting is designed to ensure the safety of local residents and improve visibility for pedestrians and motorists. For the past few years, ORES has made an application available to the public and local authorities, enabling them to report any defective light fixtures in just a few clicks. Use of this functionality by customers via www.ores.be continues to be sustained; it was further facilitated in 2021 by the fact that the notification form now makes it possible to report defective fixtures in a single operation. In 2021, direct or indirect reports led to the repair of 35,246 lighting points across the network. 37,634 other fixtures were also the subject of preventative maintenance.

	2020	2021
Number of reports of defective lighting fixtures via the ORES website (general public) or the application intended for local authorities	44,395	40,758

Finally, public lighting enables local councils to showcase their architectural heritage. Illumination projects are also put forward in 2021 by the company's design office. This was the case in Sambreville, with the project for the re-illuminating of Saint-Victor church, inaugurated at the end of October and illustrated opposite.

Making life easier for local authorities with the Light Service

For the past two years, ORES has offered towns and local authority areas a new service aimed at assisting them in the maintenance and repair of their public lighting stock not covered by the public service obligation. In practical terms, the company handles all of this work, subject the payment of a fixed amount, reviewed annually. As of the beginning of 2022, 91% of the local authorities whose public lighting is managed by ORES had already joined the Light Service. Feedback from beneficiaries is more than favourable: more efficient service, simplification of administrative processes, improved predictability of costs and shortening of the waiting time for work to be carried out, compared with the previous system. All of which is to the ultimate benefit of the public and their quality of life.

5. The customer at the heart of our business

ORES aims to make life easier for its customers. During the course of a year marked by the continued pandemic, the steady rise in energy prices and the dreadful consequences of the floods for those affected, our company strengthened its service to customers and helped support the authorities in putting the assistance measures decreed by them into operation.

In carrying out its various trades, ORES systematically takes account of changes to customer needs so that it can offer them a service geared to their expectations. In 2021, we put several initiatives into effect along these lines, in particular through our website, which has become the preferred platform for customers to access the whole range of services and information relating to our activities. In our social public service assignments and obligations, the measures implemented following the pandemic were supplemented by the support schemes passed by the Walloon Government, with particular emphasis on the response given to the difficulties encountered by vulnerable populations.

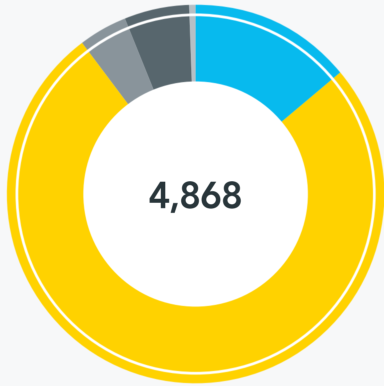
Using the customer experience as a compass

In 2021, more satisfaction surveys were conducted with our customers to measure the quality of our services. On average across the year, the overall satisfaction score of the customers contacted following interactions or works conducted at their home was 8.14 out of 10. As in 2020, this indicator was part of a shared target to be reached by the whole company as part of an annual collective labour agreement (CLA), with a target score of 8 out of 10.

Another target linked to the same CLA was the rate of calling back customers who expressed dissatisfaction in these surveys. This process is designed not only to listen to the reasons for their dissatisfaction and to make amendments to the process followed, but also to target recurrent points of complexity and, where necessary, correct the processes involved. The target was set at 95% of dissatisfied customers called back. This figure was exceeded, with an average score of 95.44% across the year. In addition to the lessons learned internally with a view to improving the service, feedback enabled the subcontractors working for ORES – and especially the contractors in charge of excavation and earthworks – because a majority of the complaints related to works on the pavements in front of customers' homes when installing new connections or making modifications to existing ones.

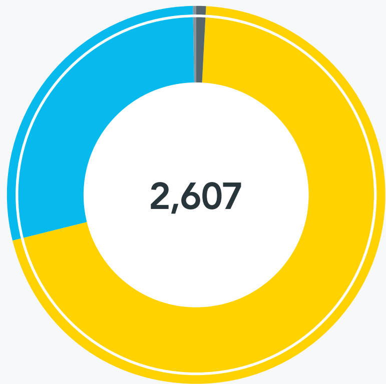
To enable them to pass on their grievances – whether some sort of dissatisfaction, an application for compensation or a request for mediation – customers are now able to lodge their complaints using the online forms on the website. Digital channels – web and social networks – are the ones preferred today by customers for their interactions with ORES. In 2021, the number of complaints received was up by 34.5% compared with the previous year. This matched the resumption of activities after the slowdown of 2020 and the delays that built up during that year. The number of complaints received digitally also increased significantly (+47%).

Number of complaints received in 2021 – by contact channel



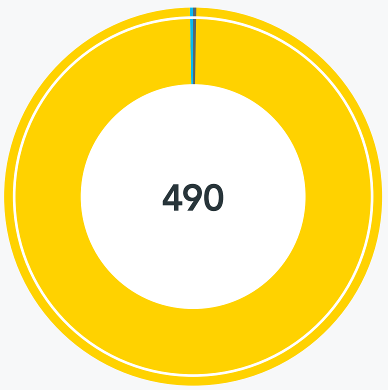
3,688 Digital (web & e-mail)
685 Telephone
264 Satisfaction survey
205 Postal
26 Other

Applications for compensation



1,837 Digital (web & e-mail)
742 Postal
23 Telephone
5 Other

Requests for mediation



488 Digital (web & e-mail)

1 Postal

1 Telephone

0 Other

Types of complaint/request	Received	Accepted
Dissatisfaction	4,868	2,668
Compensation	2,607	670
Mediation	490	84

The teams at ORES responsible for following up on complaints set themselves a maximum deadline of 30 calendar days to send a meaningful quality response to a dissatisfied customer. After worsening in 2020, the average time to process and respond to a complaint returned practically to normal in 2021 (33 days). Other response times remained constant and demonstrate the willingness of ORES to deal with all enquiries, while respecting the expectations of the customer.

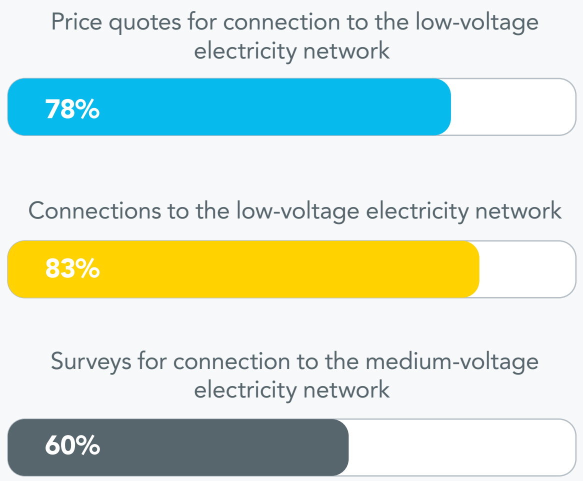
Type of complaint	Average processing time (in days)
Dissatisfaction	20
Compensation	33
Mediation	21

Respecting deadlines

The quality of the works carried out on customer premises by technicians from ORES and subcontractors is also monitored closely. Apart from reading meters at people's homes once every two years, the "physical" interaction with the various departments at ORES generally occurs at important moments of customers' lives, such as when they are building their own home and the energy networks need to be connected (see below).

ORES aims to take every enquiry into account and carry out each job within the deadline set by the regulator, with the notable exception of cases where the customer's request involves works to reinforce the electricity grid or the gas network, which is much more rare. Lead times became longer in 2021, due to the delays incurred the year before and the availability of staff against the background of the pandemic.

Respecting deadlines in 2021

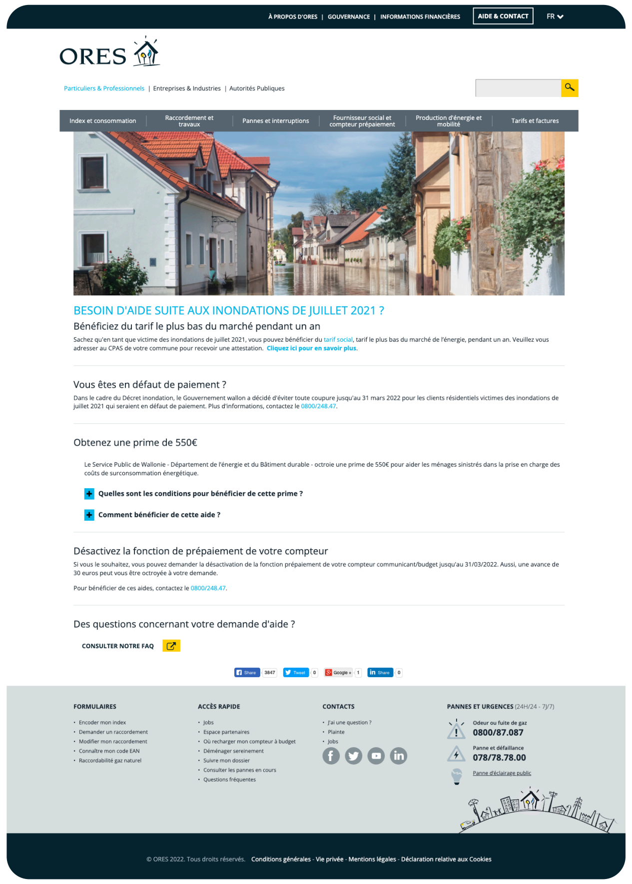


Improving the digital offering

Digital advances are transforming the world and expectations of customers. Availability, speed of service, accessibility and speed of response are becoming increasingly important in the way users view their interactions with service operators. A significant majority of customers now prefer to us digital channels for their contacts with ORES. Also, the pandemic and health restrictions have increased the need to work using these "remote" methods. In 2021, 69% of customer contacts took place by this means. The website recorded more than 2.1 million visits over the year, an increase of 18.5% compared with 2020. The proportion of mobile contacts also increased for "online transactions", 37% of which are now carried out via smartphone or tablet. The main reason for interaction remains meter readings, which represent 74% of contacts made on www.ores.be.

During 2021, the "customer journey" on the website was optimised further to include new explanatory videos designed to make procedures easier for online users. This is the case for requests for connection and associated works, as well as for complaints (see figures above).

Disaster relief and energy grants



The ORES website is also the platform through which the public can access the assistance and grants made available by the Walloon Government in the context of the floods that occurred in July 2021 and following the sharp price increases on the energy market in the second half of the year. The teams handling the digital side of the company's communication quickly adapted the pages on the site to inform and guide customers in as user-friendly a way as possible towards the information, procedures and application forms relevant to their respective cases.

A very busy call centre

Alongside the digital channel, service quality also includes the consideration shown to users who prefer other, more traditional, means of communication. Working through our subsidiary, Comnexio, which specialises in customer contact activities, we make sure that we preserve these solutions for customers, in particular through our three specific call numbers. Located in Gosselies and Eupen, Comnexio's aim is to answer questions from customers and provide all of the information needed in relation to the services provided by ORES. This information is delivered not only by telephone, but also by e-mail and online "chat" – in fact by any other appropriate means of communication. In 2021, in the context already mentioned above, telephone traffic increased again and the milestone of 800,000 calls received was passed (+12% compared with 2020). In this way, Comnexio dealt with almost 31% of interactions with customers, excluding "physical" contacts at our twelve reception offices. Most of these offices are situated at the company's larger operating sites and are available to customers mainly so that they can recharge their budget meter cards.

Easier connections

In 2020, ORES announced the official launch of the Connect My Home service. Initiated in the form of a pilot project in 2015, Connect My Home was a national first: for the first time, four operators of cables and pipes – ORES, Proximus, VOO and SWDE – offered to handle the connection of new homes to the electricity, gas, water and telecoms networks via a single administrative application, with a single price quote and no additional costs for the customer. Once scheduled, the works are completed in a single day – sometimes even half a day – saving the customer time, effort and stress. In 2021, Connect My Home was expanded to the whole of ORES's territory and contacts are underway to include other operators interested in joining the scheme.

Managing consumption data and smart meters

One of the principal missions of ORES vis-à-vis customers consists of reading the meters, validating, storing and transmitting their consumption data to their suppliers. At the end of 2021, the company had 1,481,000 electricity meters and almost 572,000 gas meters under its management. For customers whose energy consumption requires more regular meter readings, meters that can be read remotely on a monthly basis or automatically every quarter of an hour have also been available for some years.

Electromechanical meters will gradually be replaced by smart meters. The programme to install this type of meter with customers entered a new dimension in 2021 and the milestone of 30,000 digital meters was reached in October. The programme put in place organises the rollout of these meters with the aim of maximising the positive effects for customers and the wider society at large. The new target is to exceed 80,000 meters installed by the end of 2022.

Fighting against fuel poverty

ORES is resolutely committed to social inclusion and helping vulnerable customers. As part of our public service obligations, we actively assist persons experiencing difficulties.

In this context, in November 2020, a pilot project linked to the pre-payment of energy was initiated in the province of. Operated under the aegis of the Directorate-General for Spatial Planning, Housing, Heritage and Energy of the Walloon Public Service, this project has enabled our teams to assist a group of customers who we equipped with digital smart meters to enable them to experience the remote pre-payment of energy online. More than 3,600 electricity meters of this type were installed instead of conventional budget meters, with very satisfactory results for the customers concerned. This project is receiving assistance from the department of Family Science at UMons for the purpose of taking qualitative and quantitative measurements of the impact that the introduction of the meters has on household practices and in particular in a context of fuel poverty. A preliminary report submitted in May 2021 highlighted the mainly positive feedback from customers who benefited from the installation of this new technology (and associated online tools). The report also underlined the need for targeted guidance and assistance.

ORES wants to make the rollout of smart meters a tool for social inclusion and to bolster the fight against fuel poverty. We are also participating in the Walloon SocCER ("Socio-économie des Communautés d'énergie renouvelables" – "Socio-Economy of Renewable Energy Communities") project, which aims to develop tools helping to promote an inclusive energy transition. An initial "demonstrator pilot" scheduled to be implemented in Verviers during the second half of 2021 with the social housing company, Logisvesdre, was delayed somewhat following the floods experienced by the city. The aim is to equip 24 single-family houses with photovoltaic panels and smart meters in order to test a low-voltage renewable energy community with its occupants.

In addition to smart pre-payment meters – which already equip more than 7,600 customers – ORES continues to manage a stock of conventional budget meters that are topped up by customers using an individual card. This technology is reaching the end of its service life, but has to be maintained until it is replaced completely.

Budget meters

situation end 2021

	Electricity	Natural gas	Total
Total number of budget meters installed	121,836	47,792	169,628
Number of applications to install budget meters received during the year	42,113	19,026	61,139
Number of budget meters active	33,506	18,335	51,841
Percentage of budget meters active	27,5%	38,4%	30,6%
Total number of top-ups	658,047	152,465	810,512

The status of protected customer enables more vulnerable consumers and those in precarious financial or other situations to access a number of benefits and protections for their supply of gas and electricity, in particular the social tariff, which is the least expensive on the market. ORES plays the role of energy supplier for certain categories of customer: it is either a social supplier for socially protected customers, or temporary supplier – also called "Supplier X" – when customers find themselves in a complex situation with their commercial supplier. The number of social customers was up in comparison with 2020 (+18%), while customers "under Supplier X" are constantly falling (-35%) in view of the measures taken when our teams are brought in to settle these problematic situations.

Following the floods and the price rises, the Walloon Government introduced the status of "cyclical protected customer" in 2021, which enables individual customers who are the victims of disasters or in financial difficulty to benefit from the social tariff for a specific period of time. ORES has implemented a communication campaign to inform customers of these options, as well as the grants that have been put in place.

ORES supplier – number of customers	Electricity	Natural gas	Total
Social supplier	36,866	18,189	55,055
Provider X	4,684	1,944	6,628

ORES also plays the role of facilitator for customers in difficulty by participating in Local Energy Committees (LECs), in collaboration with the PCSWs and municipal social action councils. These LECs meet with the aim of finding specific and individual solutions for customers going through difficult social or financial periods and who are no longer able to pay for the charges linked to their consumption of energy.

Number of cases examined by the Local Energy Committee in 2021	Electricity	Natural gas	Total
Cases relative to the minimum supply	36	-	36
Cases relative to the loss of protected customer status	1,157	618	1,775
Cases relative to the granting of natural gas supply cards in winter periods	-	760	760

6. Corporate culture and wellbeing in the workplace

The environment and market in which ORES operates are experiencing major changes associated in particular with energy transition, digitalisation and new types of work organisation. To meet these challenges, the company is adapting by focusing on stronger HR solutions, developing the skills of its personnel, implementing the ambitious and responsible management of talents and applying a restructured health and safety policy focused on the wellbeing of staff.

In terms of the organisation of work, the continuation of the health crisis into 2021 kept strong pressure on the teams, as well as on workers individually. The successive phases for lifting measures, followed by lockdown again, were managed by the in-house COVID structure implemented in 2020, in consultation with the social dialogue bodies. The main aim was for us to be able to continue our public service missions that are essential for the population, while safeguarding the safety and wellbeing of members of staff to the maximum.

Better organised to meet challenges

The way human resources (HR) are organised took advantage of 2021 to examine the way it operates and its efficiency. As part of a programme known as "Horizon", HR proceeded with an internal assessment and set a benchmark in relation to other comparable models. It also redefined its policy to enable it to provide long-term guidance to the company's transformation and the management of change as part of a co-creation process. This involves promoting engagement and the development and recognition of employees while ensuring there are improvements to their wellbeing, which is key to their development. HR tools and processes were also the subject of an in-depth analysis designed to enrich the "employee experience" and to better guide managers in providing trusted leadership. Also, in an environment of competition on the employment market and the "talent war" being waged on certain profiles of which there is a shortage, ORES also wishes to strengthen its brand as an employer.

The structural and organisational modifications within the HR department were implemented at the beginning of 2022. However, the work completed in 2021 saw some very practical achievements.

Employment, recruitment and training

The company continued to search for new talent, not only to make up for employees retiring, but also in the context of its transformation and the new professions linked to digitalisation. While the pandemic slowed down the pace of recruitment in 2020, it picked up again gradually in 2021 and 142 employees joined the branks of ORES – against 130 departures. The "ORES TechniDays" – recruitment days held specifically for technical staff – again had to rearrange their organisation to respect the health measures in place. Nevertheless, they still enabled some twenty new technical people to be employed.

At the end of 2021, the total ORES workforce included 2,383 active employees – 2,239 of whom were on open-ended contracts. Female employees represented 32.44% of the members of staff. In 2022, the company plans to recruit some 250 new employees.

Breakdown of staff members, by gender and age group

	Employees	Supervisory staff	Management staff	Senior management	Total
Male	48,26%	10,78%	8,27%	0,25%	67,56%
Female	26,02%	3,06%	3,19%	0,17%	32,44%
Total	**74,28%**	**13,84%**	**11,46%**	**0,42%**	**100,00%**

Age groups	Employees	Supervisory staff	Management staff	Senior management	Total
< 30	9,65%	0,00%	0,55%	0,00%	10,20%
≥ 30 < 50	50,99%	7,09%	7,81%	0,17%	66,06%
≥ 50	13,64%	6,75%	3,11%	0,25%	23,74%
Total	**74,28%**	**13,84%**	**11,46%**	**0,42%**	**100,00%**

2021 also saw the completion of a project begun some time ago: the implementation and introduction into operation of the Talentsoft online training platform. The latest modules dedicated to the management of training, the management of development and the review of talent were released online. The platform enables the range of training courses to be expanded and more diversified and current learning methods to be introduced (e.g. e-learning, distance learning, videos, etc.), while making it easier for every staff member to access courses and content. In addition, it embeds the digitalisation of numerous processes, such as the management of development and recognition, appraisal sheets for new recruits or employees changing job, as well as management of the performance of executives. In terms of training, 2021 remained affected by restrictions and the difficulties linked to organising face-to-face training courses. However, the average number of hours of training per member of staff improved in comparison with 2020, rising from 14.85 hours to 20.29 hours.

Average number of hours of training in 2021	Male	Female	Total
Senior management	9.06	12.60	10.41
Management staff	10.14	15.05	11.52
Supervisory staff	11.16	11.45	11.22
Employees	30.18	17.19	25.29
Average	**22.30**	**16.22**	**20.29**

Another notable accomplishment: in September 2021, a partnership agreement was reached with the FOREM in the context of the training and recruitment of designers. ORES and the Public Service for employment and occupational training in Wallonia have joined forces to provide training – theoretical and practical – for computer-aided designers and in particular use of the AutoCAD tool, which is the software used by staff in our company's design office. The course, presented both on the premises of the FOREM in Nivelles and as an immersion course at ORES, led to the employment last February of 7 new designers, who joined the company on an initial one-year contract.

Finally, 2021 saw ORES apply for "TOP Employer" certification. On the company side, this meant having its HR practices assessed by an external body with a view to making improvements. ORES was awarded this certification for the first time at the beginning of 2022.

top EMPLOYER
BELGIË BELGIQUE BELGIUM 2022
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Dialogue and developments

2021 also experienced internal tensions linked mainly to COVID and in particular with regard to the way the overnight and weekend on-call service is organised, as well as teleworking. A number of consultation meetings were held on these subjects between management and union organisations to try and defuse tensions and find practical solutions for everyone. At the end of November, three new collective labour agreements were signed. Two of these CLAs relate to the on-call services and put in place a system to recover Sundays and public holidays worked, as well as the introduction of a minimum rest period for nights of less than 4 hours without taking back overtime. The third CLA relates to the way the practical conditions are organised for teleworking within the company.

Acting better on health & safety and awareness

Given the nature of its activities and the associated risks, ORES has developed a safety dynamic that has become part of its DNA. But for the past few years, the company has directed this safety dynamic towards health & safety and wellbeing, aimed at achieving "better-being", seen as the result of taking workers and their work-life balance into consideration as a whole.

The good health of workers has a direct effect for the company and the work they do has an impact on their personal health. The aim is to implement an overall approach to health & safety for internal, external and multi-disciplinary risk factors that promotes the health & safety of all workers. This new approach is based on a number of guiding principles, themselves structured around an overall five-year health & safety plan. The focus is on personalised preventative designed to increase the maturity of health & safety and move towards "better-being", with particular attention paid to mental wellbeing.

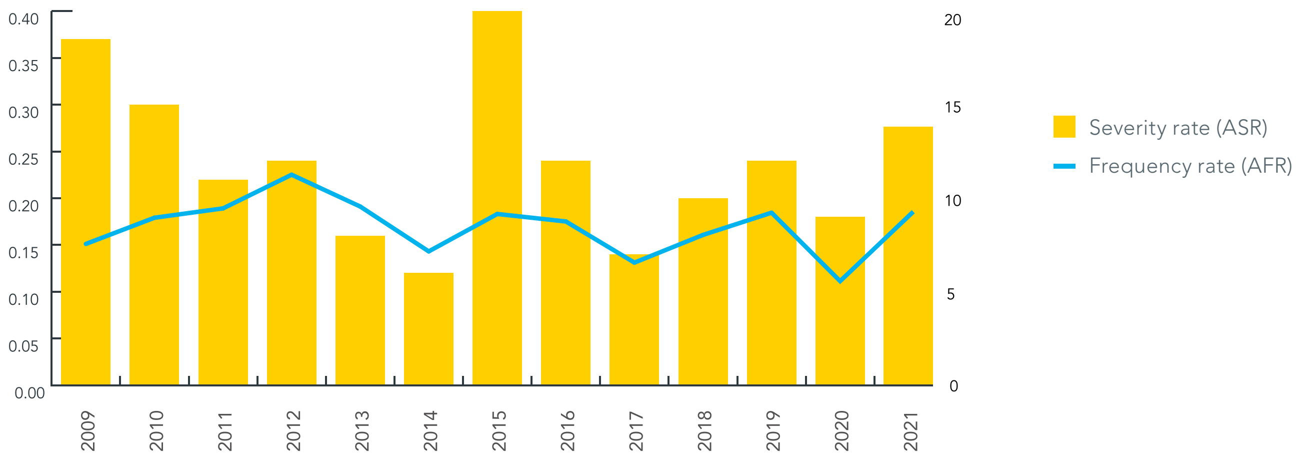
To achieve this aim, the Internal Health & Safety in the Workplace department (SIPP) has restructured the way it is organised and operated in the direction of increased proximity and availability. In 2021, SIPP introduced training and awareness modules that can be accessed remotely by staff, in particular via the "InfORES" intranet. "Midday Information" sessions were also devoted to psychosocial risks and wellbeing in the workplace, in particular with regard to feeling remote and cut-off as the result of compulsory teleworking. Webinars and awareness videos were produced on themes linked to ergonomics and travel, which have been the source of numerous accidents in the company for the past few years.

Results below expectations

For 2021, SIPP and the Executive Board took the decision to set safety targets that were a little more ambitious and proactive than in previous years: not to exceed 26 accidents at work over the year, with a maximum of 712 days of temporary incapacity for work (TIW), which corresponded to a frequency rate of 7.50 and a severity rate of 0.20 for the company.

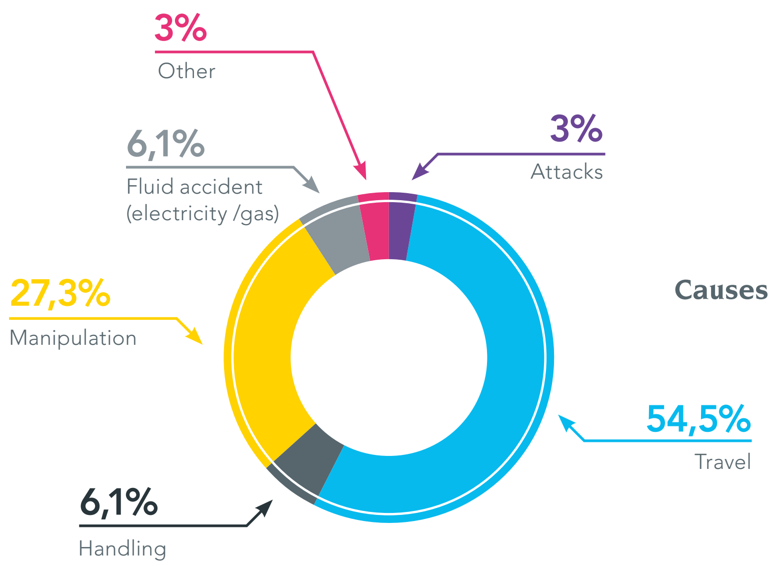
Despite repeated awareness campaigns, the results at the end of the year were disappointing. The company experienced an increase in accidents with TIW – particularly in November – associated mainly with travel (54.5% du total) and handling and manipulating equipment (33.4%). The company also saw two "fluid accidents" – i.e. accidents associated directly to electricity and gas operations. In one of these accidents, which occurred in April, a colleague was seriously injured while working in an electricity cabinet, suffering third-degree burns to the hands and less serious burns to the face. The worker had to be evacuated by helicopter and was quickly admitted to the Burns Unit at the Grand Hôpital de Charleroi (Loverval). In addition, an accident occurred on the network during works to replace an electricity line, which unfortunately cost the life of a staff member of a subcontractor.

At the end of the year, the company accident record totalled 33 accidents and 935 days of TIW, equating to a frequency rate of 9.40 and a severity rate of 0.27, which were well above the targets set. Faced with an accumulation of serious and less serious accidents, a decision was taken to strengthen the presence in the field of line management, as well as to provide systematic reminders of safety rules and procedures, and also to encourage the reporting of – potentially – dangerous situations by all members of staff in order to prevent risk situations from happening again.



ASR = number of working days lost due to temporary incapacity per 1,000 hours worked

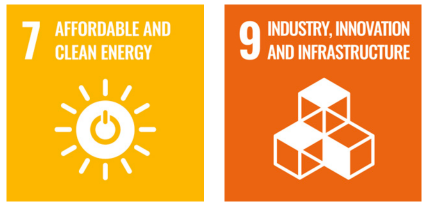
AFR = ratio between the total number of accidents at work having resulted in total incapacity for at least one day and the number hours of exposure to risk (multiplied by 1,000,000)



Causes and sources of accidents in 2021

7. Governance and transparency

The rules of governance are contained in the "Corporate Governance Charter", which was amended in October 2021. The company also undertook a review, which led to an internal reorganisation implemented at the beginning of 2022, as well as a redesign of its transformation plan. In addition, the year was devoted to the procedure for renewing the mandates of the distribution system operators by the towns, cities and local authorities in Wallonia for a new period of 20 years.



Corporate governance covers a set of rules and behaviours based on principles of transparency and accountability which, by establishing the right balance between the spirit of enterprise and its control, is designed to set the company's targets, as well as provide the means to achieve those targets in terms of its values and missions.

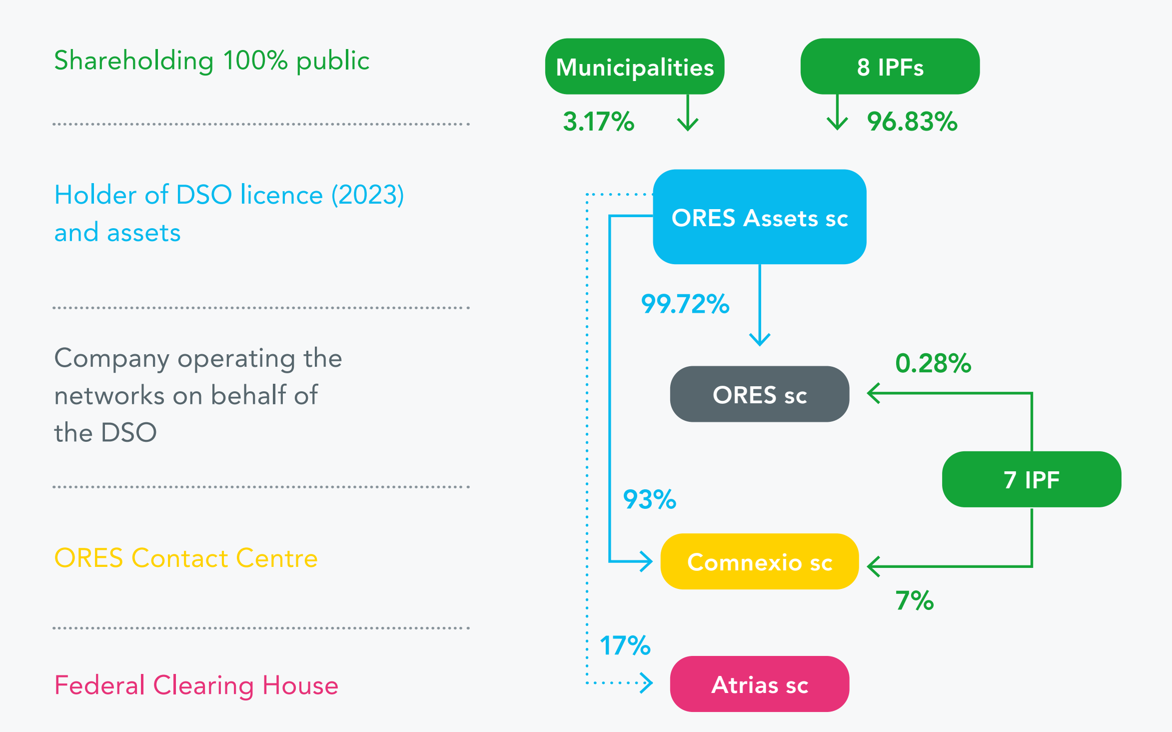
The governance charter for ORES, available on its website, establishes the operating procedures and regulations of the company's governing bodies. The charter also sets out the principles for the remuneration of the members of these various bodies.

Under the Code of Local Democracy and Decentralisation and the requirements of the Code of Companies and Associations, this annual report takes stock of the missions of these bodies, the way they operate and their composition, as well as the remuneration of their members. All of this information is available under the heading of "Remuneration reports" (pp. 153 to 174).

Shareholders

The shareholding of the distribution systems operator, ORES Assets, is currently made up of holdings from 8 pure intermunicipal financing companies (IPFs) and those of 200 towns and local authorities. The Board of Directors approved the entry of IFIGA, the pure intermunicipal financing company of French-language municipalities previously associated with the Flemish DSO, Gaselwest, in the capacity of a new associate in January 2020. The purpose of the IPFs is to guide and support local authorities in their financial shareholdings, especially in distribution networks.

Shareholding at 31.12.2021



ORES Assets owns two subsidiaries – ORES sc and Comnexio, which specialises in call centres. It also has a 17% holding in Atrias, the company that hosts the new federal market data exchange platform for the electricity and gas market.

A unified manager with strong local roots

When it was created in 2009, ORES was the technical operator mandated by appointed by eight intermunicipal distribution system operators (DSOs) – Ideg scrl, IEH scrl, IGH scrl, Interest scrl, Interlux scrl, Intermosane scrl, Sedilec scrl and Simogel scrl – to operate their infrastructures.

As part of an initial governance reform, these eight intermunicipal companies merged at the end of 2013 to create a single DSO for all of their territories. This was how ORES Assets came into being, with the status of a cooperative intermunicipal company with limited liability. To continue ensuring representation of the local interests of each entity, the merger of the intermunicipal companies was accompanied by the creation of eight sector committees within the new structure. These committees were responsible for approving network investment and adaptation plans for their geographical area, as well as the proposed tariffs that concerned them.

In 2017, a second governance reform would lead to the abolition of these sector committees, with their decision-making powers being transferred to the Board of Directors. However, in order to maintain a strong territorial anchorage, which is a guarantee of its proximity policy, ORES has set up regular information and exchange meetings with municipal officials within the context of a dynamic called "ORES Proximité" (ORES Local). Unlike the former sector committees, participation in these meetings is not remunerated. These meetings are held locally, generally twice a year, under the auspices of the seven ORES Regional Directors. In 2019, the programme enabled 19 meetings to be held with local government trustees and officials. In 2021 as in 2020, the "ORES Proximité" programme was totally disrupted as health and hygiene restrictions prevented the planned meetings from being held. In their day-to-day work, the regional directors and their deputies made sure that contact was maintained with local authority leaders and to inform them about current programmes, in particular in relation to public lighting. The procedure for the renewal of the mandates of the network operators was also an opportunity for intensive contacts with the authorities and local council staff.

Renewal of the mandates of the DSOs

The distribution system operators for electricity and gas are appointed by the Walloon Government for a period of 20 years at the proposal of the towns, cities and local authorities and based on a reasoned opinion of the regulator. As the mandates of the DSOs in Wallonia expire in 2023, there was a need to implement a renewal procedure. On 16 February 2021, the recommendation relating to the appointment of the future DSOs was published by the Minister for Energy in the Moniteur belge (Belgian State Gazette). This meant that the 262 towns and municipalities in Wallonia were invited to initiate, individually or collectively, a transparent and non-discriminatory call for applications with a view to proposing a candidate for the territory to supply electricity and gas (where applicable) for the next twenty years. Based on analysis of the applications received, they were then able to notify the CWaPE of a proposal for a potential DSO in their territory within a period of one year from the date of the call for applications, but no later than 16 February 2022. It will then be up to the Walloon Government to appoint the future DSOs, at the latest by 26 June 2022, based on the reasoned opinions submitted by the CWaPE at the latest by 26 April.

In this context, in June 2021, the ORES Board of Directors decided to establish an overall strategy to respond to the calls for applications put out by the Municipalities. This strategy is based along two main lines: on the one hand, it provided for ORES to submit, as a priority, an application to all of the towns and local authority areas for which it was traditionally the DSO for electricity and/or gas; on the other hand, regarding the municipalities for which ORES was not the DSO, the intermunicipal company would only submit an application to those local councils for which it was able to offer significant added value in terms of service quality, in particular due to its geographical base, including for customer participation in energy transition and also taking account of the available resources.

A multidisciplinary team was then tasked internally with drawing up applications in response to the various calls put out by the Municipalities, based on their specific features, as well as the criteria set by the CWaPE, with a view to submitting the applications to the regulator after proposals were made by the Municipalities. ORES responded to the calls for applications from all of the local authority areas it serviced at the beginning of 2021 –198 in total – as well as to 10 other towns and municipalities located in the Provinces of Hainaut and Namur, whose networks are managed by another DSO. We also submitted an application to manage the electricity network for the town of Wavre, where ORES already manages the gas network. At the time of this report going to press, all of "our" Municipalities – with the exception of six, three of which have still to decide – had renewed their confidence in us by proposing us as DSO to the CWaPE, which reinforces our position as the largest DSO in Wallonia. As stated above, the procedure is still underway and is scheduled to be completed, when the official appointments by the Government are made, at the beginning of summer 2022.

Corporate strategy and reorganisation

In 2020, ORES decided to take a fresh look at its mission, vision and strategy that had been in place for a number of years. There were several reasons behind this process. The aim was to check whether the strategic plan was in line with stakeholder expectations, to set new targets to be reached by the end of the tariff period in compliance with the resources allocated by the CWaPE via the distribution tariffs for 2019-2023 (see below) and, finally, to look beyond 2023 to anticipate the major trends to be incorporated into the company's strategic vision and prepare for the next tariff, period, from 2024 to 2028.

The relevance of the strategy pursued for some years now was confirmed, while at the same time incorporating new dimensions and ambitions, particularly in terms of corporate vision. The ORES roadmap, drawn up by its strategic plan, is available on the company website. In particular, it identifies the financial resources need to ensure its implementation. To enable it to assess the application of the strategy and the progress made with the transformation plan, the Board of Directors receives a document each quarter tracking the main strategic indicators as well as, each year, various reports relating to the economic situation and the activities and risks facing the company.

The general principles of governance and risk management that apply to the whole of the business at ORES are also set out in a directive for internal and are accessible to members of staff.

An in-depth analysis commenced of the business model in 2019 and continued in 2020, resulted in 2021 in a new internal target organisation, which moves towards more simplicity and efficiency, as well as greater accountability, with stronger involvement by all managers and staff in achieving the strategic plan. The company is now organised round 7 main Divisions.

Direction **Customers Division**

Direction **Corporate Division**

Direction **Financial Division**

Direction **IT Division**

Direction **Networks Division**

Direction **Human Resources Division**

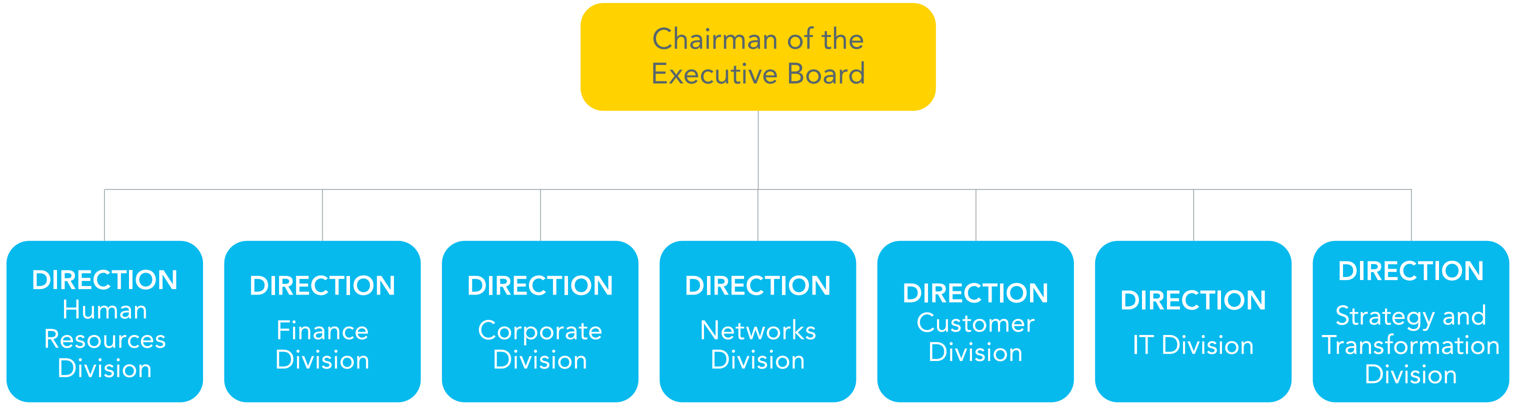
Direction **Strategy and Transformation Division**

The new Strategy and Transformation Division aims to integrate the prospective and strategic dimension to better prepare ORES for changes, in particular with regard to the challenges for the "physical" network and for the energy market, but also for aspects linked to data. This Division will handle the coordination and sequencing of the company's transformation plan, based on major projects that will gradually become operational over the years.

The creation of a unified Networks Division – encompassing much of the former Technical Division – also aims to meet respond to changes in distribution management processes, particularly in the context of energy transition and the growing digitalisation of activities ("smart grids"). It brings more coherence in this respect, but also in the logistics of activities related to our infrastructures.

The Customers Division has the job of providing more transversal solutions to ORES customers than in the past. Finally, the new Corporate Division is there to guide interactions with stakeholders in such a way as to establish and maintain high-quality relations with them and to put out a consistent and positive image of the company, both internally and externally. It becomes the single entry point for the company's stakeholders by integrating Communication, Regulatory Affairs, the Legal Department, Purchasing and Corporate Social Responsibility (CSR). The scope covered by the other Divisions remains practically unchanged in relation to the past.

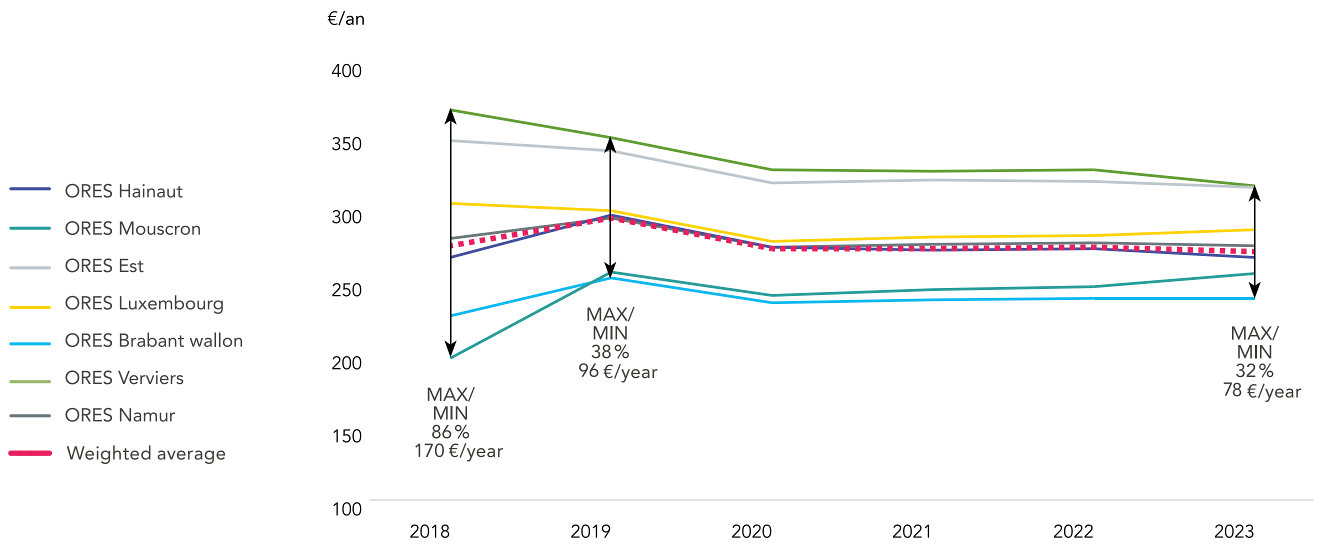
ORES organisation chart (2022)



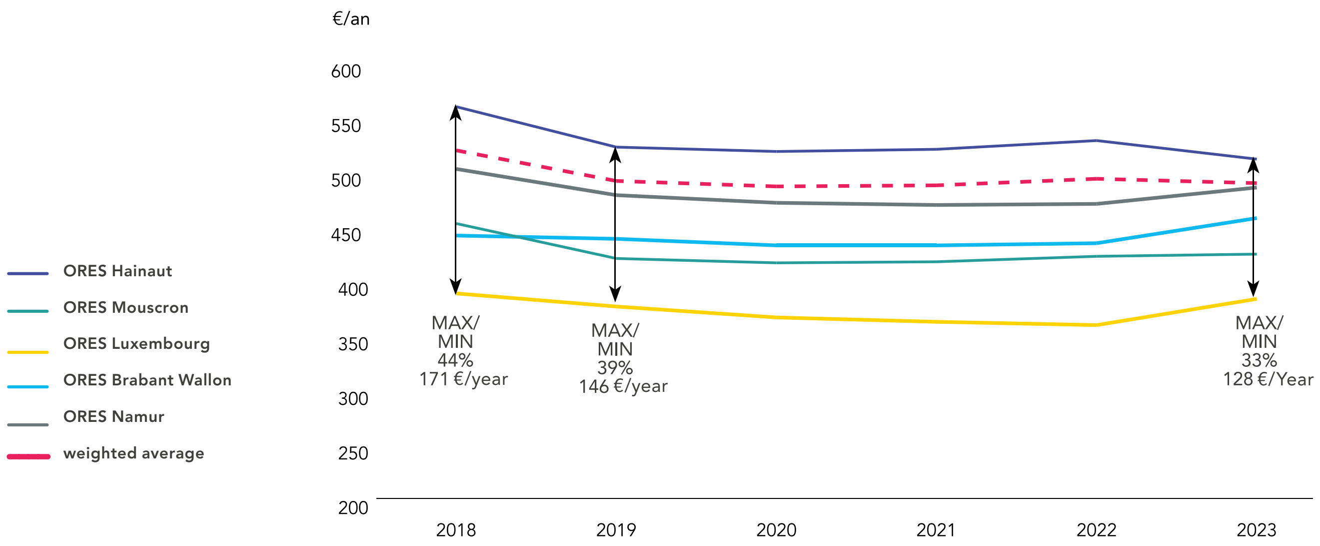
Regulation and distribution tariffs

The authorised revenue of ORES – which enables it to have the resources required to fulfil its day-to-day tasks and carry out the strategic plan – are approved by the regulator. This revenue is then transposed into distribution tariffs. The distribution tariffs for electricity and gas currently in effect apply to the period from 2019 to 2023.

As a result of cost controls and their impact on the distribution part of customers' energy bills, ORES has managed to stabilise the "average tariff" of the electricity bill, while at the same time continuing the major internal transformation programmes introduced as part of energy transition. The company has also succeeded in limiting tariff disparities as much as possible – disparities linked to operating conditions and population density – between its various sectors. As shown by the graph below, on average, the distribution tariff paid by the "typical" customer consuming 3,500 kWh per year on a dual tariff, will remain practically stable across the whole period, rising from 274 € to 277 €.



As far as natural gas is concerned, the distribution tariffs 2019-2023 were down overall over the period and also converged the "average tariff" for a typical customer, dropping from 519 € per year to 489 € per year.



The operating and budget efforts made by the company in recent years have enabled it to control any rise in network costs and hence in distribution tariffs. Overall, movements in these tariffs – excluding charges, taxes and public service obligations – have remained below the level of inflation since the beginning of deregulation.

Also, at the end of September 2021, the Board of Directors of ORES Assets approved the implementation of tariff equalisation from 1 January 2024 – i.e. an alignment of the tariffs applied to the whole of the territory covered by the company. In practical terms, this means that all ORES customers belonging to the same category will pay an identical tariff for the distribution of energy, whether they live in Tournai, Namur or Verviers. The application of this equalised tariff will enable the release of investment budgets focusing on energy transition for all of the local authority areas managed by ORES.

8. Ethics and fair practices

In terms of corporate social responsibility, ORES ensures that the principles of integrity and honesty are complied with in its relations with its stakeholders. As a leading economic player in Wallonia, the company generates business and jobs for numerous external suppliers, the vast majority of them local.

ORES aims to set an example in all its practices. The way in which it conducts its relations and transactions with its stakeholders relies on strong ethics and specific measures designed in particular to prevent any corruption. ORES is progressively putting a sustainable and responsible purchasing policy in place, with the emphasis on compliance by its suppliers and subcontractors of the laws in effect regarding human rights, social dumping, corruption, health and safety and the environment, as well as compliance with the legislation on personal data in particular.

Setting an example

The company's ethics are based on five values: professionalism, a sense of accountability, a sense of service, daring and the "respect and conviviality" value to which should also be added the spirit of impartiality, non-discrimination and independence vis-à-vis other providers in the marketplace, in addition to ORES's role as distribution systems manager and the fact that it holds a monopoly.

Each and every member of staff undertakes to abide by the basic rules formalised in an internal charter of ethics. These rules cover the use of the company's property and resources, the instructions to follow in the event of attempted corruption or conflict of interest, the protection of information and data – and in particular information deemed to be privileged, etc.

Internal audit processes are also implemented for orders of equipment that is out of stock subject to contract: the dual approval of requests by line management, calls for tenders from various suppliers, the definition of signatory powers, monitoring purchase orders, etc.

Operating as part of the Board of Directors, an Ethics Committee is charged with providing advice about the compliance, by staff, of the rules relating to the confidentiality of personal and commercial information. The Ethics Committee benefits from unlimited access to all of the processes and procedures put in place, as well as to the company's staff. It has the resources that it deems necessary at its disposal to accomplish its mission within the framework of the relevant annual budgets.

A new strategy for "External Service Providers"

In 2021, ORES undertook a transversal and consultative exercise involving its stakeholders, in the aim of developing a new vision and guiding principles for the outsourcing of certain activities related to the core business of the DSO. On completion of the exercise, the company decided to prioritise the internalisation of its activities, particularly those considered as essential. A so-called "Do or Have Done" approach was agreed on the basis of precise and ordered criteria to enable outsourcing choices to be made on a win-win basis with service providers. These providers were, of course, consulted as part of this exercise and they expressed their expectations and assessments of the relationship with ORES. 47% of service providers responded to this consultation and respondents gave an overall satisfaction score of 76% to our company. Avenues for improvement were identified and will be pursued in 2022 with a view, over time, to achieving a satisfaction score of 80% with service providers.

Relations with stakeholders

In the same way, ORES organises its relations with its stakeholders by encouraging their involvement in the principles of corporate social responsibility and sustainability. It requires its suppliers, contractors and service providers to comply with a code of ethics. The areas covered in the code of ethics document are very much identical to the internal charter of ethics.

The company applies the regulations governing public tendering processes in line with the thresholds set by the legislation. The three main categories of tender relate to works, services and supplies. The total volume of turnover represented by the contracts awarded in 2021 by the company was in excess of 228 million euros. All parties submitting tenders – both Belgian and international – are required to respect various clauses aimed at stemming the flow of social dumping: checks of the company's criminal record, confirmation and verification that social security contributions and tax obligations have been complied with in full.

Contracts that are the most liable to fraud, especially those associated with on-site works, are regulated by special provisions. Successful tenderers are required to comply with the obligations designed to ensure that both works and workers are properly registered, as well as issues such as their pay, the reporting of seconded personnel, sufficient knowledge on the part of subcontracted workers of the local language, decent and convenient accommodation for workers who are unable to return to their homes on a daily basis, etc. Deterrent, one-off or daily penalties are set out in the specifications, based on any violations recorded.

Limiting subcontracting to one or two levels, depending on the contract, also aims to strengthen the measures put in place by legislation to combat social dumping. The tenderer must ensure that the "tender form" documents are completed with respect to subcontractors, regardless of the extent to which they are involved and regardless of their place in the subcontracting chain.

Finally, co-contractors are required to respect the five basic standards of the International Labour Organisation: freedom of association and effective recognition of the right to collective bargaining, elimination of forced or compulsory labour, effective abolition of child labour, improvement in working conditions, elimination of discrimination in terms of employment and occupation.

Sustainable purchasing policy

For supply contracts, ORES encourages reference to "eco-labels" and "eco-responsible" products or equivalent. In practical terms, when it supplies itself with services or materials, the company bases its actions on specific regulations in terms of health, safety and environmental protection. This regulation specifies the safety requirements and stipulates the supplier's obligation to comply with environmental regulations on waste management, as well as the obligation to provide information about any incident that may have an impact on the environment and the obligation to take appropriate measures to limit damage in the event of an incident, etc.

9. Societal engagement and local roots

As a distribution system operator, ORES is at the heart of the socioeconomic fabric of the regions, towns and local authority areas where it operates. The company maintains close and trusting relationships with its municipal partners, the academic world and the community as a whole. The repairs that followed the dramatic floods in July 2021 and the spirit of solidarity that prevailed between the company staff and the people affected demonstrated this further. Proximity and a sense of service for all characterise the company's action, which also continued its support, educational and cultural sponsorship initiatives during the year.

At the heart of community life

The ORES regional divisions and their teams work closely with the local authorities on a daily basis. In addition to operating our networks, we work in particular in the context of renovation and urban renewal projects, development schemes and "Lighting" plans for public lighting. We regularly assume the role of site coordinator vis-à-vis the authorities and other operators within the framework of the Powalco platform. The projects conducted locally may take a variety of forms. For example, at the beginning of 2021, at the request of the local authorities, teams from ORES were involved in connecting temporary COVID-19 vaccination centres to the electricity grid, as was the case at Saint-Vith in the province of Liège. It was also reflected in the showcasing of the company's expertise, skills and services at events or local functions.

Partnerships and local support

The policy of partnership conducted by the company is all about consolidating those local roots. Overall, the policy is aimed at energy, culture, the environment and socio-humanitarian issues: festivals of literature, theatre or music, support programmes for the benefit of research in the fight against cancer or cystic fibrosis profit, assistance for the production of books or exhibition catalogues, skills or technical sponsorship at trade fairs or local events, etc. Most of the initiatives supported are selected on application by the ORES regional directors, who have an ad hoc budget that is reassessed annually. All regional partnership budgets are centralised and supervised as part of the company's public relations and communications policy. The overall budget allocated to these partnerships remained stable in 2021 at 150,000 €. The events or projects supported during this financial year remained limited due to the restrictions and health-related limits imposed for certain activities. One of the stand-out activities supported was the organisation called "Tour des Sites", which specialises in open-air sound-and-light shows highlighting the architectural, cultural and folkloric heritage in various towns or iconic sites.

Elsewhere, to express its support for professionals from the world of culture and performance severely affected by the pandemic, ORES joined the national "Les Artistes du Cœur – Hart voor Kunstenaars" campaign launched at the end of 2020 under the aegis of the Prométhéa association, of which we are an active member within the Sambria Collective (see box below). This crowdfunding campaign raised more than 120,000 euros from some 400 businesses and associations. These funds were distributed at the beginning of 2021.

Faultless generosity

Following the floods in July, an appeal for donations was launched by members of staff wishing to provide financial support for the Red Cross in its mission to assist flood victims. In all, 10,754 € was raised among staff – a figure then doubled by Management.

Sambria Collective – 2021 Prize

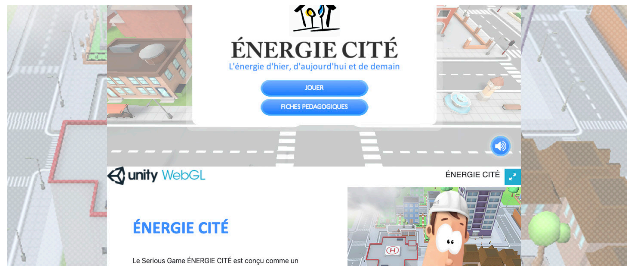
ORES is part of Sambria, the Collective of Charleroi-based corporate sponsors, operating under the auspices of the not-for-profit association, Prométhéa. The collective and its member businesses, which also include Cegelec, Brussels South Charleroi Airport, Pirnay Engineering and eight other companies, decided to pool their resources to assist the initiatives to highlight high-quality heritage spaces in Greater Grand Charleroi, for the benefit of cultural projects. Each year, the Sambria Prize rewards one or more projects that showcase the built space in Charleroi and promote access to culture.

After the ALBA talent house, the "Carolographie" project, the Ruche Theatre and the Abbey of Soleilmont in recent years, this time it was the Rockerill site, located in the old Providence forges at Marchienne-au-Pont, that was awarded the Sambria Prize, valued at 11,000 euros.

The panel of judges decided to reward the project called "the Rockerill Studio", which aims to create the transformation of a rehearsal room into a genuine professional recording studio that can be accessed by various music groups from the region. This project is designed to provide a response to the difficulties experienced by performing artists during the complex period of the pandemic.

The Rockerill Studio will provide technical and human resources for recording purposes, as well as the production of radio and video capsules, offering the special feature of being free of charge. Only charges and technical costs are invoiced to the resident artists, which is a first for the Federation Wallonia-Brussels. The judges particularly liked this project, which encourages a rebirth of music and culture after two relentless years for performers, while enhancing the emblematic location represented by the Rockerill site.

"Energy City": learning while having fun



Since it was first established, ORES has conducted awareness programmes for the rational use of energy (RUE), aimed at young people and children. After participating in initiatives such as "Zero Watt Schools" and the "Energy Challenge", the company has contributed to the production of three special issues of the "Children's Journal", focusing on electricity, gas and public lighting respectively. In 2018, it developed and distributed a set of playing cards called "ORES'O" to primary schools in Wallonia. The cards provided a fun way for the younger children to learn about electricity and natural gas, the methods by which they are distributed and practical tips for managing consumption better. 2021 saw the launch of a serious game called "Energy City". The aim of this new learning game, hosted on an online platform, is to enable the teachers of primary schoolchildren in years 5 and 6 to incorporate awareness modules into their curriculum, raising awareness of the responsible consumption of energy by having their pupils play on this computer interface. The project, developed with an educational adviser and Arteam interactive, a company specialising in serious gaming applications, was tested with a panel of teachers in the spring of 2021, before being launched permanently as part of Sustainable Energy Week at the end of October. The game is available, free of charge, online from https://www.energie-cite.be/fr/.

Projects in conjunction with the academic world

In addition to the O-One solution developed with a spin-off from ULiège and the E-Cloud project involving UMons (see section 3 "Energy Transition and the Environment"), ORES continued to work with the universities in 2021. The company funds 50% of the costs of two doctorates: one focusing on energy poverty and the other linked to the introduction of smart meters in homes. As part of the SocCER projects, also mentioned previously in this report, three living labs have been set up to test, life-size, renewable energy communities for their social, economic, technical and environmental aspects. The partners in the consortium and the participants in the working groups running these experiments with ORES include UMons and UCLouvain in particular. Finally, an "ORES Prize", worth 500 euros, rewards the final graduating work of a student from the Polytechnic Faculty of Mons who particularly distinguishes himself or herself by the quality of his or her research in the field of electricity networks.

A new record cheque for Viva for Life in 2021

Each year, the Viva for Life operation organised by the RTBF and CAP48 calls for the support of viewers and listeners in Wallonia and Brussels to help children living in unacceptable conditions of poverty.

ORES has taken part in the programme as a structural partner since it was created in 2013. Staff members are able to demonstrate their support, in particular by making donations via a centralised crowdfunding platform. This year, the public again got strongly behind the challenge launched by ORES to the RTBF presenters, sitting in the Place de Tournai (see photos). As usual, there was great support and, in the end, the donations made exceeded everyone's hopes, with a record cheque for 35,897 euros presented to the organisers on behalf of ORES. Viva for Life itself sent the donation needle off the dial in 2021, with more than 7.5 millions euros raised, which will enable 166 aid associations that support families in need to see their projects funded in Federation Wallonia-Brussels. Viva for Life celebrates its 10th anniversary in 2022 and, once again, ORES will be a partner.

III

MANAGEMENT REPORT

1. Notes to the annual financial statements

(article 3:32 of the Code of companies and associations)

1.1. A true and accurate view of

1. The development of the business

See section II – Activity and sustainable development report – Statement on non-financial information.

2. The company's results and situation

i. Element of the consolidated profit-and-loss account at 31 December 2021

Changes in the consolidated result (in k€)	31/12/2021	31/12/2020
Sales and services	1,333,299	1,255,391
Cost of sales and services	-1,043,112	-1,002,241
Operating profit	**290,187**	**253,167**
Financial income	2,229	317
Financial expenses	-29,630	-34,083
Pre-tax profit for the financial year	**262,786**	**219,401**
Tax on the result	-80,337	-58,479
Profit for the financial year	**182,449**	**160,922**

Turnover for the Group (the Group) was 1,267,508 k€ in 2021, compared with 1,218,455 k€ in 2020. This was made up mainly of transmission charges invoiced to energy providers, energy sales to protected customers and income relating to work on behalf of third parties. This increase was mainly to transmission charges generated, on the one hand, by an increase in the quantities invoiced for both electricity and gas, and on the other by a rise in transmission tariffs.

Other income was 64,354 k€ in 2021, compared with 35,007 k€ in 2020. Since October 2020, this item has also included the recovery, via the Walloon Region, of the premiums relating to the prosumer tariff refunded to customers by ORES Assets, which is the main reason for the increase of this item.

The cost of sales and services in 2021 was 1,043,112 k€, which was an increase of 40,888 k€ compared with 2020. On this point, we should point out that:

- purchases of goods were 29,998 k€, up by 7,275 k€. These costs mainly represent purchases of energy (electricity or gas) relating to the customers of ORES Assets as part of the company's public service obligations, as well as purchases of goods associated with our stock;
- miscellaneous goods and services in 2021 were 661,668 k€ (an increase of 49,590 k€); the Elia fee was the main component of this cost item, amounting in 2021 to 414,956 k€, compared with 359,878 k€ in 2020. This increase is explained by the rise in volumes carried (+5.31%), as well as by a price increase (+9.02%);

- salaries and social security charges were stable and amounted to 142,199 k€ in 2021, compared with 141,225 k€ in 2020;
- depreciation of tangible and intangible fixed assets fell by 5,417 k€, amounting to 165,155 k€ in 2021;
- impairments on stocks and trade receivables were -5,935 k€ (income), compared with -9,464 k€ (income) in 2020. As was the case in 2020, significant bad debts were recorded on old receivables, offset by a reversal of impairments of the same order. 3,676 k€ of impairments on stock was recorded in 2021. On this topic, we refer the reader to the notes to the assets of the balance sheet below;
- in 2021, provisions for risks and charges were -23,152 k€ (income), compared with -5,228 k€ (income) in 2020. This amount is made up of significant provision writebacks relating in particular to the construction of the new head office (-3,299 k€) or to the "Atrias" project, which was rolled out successfully (-18,000 k€). These writebacks are offset partially by the update to the interest relating to certain provisions, as well as by the setting aside of new provisions for social disputes and concerning the statutory provisions on excavated earth (WGD on Excavated Earth);
- other operating expenses were 72,443 k€ in 2021, compared with 40,708 k€ in 2020 and in particular included impairments recorded following the disposal of tangible fixed assets and impairments of trade receivables, the majority of which were written down, or premiums paid to customers as part of the promotion for connections to the gas network (Promogaz campaign). The increase in relation to 2020 stems mainly from support for photovoltaic (prosumer tariff);
- other non-recurrent operating expenses were 736 k€. As it does at each end of financial year, ORES checks to see if impairments need to be recorded in the accounts on capitalised projects by carrying out an impairment test. The company conducted a detailed review of the projects included in the intangible fixed assets.

Following this impairment test, the disposal of some intangible fixed assets was recorded. As some fixed assets have not been fully depreciated, an impairment was generated (736 k€).

The financial impact of the floods in mid-July was not significant for the Group.

The Group's financial result ended with a charge of 27,402 k€ in 2021, compared with 33,766 k€ in 2020. This was made up mainly of interest paid on our bank borrowing and bonds.

Taxes in 2021, consisting mainly of corporation tax, amounted to 80,337 k€, compared with 58,480 k€ in 2020. The increase of 21,857 k€ was linked to a large extent to the settlement of taxes to be paid following tax inspections relating to the 2018 year.

The Group is considering challenging these additional fiscal expenses.

Total net profit was 182,449 k€ in 2021, compared with 160,922 k€ in 2020, an increase of 21,527 k€ (+13.38%)

ii. Elements of the consolidated balance sheet at 31 December 2021

The balance sheet total was 4,684,321 k€, compared with 4,435,114 k€ at the end of 2020.

Consolidated balance sheet in k€	31/12/2021	31/12/2020
ASSETS		
Fixed assets	3,958,373	3,906,570
Current assets	725,948	528,544
Total ASSETS	**4,684,321**	**4,435,114**
LIABILITIES		
Equity capital	1,910,491	1,799,749
Third-party interests	3	3
Provisions, deferred taxes and latent tax liability	26,999	50,151
Debts	2,746,828	2,585,211
Total LIABILITIES	**4,684,321**	**4,435,114**

ii. a. Assets

Intangible fixed assets were up by 11,647 k€ (net book value of 68,042 k€, compared with 56,395 k€ in 2020). These were made up of expenses relating to IT projects.

Investments for the 2021 financial year related mainly to the "Atrias" and "Smart" projects. This increase is explained as follows:

- investments for the financial year: +26,465 k€;
- depreciations for the financial year: -14,082 k€;
- disposals following the impairment test: -736 k€.

Tangible fixed assets were 3,876,418 k€ in 2021, compared with 3,836,243 k€ in 2020, which was an increase of 40,175 k€. This increase is explained as follows:

- investments for the financial year: +207,550 k€ ;
- depreciations for the financial year: -151,073 k€ (including depreciation of the revaluation gain);
- the decommissioning of installations: -16,302 k€.

Financial fixed assets worth 13,913 k€, compared with 13,931 k€ in 2020 were made up mainly of an advance from ORES Assets to Atrias of 13,742 k€, as well as the shares owned in Laborelec, Igretec and Atrias.

Receivables after more than one year rose by 995 k€ compared with 2020 (7,474 k€ at 31 December 2021). These are receivables held on local authorities in the context, on the one hand, of the replacement of Hg/HP lamps for which the project was completed in 2019 and, on the other, following the Walloon Government EP decree[2] providing for the replacement in the next ten years of all municipal public lighting bulbs by LEDs.

Stocks and orders pending were 62,076 k€. These were made up of goods (53,489 k€), as well as works underway

[2] The Walloon Government Decree of 14 September 2017 amending the Walloon Government Decree of 6 November 2008 relative to the public service obligation imposed on the distribution systems operator in terms of maintenance and the enhancement of the energy efficiency of public lighting installations.

1 NOTES TO THE ANNUEL FINANCIAL STATEMENTS

for private individuals and municipalities (8,587 k€). Write-downs of 3,676 k€ were recorded in 2021, on the one hand, on the stock of electromechanical and budget meters that are no longer intended to be installed on the network and that are gradually being replaced by smart meters and, on the other hand, on the stock with a very low turnover, i.e. items that have not been moved for at least five years.

Trade receivables were 255,243 k€, compared with 145,610 k€ in 2020 and were made up mainly of receivables from energy providers in the context of the invoicing of transit charges, receivables on protected and "Provider X" customers, as well as the amount of credit notes to be received. Following the launch of Atrias, invoicing for transit charges in December covered the months of November and December, which explains the increase compared with 2020.

"Other receivables" were (16,135 k€ compared with 53,630 k€ in 2020) and include tax to be recovered (3,377 k€), the balance to be recovered for transport reconciliation (7,661 k€), receivables relative to damage to the network caused by third parties (1,710 k€), as well as miscellaneous receivables (3,387 k€). The significant reduction in this item is explained by the outstanding debt at the end of 2020 vis-à-vis the Walloon Region (27,462 k€) received in 2021.

Cash investments amounting to a total of 153,016 k€ compared with 38,640 k€ in 2020, were made up of investments in SICAVs of 101,778 k€, term investments on bank accounts amounting to 44,238 k€ and investments in commercial paper of 7,000 k€.

Available assets (65,592 k€) included cash held in current accounts and social funds.

Accruals (166,411 k€ compared with 188,724 k€ in 2020) were made up mainly of the balance of pension capital yet to be covered of 16,819 k€, fees for using public roads for gas of 17,152 k€, regulated assets worth 87,769 k€, charges carried forward relating to work to replace the lamps in the public lighting network of 14,802 k€, as well as the RTNR (unmetered transmission fee) of 23,287 k€.

ii. b. Liabilities

The input from ORES Assets was 867,464 k€ and in made up of the available input (866,931 k€) and unavailable input (533 k€).

The capital gain from the revaluation of tangible fixed assets amounted to 471,148 k€, representing the as yet non-depreciated part of the initial difference between the RAB and the book value of these assets. This item went down by 20,770 k€ following the depreciation of the capital gains calculated at a rate of 2% per annum.

Consolidated reserves increased by 131,560 k€ due mainly to:

• the transfer to unavailable reserves of a share of the revaluation surplus for the amount of the depreciation, i.e. 20,770 k€ ;

• allocation to the available reserves, mainly in the context of the allocation of the 2021 results of 109,538 k€ ;

• the net movement to the untaxed reserves of 1,252 k€, relating to the "Tax Shelter".

The capital subsidies account (59 k€) represents the net book value of a subsidy received from Wallonia for a general interest industrial research project relating to smart meters ("Smart Metering").

Third-party interests represent the share of the subsidiaries, ORES and Comnexio, transferred by ORES Assets to the purely financing intermunicipal companies.

Provisions for risks and expenses fell by 23,152 k€, from 50,151 k€ to 26,999 k€ at 31 December 2021. These are made up of:

• environmental provisions of 3,620 k€ ;

• provisions for disputes of 12,743 k€, of which:

✓ provisions for the relocation of installations (6,857 k€);

✓ the provision set aside following the termination of the IT services contract to implement an information system for smart metering (3,718 k€);

✓ the provision made for disputes with contractors for the construction of the new head office (328 k€);

✓ the provision for social disputes (1,840 k€).

• provision relating to the Walloon platform for the management of master plans – vectorisation of 8,705 k€;

• provision within the framework of statutory provisions on excavated soil (Walloon Government Excavated Soil Decree) of 1,931 k€.

Debts after more than one year were 2,069,975 k€, an increase of 208,746 k€ compared with the previous period. These mainly represent:

• bank loans amounting to 1,682,080 k€;

• de bond loans in the form of private investments amounting to 380,000 k€.

In 2021, the Group obtained new loans totalling 425,000 k€ from credit and bond establishments, whereas it repaid bank and bond loans totalling 384,211 k€.

Debts after more than one year falling due within the year were down by 166,075 k€ (218,067 k€ at 31 December 2021) and were made up of the capital from loans maturing in 2022.

Miscellaneous suppliers and invoices to be received make up the bulk of commercial debts (181,608 k€, compared with 166,770 k€ in 2020).

Advances received on orders (54,625 k€ c/ 39,179 k€) include interim billings sent to protected customers and under "Provider X" (public service obligations, or PSO), as well as deposits received from customers for works to be carried out. The increase is due to advance payments received in connection with major works to be carried out in 2022, see below (windfarm, construction of the Charleroi General Hospital, etc.).

Tax, payroll and social debts of 97,397 k€ (48,165 k€ in 2020) covered:

• tax debts (49,649 k€): the balance of the withholding tax to be paid, as well as the VAT to be paid on operations for December (22,779 k€), but also the estimated balance of tax to be paid for the 2021 tax year (11,722 k€), as well as the tax adjustment taken into account following the tax inspections relating to 2018 (15,148 k€) ;

• payroll and social debts (47,748 k€): provisions for salaries, bonuses to be paid and various annual subscriptions (Inami, NOSS).

"Other debts" (103,833 k€), mainly included the various advances received (82,408 k€) from the Walloon Region (mainly for the prosumer tariff) and from the federal government, the balance of gross dividends associated with the 2021 financial year to be paid after approval by the Ordinary General Meeting for the first half of 2022 (10,377 k€), as well as deb to third parties and staff (social funds).

Accruals in the liabilities (21,323 k€ compared with 63,145 k€) were made up mainly of:

• regulatory balances (4,601 k€) ;

• an amount of 8,066 k€ of financial expenses mainly relating to our bond loans and bank borrowing;

• an amount invoiced to other companies to cover the annuities to be paid to their former staff of 2,790 k€ ;

• the unmetered transmission charge at the end of 2021 (2,630 k€)

1 NOTES TO THE ANNUEL FINANCIAL STATEMENTS

iii. Description of the main risks and uncertainties facing the Group

The following paragraphs describe the measures taken to identify the main known risks and uncertainties which the ORES group may face and to remedy them. Risk management is a key process when it comes to helping ORES fulfil its strategic goals, as documented in the strategic plan. In 2018, ORES established a new methodology for managing risks. Since then, it has been refined each year.

This process identifies, analyses and assesses the relevant risks according to their nature, the probability that they will occur and their potential impact on the fulfilment of the goals set by ORES. The methodology used in this process is described in this report and more specifically in the section entitled "Description of the main characteristics of the internal auditing and risk management systems". The main results for 2021 are explained in more detail below, focusing on the most significant risks, as highlighted by the risk analysis finalised in October 2021[3]. Some unidentified risks could exist or, whereas they appear to be limited today, they could become more significant in the future. Nevertheless, the methodology put in place, by making all departments accountable and by expanding the sources of information as a result, makes it possible to greatly reduce the probability of ignoring a severe risk.

i. Risks associated with transformation and change

These are risks associated with human and financial sustainability and hence with the ability of ORES to implement its strategic, transformation and change plan associated with it. These risks may produce difficulties associated with:

- the sustainability of the change;
- the simultaneity of projects and hence the number of projects to be conducted jointly and the dependence between the projects arising from them;
- human resources, particularly the sustainability of the staff workload;
- the ability to deliver results within the timeframes set, in particular with regard to IT projects.

These difficulties may impact the implementation of this plan.

Among the actions implemented or established to mitigate this risk, we should mention the particular attention paid to governance (applicable to all initiatives, clarification of roles in change management, etc.), the close monitoring of human resources (optimisation of the resources required by projects, the bolstering of teams to anticipate and implement these projects, special attention paid to the workload of the functions affected by the changes, etc.), etc. In the same way, the implementation of these actions opens up opportunities for ORES, such as the mobilisation of staff behind a new long-term vision, thoughts about efficiency, awareness of the budget process and abiding by it, the development of agility and adaptation of the organisation, its processes and so on.

In the context of the digitalisation of the activities of the DSOs, platforms such as Atrias are essential. The ability to incorporate new technologies and market expectations (mainly around the smart meter) is fundamental and constitutes a risk factor that requires particular attention.

ii. Risks associated with pandemics

Due to the measures to stop normal operations that may be imposed by the government authorities should there be a pandemic, as well as the effect of these measures on the availability of staff, pandemic may affect companies and require them to respond in the face of exceptional unforeseen and anticipated circumstances.

ORES has an internal emergency plan and, where applicable, takes exceptional and proportionate measures to:

- safeguard the health of its staff;
- maintain the essential public service tasks provided by the company;
- contribute to the national effort to combat the spread of pandemics.

3. For operating, IT and HR risks not identified as part of the most significant risks, please refer to the to description stated in the 2019 annual report.

ORES has demonstrated its ability to continue carrying out its public service duties effectively against a background of the unprecedented health crisis we have experienced in recent years.

The worldwide shortage of rare materials and items such as microprocessors resulting from changes in lifestyle and consumer habits as a result of the COVID-19 pandemic, but also from the global geopolitical context, may also impact ORES. The resulting non-availability of the equipment needed for the networks may affect ORES's ability to carry out its work. Special attention needs to be focused on the continuity of the supply chain.

iii. Regulatory risk

The context of distributing electricity and gas is faced with increasingly rapid and uncertain changes. With this in mind, there is increasing probability that changes to the legislation and/or regulations may have a significant sudden and/or unexpected impact on the company's strategy, with potential effects on the projects underway, the need to embark on new, very short-term projects and the mobilisation of the company's human and budgetary resources. These repetitive uncertainties and changes make the development of effective operational strategies more complex. More specifically, the company's ability to maintain consistency between its vision, strategy and transformation plan, as well as developments in the external context is the subject of special attention. An update to the strategic plan was approved at the end of 2021 and is monitored regularly.

In the same way as risks associated with transformation and change, the implementation of actions to mitigate regulatory risk opens up opportunities for ORES, such as thoughts about efficiency, awareness of the budgeting process and complying with it, developing agility and adjusting the organisation and its processes, etc.

More specifically with regard to tariff risk, please refer to section viii, "Economic and financial risks", below.

iv. Risks associated with the volume of energy distributed

The ban on the use of fossil fuels by 2050, as well as the measures adopted by the European Union to encourage the gradual introduction of this ban (for example for financing), may have an effect on the Group's gas-related business. This impact will depend on the agreed vision of where gas fits into the intended low-carbon society. It may involve a reduction in the penetration rate, an increase in associated costs (and hence tariffs), a problem with depreciations if certain assets can no longer be used at the end of their initial service life, or an increase in financing costs. In addition, other sources of energy, such as heat networks, may come to compete directly with the gas-related business.

A reduction in consumption and hence in the volumes transiting through the networks as a result of the improvement in the energy efficiency of buildings and the development of forms of the self-production of energy (such as photovoltaic panels), could also have an impact on the gas business, as well as on electricity. This impact might take the form of a reduction in the base (kWh) for which the cost of activities could be passed on and hence an increase in tariffs. However, this reduction could be offset by the introduction of new uses for energy (electric and CNG vehicles, heat pumps, etc.).

The Promogaz and CNG campaigns aimed at optimising the use of the gas distribution networks, facilitating the use of biomethane by accommodating new injection points, or the monitoring of the development of the injection of hydrogen into the gas distribution network are all actions that would enable this risk to be mitigated and could constitute an opportunity through the development of "green" gas being injected into the network.

Beyond the threats that this could have on the volume of energy (electricity and gas) drawn down from the distribution networks, energy transition also has the effect of placing the distribution networks at the heart of the technological and societal changes associated with this transition. By confirming its wish to be a facilitator of energy transition, ORES also aims to be an essential conduit working on behalf of these numerous developments:

the production of renewable energy connected to the distribution network (photovoltaic panels, wind farms, injections of biomethane), new mobility solutions (electric recharging points, CNG or bio-CNG stations), energy communities, flexibility, storage, etc. There are many opportunities and these are being monitored by closely by ORES.

v. Risks associated with external service providers

ORES and ORES Assets are subject to the legislation on public procurement for their purchases of supplies, services and works. ORES is seeing an upward trend in the cost of the contractors on which it calls by public tenders. A procedure is to be launched to define a "vision of external service providers" in order to mitigate this risk. In the same way, the strategies for public procurement are currently the subject of changes, which specifications are being reviewed.

vi. Risks associated with organisation and governance

The environment in which ORES and ORES Assets operate is uncertain and complex. It is also changing quickly and constantly: energy transition, digitalisation, more sophisticated energy markets, the need for immediacy, speed of technological developments, etc. This means that the processes and organisation must be adapted and simplified to enable ORES to be more efficient and to achieve the required level of agility. While the roles and responsibilities of the organisation of tomorrow are not yet clear, there may be tensions and losses of efficiency, etc. In order to mitigate these risks, procedures linked to the efficiency of the organisation have led to a new organisation for ORES.

vii. Climate risks

Storms, higher temperatures with greater variations, intensive rainfall and the resulting floods, etc. The frequency and severity of these weather-related events can cause harm to the distribution networks and the way they are operated. Adjusting to climate change and the resilience of our networks are new risks that need to be taken into account by ORES.

viii. Economic and financial risks (including tariff risks)

viii. a. Tariff risks

The activities of ORES and ORES Assets are governed by a major legislative and regulatory framework, the main two elements of which are the tariff decree and the tariff methodology, drawn up on the basis of this decree by the CWaPE. In particular, this framework defines the means available to the DSO to fund its activities (authorised income) or a collection of rules that may have a positive or negative impact on shareholders' remuneration (incentive-driven regulation mechanism). In 2018, the regulator approved the authorised revenue available to the Group for the 2019-2023 period and in 2019 the rates for the 2019-2023 period. This is a positive element that gives the company a 5-year view of the means at its disposal. In 2018, the regulator had also approved special budgets for specific projects (notably for smart metering and the promotion of natural gas). Following the publication of the Walloon decree of 19 July 2018 relating to the deployment of smart meters, the assumptions used in the framework of the budget relating to the specific "smart metering" project as approved by the regulator had to be reviewed (in particular, change in metering technology and downward revision of the volumes deployed over the period 2019-2023). The CWaPE's decision to refuse the envelope specifically reviewed to take these new assumptions into account having been overturned by the Market Court following the appeal by ORES, discussions about the net charges included in this envelope have continued. They resulted, in October 2021, with the regulator approving the review of these net charges. Elsewhere, discussions relating to the adoption of the tariff methodology 2024-2028 have begun. In particular, ORES will be careful to ensure during these discussions that this methodology assures the continuity and long-term vision of the activities of the DSOs, that a tariff structure is introduced that meets the needs of customers, as well as complies with the constraints and cost structure of the DSOs, etc. Although any modification of the tariff methodology could have an impact on the profitability of ORES, the regulator's obligation to take account of the principles of the European directives of the third energy package and the tariff decree of 19 January 2017 will limit this risk.

Differences may appear between controllable costs and actual costs, both in terms of the authorised income and specific budgets. To mitigate this risk, the following actions are being taken in particular:

- monthly budget monitoring, refinement of budgets as and when required and the production of a "best estimate";
- monitoring the indexation parameters, as well as the development of certain costs.

Finally, the company needs to ensure it complies with the financial covenants, which are monitored regularly.

viii. b. Credit risks

The Group conducts a financing policy that calls on a variety of sources in the capital markets. Since 2012, the Group's financing has been carried out by ORES, with a guarantee from ORES Assets.

At 31 December 2021, the Group's sources of financing consisted mainly of:

- a programme of commercial paper with an indefinite duration up to a maximum of 550 M€;
- funds raised via private investments (in 2014, 2015 and 2021);
- amounts raised through the issue of bank loans;
- significant finance raised from the European Investment Bank (550 M€);
- a short-term line of credit for 50 M€ for a term of 3 years.

The series of measures required for the development of the European Union's sustainable finance strategy is still in the process of being approved (regulations on taxonomy, related draft delegated bills, draft directives or regulations on corporate sustainability reporting, on the publication of information relating to sustainable finance, on governance, etc.). The finalisation of the texts and their eventual transpositions into Belgian law could impact ORES and/or make access to finance more complex.

viii. c. Interest rate risks

Any change in interest rates has an impact on the level of financial expenses. In order to minimise this risk, the Group applies a financing and debt management policy designed to achieve an optimum balance between fixed and variable interest rates. As well as this, hedging instruments are used to protect against uncertainty. With a view to managing interest rate risks, the Group uses derivatives such as swaps (short-term rates to long-term rates), interest rate caps and collars (combination of buying a cap and selling a floor). No derivatives are used for the purposes of speculation. The financing policy also takes debt maturity into account. Debt management and market data are carefully monitored.

vii. d. Inflation risks

The inflation risk is the risk of a more or less sustainable and controllable price increase. The CWaPE tariff methodology provides for controllable costs to change annually on the basis of an indexation factor (linked to the Belgian health index) of 1.575%, which is not revised during the tariff period. As a result, any price increase in excess of the inflation forecast in this methodology could impact the company's earnings. To protect itself from this risk, ORES has acquired partial cover through an inflation swap.

viii. e. Fiscal risks

ORES Assets and ORES are subject to corporation tax. Changes to the tax regulations and their interpretation by the tax authorities may impact the group. The tariff methodology stipulates that any fiscal charges for ORES Assets are incorporated into the tariffs as a non-controllable cost. As a result, the impact of changes to the tax legislation is limited essentially to ORES.

viii. f. Assets and liquidity risks

Within the context of managing these risks and billing fees to use the networks, which accounts for the bulk of the Group's turnover, ORES Assets has financial guarantees from many of its energy suppliers active on the network. These guarantees are defined by the contract granting access to the network and may be reviewed annually.

ORES has short-term financing capacity thanks to its programme of commercial paper and credit lines, as outlined above; the liquidity risk can therefore be regarded as more than manageable. Cashflow management helps limit the risks associated with the market, the way assets and liabilities are structured and liquidity. The management bodies have established a prudent investment management policy, based on diversification as well as the use of products with limited risks in terms of credit and rates. ORES is aware of the issue of negative interest rates when it comes to managing its cashflow.

viii. g. Macroeconomic and financial climate risks

The economic situation may have repercussions on the demand for electricity and natural gas, or on the price of certain charges linked to the price of energy or on the Group's financing conditions.

The economic situation may have repercussions on the demand for electricity and natural gas, or on the Group's financing conditions. With regard to the impact on the demand for electricity and natural gas, this risk and its effects are not normally borne by the Group. The 2019-2023 tariff methodology provides for the regulator to check the differences between the budget and the actual situation during the financial year following the year in question (N+1), including volume risk. The tariff for regulatory balances shall, in principle, be adjusted to take account of these differences as from 1 January of the year following that of the check (N+2).

The charges linked to the price of energy, such as the purchase of energy for the price of losses, are essentially expenses that are controllable for the DSOs. The increase in energy prices on the wholesale markets, both for electricity but especially for gas, which began in September 2021, may force these charges up, causing them to exceed the level of costs accepted by the regulator. In the same way, the increase in energy prices could have an adverse effect on the financial situation of some suppliers who are already weakened. The financial fallout from the bankruptcy of energy providers is also considered by the tariff methodology to be controllable expenses. These overruns are currently deducted from the fair remuneration of invested capital (REMCI) and as a result are withdrawn from the profits of the DSOs and their partners. In addition, this increase could also lead to a slowdown of the investment works requested by customers. At the current time, the impact is not such that it might compromise the continuity of the Group.

With regard to the impact on the financing conditions for the Group, reference is made to the paragraph on interest rate risk (derivatives for hedging purposes, financing and debt management policy and monitoring of market data).

1.2. Details of significant post-closing events

The end of February 2022 saw the whole of ORES placed on high alert, from the call centre and the teams in the field, to central dispatching and the manoeuvre coordination posts. Three successive named storms – Dudley, Eunice and Franklin – blew in and affected Wallonia, causing major damage to the electricity distribution network infrastructure, mainly in Picardy Wallonia, but also in the regions of Mons-La Louvière and Walloon Brabant, resulting in numerous blackouts for customers. Thanks to the close-knit support of staff members between regions, these outages were kept restricted in time and the supply of electricity was restored as soon as possible. Often working in difficult conditions, all operations were carried out with professionalism and – always a priority – with a keen eye on safety for everyone involved.

The conflict in Ukraine that began at the end of February could have multiple consequences for the Group: financial, due to the increase in the charges associated with the price of energy and the failure of certain energy providers (see Macroeconomic and financial climate risks), technical– affecting the very business of the DSO, in particular with the risks relating to the continuity of supplies in Europe, and IT-related, with the rise in cybersecurity risks. However, this conflict may also provide an opportunity to speed up the development of renewable energy, in particular "new gases" and biomethane.

A number of Walloon DSOs, including ORES Assets, noted that the terms of the provider ELEXYS SA's access contract to their electricity and gas distribution networks were no longer being fulfilled. As a result, its access to the networks was suspended on 18 March. A transactional document (payment plan) is in the process of being finalised between this provider and ORES Assets to cover the resulting risk. As another energy provider, Energie 2030 Agence SA, wanted to cease its supply business on 1 March, the CWaPE decided to withdraw its supply licence, resulting in a breach of the access contracts with the DSOs, including ORES Assets. These two withdrawals have no impact on the financial health of the ORES Group.

As already mentioned, a new organisation has been introduced to ORES. In addition, the 1st quarter of 2022 saw the departure of two directors from ORES. The first of these, Inne Mertens, director of the Customer Division, left the company to become CEO of Sibelga, the Brussels distribution system operator. The second, Benoît Houssard, director of the former Technical Department, took retirement. The Group thanks them both for everything they have contributed to ORES during their career.

1.3. Information about circumstances likely to have significant influence on the development of the consolidated group

None

1.4. Information about research and development activities

Technical developments in terms of network management, smart metering and other developments (including computer applications for managing metering data) show that significant development costs were generated and that it is highly probable that they will be spread over longer periods than in the past. With this in mind, ORES took the option of activating staff expenses for researchers, technicians and other support staff, insofar as they are allocated to working on a project qualified as "development".

These projects relate in the main to IT developments, such as the Atrias project or to the smart metering and smart grid projects

1.5. Presentation of the use of financial instruments by the company

Up until 2012, the 8 combined DSOs that merged to create ORES Assets were financed by bank loans (via public contracts) from leading Belgian financial institutions.

Since 2012, the Group's funding has been carried out by ORES, guaranteed by ORES Assets, which means that the group can benefit from a range of financing sources.

Apart from bank financing (which has not been subject to a public contract since 30 June 2017), as of 31 December 2021, ORES:

- had a programme of commercial papers worth 550 M€ with an indefinite term;
- had a short-term line of credit, for an overall amount of 50 M€ with a term of three years;
- issued bonds in 2014 and 2015 admitted to the listing and to be traded on the "Open market" segment of the Frankfurt stock exchange in the form of private investments;
- secured a financing programme from the EIB (European Investment Bank) in 2017 for a total of 550 M€ to be drawn over 5 years.

In 2021, ORES contracted new bank loans for 200 M€. It also proceeded with the issue of private investments for 100 M€ and drew down 100 M€ on the financing programme from the EIB.

ORES will continue to pursue a financing policy that calls on a variety of sources in the capital markets.

The financing policy is based on three points (interest rate, loan term and use of hedging derivatives). These principles were the subject of decisions made by the competent bodies of ORES Assets and ORES. The financing policy also takes into account different lifetimes of loans and the lifespan of the assets.

Particular attention is paid to changes in interest rates. Indeed, any variation in interest rates has an impact on the level of financial expenses. In order to protect themselves against this risk, ORES and ORES Assets are careful when it comes to debt management, to find the optimum balance for loans at variable and fixed interest rates in its portfolio.

In addition, hedging instruments are used to protect against increases in interest rates. This risk is managed thanks to the use of derivatives such as interest rate swaps (short-term rates to long-term rates), interest rate caps and collars (combination of buying a cap and selling a floor).

No derivatives are used for the purposes of speculation.

1.6. Justification of independence and competence in terms of accounts and auditing of at least one member of the Audit Committee of the consolidating company

Since June 2018, the Audit Committee has been mirrored in ORES and ORES Assets, according to the rules of common governance and in accordance with the provisions of the CDLD – the Belgian Local Democracy and Decentralisation Code.

Ms Anne-Caroline Burnet was appointed Chair of the Audit Committee from 11 September 2019, following the total renewal of the Board of Directors by the general meeting of shareholders on 29 May 2019, in accordance with the CDLD and the articles of association.

She justifies the required independence and competence. In this way, on the one hand she meets the independence criteria required by the legislation while, on the other, she has the required experience in accountancy, audit and financial matters in the sense of the Act of 7 December 2016. These two elements were confirmed in a certificate.

This management report will be lodged in full with the National Bank of Belgium (notes to the financial statements; annual financial statements, with the latter being in the format of the full standardised model; valuation rules and social balance sheet), accompanied by non-financial information (introduction, activity and sustainable development report – statement of non-financial information, as well as the GRI table of contents) and the remuneration report.

1.7. Description of the main characteristics of the internal auditing and risk management systems of the associated companies with regard to the process of drawing up consolidated accounts

As the daily operational management of the business at ORES Assets, including keeping the accounts, is entrusted to ORES – as the operating company – this description sets out the main characteristics of the internal auditing and risk management systems in relation to the process of drawing up the accounts in place at ORES in 2021.

At ORES, internal auditing and risk management are part of the corporate governance put in place to enable the company to take its decisions in a responsible, efficient and transparent manner.

a. Audit environment

i. Corporate governance

In accordance with the ORES articles of association and governance charter, the Board of Directors has established various committees that assist it in exercising its responsibilities: The Audit Committee, the Executive Board, the Appointments and Remuneration Committee and the Ethics Committee. In particular, the Board has entrusted the following missions to the Audit Committee: (i) to assist it in examining financial information, (ii) to monitor the effectiveness of the internal auditing and risk management systems, (iii) to supervise internal auditing and its effectiveness, and (iv) to monitor the legal checks carried out on the accounts and the recommendations made by the auditor. This Committee meets at least three times a year to discuss these various points.

The Board of Directors has delegated the day-to-day management of the company, as well as its representation regarding this management to the person who chairs the Executive Board (delegated to day-to-day management). As the person delegated to day-to-day management, the Chairman of the Executive Board may, as part of this management, sub-delegate special powers to members of ORES staff and in particular to the members of the Executive Board. In this case, the Finance Department supports the Committee by making reliable and relevant financial information available to it in timely fashion. This information is essential for taking both strategic and operating management decisions, as well as for the effective management of the company's financial missions. This information is made up of financial and tax reports (statutory and consolidated financial statements) and regulatory reports.

To meet the need to manage and audit the activities conducted at ORES, the Executive Board has adopted governance based on the IPMS (Integrated Performance Management System) methodology. It sets the management rules which, when applied to the various processes and activities – including those relating to financial, tax and regulatory reporting – enable ORES manage its objectives, monitor its activities, control its risks, improve the efficiency of its operations through a system of evaluation and through the optimum allocation of the various roles and responsibilities. This governance is on two levels: corporate governance (the relationship between the shareholder and management and hence essentially the way the company's management bodies operate) and operational governance.

ii. Breakdown of objectives

The company's strategy takes the form of a strategic plan encompassing both the vision and the mission of the company. This plan also contains an overview of the main lines of the strategy, the mobilising levers and the means identified to achieve these aims. The transformation plan is an important tool for reaching these goals. Using a timeline, it shows the main objectives, the constraints (including financial) and the contribution made by the various projects to ORES's industrial aims. These objectives are then broken down by department. ORES management assumes its responsibility in implementing an effective internal auditing system that ensures, among other things, that the company's objectives are achieved.

iii. Roles and responsibilities

In terms of corporate governance, the roles and responsibilities of the various bodies are set out in the articles of association and the governance charter. These texts are available on the ORES website.

In terms of operational governance, the key principle is accountability. Decisions are taken at the most appropriate level within a given mandate. To make this happen, the Executive Board has defined and introduced an organisation that is formalised as part of an organisation chart. The Human Resources Department keeps this chart up to date, along with the job descriptions. Each job description includes the reason for the position, the qualifications required, areas of results and key responsibilities. Allocating roles and responsibilities to each member of staff enable the operational tasks within ORES to be distributed appropriately.

In the Finance Department, the "Group Accountancy" section is in charge of keeping the accounts, checking financial information and preparing financial and fiscal reports. The "Management Control" section guides the budgeting process by providing operational coordination and budget controls, as well as by drawing up the financial and management reports that are submitted to the regulator.

In terms of the qualifications required, the skills needed to fulfil ORES's mission are contained in the company's "Capability Map". A skills management policy is in place to encourage training, which in turn enables all members of staff to carry out their tasks efficiently and reliably. The tasks, responsibilities and skills of each employee in the Group Accountancy" and "Management Control" sections are clearly identified in the policy. Training is available to enable them to maintain and update the acquisition of the skills they need. These courses are mandatory.

An ERP package is used to keep the accounts in good order and for the reports relating to the companies consolidated in ORES Assets. The package includes all of the IT tools required to draw up these reports.

iv. Implementing governance

In terms of corporate governance, there is common governance for ORES and ORES Assets in place, based on mirror management bodies. More information about this is to be found in the articles of association and the Governance Charter.

In terms of operations and in addition to the formal organisation set out in the organisation chart, the company's governance is based on two types of corporate body: committees and coordination groups. The Executive Board decides to establish a committee when a particular subject requires decisions to be taken collectively on a recurrent basis across more than two departments. This committee is a permanent operating body that takes strategic decisions on clearly defined topics, working within the framework of a clear and formalised mandate, with specific tolerances. The committee reports to the Executive Board. Coordination groups are put in place for the purpose of aligning functional or operational counterparts with each other or for consulting with or informing the group.

v. Integrity and ethics

Integrity and ethics are essential elements at ORES within the company's internal auditing environment. The ORES Code of Ethical Conduct, based on the company's values, defines the application of ethical rules through its values, as well as the way in which these values are viewed and respected. A code for applying the regulations relating to market abuses also includes the rights and obligations of the directors and staff with regard to the use of insider information or market manipulation. Management monitors staff compliance with these internal codes, values and procedures and, where appropriate, takes the required action, as set out in the company's working regulations. As a result of its legal status as a DSO for electricity and gas, ORES complies with a large number of statutory and regulatory rules defining various fundamental principles, such as confidentiality, transparency and non-discrimination.

b. Risk management and internal auditing

i. Risk management

Risk management is a key process when it comes to helping ORES to realise its strategic objectives. This process identifies, analyses and assesses the relevant risks according to their nature, the probability that they will actually occur and their potential impact on the fulfilment of ORES's objectives. It helps us to draw up an annual map of risks and then – where appropriate – to establish action plans to mitigate those risks. Risk management is supported by every department (based on the principle of accountability) and guided by the Risk Manager. The Risk Manager makes available the methodology and tools required in terms of managing risk, then consolidates the results from the analyses of each department to produce the map mentioned above, based on various predefined risk typologies. This map is then submitted to the Executive Board and Audit Committee, identifying the level of severity for each typology, the nature of the most severe risks and the opportunities and existing and/or planned action plans for dealing with those risks. Changes in relation to previous periods are also highlighted. The exercise

carried out in this respect within the Finance Department takes into account, among other things, the current and future risks related to financial, tax and regulatory reporting. The body of risks identified in this way is classified by importance, while the action plans are monitored.

ii. Internal auditing

Internal auditing is another key process that helps provide reasonable assurance that ORES's business will be conducted properly and that objectives will be achieved through the appropriate handling of the associated risks. Internal auditing is everyone's business: senior management, line management, staff. It is a daily management process and part of continuous improvement. It is coordinated by the "Internal Auditing" department, which operates under the authority of the Finance Department.

The overall internal auditing system at ORES is a systematic analysis process aimed at identifying and assessing the risks associated with operating processes and activities, opting to deal with risks, implementing any control measure that enables the risk to be contained at a level that is acceptable for ORES and monitoring the auditing system in place.

For all of the processes involved, including those relating to financial, tax and regulatory reporting, internal auditing incorporates, in its analysis and control procedures, the protection of assets by separating out tasks within the processes. It avoids having the same person initiate, authorise and record a transaction. It has policies in place for accessing the information systems and it monitors the way in which powers are delegated. This latter point is to limit the risk of errors and fraud. The accounting closure process is carried out in line with a timetable that defines the roles and responsibilities of everyone involved. It also includes control mechanisms designed to reduce the risk of errors to the minimum, as well as tests on certain transactions (for example tests conducted outside normal working hours). The aim is to achieve sufficient assurance as to the reliability of the financial results.

The results of the internal audit are the subject of an annual review by the Executive Board and the Audit Committee in order to assist it in its tasks.

iii. Audits

iii. a. Internes Audit

The internal audit also plays a key role in producing independent reviews of the operational processes regarding the regulations that apply to ORES. It is based on a systematic and rigorous approach designed to evaluate and improve the effectiveness of risk management and control over processes. An annual audit plan is drawn up and then approved by the Audit Committee. The results of internal audits are the subject of a report made to the Executive Board and Audit Committee to assist it in its tasks.

iii. b. External audit

ORES is also subject to an external audit by the company auditor. This audit generally includes an assessment of the internal audit. It also expresses itself on the statutory and consolidated results (annual and half-yearly). The auditor makes recommendations for improving the internal auditing systems. These recommendations, action plans and their implementation are the subject of an annual report to the Audit Committee.

In addition, ORES is also certified ISO9001-2015 for the whole of its activities.

Internal and external audits are conducted in order to monitor the quality of the financial, tax and regulatory reports.

iv. Information and communication

The support methods used to ensure that the internal auditing process is efficient and that there is proper risk management include the communication of relevant information to ORES staff. This enables them to carry out their responsibilities and to achieve their targets. Financial information is required for budgeting, forecasting and checking compliance with the regulatory framework. Operational information is also essential for drawing up the various reports that are crucial for ensuring that the company functions properly. Numerous channels of communication are used: manual, memos, e-mails, intranet applications, etc.

c. Monitoring and evaluating results

Operational governance is conducted within a framework of an ongoing performance evaluation that includes indicators, risk management, internal auditing and general audits.

Monitoring activities include KPI reporting intended for the Executive Board, on the one hand, and the Board of Directors, on the other. The main operating indicators are also tracked at a department level.

The financial results are the subject of internal reporting and are approved at various levels: the Executive Board and, every six months, the Audit Committee whose Chairman presents an opinion to the Board of Directors.

1.8. Information to be inserted here pursuant to article 74, § 7, of the Public Takeover Bids Act of 1 April 2007

Does not apply

1.9. Additional information

The intermunicipal company does not have its own staff.

"Mirror" bodies have been established. In addition to the (Appointments and) Remuneration Committee, a "mirror" Board of Directors and Audit Committee have been established at ORES Assets and ORES, with unpaid mandates at ORES Assets and payment of emoluments at ORES (in accordance with the requirements of the CDLD).

These annual financial statements are subject to an administrative control procedure.

This management report will be filed in its entirety with the National Bank of Belgium (notes to the accounts, annual financial statements, for the latter in the format of the full standardised template, and valuation rules), accompanied by non-financial information (introduction and activity and sustainable development report – declaration of non-financial information) and the remuneration report.

2. Annual financial statements

2.1 Balance sheet (in euros)

CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION (5)

	Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
ASSETS				
SET-UP COSTS	5.7	20		
FIXED ASSETS		21/28	3,958,373,109.52	3,906,569,797.07
Intangible fixed assets	5.8	21	68,042,111.32	56,394,913.05
Consolidation differences	5.12	9920		
Tangible fixed assets	5.9	22/27	3,876,418,412.54	3,836,243,459.92
Land and buildings		22	136,261,716.31	137,907,918.53
Plant, machinery and equipment		23	3,706,480,976.08	3,663,603,804.38
Furniture and vehicles		24	33,110,907.07	34,141,892.16
Leasing and similar charges		25		
Other tangible fixed assets		26	564,813.08	589,844.85
Fixed assets in progress and advance payments		27		
Financial fixed assets	5.1-5.4/5.	28	13,912,585.66	13,931,424.10
Affiliated companies	5.10	9921	13,745,417.24	13,745,417.24
Holdings		99211	3,100.00	3,100.00
Receivables		99212	13,742,317.24	13,742,317.24
Other companies	5.10	284/8	167,168.42	186,006.86
Holdings		284	17,180.25	17,180.25
Receivables		285/8	149,988.17	168,826.61
CURRENT ASSETS		29/58	725,947,864.15	528,544,542.42
Amounts receivable after one year		29	7,474,217.51	6,479,370.57
Trade receivables		290	2,468,403.77	611,819.41
Other receivables		291	5,005,813.74	5,867,551.16
Deferred taxes		292		
Stocks and orders in progress		3	62,076,484.79	58,551,443.71
Stocks		30/36	53,488,910.55	51,135,769.73
Supplies		30/31	53,488,910.55	51,135,769.73
In manufacture		32		
Finished products		33		
Goods		34		
Real estate property intended for sale		35		
Advance payments		36		
Orders in progress		37	8,587,574.24	7,415,673.98
Amounts receivable within one year		40/41	271,378,234.82	199,240,143.50
Trade receivables		40	255,242,796.34	145,609,915.87
Other receivables		41	16,135,438.48	53,630,227.63
Cash investments		50/53	153,016,189.10	38,639,630.89
Own shares		50		
Other investments		51/53	153,016,189.10	38,639,630.89
Disposable assets		54/58	65,591,510.41	36,910,226.77
Accruals		490/1	166,411,227.52	188,723,726.98
TOTAL ASSETS		20/58	4,684,320,973.67	4,435,114,339.49

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
LIABILITIES					
SHAREHOLDERS' EQUITY			10/15	1,910,490,441.60	1,799,748,523.96
Contribution [6]				867,463,816.03	867,463,816.03
Capital			10		
Subscribed capital			100		
Non-subscribed capital stock			101		
Non-capital			11		
Issue premiums			1100/10		
Other			1109/19		
Available			110	866,931,233.33	866,931,233.33
Unavailable			111	532,582.70	532,582.70
Revaluation gains			12	471,147,736.68	491,917,281.73
Consolidated reserves	(+)/(-)	5.11	9910	571,819,414.62	440,259,039.38
Negative consolidation differences		5.12	9911		
Allocations of consolidation differences			99201		
Exchange rate differences	(+)/(-)		9912		
Capital grants			15	59,474.27	108,386.82
THIRD-PARTY INTEREST					
Third-party interest			9913	3,221.24	3,431.82
PROVISIONS AND DEFERRED TAX			16	26,998,935.95	50,150,836.22
Provisions for risks and charges			160/5	26,998,935.95	50,150,836.22
Pensions and similar obligations			160		
Taxes			161		
Major repairs and maintenance			162		
Environmental obligations			163	3,619,418.01	3,788,933.01
Other risks and charges			164/5	23,379,517.94	46,361,903.21
Deferred tax		5.6	168		

2 ANNUAL FINANCIAL STATEMENTS

	Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
DEBTS		17/49	2,746,828,374.88	2,585,211,547.49
Amounts payable after one year	5.13	17	2,069,975,244.93	1,861,229,740.29
Financial debts		170/4	2,068,053,244.93	1,861,188,740.29
Subordinated loans		170		
Non-subordinated bond issues		171	380,000,000.00	280,000,000.00
Leasing and other similar debts		172		
Credit institutions		173	1,682,079,968.26	1,574,599,936.85
Other borrowing		174	5,973,276.67	6,588,803.44
Trade debts		175		
Suppliers		1750		
Notes payable		1751		
Pre-payments on orders		176		
Other debts		178/9	1,922,000.00	41,000.00
Amounts payable within one year	5.13	42/48	655,530,515.81	660,836,775.77
Long-term debts falling due within the year		42	218,066,986.63	384,141,995.36
Financial debts		43		
Credit institutions		430/8		
Other borrowing		439		
Trade debts		44	181,608,442.38	166,770,118.42
Suppliers		440/4	181,608,442.38	166,770,118.42
Notes payable		441		
Pre-payments on orders		46	54,624,889.74	39,178,558.38
Debts for taxes, payroll and social contributions		45	97,397,222.57	48,165,099.78
Taxes		450/3	49,649,575.57	2,298,203.06
Remuneration and social charges		454/9	47,747,647.00	45,866,896.72
Other amounts payable		47/48	103,832,974.49	22,581,003.83
Accruals		492/3	21,322,614.14	63,145,031.43
TOTAL LIABILITIES		10/49	4,684,320,973.67	4,435,114,339.49

CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Sales and services			70/76A	1,333,299,374.54	1,255,391,018.17
Turnover		5.14	70	1,267,508,125.91	1,218,454,787.27
Manufacturing work-in-progress, finished products and orders in progress: increase (reduction)	(+)/(-)		71	1,171,900.26	5,247.21
Capitalised production			72	250,303.77	1,924,440.60
Other operating income			74	64,354,191.16	35,006,543.09
Non-recurrent operating income		5.14	76A	14,853.44	
Cost of sales and services			60/66A	1,043,112,058.93	1,002,223,701.64
Supplies and goods			60	29,998,381.12	22,723,692.92
Purchases			600/8	36,028,017.36	30,924,434.89
Stocks: reduction (increase)	(+)/(-)		609	-6,029,636.24	-8,200,741.97
Miscellaneous goods and services			61	661,668,186.92	612,077,964.56
Salaries, social charges and pensions	(+)/(-)	5.14	62	142,199,172.96	141,224,764.32
Depreciation and writedowns of set-up costs on intangible and tangible fixed assets			630	165,155,100.34	170,571,896.54
Value writedowns on stock, orders in progress and trade receivables: allocations (writebacks)	(+)/(-)		631/4	-5,935,167.31	-9,464,017.30
Provisions for risks and expenses: allocations (usage and writebacks)	(+)/(-)		635/8	-23,151,900.27	-5,228,070.27
Other operating expenses			640/8	72,442,762.33	40,707,951.17
Operating expenses transferred to assets as restructuring costs	(-)		649		
Depreciation of goodwill			9960		
Non-recurrent operating expenses		5.14	66A	735,522.84	29,609,519.70
Operating profits (loss)	**(+)/(-)**		9901	290,187,315.61	253,167,316.53

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Financial income			75/76B	2,229,291.73	316,874.75
Recurrent financial income			75	2,229,291.73	316,874.75
Income from financial fixed assets			750		
Income from current assets			751	166,651.45	186,935.03
Other financial products			752/9	2,062,640.28	129,939.72
Non-recurrent financial income		5.14	76B		
Financial expenses			65/66B	29,630,981.76	34,083,056.71
Recurrent financial expenses			65	29,630,981.76	34,083,056.71
Debt charges			650	28,811,657.10	33,751,427.75
Depreciation of goodwill			9961		
Writedowns of current assets other than stock, orders in progress and trade receivables: allocations (writebacks)	(+)/(-)		651		
Other financial costs			652/9	819,324.66	331,628.96
Non-recurrent financial expenses		5.14	66B		
Profit (Loss) for the financial year before taxes	**(+)/(-)**		9903	262,785,625.58	219,401,134.57
Deductions on deferred taxes			780		
Transfer to deferred taxes			680		
Tax on the result	**(+)/(-)**		67/77	80,336,633.16	58,479,597.59
Taxes		5.14	670/3	80,625,443.33	61,887,232.86
Tax adjustments and writebacks of tax provisions			77	288,810.17	3,407,635.27
Profit (Loss) from the financial year	**(+)/(-)**		9904	182,448,992.42	160,921,536.98
Share in the result of companies accounted for using the equity method	**(+)/(-)**		9975		
Results in profit	(+)		99751		
Results in loss	(-)		99652		
Consolidated profit (Consolidated loss)	**(+)/(-)**		9976	182,448,992.42	160,921,536.98
Share of third parties in the result	**(+)/(-)**		99761		
Share of the group in the results	**(+)/(-)**		99762	182,448,992.42	160,921,536.98

2.3 Appendices to the consolidated accounts (in euros)

LIST OF CONSOLIDATED COMPANIES AND COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

NAME, full address of the REGISTERED OFFICE and, for companies incorporated under Belgian law, COMPANY NUMBER	METHOD USED (G/P/E1/E2/E3/E4) [8 9]	Fraction of capital or input held (in %) [10]	Variation of the % of capital held or input (compared with the previous financial year) [11]
Opérateur de Réseaux d'Energies Cooperative company Avenue Jean Mermoz 14 6041 Gosselies Belgium 0897.436.971	G	99.72	0.00
ATRIAS Cooperative company rue de la Chancellerie 17 1000 Brussels 1 Belgium 0836.258.873	E1	16.67	0.00
COMNEXIO Cooperative company Avenue Georges Lemaitre 38 6041 Gosselies Belgium 0727.639.263	G	93.00	0.00

[8] G. Full consolidation
P. Proportional consolidation (stating, in the first column, the elements resulting in the joint management)
E1 Associated company accounted for using the equity method (article 3:174, paragraph 1, 3º of the Royal Decree of 29 April 2019 relative to the implementation of the Code of Companies and Associations)
E2 De facto subsidiary accounted for using the equity method if its inclusion in the consolidated accounts is the contrary to an accurate picture (article 3:98 to 3:100 of the aforementioned Royal Decree)
E3 Accounts using the equity method for a subsidiary in liquidation, a subsidiary that has ceased trading, a subsidiary without the prospect of continuing trading (article 3:99 to 3:100 of the aforementioned Royal Decree)
E4 Accounts using the equity method for a joint subsidiary whose activity is not closely involved in the activity of the company with joint control (article 3:124, paragraph 2 of the aforementioned Royal Decree)

[9] If a variation in the percentage holding of the capital or input causes the method used to be changed, the new method is followed by an asterisk.

[10] Fraction of the capital or input held in these companies by companies included in the consolidation and by persons acting in their own name, but on behalf of these companies.

[11] If the composition of the consolidated whole has been affected significantly during the financial year by variations in this percentage, additional information is provided in the section CONSO 5.5 (article 3:102 of the aforementioned Royal Decree).

CRITERIA FOR THE CONSOLIDATION AND MODIFICATIONS TO THE CONSOLIDATION SCOPE

If this information is of significant importance, the identification of the criteria governing the implementation of the methods of consolidation by full and proportional integration and the equity method, as well as substantiated cases where these criteria are departed from (pursuant to article 3:156, I. of the Royal Decree of 29 April 2019 implementing the Code of Companies and Associations).

See attached valuation rules

Information that renders significant the comparison with the consolidated accounts of the previous year if the composition of the consolidated whole has undergone significant change during the financial year (pursuant to article 3:102 of the aforementioned Royal Decree).

STATEMENT OF INTANGIBLE FIXED ASSETS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
DEVELOPMENT COSTS				
Acquisition value at the end of the financial year		8051P	xxxxxxxxxxxx	102,807,435.49
Movements during the financial year				
Acquisitions, including capitalised production		8021	26,464,767.94	
Disposals and decommissioning		8031	1,971,292.56	
Transfers from one heading to another	(+)/(-)	8041		
Exchange rate differences	(+)/(-)	99811		
Other variations	(+)/(-)	99821		
Acquisition value at the end of the financial year		8051	127,300,910.87	
Depreciation and impairments at the end of the financial year		8121P	xxxxxxxxxxxx	46,412,522.44
Movements during the financial year				
Recorded		8071	14,082,046.83	
Writebacks		8081		
Acquired from third parties		8091		
Cancelled		8101	1,235,769.72	
Transfers from one heading to another	(+)/(-)	8111		
Exchange rate differences	(+)/(-)	99831		
Other variations	(+)/(-)	99841		
Depreciation and impairments at the end of the financial year		8121	59,258,799.55	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		81311	68,042,111.32	

STATEMENT OF FINANCIAL FIXED ASSETS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
LAND AND BUILDINGS				
Acquisition value at the end of the financial year		8191P	xxxxxxxxxxxx	179,144,202.93
Movements during the financial year				
Acquisitions		8161	1,460,389.13	
Disposals and decommissioning		8171	12,186.92	
Transfers from one section to another	(+)/(-)	8181		
Exchange rate differences	(+)/(-)	99851		
Other variations	(+)/(-)	99861		
Acquisition value at the end of the financial year		8191	180,592,405.14	
Capital gains at the end of the financial year		8251P	xxxxxxxxxxxxx	5,179,201.70
Movements during the financial year				
Recorded		8211		
Acquired from third parties		8221		
Cancelled		8231		
Transfers from one section to another	(+)/(-)	8241		
Exchange rate differences	(+)/(-)	99871		
Other variations	(+)/(-)	99881		
Capital gains at the end of the financial year		8251	5,179,201.70	
Depreciations and impairments at the end of the financial year		8321P	xxxxxxxxxxxxx	46,415,486.10
Movements during the financial year				
Recorded		8271	3,094,404.43	
Writebacks		8281		
Acquired from third parties		8291		
Cancelled		8301		
Transfers from one section to another	(+)/(-)	8311		
Exchange rate differences	(+)/(-)	99891		
Other variations	(+)/(-)	99901		
Depreciations and impairments at the end of the financial year		8321	49,509,890.53	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(22)	136,261,716.31	

2 ANNUAL FINANCIAL STATEMENTS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
TECHNICAL FACILITIES, MACHINERY AND TOOLING				
Acquisition value at the end of the financial year		8192P	xxxxxxxxxxxxxx	5,287,801,951.26
Movements during the financial year				
Acquisitions, including capitalisation		8162	198,446,121.13	
Disposals and decommissioning		8172	50,362,825.95	
Transfers from one section to another	(+)/(-)	8182		
Exchange rate differences	(+)/(-)	99852		
Other variations	(+)/(-)	99862		
Acquisition value at the end of the financial year		8192	5,435,885,246.44	
Capital gains at the end of the financial year		8252P	xxxxxxxxxxxxxx	1,033,106,442.95
Movements during the financial year				
Recorded		8212		
Acquired from third parties		8222		
Cancelled		8232		
Transferred from one section to another	(+)/(-)	8242		
Exchange rate differences	(+)/(-)	99872		
Other variations	(+)/(-)	99882		
Capital gains at the end of the financial year		8252	1,033,106,442.95	
Depreciations and impairments at the end of the financial year		8322P	xxxxxxxxxxxxx	2,657,304,589.83
Movements during the financial year				
Recorded		8272	139,287,854.75	
Writebacks		8282		
Acquired from third parties		8292		
Cancelled		8302	34,081,731.27	
Transferred from one section to another	(+)/(-)	8312		
Exchange rate differences	(+)/(-)	99892		
Other variations	(+)/(-)	99902		
Depreciations and impairments at the end of the financial year		8322	2,762,510,713.31	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(23)	3,706,480,976.08	

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
FURNITURE AND VEHICLES				
Acquisition value at the end of the financial year		8193P	xxxxxxxxxxxxx	169,984,086.41
Movements during the financial year				
Acquisitions, including capitalised production		8163	7,643,413.19	
Disposals and decommissioning		8173	1,526,788.30	
Transfers from one section to another	(+)/(-)	8183		
Exchange rate differences	(+)/(-)	99853		
Other variations	(+)/(-)	99863		
Acquisition value at the end of the financial year		8193	176,100,711.30	
Capital gains at the end of the financial year		8253P	xxxxxxxxxxxxx	769,326.59
Movements during the financial year				
Recorded		8213		
Acquired from third parties		8223		
Cancelled		8233		
Transferred from one section to another	(+)/(-)	8243		
Exchange rate differences	(+)/(-)	99873		
Other variations	(+)/(-)	99883		
Capital gains at the end of the financial year		8253	769,326.59	
Depreciations and impairments at the end of the financial year		8323P	xxxxxxxxxxxxx	136,611,520.84
Movements during the financial year				
Recorded		8273	8,665,762.56	
Writebacks		8283		
Acquired from third parties		8293		
Cancelled		8303	1,518,152.58	
Transferred from one section to another	(+)/(-)	8313		
Exchange rate differences	(+)/(-)	99893		
Other variations	(+)/(-)	99903		
Depreciations and impairments at the end of the financial year		8323	143,759,130.82	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(24)	33,110,907.07	

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
OTHER TANGIBLE FIXED ASSETS				
Acquisition value at the end of the financial year		8195P	xxxxxxxxxxx	2,452,693.70
Movements during the financial year				
Acquisitions, including capitalised production		8165		
Disposals and decommissioning		8175		
Transfers from one section to another	(+)/(-)	8185		
Exchange rate differences	(+)/(-)	99855		
Other variations	(+)/(-)	99865		
Acquisition value at the end of the financial year		8195	2,452,693.70	
Capital gains at the end of the financial year		8255P	XXXXXXXXXX	
Movements during the financial year				
Recorded		8215		
Acquired from third parties		8225		
Cancelled		8235		
Transferred from one section to another	(+)/(-)	8245		
Exchange rate differences	(+)/(-)	99875		
Other variations	(+)/(-)	99885		
Capital gains at the end of the financial year		8255		
Depreciations and impairments at the end of the financial year		8325P	xxxxxxxxxxxx	1,862,848.85
Movements during the financial year				
Recorded		8275	25,031.77	
Writebacks		8285		
Acquired from third parties		8295		
Cancelled		8305		
Transferred from one section to another	(+)/(-)	8315		
Exchange rate differences	(+)/(-)	99895		
Other variations	(+)/(-)	99905		
Depreciations and impairments at the end of the financial year		8325	1,887,880.62	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(26)	564,813.08	

STATEMENT OF FINANCIAL FIXED ASSETS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD - SHAREHOLDINGS				
Acquisition value at the end of the financial year		8391P	xxxxxxxxxxxx	3,100.00
Movements during the financial year				
Acquisitions		8361		
Sales and disposals		8371		
Transfers from one section to another	(+)/(-)	8381		
Exchange rate differences	(+)/(-)	99911		
Acquisition value at the end of the financial year		8391	3,100.00	
Capital gains at the end of the financial year		8451P	xxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8411		
Acquired from third parties		8421		
Cancelled		8431		
Exchange rate differences	(+)/(-)	99921		
Transferred from one section to another	(+)/(-)	8441		
Capital gains at the end of the financial year		8451		
Impairments at the end of the financial year		8521P	xxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8471		
Writebacks		8481		
Acquired from third parties		8491		
Cancelled		8501		
Exchange rate differences	(+)/(-)	99931		
Transferred from one section to another	(+)/(-)	8511		
Impairments at the end of the financial year		8521		
Amounts uncalled at the end of the financial year		8551P	xxxxxxxxxxxx	
Movements during the financial year	**(+)/(-)**	8541		
Amounts uncalled at the end of the financial year		8551		
Variations in equity capital at the end of the financial year	**(+)/(-)**	9994P	xxxxxxxxxxxx	
Variations in equity capital of companies accounted for using the equity method	**(+)/(-)**	99941		
Share in the result for the financial year		999411		
Elimination of dividends relating to these shareholdings		999421		
Other types of variation of equity capital		999431		
Variations in equity capital at the end of the financial year		9994		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(99211)	3,100.00	
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		99212P	xxxxxxxxxxxx	13,742,317.24
Movements during the financial year				
Additions		8581		
Repayments		8591		
Impairments recorded		8601		
Impairments reversed		8611		
Exchange rate differences	(+)/(-)	99951		
Other	(+)/(-)	8631		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(99212)	13,742,317.24	
ACCUMULATED IMPAIRMENTS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		8651		

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
OTHER COMPANIES - PARTICIPATING INTERESTS				
Acquisition value at the end of the financial year		8392P	xxxxxxxxxxxx	17,180.25
Movements during the financial year				
Acquisitions		8362		
Sales and disposals		8372		
Transfers from one section to another	(+)/(-)	8382		
Exchange rate differences	(+)/(-)	99912		
Acquisition value at the end of the financial year		8392	17,180.25	
Capital gains at the end of the financial year		8452P	xxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8412		
Acquired from third parties		8422		
Cancelled		8432		
Exchange rate differences	(+)/(-)	99922		
Transferred from one section to another	(+)/(-)	8442		
Capital gains at the end of the financial year		8452		
Reductions in value at the end of the financial year		8522P	xxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8472		
Writebacks		8482		
Acquired from third parties		8492		
Cancelled		8502		
Exchange rate differences	(+)/(-)	99932		
Transferred from one section to another	(+)/(-)	8512		
Impairments at the end of the financial year		8522		
Amounts uncalled at the end of the financial year		8552P	xxxxxxxxxxxxx	
Movements during the financial year	(+)/(-)	8542		
Amounts uncalled at the end of the financial year		8552		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(284)	17,180.25	
OTHER COMPANIES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		285/8P	xxxxxxxxxxxxx	168,826.61
Movements during the financial year				
Additions		8582	5,104.66	
Repayments		8592	23,268.10	
Impairments recorded		8602		
Impairments reversed		8612		
Exchange rate differences	(+)/(-)	99952		
Other	(+)/(-)	8632	-675.00	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(285/8)	149,988.17	
ACCUMULATED IMPAIRMENTS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		8652		

STATEMENT OF THE CONSOLIDATED RESERVES

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Consolidated reserves at the end of the financial year	(+)/(-)	9910P	xxxxxxxxxxxx	440,259,039.38
Movements during the financial year				
Group share in the consolidated result	(+)/(-)	99002	131,560,375.24	
Other variations	(+)/(-)	99003		
Other variations *to be broken down for significant amounts not attributed to the group share in the consolidated result)*				
Consolidated reserves at the end of the financial year	(+)/(-)	(9910)	571,819,414.62	

STATEMENT OF DEBT

	Codes	FINANCIAL YEAR
BREAKDOWN OF LIABILITIES ORIGINALLY DUE IN MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM		
Debts at more than one year falling due within the year		
Financial debts	8801	218,066,986.63
Subordinated loans	8811	
Non-subordinated bond loans	8821	
Finance-leasing and similar debts	8831	
Credit institutions	8841	217,451,459.86
Other borrowing	8851	615,526.77
Trade debts	8861	
Suppliers	8871	
Notes payable	8881	
Prepayments on orders	8891	
Other debts	8901	
Total debts after more than one year falling due within the year	(42)	218,066,986.63
Debts with a maximum of 5 years to run		
Financial debts	8802	680,870,421.34
Subordinated loans	8812	
Non-subordinated bond loans	8822	
Finance-leasing and similar debts	8832	
Credit institutions	8842	678,408,314.25
Other borrowing	8852	2,462,107.09
Trade debts	8862	
Suppliers	8872	
Notes payable	8882	
Prepayments on orders	8892	
Other debts	8902	1,922,000.00
Total debts after more than one year, but with a maximum of 5 years to run	8912	682,792,421.34
Debts with more than 5 years to run		
Financial debts	8803	1,387,182,823.59
Subordinated loans	8813	
Non-subordinated bond loans	8823	380,000,000.00
Finance-leasing and similar debts	8833	
Credit institutions	8843	1,003,671,654.01
Other borrowing	8853	3,511,169.58
Trade debts	8863	
Suppliers	8873	
Notes payable	8883	
Prepayments on orders	8893	
Other debts	8903	
Total debts with more than 5 years to run	8913	1,387,182,823.59

	Codes	FINANCIAL YEAR
DEBTS (OR PART OF DEBTS) GUARANTEED BY REAL SURETIES ESTABLISHED OR IRREVOCABLY PROMISED ON THE ASSETS OF THE COMPANIES INCLUDED IN THE CONSOLIDATION		
Financial debts	8922	
Subordinated loans	8932	
Non-subordinated bond loans	8942	
Finance-leasing and similar debts	8952	
Credit institutions	8962	
Other borrowing	8972	
Trade debts	8982	
Suppliers	8992	
Notes payable	9002	
Prepayments on orders	9012	
Tax, payroll and social debts	9022	
Taxes	9032	
Remuneration and social charges	9042	
Other debts	9052	
Total debts secured by real sureties given or irrevocably promised on the company's assets of the companies included in the consolidation	9062	

2 ANNUAL FINANCIAL STATEMENTS

RESULTS

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NET TURNOVER			
Breakdown by category of activity			
Distribution system operator		1,267,508,125.91	1,218,454,787.27
Breakdown by geographical market			
Belgium		1,267,508,125.91	1,218,454,787.27
Combined group turnover in Belgium	99083	1,267,508,125.91	1,218,454,787.27
AVERAGE HEADCOUNT (IN UNITS) AND STAFFING OVERHEADS			
Consolidating company and subsidiaries consolidated by full integration			
Average headcount	90901	2,569	2,542
Workers	90911		
Employees	90921	2,281	2,250
Management staff	90931	288	292
Other	90941		
Staffing overheads			
Remuneration and social charges	99621	142,181,518.58	141,224,764.32
Pensions	99622	17,654.38	
Average headcount in Belgium employed by the companies concerned	99081	2,569.00	2,542.00
Subsidiaries consolidated by proportional integration			
Average headcount	90902		
Workers	90912		
Employees	90922		
Management staff	90932		
Other	90942		
Staffing overheads			
Remuneration and social charges	99623		
Pensions	99624		
Average headcount in Belgium employed by the companies concerned	99082		

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NON-RECURRENT INCOME	76	14,853.44	
Non-recurrent operating income	76A	14,853.44	
Reversals of depreciations and impairments on intangible and tangible fixed assets	760		
Reversals of depreciations on consolidation differences	9970		
Reversals of provisions for exceptional operating risks and charges	7620		
Capital gains on realisation of intangible and tangible fixed assets	7630		
Other non-recurrent operating income	764/8	14,853.44	
of which			
Compensation received following a bankruptcy		14,853.44	
Non-recurrent financial income	76B		
Reversals of impairments on financial fixed assets	761		
Reversals of provisions for exceptional risks and financial expenses	7621		
Capital gains on the realisation of financial fixed assets	7631		
Other non-recurrent financial income	769		
of which			

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NON-RECURRENT EXPENSES		66	735,522.84	29,609,519.70
Non-recurrent operating expenses		66A	735,522.84	29,609,519.70
Non-recurrent depreciation and impairments on set-up costs, on intangible and tangible fixed assets		660		8,522,113.83
Depreciation on positive consolidation differences		9962		
Provisions for exceptional operating risks and expenses: allocations (usage)	(+)/(-)	6620		
Impairments		6630	735,522.84	21,087,405.87
Other non-recurrent operating expenses		664/7		
of which				
Non-recurrent operating expenses carried to the assets as restructuring expenses	(-)	6690		
Non-recurrent financial expenses		66B		
Impairments on financial fixed assets		661		
Provisions for exceptional financial risks and expenses: allocations (usage)	(+)/(-)	6621		
Impairments		6631		
Other non-recurrent financial expenses		668		
of which				
Non-recurrent financial expenses carried to the assets as restructuring expenses	(-)	6691		
Inclusion in the results of negative consolidation differences	(-)	9963		

RESULTS

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
TAX ON THE RESULT			
Difference between the tax charge allocated to the consolidated profit-and-loss account for the financial year and for previous financial years and the tax charge already paid or to be paid for these financial years, insofar as this difference is of a certain interest with regard to the future tax charge.	99084		
Influence of the non-recurrent results on the amount of tax on the result for the financial year	99085		

OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

	Codes	FINANCIAL YEAR
PERSONAL GUARANTEES established or irrevocably promised by the companies included in the consolidation as surety for third-party debts or commitments	9149	
REAL GUARANTEES established or irrevocably promised by the companies included in the consolidation on their own assets as surety for debts or commitments respectively:		
of companies included in the consolidation	99086	
of third parties	99087	
GOODS AND VALUABLES HELD BY THIRD PARTIES IN THEIR NAME BUT AT THE RISK AND BENEFIT OF COMPANIES INCLUDED IN THE CONSOLIDATION IF THEY ARE NOT SHOWN IN THE BALANCE SHEET	9217	
Significant commitments for the acquisition of fixed assets	9218	
Significant commitments for the disposal of fixed assets	9219	
FEES RESULTING FROM TRANSACTIONS RELATING:		
to interest rates	99088	
to exchange rates	99089	
to the prices of raw materials or goods	99090	
to similar transactions	99091	
Commitments resulting from transactions relating		
to interest rates	99092	
to exchange rates	99093	
to the prices of raw materials or goods	99094	
to similar transactions	99095	

2 ANNUAL FINANCIAL STATEMENTS

	FINANCIAL YEAR
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES ATTACHED TO SALES OR SERVICE ALREADY PROVIDED	
Surety in favour of Customs and Excise relative to the collection of the energy charge	40,818.00
Sureties received in the context of public contracts	31,640,295.28
Reward Plan	2,408,174.23
Bank guarantee for the lease of buildings	247,655.00
Guarantee in favour of the Walloon Region in the context of the Impétrants Decree	100,000.00
Guarantee in our favour for transit fees	4,090,000.00
Guarantee in our favour for the lease of buildings	12,000.00

	FINANCIAL YEAR
AMOUNT, NATURE AND FORM OF DISPUTES AND OTHER SIGNIFICANT AMOUNTS	

	FINANCIAL YEAR
COMMITMENTS FOR RETIREMENT AND SURVIVOR PENSIONS FOR THE BENEFIT OF STAFF OR DIRECTORS TO BE BORNE BY COMPANIES INCLUDED IN THE CONSOLIDATION	

	FINANCIAL YEAR
NATURE AND FINANCIAL IMPACT OF SIGNIFICANT POST-CLOSING EVENTS not included in the balance sheet or the profit-and-loss account	
The conflict in Ukraine that started at the beginning of February could have numerous effects on the Group. These effects may be financial - in the wake of the increases linked to the price of energy or the failure of some energy providers (see the macroeconomic and cyclical risks), technical - on the DSO's business itself, in particular with the risks relating to the continuity of supply, and IT-related, with the increase in cybersecurity risks. However, this war may also provide an opportunity to speed up the development of renewables, in particular "new gases" and biomethane.	

	FINANCIAL YEAR
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT RECORDED ON THE BALANCE SHEET **On condition that the risks or benefits arising from such transactions are significant and insofar as the disclosure of risks or benefits is necessary to assess the financial situation of the companies included in the consolidation**	

RELATIONSHIPS WITH AFFILIATED COMPANIES AND COMPANIES WITH WHICH THERE IS A SHAREHOLDING CONNECTION THAT ARE NOT INCLUDED IN THE CONSOLIDATION

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
AFFILIATED COMPANIES			
Financial fixed assets			
Holdings and shares	9261		
Receivables	9291		
AFTER one year	9301		
WITHIN one year	9311		
Cash investments	9321		
Shares	9331		
Receivables	9341		
Debts	9351		
AFTER one year	9361		
WITHIN one year	9371		
Personal and real guarantees established or irrevocably promised by the company as surety for the debts or commitments of affiliated companies	9381		
Other significant financial commitments	9401		
Financial results			
Income from financial fixed assets	9421		
Income from current assets	9431		
Other financial income	9441		
Debt charges	9461		
Other financial expenses	9471		
COMPANIES WITH A SHAREHOLDING CONNECTION			
Financial fixed assets			
Holdings and shares	9262		
Receivables	9292		
AFTER one year	9302		
WITHIN one year	9312		
Debts	9352	8,859,451.77	8.451.177,92
AFTER one year	9362		
WITHIN one year	9372	8,859,451.77	8.451.177,92

TRANSACTIONS WITH AFFILIATED COMPANIES OUTSIDE MARKET CONDITIONS

	FINANCIAL YEAR
Mention of such transactions, with the exception of transactions within the group, if they are significant, including the amount and indicating the nature of the relationship with the affiliated party, as well as any other information about the transactions that may be necessary to obtain a better understanding of the financial position of the companies included in the consolidation as a whole:	

None

2 ANNUAL FINANCIAL STATEMENTS

FINANCIAL RELATIONSHIPS WITH

	Codes	FINANCIAL YEAR
DIRECTORS OR SENIOR MANAGERS OF THE CONSOLIDATING COMPANY		
Overall amount of remuneration allocated on account of their function in the consolidating company, its subsidiaries and associated companies, including the amount for retirement pensions allocated as such to former directors or senior managers	99097	103,699.61
Overall amount of advances and loans granted by the consolidating company, by a subsidiary or by an associated company	99098	

	Codes	FINANCIAL YEAR
THE AUDITOR(S) AND PERSONS WITH WHOM IT (THEY) ARE AFFILIATED		
Emoluments of the auditor(s) for exercising the mandate of auditor for the group headed by the company that publishes information	9507	79,833.33
Emoluments of the auditor(s) for performing exceptional services or for special assignments carried out for companies in the group		
Other certification assignments	95071	22,860.00
Tax advice	95072	
Other assignments in addition to auditing	95073	8,000.00
Emoluments of persons with whom the auditor(s) is (are) affiliated for exercising the mandate of auditor for the group headed by the company that publishes information	9509	
Emoluments of persons with whom the auditor(s) is (are) affiliated for performing exceptional services or for special assignments carried out for companies in the group		
Other certification assignments	95091	
Tax advice	95092	
Other assignments in addition to auditing	95093	

Notices pursuant to article 3:63, §6 of the Code of Companies and Associations

FOR EACH CATEGORY OF DERIVED FINANCIAL INSTRUMENTS NOT ASSESSED AS FAIR VALUE

				Financial year		Previous financial year	
Category of derived financial instruments	Risk covered	Speculation/ covers	Volume	Book value	Fair value	Book value	fair value
Swaps (volumes expressed in 000 €)	Interest rates	cover	125,315	0.00	-3,241,687.00	0.00	-6,008,585.00
Collar (volumes expressed in 000 €)	Interest rates	cover	42,245	0.00	-337,683.00	0.00	-1,020,956.00
CAP (volumes expressed in 000 €)	Interest rates	cover	393,355	0.00	1,910,944.00	0.00	458,645.00
Swap (volumes expressed in 000 €)	Inflation	cover	200,000	0.00	3,688,553.00	0.00	1,828,081.00

	Book value	Right value
FINANCIAL FIXED ASSETS ACCOUNTED FOR AT AN AMOUNT GREATER THAN THE FAIR VALUE		
Amounts of assets taken in isolation or suitably grouped together		
ATRIAS sc	3,100.00	3,100.00
Reasons for which the book value has not been reduced		
ATRIAS sc : ATRIAS works at cost for the Belgian DSOs (ORES Assets share: 16.67%). In view of the above, ORES Assets considers that the shareholding in its subsidiary (which corresponds to an amount equivalent to the percentage holding in equity capital) is assessed at its fair value and does not require depreciation.		
Elements that allow it to be supposed that the book value will be recovered.		

2.4 Valuation rules

CONSOLIDATION PRINCIPLES

ORES Assets is a gas and electricity distribution system operator (referred to hereinafter as DSO) in Wallonia, which, as of 31 December 2020, had exclusive control over its subsidiary, ORES, as well as its subsidiary, Comnexio. In order to prepare the Group's consolidated financial statements, ORES Assets has fully consolidated its two subsidiaries.

The Group's consolidated financial statements include all of the financial statements for the entities that it controls (its subsidiaries).

'Control' is defined as being the power to direct the financial and operational policies of an entity in order to enjoy the benefits of its activities. The type of control is assessed on a case-by-case basis pursuant to the Royal Decree of 29 April 2019 implementing the Code of Companies and Associations

Subsidiaries are entities controlled by the Group and are fully consolidated from the moment that the existence of control has been established and until such time as this control comes to an end.

Intragroup balances and transactions, as well as any profit resulting from intragroup transactions, are totally eliminated during the consolidation process for preparing the consolidated financial statements.

1. CONSOLIDATION DIFFERENCE

When the consolidating company incorporates a subsidiary into its consolidated accounts for the first time, the subsidiary's equity capital included in the consolidation is:

a) the proportion of its equity represented by its stocks and shares owned by the parent company and the subsidiaries included in the consolidation, offset by the book value of these stocks and shares in the accounts of the parent company and the subsidiaries that own it, and;

b) the proportion of its equity represented by its stocks and shares owned by persons and entities other than the consolidating company and the subsidiaries included in the consolidation, entered in the liabilities of the consolidated balance sheet under "third-party interests".

The difference resulting from this offsetting is charged in the consolidated accounts, insofar as is possible, to the elements of the assets and liabilities that have a value above or below their book value in the subsidiary's account.

The difference that remains after this is included in the consolidated balance sheet in "Consolidation differences", under assets if it is positive, or under liabilities if negative.

Positive and negative consolidation differences cannot be offset unless they refer to the same subsidiary; in this case, they must be offset.

Negative consolidation differences cannot be recorded in the consolidated profit and loss statement. However, when a negative consolidation difference corresponds to a forecast, on the relevant date, of a weakness in the future results of the subsidiary in question, or costs that it will incur, it is included in the consolidated profit and loss statement insofar as and at the time that this forecast becomes a reality.

2. COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Affiliated companies are companies over which the Group exercises significant influence, but that it does not control. They are consolidated according to the equity method from the date on which the significant influence is established and until this influence ends.

When a holding is based on the equity method, it is included on the consolidated balance sheet at the amount corresponding to the proportion of the equity of the company concerned, including the profit/loss for the financial year, represented by this holding.

ASSETS

SET-UP COSTS

Included under this heading are costs associated with the incorporation, development or restructuring of the company, such as the charges for incorporation of increase in capital and the fees for issuing loans. The depreciation of set-up costs must company with article 3:37 of the Royal Decree of 29 April 2019 stipulating that set-up costs are the subject of appropriate depreciation, in annual tranches of 20% of at least the actual sums disbursed.

The fees for issuing loans are accounted for under this heading and depreciated within the year.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are intangible means of production. They represent fixed assets due to the fact that the company wishes to use them as operating resources. In other words, they imply an operating capability of limited or unlimited duration.

Pursuant to the Royal Decree of 29 April 2019 (article 3:89), a distinction must be made between:

- development costs;
- concessions, patents and licences, know-how, brands and other similar rights;
- goodwill;
- advances paid on intangible fixed assets.

Intangible fixed assets are recorded in the accounts if and only if it is probable that future economic benefits attributable to the asset will go to the company and if the cost of that asset can be valued in a reliable manner. Intangible fixed assets are valued initially at cost. The cost of an intangible fixed asset generated internally includes all costs attributable directly to it and is equal to the sum of the expenses incurred from the date on which this intangible fixed asset meets the accounting criteria in accordance with Belgian standards.

After they have been recorded in the accounts initially, intangible fixed assets are entered at cost, minus accumulated depreciations and accumulated impairment losses.

The Group also invested, both in the development of IT projects and in research and development.

Costs likely to be capitalised as intangible fixed assets are the development and manufacturing costs of prototypes, products, inventions and know-how of value for the future activities of the company. In this context, the following costs have been activated:

- staffing expenditure for researchers, technicians and other support staff, insofar as they are allocated to a project that meets the definition given above;
- the cost of instruments and hardware to the extent that and for as long as they are used for the completion of the project. If they are not used throughout their service life for the completion of the project, only the depreciation costs corresponding to the lifespan of the project will then be admissible;
- the costs for the services of consultants and equivalent services used for the completion of the project;
- other operating costs, in particular the cost of materials, supplies and similar products incurred directly on account of the completion of the project;
- costs incurred for IT licences.

The intangible fixed asset from the development cost activity is then depreciated using the linear method during the period it is used (set at five years) and reduced by any impairment losses.

For intangible fixed assets relating to IT projects, the period of depreciation change to ten years for assets acquired from 2019 onwards; those predating 2019 continue to be depreciated over five years.

TANGIBLE FIXED ASSETS

ACQUISITION VALUE

Tangible fixed assets are included under assets on the balance sheet at their purchase or cost price or their contribution value.

ANCILLARY COSTS

Ancillary costs are included in the purchase value of the tangible fixed assets concerned. Ancillary costs are depreciated at the same rate as the installations to which they relate.

THIRD-PARTY ACTIONS

Third-party actions in the funding of tangible fixed assets are deducted from the latter's purchase values. They are also deducted from the basis for depreciating the facilities mentioned above.

DEPRECIATION

Depreciation is calculated using the linear method.

Facilities acquired during the financial year have, since 1 January 2015 and following on from ORES Assets being subject to corporation tax, been depreciated pro rata temporis. A facility purchased during the month will be amortised from the 1st day of month n + 1.

The depreciation rates to be taken into account are as follows:

Electricity facilities	Depreciation rates in %
Land	0
Industrial buildings	3
Administrative buildings	2
Cables	2
Lines	2
Fibre optic cable sheath signalling network	5
SMART equipment signalling network	10
Sets and cabins (high-voltage (HV) and low-voltage (LV) equipment)	3
Connections – transformers	3
Connections – lines and cables	2
Metering equipment	3
Electronic meters, budget meters, automatic meters	10
BT SMART electricity meters	6,7
Remote control, lab and dispatching equipment	10
Teletransmission	10
Fibre optics	5
Tools and equipment	10
Vehicles (to carry people and goods)	20
Mobile equipment	10
IT hardware	33

Gas facilities	Depreciation rates in %
Land	0
Industrial buildings	3
Administrative buildings	2
Pipes	2
Cabins - stations	3
Connections	3
Metering equipment	3
Lab, dispatching equipment	10
Budget meters, electronic meters, automatic meters	10
Low-pressure (LP) SMART gas meters	6,7
Remote control, dispatching equipment, lab equipment	10
Teletransmission	10
Fibre optics	5
Tools and equipment	10
Vehicles (to carry people and goods)	20
Mobile equipment	10
IT hardware	33

INITIAL DIFFERENCE BETWEEN THE TECHNICAL RAB AND THE BOOK VALUE OF TANGIBLE FIXED ASSETS

Until the end of 2002, tangible fixed assets valued as assets on the balance sheet according to their book value (or the purchase value less sinking fund) were revalued in accordance with the exemption obtained from the Ministry of Economic Affairs on 22 November 1985.

Since 2003, at the same rate at which the electricity and natural gas markets have been deregulated, the inter-municipal companies operating in these areas have refocused their activities, essentially on the role of electricity and gas distribution system operator, a monopolistic activity for which there is a regulatory framework made up mainly of tariff methodologies.

These provide for fair remuneration of the capital invested calculated on the basis of a rate of remuneration, a theoretical financing structure and the invested capital base to be remunerated (RAB) (a).

Combined electricity and gas distribution system operators with a technical inventory justifying the value of the tangible fixed assets could establish the initial value of the capital invested as of 31 December 2001 (electricity) / 31 December 2002 (natural gas), based on the economic value of this inventory.

The initial values were formally approved by the competent regulator and then confirmed in 2007 on the basis of the values as at 31 December 2005 for electricity and 31 December 2006 for natural gas.

The regulator requires the RAB to be taken into account to determine the basis for remunerating invested capital changes according to the following formula:

RAB n = iRAB + investments n – depreciations n – decommissioning n (b)

The regulator also needs to be able, at any time, to reconcile the RAB included in the tariff proposals with the DSOs' accounting statements (c).

Meeting the restrictions (a), (b) and (c) would involve accounting for the RAB and that an initial difference is shown compared with the book value.

This initial difference which appears in the ORES Assets balance sheet is, on the one hand, linked to the right to be the exclusive electricity and gas distributor for a defined period and over a fixed territory and, on the other hand, reflects the fact that the network in question has been valued.

In November 2007, agreements between the DSOs and CREG resulted in a transaction and the publication of the Royal Decrees of 2 September 2008 describing the CREG's tariff methodology, the principles of which have been included in the CWaPE tariff methodology.

It is also indicated that the costs to be covered by the tariffs include in particular the proportion of the capital gain relating to equipment derecognised during the year concerned.

As a result, the tariff methodologies also stipulate that the value of economic reconstruction has changed every year since 1 January 2007, including in particular by deducting the proportion of the capital gain relating to equipment derecognised during the year in question. This capital gain is deducted and carried over into costs at a rate of 2% per year.

These provisions came into force from the 2008 tariff year and still apply today.

FINANCIAL FIXED ASSETS

Financial fixed assets are included as assets on the balance sheet at their purchase value less the proportion not called up.

At the end of each financial year, an individual assessment of each security in the portfolio is carried out in order to reflect, in as satisfactory a manner as possible, the company's situation, profitability and outlook in the holding where the stocks are held.

RECEIVABLES DUE IN MORE THAN ONE YEAR

Receivables due in more than one year are recorded at their book value.

STOCKS AND ORDERS IN PROGRESS

Stocks are valued at a weighted average price stocks. An impairment is recorded when the economic value of the stocks is lower than their book value. On this subject, additional flat-rate writedowns are recorded to adjust the book value, taking into account different age categories, stock rotation and possible market trends. Reduction rates may vary from 0% to 100%.

Work in progress is included under assets on the balance sheet at its cost price. As far as work on behalf of third parties is concerned, the costs and billings are transferred to the profit and loss account when the work is considered completed.

RECEIVABLES DUE WITHIN ONE YEAR

Receivables due within one year are accounted for at their book value.

They include receivables from customers for energy supplies (mainly protected customers), transmission fees and miscellaneous work.

They are taken away from those regarded as unrecoverable bad debts, including those relating to known bankruptcies. These bad debts are covered in full by the debits in the profit-and-loss statement. If some of these are subsequently recovered, the amount recovered will be shown as a credit in the profit-and-loss statement.

Unpaid receivables are covered by impairments when there is a certain risk that they will not be recovered. Following on from ORES Assets' liability for corporation tax, write-downs apply in different stages, following a specific schedule, and after the amount guaranteed by debt collection firms has been deducted, which means they are covered gradually.

We should point out that there are no writedowns for liabilities related to "network damage" less than two years old, as well as for outstanding debts to municipalities, as the Board of Directors feels that these liabilities do not present any risk of not being recovered.

2 ANNUAL FINANCIAL STATEMENTS

CASH INVESTMENTS

Investment securities are recorded in the assets on the balance sheet at their acquisition price, excluding ancillary costs, or at the input value.

At the end of the financial year, they are valued at the lowest of the following values: purchase price or input value or market value at the end of the financial year.

LIQUID ASSETS

Liquid assets are accounted for under balance sheet assets at their book value.

ASSET ACCRUALS

- Expenses incurred during the financial year, but chargeable in full or in part to one or more previous financial years, are valued using a proportional rule.

- Income or fractions of income which are only paid during one or more of the following financial years but which are to be associated with the financial year in question are evaluated at the amount of the proportion relating to the financial year in question.

Accruals mainly include the costs relating to the pension charges previously paid in the form of capital to the benefit of the operating company's staff (ORES) previously allocated to the distribution activities on the intermunicipal company's territory. The inclusion of these costs by the intermunicipal company is staggered over a period not exceeding 20 years.

The estimated value of the transmission fees for energy transmitted but not metered at 31 December is also included in the asset adjustment accounts. "Low-voltage" and "low-pressure" consumption for residential and business customers is only recorded once a year, so the quantities of energy transported for these customers between the date of the last meter reading and 31 December and the transmission fees relating to them have to be estimated (total quantities of energy transported during the calendar year - quantities transported and billed during the same financial year) (valuation of transmission fees based on the applicable rates during the course of the financial year concerned).

Asset accruals include any "regulated assets" accounted for by virtue of the principle of annuality for expenditure and income. These "regulatory assets" relating to the previous years are recovered using tariffs in accordance with the recommendations issued by the regulator in its decisions. The impact of these regulatory assets on the results for the intermunicipal company will be neutralised annually and partially by setting aside part of the fair profit margin (pay-out ratio set at 70% of the REMCI).

LIABILITIES

UNTAXED RESERVES

This item includes capital gains and profits whose untaxed status is subject to them being kept as the company's assets.

PROVISIONS AND DEFERRED TAXES

At the end of each financial year, acting with sincerity and in good faith, the Board of Directors looks at the provisions to be set aside to cover all the expected risks or any losses arising during this and previous years. The provisions relating to the previous financial years are regularly reviewed and the Board of Directors decides on their allocation or purpose.

DEBTS DUE IN MORE THAN ONE YEAR

Debts due in more than one year are recorded under liabilities in the balance sheet at their book value.

DEBTS DUE WITHIN ONE YEAR

Debts due within one year are recorded under liabilities in the balance sheet at their book value.

LIABILITY ACCRUALS

- Expenses or fractions of the expenses relating to the financial year but which will only be paid during a subsequent financial year are valued at the amount attributable to the financial year.

- Income received during the financial year, which is attributable in full or in part to a subsequent financial year, is also valued at the amount that must be regarded as income for subsequent financial years.

Liability accruals include any "regulatory liabilities" or "excess liabilities" accounted for by virtue of the principle of annuality for expenditure and income. These "regulatory liabilities" relating to the previous years are covered using tariffs in accordance with the recommendations issued by the regulator in its decisions. The impact of these regulatory assets on the results for the intermunicipal company is fully covered during the year to which they relate.

The estimated value of the transmission fees for energy transported but not raised as of 31 December is also included in the liability accruals. "Low-voltage" and "low-pressure" consumption for residential and business customers is only recorded once a year, so the quantities of energy transported for these customers between the date of the last meter reading and 31 December and the transmission fees relating to them have to be estimated (total quantities of energy transported during the calendar year - quantities transported and billed during the same financial year) (valuation of transmission fees based on the applicable rates during the course of the financial year concerned).

IV

AUDITORS' REPORT

ORES ASSETS SC

Rapport du commissaire – Comptes consolidés référentiel BGAAP
31 décembre 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

ORES ASSETS SC

RAPPORT DU COMMISSAIRE A L'ASSEMBLEE GENERALE DE LA SOCIETE POUR L'EXERCICE CLOS LE 31 DECEMBRE 2021

(COMPTES CONSOLIDÉS)

Dans le cadre du contrôle légal des comptes consolidés de ORES ASSETS SC (« la Société ») et de ses filiales (conjointement « le Groupe »), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes consolidés ainsi que les autres obligations légales et réglementaires. Le tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 29 mai 2019, conformément à la proposition de l'organe d'administration. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes consolidés clôturés au 31 décembre 2021. Nous avons exercé le contrôle légal des comptes consolidés de la société ORES ASSETS durant 5 exercices consécutifs.

RAPPORT SUR LES COMPTES CONSOLIDÉS

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes consolidés du Groupe, comprenant le bilan consolidé au 31 décembre 2021 ainsi que le compte de résultats pour l'exercice clos à cette date et l'annexe, dont le total du bilan s'élève à € 4.684.320.973,67 et dont le compte de résultat se solde par un bénéfice de l'exercice de € 182.448.992,42.

A notre avis, les comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2021, ainsi que de ses résultats consolidés pour l'exercice clos à cette date, conformément au référentiel comptable applicable en Belgique.

Fondement de l'opinion sans réserve

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire relatives à l'audit des comptes consolidés » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes consolidés en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

Points clés de l'audit

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des comptes annuels de la période en cours. Ces points ont été traités dans le contexte de notre audit des comptes annuels pris dans leur ensemble et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

Nous considérons que les éléments suivants constituent les points clés de l'audit :

- Les investissements technologiques dans les développements IT : pour faire face aux défis du futurs et à la mise en place (notamment) des compteurs intelligents, la société investit des montants importants dans différents projets IT. Ces dépenses ont fait l'objet d'une attention particulière dans le cadre de nos travaux d'audit ;
- La politique de financement du groupe : tenant compte des investissements importants que le groupe ORES doit réaliser, le financement de ceux-ci est essentiel pour l'activité de la société d'autant plus qu'une partie significative des capitaux empruntés proviennent de marchés règlementés ;
- L'environnement régulatoire et l'application de législations spécifiques : le respect de ces différentes législations constitue naturellement un élément majeur de notre audit.

Responsabilités de l'organe d'administration relatives à l'établissement des comptes consolidés

L'organe d'administration est responsable de l'établissement des comptes consolidés donnant une image fidèle conformément au référentiel comptable applicable en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à l'organe d'administration d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si l'organe d'administration a l'intention de mettre le Groupe en liquidation ou de cesser ses activités ou s'il ne peut envisager une autre solution alternative réaliste.

Responsabilités du commissaire relatives à l'audit des comptes consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du commissaire contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou en cumulé, elles puissent influencer les décisions économiques que les utilisateurs des comptes consolidés prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes consolidés en Belgique. L'étendue du contrôle légal des comptes ne comprend pas d'assurance quant à la viabilité future du Groupe ni quant à l'efficience ou l'efficacité avec laquelle les organes d'administration ont mené ou mèneront les affaires du Groupe.

Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre :

- ► nous identifions et évaluons les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- ► nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe;

- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par l'organe d'administration, de même que des informations les concernant fournies par ce dernier;
- nous concluons quant au caractère approprié de l'application par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport du commissaire sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport du commissaire. Cependant, des situations ou événements futurs pourraient conduire le Groupe à cesser son exploitation;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes consolidés et évaluons si les comptes consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle ;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les comptes consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit au niveau du Groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons au comité d'audit notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes découlant de notre audit, y compris toute faiblesse significative dans le contrôle interne.

Nous fournissons également au comité d'audit une déclaration précisant que nous nous sommes conformés aux règles déontologiques pertinentes concernant l'indépendance, et leur communiquons, le cas échéant, toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir une incidence sur notre indépendance ainsi que les éventuelles mesures de sauvegarde y relatives.

Parmi les points communiqués au comité d'audit , nous déterminons les points qui ont été les plus importants lors de l'audit des comptes annuels de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du commissaire, sauf si la loi ou la réglementation n'en interdit la publication ou si, dans des circonstances extrêmement rares, nous déterminons que nous ne devrions pas communiquer un point dans notre rapport du commissaire parce que les conséquences néfastes raisonnablement attendues de la communication de ce point dépassent les avantages qu'elle aurait au regard de l'intérêt public.

AUTRES OBLIGATIONS LÉGALES ET RÉGLEMENTAIRES

Responsabilités de l'organe d'administration

L'organe d'administration est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés et des autres informations contenues dans le rapport annuel sur les comptes consolidés.

Responsabilités du commissaire

Dans le cadre de notre mandat et conformément à la norme belge complémentaire (version révisée 2020) aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans leurs aspects significatifs, le rapport de gestion sur les comptes consolidés et les autres informations contenues dans le rapport annuel, ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion sur les comptes consolidés et aux autres informations contenues dans le rapport annuel sur les comptes consolidés.

A l'issue des vérifications spécifiques sur le rapport de gestion sur les comptes consolidés, nous sommes d'avis que celui-ci concorde avec les comptes consolidés pour le même exercice et a été établi conformément à l'article 3:32 du Code des Sociétés et des Associations.

Dans le cadre de notre audit des comptes annuels, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion et les autres informations contenues dans le rapport annuel annuel (dont les informations non financières établies conformément au standard GRI) comportent une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse.

Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.

Mentions relatives à l'indépendance

- Notre cabinet de révision n'a pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et est resté indépendant vis-à-vis du Groupe au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal visées à l'article 3:65 du Code des Sociétés et des Associations ont correctement été ventilés et valorisés dans l'annexe des comptes consolidés.

Gosselies, le 4 mai 2022

RSM InterAudit SRL
Commissaire
Représentée par

Thierry Lejuste
Associé

VI

REMUNERATION REPORTS

Due to the common governance established in ORES Assets and ORES and for reasons of transparency, given that directorships are unpaid within ORES Assets and remunerated within ORES (in compliance with CDLD regulations), this Annual Report publishes the overviews of the management bodies and the remuneration reports of ORES Assets and ORES.

Given the equivalence of the requirements stated in L1523-17 and L6421-1 of the CDLD with those imposed by article 3:12 § 1 9° of the Code of Companies and Associations, this report has been drawn up to meet the obligations required both by the CDLD and the Code of Companies and Associations.

1. Presentation of the management bodies

ORES Assets

Board of Directors

The Board of Directors is the company's decision-making body, with the exception of matters reserved for the Annual General Meeting either by law, decree or the articles of association. Its main goal is to ensure the company's long-term success, in accordance on the one hand with the interests of all the third-party stakeholders essential for achieving this goal, namely shareholders, customers, suppliers and other creditors, and, on the other, with the public service obligations that it assumes. With this in mind, the Board of Directors identifies the strategic challenges and risks faced by the company, defines the company's values, its strategy, the level of risks that it is comfortable taking as well as its key policies, along with monitoring the running of the business. The intermunicipal company ORES Assets and its subsidiary ORES have had a "mirror" Board of Directors.

In accordance with article L1523-15 of the CDLD, as set out in Article 14 of the ORES Assets Articles of Association, the Board of Directors is composed of twenty members of different sexes, of whom 13 members (2/3) represent the municipal shareholders and must, as such, be municipal representatives. The other seven represent the IPFs and may (or may not) be municipal representatives.

The members of the Board of Directors are distributed as follows:

- politically (on the basis of a double proportionality referred to in Article 14 of the ORES Assets Articles of Association, i.e. the d'Hondt method on nine directorships and the weighted d'Hondt method on the remaining eleven);
- geographically (in proportion to the supply points as available at the time of the municipal elections).

As well as this, in accordance with the CDLD, the members of the Board of Directors of ORES Assets sit on the company's management and control committees – offshoots of the Board of Directors – namely the Remuneration Committee and the Audit Committee. They are both constituted according to the principle of a "mirror" committee between ORES Assets and ORES.

Remuneration Committee

The Remuneration Committee's role is to make recommendations about remunerating the directors to the Annual General Meeting and report on their relevance by carrying out an annual assessment of the justification for the remuneration arrangements. It is made up of five directors who provide this service free of charge.

Audit Committee

This committee is made up of five directors responsible for checking and overseeing the statutory and consolidated financial statements, as well as matters relating to financial information, internal control and risk management.

ORES

Board of Directors

The Board of Directors is the company's decision-making body, with the exception of matters reserved for the Annual General Meeting either by law, decree or the articles of association. Its main goal is to ensure the company's long-term success, in accordance with the interests of all the third-party stakeholders essential for achieving this goal, namely shareholders, staff, clients, suppliers and other creditors. With this in mind, the Board of Directors identifies the strategic challenges and risks faced by the company, defines the company's values, its strategy, the level of risks that it is comfortable taking and its key policies, as well as monitoring the running of the company's business.

Given the establishment of "mirror" Boards of Directors between the inter-municipal company ORES Assets and ORES, in accordance with Article 13 of the ORES Articles of Association, the composition of this body is based on a proposal from ORES Assets. It must be carried out in accordance with Walloon legislation relating to intermunicipal companies and more particularly with Article L1523-15 of the CDLD, as set out in Article 14 of the ORES Assets Articles of Association, as mentioned above in the presentation of the management bodies of ORES Assets.

As well as this, members of the Board of Directors of ORES Assets sit on the company's management and control committees – offshoots of the Board of Directors – namely the Executive Bureau, the Appointment and Remuneration Committee, the Audit Committee and the Ethics Committee.

Executive Bureau

This Committee is responsible for preparing the decisions of the Board of Directors on all matters relating to the strategic and confidential tasks listed in the Walloon legislation relating to electricity and/or natural gas distribution systems operators. The Executive Bureau of ORES had five members as of 31 December 2021.

Appointments and Remuneration Committee

The principles and rules for remuneration granted to the company's directors, the members of the different Management and Control Committees, as well as the management roles within the company, are defined by the ORES Appointments and Remuneration Committee. Constituted according to the principle of the "mirror" committee between ORES Assets and ORES, this committee has five members.

Audit Committee

Its role is to support the Board of Directors by providing its views on the company's accounts, as well as on the internal control system, the internal audit programme and the conclusions and recommendations formulated by this internal audit in the form of reports. The Audit Committee is composed of five directors. It has been established according to the principle of a "mirror" committee between ORES Assets and ORES.

Ethics Committee

This Committee is responsible for advising on compliance with the rules on the confidentiality of personal and commercial information. It is composed of five members.

Executive Board

The management of the company is entrusted to the Executive Board. As of 31 December 2021, it was composed of nine members, including its Chair.

2. Report from the ORES Assets Remuneration Committee

Preliminary note

This report has been prepared by the Remuneration Committee and is submitted to the Board of Directors of ORES Assets for approval in accordance with the provisions of Article 19.6 of the Articles of Association of the intermunicipal company and Article L 1523-17, §2 of the Local Democracy and Decentralisation Code (CDLD).

Its purpose is to assess the appropriateness of the remuneration paid to the directors of the intermunicipal company in 2020. The individual attendance record of the directors is an integral part of the report to be drawn up by the Board of Directors pursuant to Article L6421-1 of the CDLD – remuneration report consolidated with ORES sc.

Evaluation of the appropriateness of the non-remuneration of the directorships held at ORES Assets

The Remuneration Committee records that, as decided by the General Meeting on 22 June 2017 and confirmed by the deliberations on 28 June 2018 and 29 May 2019, all the directorships for ORES Assets are unpaid, it being understood that the same individuals make up the Board of Directors for ORES and are remunerated within the context of this directorship, in accordance with CDLD (Local Democracy and Decentralisation Code) thresholds and requirements on this subject.

The same is true for directorships for Committees established within the Board.

Conclusions of the Remuneration Committee

The Remuneration Committee, meeting on 9 March 2022, noted that the terms of remuneration stated above reflect the strict application of the deliberations mentioned above conducted in the General Meeting, which has authority in the matter.

It also noted that directorships within ORES Assets are unpaid, in accordance with the governance rules shared with ORES Assets and ORES, remains appropriate, and that, as a result, the Committee does not make a recommendation to the General Meeting for any change in the remuneration of the directorships within ORES Assets.

Carried out at the meeting of 9 March 2022.

3. Report from the ORES Appointments and Remuneration Committee

Preliminary note

This report has been prepared by the Appointments and Remuneration Committee and is submitted to the Board of Directors of ORES for approval in accordance with Article L 1523-17, §2 of the Local Democracy and Decentralisation Code (CDLD).

Its purpose is to assess the appropriateness of the remuneration paid to ORES directors in 2021. The individual attendance record of the directors and their remuneration is an integral part of the report to be drawn up by the Board of Directors pursuant to Article L6421-1 of the CDLD – consolidated remuneration report with ORES Assets.

Evaluation of the appropriate nature of the remuneration of the directorships held within ORES in 2021

The remuneration terms of directorships are broken down as follows:

i. Remuneration terms for a directorship (Chairman, Vice-Chairman and member of the Board of Directors):

Position	Amount (gross) of remuneration	Payment frequency of the remuneration
Chairman of the Board of Directors	Annual fee of 19,997.14 € (index 138.01)	Monthly (remuneration* + km allowance**)
Vice Chairman of the Board of Directors	Annual fee of 14,997.85 € (index 138.01)	Monthly (remuneration* + km allowance**)
Member of the Board of Directors	Attendance fee of 125 € (index 138.01).	Half-yearly (attendance fee + km allowance**)

(*) weighted according to attendance rate – subject to attendance clause.
(**) 0.35 € per km, indexed in accordance with FPS Finance regulations.

ii. Remuneration terms for Committee members:

Position	Amount (gross) of remuneration	Payment frequency of the remuneration
Committee Chairman	Attendance fee of 180 € (index 138.01)	Every 6 months (attendance fee + km allowance*)
Member of the Board of Directors	Attendance fee of 125 € (index 138.01).	Every 6 months (attendance fee + km allowance**

(*) a kilometre allowance of 0.35 € per km is granted to committee members and indexed in accordance with FPS Finance regulations.

Conclusions of the Remuneration Committee

The Appointments and Remuneration Committee records that the remuneration terms paid in 2021 strictly apply the deliberations conducted at the General Meetings – which have authority in the matter – of 28 June 2018 and 29 May 2019.

The records show that in the session of 28 April 2021, the Appointments and Remuneration Committee noted the opinion of the WPS of 2 April 2021 relating to its reading of the provision of article L5311-1, §12 of the CDLD regarding the remuneration of the attendance allowance allocated to the Chair of the Audit Committee.

In view of the change in the interpretation of the provisions of article L 5311-1 of the CDLD, especially on the scope of the principles applicable to the chairmanship of the select management committees, the Appointments and Remuneration Committee reiterated its determination to respect the legality and the rules of governance of the CDLD and mandated ORES to take all useful measures at the level of the competent administrative authorities to clarify this point.

As a result, ORES approached the Union des Villes and Communes de Wallonie (Union of Towns and Municipalities of Wallonia), as well as the Local Government Minister to clarify the question and received the recommendation from the Appointments and Remuneration Committee to align themselves, if necessary, in the context of a future General Meeting; governance remains a constant and changing concern of ORES.

To date, there has been no response forthcoming from the Minister.

The Appointments and Remuneration Committee reiterated the recommendation made in April 2021 to comply with the remuneration terms that effectively apply for chairing the select management committees.

In the light of the response to be received from the Local Government Minister regarding the interpretation of having to retain article L 5311-1 of CDLD with regard to the chairing of select management committees, the terms that apply will be maintained or will have to be adjusted.

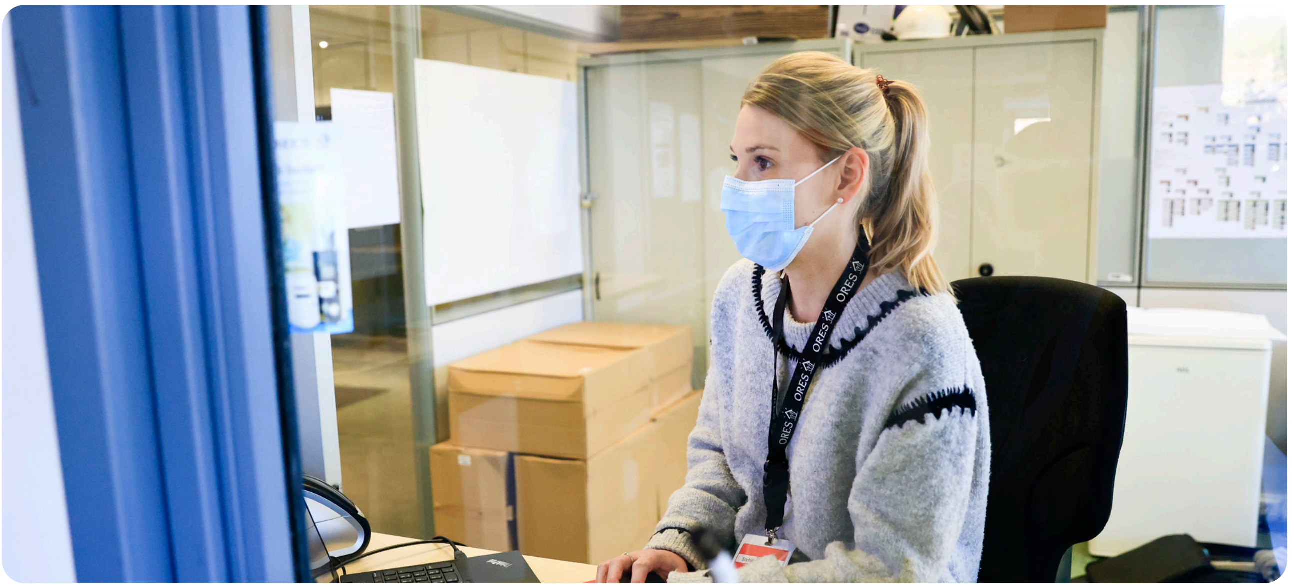
Carried out at the meeting of 9 March 2022.

4. Report from the Board of Directors of ORES Assets

General information about the institution

Identification number (CBE)	0543.696.579
Type of institution	Intermunicipal company
Name of the institution	ORES Assets
Reporting period	2021

	Number of meetings
General meeting	02
Board of Directors	09
Remuneration Committee	02
Audit Committee	03



Members of the Board of Directors

Position	Last name and first name	Gross annual remuneration	Breakdown of remuneration and benefits	Reason for the remuneration if other than an attendance fee	List of mandates associated with the position and any remuneration	Percentage attendance at meetings
Chairman of the Board of Directors	DE VOS Karl	In accordance with the deliberations of the General Meeting held on 29 May 2019, all directorships at ORES Assets are unpaid. This is on the understanding that the same individuals make up the ORES Board of Directors and are paid in the context of this directorship according to the limits and requirements set out by the CDLD in the matter. The same applies to directorships in the context of the Committees constituted within the Board, as decided by the General Meeting in its deliberations on 29 May 2019.			None	78 %
Vice Chairman of the Board of Directors	BINON Yves				None	89 %
Director	BELLEFLAMME Élodie				None	100 %
Director - member of the Audit Committee	BULTOT Claude				None	92 %
Director – Chair of the Audit Committee	BURNET Anne-Caroline				None	100 %
Director	de BEER de LAER Hadelin				None	100 %
Director - member of the Remuneration Committee	DEMANET Nathalie				None	91 %
Director	DONFUT Didier				None	100 %
Director - member of the Audit Committee	DUTHY André				None	83 %
Director - member of the Remuneration Committee	FAYT Christian				None	55 %
Director	FRANCEUS Michel				None	89 %
Director - member of the Remuneration Committee	FRANSSEN Roger				None	100 %
Director	GAUTHIER Ludivine				None	100 %
Director	GILLIS Alain				None	89 %
Director	HARDY Cerise				None	89 %
Director - member of the Audit Committee	LEFEBVRE Philippe				None	100 %
Director - member of the Remuneration Committee	MEURENS Jean-Claude				None	100 %
Director - Chair of the Remuneration Committee	STAQUET Danièle				None	100 %
Director - member of the Audit Committee	VAN HOUT Florence				None	100 %
Director	VEREECKE Anne				None	78 %
Overall total	**20**					

2. Holders of senior management positions

Position[9]	Last name and first name	Gross annual remuneration[11]	Breakdown of the gross annual remuneration[12]	List of mandates associated with the position and any remuneration
Senior local official	**None** ORES Assets does not have any staff and hence there are no managerial positions. The day-to-day and operating management of ORES Assets is entrusted by statute to its subsidiary, ORES, pursuant to article 16§1 of the Electricity Decree.			
Director x				
Director …				
Assistant Director				
Assistant Director …				
Other …				
Total remunerations				

[9]: Indicate the position occupied within the structure, on the understanding that only senior management staff are meant by this.
[11]: Indicate the total gross annual, indexed remuneration, including all amounts in cash and all benefits that can be assessed in cash.
[12]: Give details of the various components of the gross annual remuneration (amounts in cash, any other benefits in accordance with the rules stated in appendix 4 of this Code).

3. Appendices

Appendix 1: List of members' names and the attendance of members at management body meetings

ORES Assets – Management body 1: Board of Directors

Position	Last name and first name	BoD 24/02/21	BoD 24/03/21	BoD 28/04/21	BoD 26/05/21	BoD 23/06/21	BoD 29/09/21	BoD 27/10/21	BoD 24/11/21	BoD 15/12/21	Total attendance rate
Chairman	DE VOS Karl	V	V	V		V	V	V	V		7/9 78 %
Vice Chairman	BINON Yves	V	V	V	V	V	V	V		V	8/9 89 %
Directors	BELLEFLAMME Élodie	V	V	V	V	V	V	V	V	V	9/9 100 %
	BULTOT Claude	V	V	V	V	V	V	V	V		8/9 89 %
	BURNET Anne-Caroline	V	V	V	V	V	V	V	V	V	9/9 100 %
	De BEER de LAER Hadelin	V	V	V	V	V	V	V	V	V	9/9 100 %
	DEMANET Nathalie	V	V	V	V	V	V	V		V	8/9 89 %
	DONFUT Didier	V	V	V	V	V	V	V	V	V	9/9 100 %
	DUTHY André	V	V		V	V		V	V	V	7/9 78 %
	FAYT Christian	V	V	V					V	V	5/9 56 %
	FRANCEUS Michel	V	V	V	V	V	V		V	V	8/9 89 %
	FRANSSEN Roger	V	V	V	V	V	V	V	V	V	9/9 100 %
	GAUTHIER Ludivine	V	V	V	V	V	V	V	V	V	9/9 100 %
	GILLIS Alain	V	V		V	V	V	V	V	V	8/9 89 %
	HARDY Cerise		V	V	V	V	V	V	V	V	8/9 89 %
	LEFEBVRE Philippe	V	V	V	V	V	V	V	V	V	9/9 100 %
	MEURENS Jean-Claude	V	V	V	V	V	V	V	V	V	9/9 100 %
	STAQUET Danièle	V	V	V	V	V	V	V	V	V	9/9 100 %
	VAN HOUT Florence	V	V	V	V	V	V	V	V	V	9/9 100 %
	VEREECKE Anne	V	V		V	V	V	V		V	7/9 78 %

ORES Assets – Management body 2: Remuneration Committee

Position	Last name and first name	CREM 10/03/21	CREM 15/12/21	Total attendance rate - %	
Chair	STAQUET Danièle	V	V	2/2	100 %
Members	DEMANET Nathalie	V	V	2/2	100 %
	FAYT Christian	V		1/2	50 %
	FRANSSEN Roger	V	V	2/2	100 %
	MEURENS Jean-Claude	V	V	2/2	100 %

ORES Assets – Management body 3: Audit Committee

Position	Last name and first name	CAud 26/04/21	CAud 22/09/21	CAud 08/12/21	Total attendance rate - %	
Chair	BURNET Anne-Caroline	V	V	V	3/3	100 %
Members	BULTOT Claude	V	V	V	3/3	100 %
	DUTHY André	V	V	V	3/3	100 %
	LEFEBVRE Philippe	V	V	V	3/3	100 %
	VAN HOUT Florence	V	V	V	3/3	100 %

Appendix 2: Summary sheet of the amounts paid to the Chairman and Vice Chairman of legal entities or de facto associations, and their justification for each month

None: in accordance with the resolution of the Constituent General Meeting of 29 May 2019, all mandates in ORES Assets are exercised free of charge, it being understood that the same persons make up the Board of Directors of ORES and are remunerated in the context of this mandate according to the limits and requirements of the CDLD in this regard.

5. Report from the ORES Board of Directors

General information about the institution

Identification number (CBE)	0897.436.971
Type of institution	Company with significant local public participation
Name of the institution	ORES
Reporting period	2021

	Number of meetings
General meeting	01
Board of Directors	09
Executive Board	07
Appointments and Remuneration Committee	04
Audit Committee	03
Ethics Committee	01

1. Members of the Board of Directors

Position	Last name and first name	Gross annual remuneration	Breakdown of remuneration and benefits	Reason for the remuneration if other than an attendance fee	List of mandates associated with the position and any remuneration	Percentage attendance at meetings
Chairman of the Board of Directors - Member of the Executive Board	DE VOS Karl	35,186.86 € (incl. mileage 197.86 €) (minus withholding tax 37.35%: 13,142.30 €)	Remuneration as Chairman: Gross annual remuneration of 19,997.14 € (index 138.01) i.e. indexed to 34,815.02 € gross annual until 30/09/2021 and 35,510.92 € gross annual from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	Remuneration as Chairman	None	81 %
Vice Chairman of the Board of Directors - Member of the Executive Board	BINON Yves	26,474.22 € (incl. mileage 232.48 €) (minus withholding tax 37.35%: 9,888.10€)	Remuneration as Vice Chairman: Gross annual remuneration of 14,997.85 € (index 138.01) i.e. indexed to 26,111.26 € gross annual until 30/09/2021 and 26,633.18 € gross annual from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	Remuneration as Vice Chairman	None	94 %
Director - Member of the Ethics Committee	BELLEFLAMME Élodie	2,035.73 € (incl. mileage 64.01 €) (minus withholding tax 37.35%: 760.32€)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63€ until 30/09/2021 and to 221.98€ from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100 %
Director - Member of the Audit Committee	BULTOT Claude	2,454.34 € (incl. mileage 47.36 €) (minus withholding tax 37.35%: 916.65€)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	92 %
Director - Chair of the Audit Committee	BURNET Anne-Caroline	2,969.18 € (incl. mileage 51.06 €) (minus withholding tax 37.35%: 1,108.96 €)	Attendance fee as director: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 319.64 € from 01/10/2021 Attendance fee as Chair of the Audit Committee: 180 € (index 138.01) i.e. 313.38 € until 3130/09/2021 and 319.64 from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100 %

Position	Last name and first name	Gross annual remuneration	Breakdown of remuneration and benefits	Reason for the remuneration if other than an attendance fee	List of mandates associated with the position and any remuneration	Percentage attendance at meetings
Director - Member of the Ethics Committee	de BEER de LAER Hadelin	2,057.93 € (incl. mileage 86.21 €) (minus withholding tax 37.35%: 768.61 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Appointments and Remuneration Committee	DEMANET Nathalie	2,445.89 € (incl. mileage 256.54 €) (minus withholding tax 37.35%: 913.50 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	92%
Director - Member of the Executive Board	DONFUT Didier	4,007.64 € (incl. mileage 508.16 €) (minus withholding tax 37.35%: 2,003.88 €)	Attendance fee as director/ member of the Executive Board: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Audit Committee	DUTHY André	2,356.84 € (incl. mileage 163.14 €) (minus withholding tax 37.35%: 880.25€)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	83%
Director - Member of the Appointments and Remuneration Committee	FAYT Christian	1,414.48 € (incl. mileage 0.00 €) (minus withholding tax 37.35%: 490.94€)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	54%
Director - Member of the Ethics Committee	FRANCEUS Michel	1,912.46 € (incl. mileage 162.72 €) (minus withholding tax 37.35%: 714.27 €)	Presentiepenning bestuurder/ lid comité: 125 € (index 138,01) geïndexeerd tot 217,63 € tot 30/09/2021 en 221,98 € vanaf 01/10/2021 Kilometervergoeding: 0,35 €/km tot 30/06/2021 en 0,37 €/km vanaf 01/07/2021	None	None	90%

Position	Last name and first name	Gross annual remuneration	Breakdown of remuneration and benefits	Reason for the remuneration if other than an attendance fee	List of mandates associated with the position and any remuneration	Percentage attendance at meetings
Director - Member of the Appointments and Remuneration Committee	FRANSSEN Roger	3,143.35 € (incl. mileage 732.02 €) (minus withholding tax 37.35%: 1,174.01 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Ethics Committee	GAUTHIER Ludivine	1,971.72 € (minus withholding tax 37.35%: 736.41 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021	None	None	100%
Director - Member of the Executive Board	GILLIS Alain	3,637.03 € (incl. mileage 355.18 €) (minus withholding tax 37.35%: 1,818.57 €)	Attendance fee as director/ member of the Executive Board: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	94%
Director	HARDY Cerise	2,023.89 € (incl. mileage 52.17 €) (minus withholding tax 37.35%: 755.90 €)	Attendance fee as director: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Audit Committee	LEFEBVRE Philippe	2,732.56 € (incl. mileage 103.60 €) (minus withholding tax 37.35%: 1,020.58 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Appointments and Remuneration Committee	MEURENS Jean-Claude	3,014.95 € (incl. mileage 603.62 €) (minus withholding tax 37.35%: 1,126.06 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%

5 REPORT FROM THE ORES BOARD OF DIRECTORS

Position	Last name and first name	Gross annual remuneration	Breakdown of remuneration and benefits	Reason for the remuneration if other than an attendance fee	List of mandates associated with the position and any remuneration	Percentage attendance at meetings
Director - Chair of the Appointments and Remuneration Committee	STAQUET Danièle	2,782.54 € (incl. mileage 177.80 €) (minus withholding tax 37.35%: 1,039.25 €)	Attendance fee as director: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Attendance fee as Chair of the Appointments and Remuneration Committee: 180 € (index 138.01) i.e. 313.38 € until 30/09/2021 and 319.64 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Audit Committee - Member of the Ethics Committee	VAN HOUT Florence	2,448.70 € (**) (incl. mileage 101.38 €) (minus withholding tax 37.35%: 914.57 €)	Attendance fee as director/ Committee member: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021 Mileage allowance: 0.35 €/km until 30/06/2021 and 0.37 €/km from 01/07/2021	None	None	100%
Director - Member of the Executive Board	VEREECKE Anne	2,624.61 € (minus withholding tax 37.35%: 980.25 €)	Attendance fee as director/ member of the Executive Board: 125 € (index 138.01) i.e. indexed to 217.63 € until 30/09/2021 and to 221.98 € from 01/10/2021	None	None	75%

5 REPORT FROM THE ORES BOARD OF DIRECTORS

2. Holders of senior management positions – Executive Board

Position	Last name and first name	Gross annual remuneration	Breakdown of gross annual remuneration	List of derived mandates associated with the position and any remuneration
Local senior official	GRIFNEE Fernand	273,289.20 €**	273,289.20 €**	Director then Chairman *** SYNERGRID – Unpaid Director Atrias– Unpaid
Infrastructure Director	MOES Didier	244,118.07 €	201,208.07 € + 40,110 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	Director Gas.be – Unpaid
Technical Director	HOUSSARD Benoît	240,377.51 €	208,927.81 € + 28,650 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	Director Gas.be– Unpaid Director Laborelec – Unpaid
Seconded Director	DECLERCQ Christine	250,916.08 €	202,897.43 € + 34,380 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	None
Market & Customer Management Director	MERTENS Inne	248,141.54 €	205.231,54 € + 40.110 € (bonus betaald in 2022 voor prestaties 2021) + 2.800 € (collectieve bonus gerelateerd aan resultaten)	Director Atrias– Unpaid
Transformation Director	MAHAUT Sébastien	235,435.93 €	201,120.93 € + 31,515 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results linked to results)	None
IT Director	MEDAETS Benoît	202,342.25 €	172,611.25 € + 26,931 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	None
Finance Director	OFFERGELD Dominique	244,3093.2386 €	209,988.23 € + 31,515 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	Director Contassur – Unpaid
HR Director	DEMARS Frédéric	224,103.26 €	189,788.26 € + 31,515 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	Director Enerbel (pension fund) – Unpaid Director Powerbel (pension fund) – Unpaid
Public Affairs, & Communication Director	CALLENS Isabelle	202,267.96 €	182,277.96 € + 17,190 € (bonus paid in 2022 regarding performance in 2021) + 2,800 € (collective bonus linked to results)	Director CIRIEC – Belgian section – Unpaid
Overall total		**2,365,295.33 €**		

Supplementary pension plan for the senior local official (Delete where not applicable)

- If the holder of the role of local official covered by a group insurance policy? Yes / ~~No~~
- If yes, is it a contribution pension plan designed in accordance with appendix 4 of the Local Democracy and Decentralisation Code? Yes / ~~No~~
- Are the percentage and the group insurance terms applicable identically to all contracted staff in accordance with appendix 4 of the Local Democracy and Decentralisation Code? Yes / ~~No~~
- What was the amount received by the holder of the role of local official in the context of the group insurance policy? 60,793.40 €, excluding tax, for 2021

Notes

Members of the Executive Board also receive all of the benefits set by the sector, like all company executives.

* The individual bonus amounts are shown here with indexation for March 2022 (114.60).

** In accordance with appendix 4 of the CDLD and article 82 of the decree of 28/03/2018, but also as stated in the employment contract of Mr Fernand Grifnée, an amount of 3,398.53 € resulting from changes to indexation, as applied by Joint Representation Committee 326, will be refunded to ORES in April 2022 in order to comply with the ceiling set by decree of 245,000 €, indexed to 269,890.67 € for 2021.

*** Chairman since 21/05/2021, unpaid.

3. Appendices

Appendix 1: List of names and the attendance rate of members at meetings of the management bodies

ORES – Management body 1: Board of Directors

Position	Last name and first name	24/02/21	24/03/21	28/04/21	26/05/21	23/06/21	29/09/21	27/10/21	24/11/21	15/12/21	Total attendance rate in %	
Chair	DE VOS Karl	V	V	V		V	V	V	V		7/9	78 %
Vice President	BINON Yves	V	V	V	V	V	V	V		V	8/9	89 %
Administrators	BELLEFLAMME Élodie	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	BULTOT Claude	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€		8/9	89 %
	BURNET Anne-Caroline	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	de BEER de LAER Hadelin	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	DEMANET Nathalie	V-€	V-€	V-€	V-€	V-€	V-€	V-€		V-€	8/9	89 %
	DONFUT Didier	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	DUTHY André	V-€	V-€		V-€	V-€		V-€	V-€	V-€	7/9	78 %
	FAYT Christian	V-€	V-€	V-€					V-€	V-€	5/9	56 %
	FRANCEUS Michel	V-€	V-€	V-€	V-€	V-€	V-€		V-€	V-€	8/9	89 %
	FRANSSEN Roger	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	GAUTHIER Ludivine	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	GILLIS Alain	V-€	V-€		V-€	V-€	V-€	V-€	V-€	V-€	8/9	89 %
	HARDY Cerise	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	LEFEBVRE Philippe	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	MEURENS Jean-Claude	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	STAQUET Danièle	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	VAN HOUT Florence	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	V-€	9/9	100 %
	VEREECKE Anne	V-€	V-€		V-€	V-€	V-€	V-€		V-€	7/9	78 %

ORES – Management body 2: Executive Board

Position	Last name and first name	12/01/21	16/02/21	20/04/21	18/05/21	15/06/21	14/09/21	16/11/21	Total attendance rate in %	
Members	DE VOS Karl	V	V	V		V	V	V	6/7	86%
	BINON Yves	V	V	V	V	V	V	V	7/7	100%
	DONFUT Didier	V-€	V-€	V-€	V-€	V-€	V-€	V-€	7/7	100%
	GILLIS Alain	V-€	V-€	V-€	V-€	V-€	V-€	V-€	7/7	100%
	VEREECKE Anne		V-€		V-€	V-€	V-€	V-€	5/7	71%

ORES – Management body 3: Appointments and Remuneration Committee

Position	Last name and first name	10/03/2021	28/04/2021	06/10/2021	15/12/2021	Total attendance rate in %	
President	STAQUET Danièle	V-€	V	V-€	V	4/4	100%
Members	DEMANET Nathalie	V-€	V	V-€	V	4/4	100%
	FAYT Christian	V-€	V			2/4	50%
	FRANSSEN Roger	V-€	V	V-€	V	4/4	100%
	MEURENS Jean-Claude	V-€	V	V-€	V	4/4	100%

ORES – Management body 4: Audit Committee

Position	Last name and first name	26/04/2021	22/09/2021	08/12/2021	Total attendance rate in %	
President	BURNET Anne-Caroline	V-€	V-€	V-€	3/3	100%
Members	BULTOT Claude	V-€	V-€	V-€	3/3	100%
	DUTHY André	V-€	V-€	V-€	3/3	100%
	LEFEBVRE Philippe	V-€	V-€	V-€	3/3	100%
	VAN HOUT Florence	V-€	V-€	V-€	3/3	100%

ORES – Management body 5: Ethics Committee

Position	Last name and first name	24/03/2021	Total attendance rate in %	
President	FRANCEUS Michel	V	1/1	100%
Members	BELLEFLAMME Élodie	V	1/1	100%
	de BEER de LAER Hadelin	V	1/1	100%
	GAUTHIER Ludivine	V	1/1	100%
	VAN HOUT Florence	V	1/1	100%

Appendix 2: Summary of the amounts paid to the Chairman and Vice Chairman of legal entities or de facto associations, as well as their justification for each month

CHAIRMAN			
Month	**Amount of remuneration paid (gross amount minus withholding tax 37.35%)**	**Amount of travel expenses paid (gross amount minus withholding tax 37.35%)**	**Justification**
January 2021	1,817.63		81% total attendance at meetings in 2021 (Board of Directors 7/9 and Executive Board 6/7)**
February 2021	1,817.63		
March 2021	1,817.63		
April 2021	1,817.63		
May 2021	1,817.63		
June 2021	1,817.63	61.86	
July 2021	1,817.63		
August 2021	1,817.63		
September 2021	1,817.63		
October 2021	1,817.63		
November 2021	1,817.63		
December 2021	1,817.63	62.15	

VICE CHAIRMAN			
Month	**Amount of remuneration paid (gross amount minus withholding tax 37.35%)**	**Amount of travel expenses paid (gross amount minus withholding tax 37.35%)**	**Justification**
January 2021	1,363.23		94% total attendance at meetings in 2021 (Board of Directors 8/9 and Executive Board 7/7)**
February 2021	1,363.23		
March 2021	1,363.23		
April 2021	1,363.23		
May 2021	1,363.23		
June 2021	1,363.23	96,03	
July 2021	1,363.23		
August 2021	1,363.23		
September 2021	1,363.23		
October 2021	1,363.23		
November 2021	1,363.23		
December 2021	1,363.23	49,61	

* October 2021: indexation following index threshold being exceeded

** By deliberation of the General Meeting on 29 May 2019, the annual gross allowance for the Chairman and Vice Chairman is allocated 100% if the aforementioned office holder attends 80% of management body meetings.

Appendix 3: Training

Position	Last name and first name	25/05/2021*	26 & 27/10/2021**	Total attendance rate	
Chairman	DE VOS Karl		V	1/2	50 %
Vice Chairman	BINON Yves	V	V	2/2	100 %
Directors	BELLEFLAMME Elodie	V	V	2/2	100 %
	BULTOT Claude	V	V	2/2	100 %
	BURNET Anne-Caroline		V	1/2	50 %
	de BEER de LAER Hadelin	V	V	2/2	100 %
	DEMANET Nathalie	V	V	2/2	100 %
	DONFUT Didier		V	1/2	50 %
	DUTHY André	V	V	2/2	100 %
	FAYT Christian	V		1/2	50%
	FRANCEUS Michel	V		1/2	50 %
	FRANSSEN Roger	V	V	2/2	100 %
	GAUTHIER Ludivine	V	V	2/2	100 %
	GILLIS Alain	V	V	2/2	100 %
	HARDY Cerise	V	V	2/2	100 %
	LEFEBVRE Philippe	V	V	2/2	100 %
	MEURENS Jean-Claude	V	V	2/2	100 %
	STAQUET Danièle	V	V	2/2	100 %
	VAN HOUT Florence	V	V	2/2	100 %
	VEREECKE Anne	V	V	2/2	100 %

* Webinar – no travel expenses

** BoD day – no additional travel expenses

In 2021, two training courses were presented for directors.

The subject of the first one, organised in the form of a webinar on 25 May 2021, was energy transition and the vision of the energy market.

The second course, held on 26 and 27 October 2021, dealt with and delved into the transversal aspects of energy transition and its impact on tariffs, energy sharing and E-mobility.

VI

SPECIFIC REPORT ON SHAREHOLDINGS

Within the context of the missions assigned to it, the Board of Directors has looked at the shareholdings of ORES Assets in the capital of other companies. These shareholdings, which are described below, are included in the balance sheet assets at their purchase value, less any outstanding amounts to be released.

SHAREHOLDING IN LABORELEC

Laborelec is the technical skills centre for the sector that provides research and projects, particularly for energy distribution, as well as specialised services on request.

Until 2005, Laborelec was remunerated through a contribution paid by the distribution service operators to Intermixt. In order to make sure that Laborelec's research and projects were as suitable as possible for distribution, and therefore to meet the specific needs of the distribution service operators, the latter have decided to take shareholdings in Laborelec's capital. Each of the electricity DSOs thus purchased one Laborelec share from its owner, Electrabel.

At 31 December 2021, ORES Assets held 7 shares worth a total of 2.0 k€.

In 2018, Synergrid assigned to ORES the share it held in Laborelec, valued at 0.3 k€. This situation was unchanged at 31 December 2021.

SHAREHOLDING IN IGRETEC

Igretec, the Intermunicipal Company for the Management and Carrying out of Technical and Economic Studies for the Charleroi Region and South-Hainaut, offers services to companies, authorities and individuals relating to economic development, consultancy or efficiency and energy services.

ORES Assets owned 2,400 Igretec shares valued at 14.9 k€ as of 31 December.

SHAREHOLDING IN ATRIAS

In 2018, ORES owned 62 shares worth €3,100.00 in Atrias sc. Pursuant to article 16 § 4 of the new electricity decree of 11 May 2018, it is no longer permitted for a subsidiary of a DSO to delegate the carrying out of the tasks and obligations entrusted to it by the DSO to a sub-structure.

Now Atrias is responsible for developing an IT platform for the exchange of information between DSOs and suppliers. Consequently, it was appropriate to transfer the shares held in the capital of Atrias to ORES Assets, which is the only entity authorised to have a subsidiary and to delegate the activities relating to its tasks as a distribution systems operator.

This transfer was approved by the General Meeting of Atrias on 23 April 2019 and by the Board of Directors of ORES Assets on 24 October 2018.

As of 31 December 2021, ORES Assets held a stake worth 3.1 k€, represented by 62 shares in Atrias.

Hence the shareholdings of the ORES Group at 31 December 2021 were 20.3 k€. This amount can be broken down as follows :

Shareholding in Laborelec	2,3 k€
Shareholding in Igretec	14,9 k€
Shareholding in Atrias	3,1 k€
Total	**20,3 k€**

VII

GRI INDEX

Organisation profile

GRI 102	General disclosures	102-1	Name of the organisation	ORES and ORES Assets
GR1 102	General disclosures	102-2	Activities, brands, products and services	See section 2. "Presentation of the company", pages 8 to 12.
GR1 102	General disclosures	102-3	Location of head office	Avenue Jean Mermoz, 14 à 6041 Gosselies - Belgium
GR1 102	General disclosures	102-4	Location of operational sites	The company's business territory and its main operating sites are presented in the section 2. "Presentation of the company", pages 8 and 12.
GR1 102	General disclosures	102-5	Capital and legal form	See the cover page, as well as Part III. "Management report", including the annual financial statements, pages 72 à 138.
GR1 102	General disclosures	102-6	Markets served	See section 2. "Presentation of the company", pages 8 and 9.
GR1 102	General disclosures	102-7	Size of the organisation	See section 2. "Presentation of the company", page 10.
GR1 102	General disclosures	102-8	Information about employees and other workers	See section 6. "Corporate culture and wellbeing at work", page 55.
GR1 102	General disclosures	102-9	Supply chain	See section 8. "Ethics and fair practices", pages 65, 66 and 67 and List of successful contractors, in Part III. "Management report", pages 129 to 138 (ORES Assets annuel report).
GR1 102	General disclosures	102-10	Significant changes to the organisation and its supply chain	See sections 7. "Governance and transparency", page 61 and 62 and 8. "Ethics and fair practices" page 68.
GR1 102	General disclosures	102-11	Principle of precaution or preventative approach	See "Description of the main risks and uncertainties facing the company", shown in Part III. "Management report", page 78.
GR1 102	General disclosures	102-12	External initiatives	Walloon Public Lighting Charter – Internet of Energy
GR1 102	General disclosures	102-13	Membership of associations	Ciriec – E.DSO – Gas.be – Synergrid– UVCW – UWE

Strategy

GRI 102	General disclosures	102-14	Statement from senior decision-maker	See Introductory message, pages 6 and 7.

Ethics and integrity

GRI 102	General disclosures	102-16	Mechanism for advice and management of concerns about ethics	See section 8. "Ethics and Fair Practices", page 65 and "Remuneration reports" and Part VI "Remuneration reports", page 128.
GR1 102	General disclosures	102-17	Mechanism for advice and management of concerns about ethics	Ethics charter for staff members – Ethics charter for suppliers – Market Abuse Enforcement Code.

Governance

GR1 102	General disclosures	102-18	Governance structure	The Board of Directors has the broadest powers when it comes to achieving the corporate objects as well as managing the company. Everything that is not specifically entrusted by law or the articles of association to the general meeting comes under its jurisdiction. The various committees and their respective roles are described in Part VI "Remuneration Report". Additional information available in the articles of association, the Corporate Governance Charter and the Internal Regulations.
GR1 102	General disclosures	102-19	Delegation of authority	The Board of Directors may delegate the day-to-day management of the company and the representation of the company with regard to this management to the person who is the Chairman of the ORES Executive Board. In the context of day-to-day management, the person delegated may sub-delegate special powers to company employees and particularly to members of the Executive Board. For ORES Assets, the delegation is made to the benefit of the Chairman of the Executive Board. Additional information available in the articles of association, the Corporate Governance Charter and the Internal Regulations.
GR1 102	General disclosures	102-20	Executive-level responsibility for economic, environmental and social topics	By virtue of the company's articles of association, the ORES Board of Directors can delegate all or some of its management powers to an Executive Board in accordance with the Code of Companies and Associations. In matters and for questions relating to the day-to-day management, as entrusted by the Board of Directors and sub-delegated by the person delegated to day-to-day management, the Board of Directors deliberates and issues recommendations each time one of its members (including the Chairman) so requests. The ORES Board of Directors appoints and dismisses the Chairman of the Executive Board after consulting the Appointments and Remuneration Committee. The Chairman of the Executive Board submits proposals to the Board of Directors on appointing and dismissing members of this Board after consulting the Appointments and Remuneration Committee. The Board of Directors establishes the Internal Regulations of the Executive Board through an appendix to the Corporate Governance Charter.
GR1 102	General disclosures	102-21	Consulting stakeholders on economic and social issues	The Board of Directors meets at regular intervals, and at least six times per year, under the leadership of its Chairman in order to, as far as ORES is concerned, after its various Committees have expressed their views regarding their respective areas of expertise, fulfil the different roles described in the corporate governance charter. Additional information is available in the Corporate Governance Charter and the Internal Regulations. As part of the definition and updates of its major sustainable development issues and revising its materiality matrix– see section 2 on this topic "Corporate social responsibility and sustainable development" section, page xx - the company consults its stakeholders at regular intervals. The most recent consultation took place in December 2020 and the next will be held in 2022.
GR1 102	General disclosures	102-22	Composition of the highest governance body and its committees	See Part VI. "Remuneration reports", pages 128 to 149.
GR1 102	General disclosures	102-23	Chair of the highest governance body	See Part VI. "Remuneration reports", pages 128 to 149.

GR1 102	General disclosures	102-24	Appointing and selecting the highest governance body	Without prejudice to the areas that the law stipulates are the responsibility of the General Meeting, the Board of Directors is made up exclusively of non-executive directors, with the exception of the Chair of the Executive Board. The Board of Directors makes sure that, overall, thanks to its diverse composition, it encompasses the skills and experience needed to fulfil its roles. The General Meeting appoints and dismisses the directors.
GR1 102	General disclosures	102-25	Conflicts of interest	Directors pay close attention to their legal and ethical obligations in terms of conflicts of interests, particularly in accordance with article 6:64 of the Code of Companies and Associations, the provisions of decrees, including in particular those imposed by the Local Democracy and Decentralisation Code (CDLD) and by electricity and gas decrees. More information in the Corporate Governance Charter and Internal Regulations.
GR1 102	General disclosures	102-26	Role of the highest governance body in setting purpose, values and strategy	See section 7. "Governance and transparency", pages 61 to 63and Part VI. "Remuneration Report", pages 128 to 149.
GR1 102	General disclosures	102-27	Collective knowledge of the highest governance body	See section 7. "Governance and transparency", pages 61 to 63and Part VI. "Remuneration Report", pages 128 to 149.
GR1 102	General disclosures	102-28	Evaluation of the performance of the highest governance body	The Board of Directors reviews and evaluates: 1. its own effectiveness, as well as the effectiveness of the company's governance structure, and the role and tasks of the various Committees and the Executive Bureau; 2. every year, the performance of the Chairman of the Executive Board and, at the proposal of the Chairman of the Executive Board, other members of the Executive Board, within the context of the procedure relating to determining the proportion of their remuneration linked to performance.
GR1 102	General disclosures	102-29	Identifying and managing economic, environmental and social impacts	See the sections on "Corporate social responsibility and sustainable development", pages 16 and 17 and "Management Report", page 72.
GR1 102	General disclosures	102-30	Effectiveness of risk management processes	The roles of the Board of Directors include examining and analysing the company's financial targets, including in particular in terms of risk profiles and allocating resources and taking into account tariffs to be approved/already approved by the regulator. It is also stipulated that, once a year, a meeting of the Board of Directors addresses the company's strategy. During the year, an update is given on its progress. The Audit Committee and the Executive Board carry out an annual evaluation.
GR1 102	General disclosures	102-31	Review of economic, environmental and social issues	This review is completed: 1. annually in the Management Report (risk report) 2. quarterly (summary report on main performance indicators)
GR1 102	General disclosures	102-32	Highest governance body's role in reporting on sustainable development	Thee Board of Directors approves the policy for reporting on sustainable development, analyses all of the supporting documents for the annual report and submits them to the General Meeting for approval.
GR1 102	General disclosures	102-33	Communicating critical concerns	See Part III. "Management report" – Description of key risks and uncertainties faced by the company, page 78.
GR1 102	General disclosures	102-34	Nature and total number of critical concerns	See Part III. "Management report" – Description of key risks and uncertainties faced by the company, page 78.
GR1 102	General disclosures	102-35	Remuneration policies	See Part VI. "Remuneration reports", pages 128 to 149.

GR1 102	General disclosures	102-36	Process for determining remuneration	In accordance with the requirements of the Local Democracy and Decentralisation Code (CDLD), remuneration for the directorships fulfilled by the non-executive directors is defined overall by the General Meeting, on the proposal of the Board of Directors after the Appointment and Remuneration Committee has expressed its views. Furthermore, the remuneration granted to members of the Committees and the Executive Board and the directors for fulfilling specific roles as well as those of the Chairman of the Management Committee are determined by the Board of Directors on the recommendation of the Appointments and Remuneration Committee.
GR1 102	General disclosures	102-37	Stakeholder involvement in remuneration	The legal framework is defined by the Local Democracy and Decentralisation Code (CDLD).

GR1 102	General disclosures	102-38	Annual Total Compensation Ratio	The organisation is required to provide the following information:

a. The ratio of the total annual remuneration of the highest paid person in the organisation in each country where there is significant business, compared with the total average annual remuneration of all employees (excluding the person with the highest remuneration) in the same country

4.4 When compiling the information stated in the Element of information 102-38, the organisation must, for each country where there is significant business:

4.4.1 identify the highest paid person for the reporting period, as defined by the total remuneration:
Chairman of the Executive Board

4.4.2 calculate the total average annual remuneration for all employees, with the exception of the highest paid person:
51.926,08

4.4.3 calculate the ratio of the total annual remuneration of the highest paid person compared with the average total annual remuneration of all employees.
524 %

4.5 when compiling the information stated in the Element of information 102-38, the organisation must:

4.5.1 for each country where there is significant business, define and provide details of the composition of the total annual remuneration of the highest paid person and all employees

4.5.1.1 draw up an inventory of the types of remuneration included in the calculation;
basic pay
bonus
CLA90

4.5.1.2 state whether full-time and part-time employees are included in the calculation;
yes

4.5.1.3 state whether full-time equivalent pay rates are used for each part-time employee;
yes

4.5.1.4 state which operations or countries are included and whether the organisation elects not to consolidate this ratio for the whole of the organisation;
ORES

4.5.2 based on the organisation's remuneration policies and the availability of data, use the following components for the calculation:

4.5.2.1 base salary: monetary remuneration guaranteed in the short term and non-variable;

4.5.2.2 monetary remuneration: the sum of the elements of the base salary, allowances, bonuses, commission, incentives and other forms of variable cash payments;

4.5.2.3 direct remuneration: the sum of the total monetary remuneration and the total fair value of all long-term incentives, such as stock options, shares or limited share units, shares or share units based on performance, phantom stock, added value rights to shares and long-term cash bonuses.

GR1 102	General disclosures	102-39	Percentage increase in annual total compensation ratio	The organisation is required to provide the following information:

a. The ratio of the increase in percentage terms of the total annual remuneration of the highest paid person in the organisation in each country where there is significant business, compared with the increase in percentage terms of the average total annual remuneration of all employees (excluding the highest paid person) in the same country

4.6 When compiling the information stated in the Element of information 102-39, the organisation must, for each country:

- 4.6.1 identify the highest paid person for the reporting period, as defined by total remuneration;
  Chairman of the Executive Board
- 4.6.2 calculate the increase in percentage terms of the remuneration of the highest paid person for the reporting period, compared with the previous reporting period;
  12,86 % (*)
  (*) Managing Director – Self-employed status as a natural person from 1/1/2018 to 31/5/2018 and salaried status from 1/6/2018 under the decree
- 4.6.3 calculate the average total annual remuneration for all employees, with the exception of the highest paid person;
  51,926.08
- 4.6.4 calculate the increase in percentage terms of the average total annual remuneration between the previous reporting period and the current reporting period;
  3.87 %
- 4.6.5 calculate the ratio of the increase in percentage terms of the remuneration of the highest paid person, compared with the increase in percentage terms of the average total annual remuneration of all employees.
  332 %

4.7 When compiling the information stated in the Element of information 102-39, the organisation must:

- 4.7.1 for each country where there is significant business, define and provide details of the composition of the total annual remuneration of the highest paid person and all employees
  - 4.7.1.1 draw up an inventory of the types of remuneration included in the calculation;
    basic pay
    bonus
    CLA90
  - 4.7.1.2 state whether full-time and part-time employees are included in the calculation;
    yes
  - 4.7.1.3 state whether full-time equivalent pay rates are used for each part-time employee;
    yes
  - 4.7.1.4 state which operations or countries are included and whether the organisation elects not to consolidate this ratio for the whole of the organisation;
    ORES
- 4.7.2 based on the organisation's remuneration policies and the availability of data, use the following components for the calculation:
  - 4.7.2.1 base salary: monetary remuneration guaranteed in the short term and non-variable;
  - 4.7.2.2 monetary remuneration: the sum of the elements of the base salary, allowances, bonuses, commission, incentives and other forms of variable cash payments;
  - 4.7.2.3 direct remuneration: the sum of the total monetary remuneration and the total fair value of all long-term incentives, such as stock options, shares or limited share units, shares or share units based on performance, phantom stock, added value rights to shares and long-term cash bonuses.

Engagement of stakeholders

GRI 102	General disclosures	102-40	List of stakeholder groups	See section 2. "Corporate social responsibility and sustainable development", page xx. In December 2020, the company invited 35 stakeholders, selected with regard to the place occupied by ORES in Walloon society, to take part in a virtual round table – due to COVID-19 – on the question of the company's corporate social responsibility and the challenges of sustainability. This meeting took place on 11 December and brought together, in addition to managers from ORES, 18 representatives from stakeholders, some of whom were players from the energy sector, including the Belgian Federation of Electricity and Gas Companies, the regulator for the Walloon market (CWaPE), representatives from the public authorities (ministerial offices and Walloon public services for energy and sustainable development), the Union of Walloon Towns and Municipalities, the Federation of Walloon PCSWs, Inter-Environnement Wallonie, the City of Charleroi, the Walloon Anti-Poverty Network and the Walloon Network for Sustainable Access to Energy, representatives from the academic world (ULiège – UCLouvain) and trade federations (road-building companies, construction). Four other stakeholders who were unable to attend took part in the exercise and submitted their input via the materiality questionnaire sent out to all stakeholders consulted prior to the round table.
GRI 102	General disclosures	102-41	Collective bargaining agreements	100%
GRI 102	General disclosures	102-42	Identifying and selecting stakeholders	See section 2. "Corporate social responsibility and sustainable development", page 16 and point 102-40 above.
GRI 102	General disclosures	102-43	Approach to stakeholder involvement	See section 2. "Corporate social responsibility and sustainable development", page 11 and point 102-40 above.
GRI 102	General disclosures	102-44	Key issues and concerns raised	See section 2. "Corporate Social Responsibility and Sustainable Development", pages 16 and 17.

Reporting method

GRI 102	General disclosures	102-45	Entities included in the consolidated financial statements	ORES Assets, ORES, Comnexio and Atrias
GRI 102	General disclosures	102-46	Defining report content and topic boundaries	See section 2. "Corporate Social Responsibility and Sustainable Development", pages 16 to 18.
GRI 102	General disclosures	102-47	List of pertinent issues	See section 2. "Corporate Social Responsibility and Sustainable Development", pages 16 to 18.
GRI 102	General disclosures	102-48	Restatement of information	NA
GRI 102	General disclosures	102-49	Changes to reporting	NA
GRI 102	General disclosures	102-50	Reporting period	Financial year 2021
GRI 102	General disclosures	102-51	Date of most recent report	NA
GRI 102	General disclosures	102-52	Reporting cycle	Annual reporting cycle
GRI 102	General disclosures	102-53	Contact point for questions regarding the report	Jean-Michel Brebant –Manager - jeanmichel.brebant@ores.be
GRI 102	General disclosures	102-54	Reporting declarations in accordance with GRI standards	This annual report has been prepared in accordance with GRI standards: Core option.
GRI 102	General disclosures	102-55	GRI content index	See page 152.

Specific sections

GRI 201	Economic performance	201-1	Direct economic value generated and distributed	The reader is referred to the organisation's Annual Financial Statements.
GRI 201	Economic performance	201-2	Financial implications and other risks due to climate change	See Part III. "Management report", pages 72.
GRI 201	Economic performance	201-4	Government financial aid	The Group benefits from a grant from the Walloon Region for a general interest industrial research project about smart meters ("Smart Users" project). In addition, a project called "Interpreter" about network modelling in the context of digitalisation – smart grids and smart meters – focusing on efficiency and sustainability, will receive funding from the European Commission under the Horizon 2020 programme.
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	See section 8. "Ethics and fair practices", pages 65 to 67.
GRI 302	Energy	302-1	Energy consumption within the organisation	See section 3. "Energy transition and the environment", pages 28 and 29.
GRI 302	Energy	302-4	Reduction of energy consumption	See section 3. "Energy transition and the environment", pages 28 and 29.
GRI 306	Effluent and waste	306-2	Waste by type and disposal method	See section 3. "Energy transition and the environment", pages 28 and 29.
GRI 306	Effluent and waste	306-4	Transport of hazardous waste	See section 3. "Energy transition and the environment", pages 28 and 29.
GRI 307	Environmental compliance	307-1	Non-compliance with environmental laws and regulations	No non-compliance during the reporting period.

GRI 401	Employment	401-1	Recruitment of new employees and staff turnover

The organisation must provide information about the following:		2019			2020			2021		
		Male	Female	Total	Male	Female	Total	Male	Female	Total

a. The total number of employees and the recruitment rate of new employees during the reporting period, by age group, gender and region.

Region = Wallonia

Number of entries										
	<30	65	41		35	14		32	27	
>=30	<50	40	43		39	18		42	37	
	>=50	2	2		1	0		1	3	
		107	**86**	**193**	**75**	**32**	**107**	**75**	**67**	**142**
	Recruitment rate	6,60%	10,90%	8,01%						
		out of the male population	out of the female population	out of the total population	out of the male population	out of the female population	out of the total population	out of the male population	out of the female population	out of the total population

b. The total number of employees and the churn rate of staff during the reporting period, by age group, gender and region.

Region = Wallonia

Number of departures										
	<30	20	11		20	10		17	10	
>=30	<50	20	13		20	42		23	32	
	>=50	14	1		38	7		36	12	
		54	**25**	**79**	**78**	**59**	**137**	**76**	**54**	**130**
	Churn rate	-3,33%	-3,17%	-3,28%						
		Number of departures	out of the female population	out of the total population	Number of departures	out of the female population	out of the total population	Number of departures	out of the female population	out of the total population

GRI 401	Employment	401-2	Benefits granted to full-time employees that are not granted to temporary or part-time employees

The standard benefits granted to the organisation's full-time employees and not to temporary or part-time employees.

These are a minimum of:

i. life insurance	Included in the group insurance, with employer and personal contributions
ii. healthcare	Hospitalisation and outpatient care
iii. handicap and disability care	Included in the group insurance, with employer and personal contributions.
iv. parental leave	Pursuant to CLA 64 of 29/4/1997: contractual parental leave / parental leave as part of career breaks
v. professional retirement	Included in the group insurance, with employer and personal contributions
vi. staff shareholding	DNA
vii. other benefits	Rate benefits, Social fund

GR1 401	Employment	401-3	Parental leave

The organisation must provide information about the following:

	2019	2020	2021
a. The total number of employees entitled to parental leave, by gender			
Male	691	692	726
Female	296	290	353
Total	**987**	**982**	**1.079**
b. The total number of employees taking parental leave, by gender			
Male	78	111	75
Female	69	151	73
Total	**147**	**262**	**148**
c. The total number of employees returning to work during the reporting period at the end of their parental leave, by gender			
Male	30	58	24
Female	22	39	29
Total	**52**	**97**	**53**
d. The total number of employees returning to work at the end of their parental leave and who were still employed 12 months after returning to work, by gender			
Male	92	138	134
Female	94	109	117
Total	**186**	**247**	**251**

e. Rates of returning to work and retention of employees taking parental leave, by gender

	2019		2020		2021	
	Hervatting	Behoud	Hervatting	Behoud	Hervatting	Behoud
Male	38,46%	70,65%	52,25%	88,99%	32,00%	78,63%
Female	31,88%	77,66%	25,83%	70,64%	39,73%	73,50%
Total	**35,37%**	**74,19%**	**37,02%**	**70,45%**	**35,81%**	**70,92%**

GRI 402	Employee/management relations	402-1	Minimum notice periods regarding operational changes	There is no minimum number of weeks of notice. The organisation undertakes to make sure it discusses significant operational changes in good time and as soon as possible and to involve its employees and their representatives in negotiating and implementing these changes, as soon as they might have positive or negative implications for workers. For example, moving the head office from Louvain-la-Neuve to Gosselies, long prepared and organised for autumn 2020, was raised for the first time in a Works Council meeting three years in advance. According to the Collective Labour Agreement of 2/03/1989, the time needed to present an agreement is 2 hours. In practical terms, when an agreement is entered into collectively (CLA), union representatives have 2 to 4 weeks to present it to staff. However, this notice period is not included in an agreement.
GRI 403	Health and safety at work	403-1	Worker representation on official health and safety committees involving both workers and management	ORES has two Health & Safety Committees (HSC). The "West" HSC features an Employee Board made up of 10 effective members and 10 deputies, as well as a Young Employee Board, consisting of one effective member and one deputy. The "East" HSC has an Employee Board made up of 10 effective members and 10 deputies. Employer delegations are made up of the same number of representatives.
GRI 403	Health and safety at work	403-2	Types of occupational accidents and occupation accident rates, occupational diseases, lost working days, absenteeism and number of work-related deaths	See section 6. "Corporate culture and wellbeing at work", pages 57 and 58.
GRI 403	Health and safety	403-3	Workers with a high incidence and risk of occupational diseases	ORES carries out an inventory of workers with a risk of exposure to asbestos, organises their medical care and regularly reviews and adapts working methods to ensure low exposure. The company is of the opinion that the risk of occupational illness is not high.
GRI 403	Health and safety at work	403-4	Health and safety issues covered in formal agreements with trade unions	100%
GRI 404	Training and education	404-1	Average number of hours of training per year per employee	See section 6. "Corporate culture and wellbeing at work", page 56.
GRI 404	Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	See section 6. "Corporate culture and wellbeing at work", page 56.
GRI 404	Training and education	404-3	Percentage of employees receiving regular performance and career development reviews	

The organisation is required to provide the following information:

The percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period:

	Male	Female	Total
Senior management	100%	100%	100%
Executives	100%	100%	100%
Supervisors	0%	0%	0%
Employees	0%	0%	0%

A "new working conditions" sliding scale system was introduced for employees and supervisors on 1 January 2020 and the old evaluation and performance review system was discontinued following the signing of a collective agreement relating to the improvement of remuneration terms. This system is matched by a development and recognition management process.

GRI 405	Diversity and equal opportunities	405-1	Diversity of governance bodies and employees	

The organisation is required to provide information about the following:

a. The percentage of individuals who are members of the organisation's governance bodies in each of the following diversity categories:

Gender and Age group	Male	Female
<30	0,00%	0,00%
>=30 <50	0,13%	0,04%
>=50	0,13%	0,13%
Total	**0,25%**	**0,17%**

b. The percentage of employees per employee category and per diversity category – See section 6. "Corporate culture and wellbeing at work", page 55.

GR1 405	Diversity and equal opportunities	405-2	Ratio of basic salary and remuneration of women to men	

The organisation is required to provide information about the following:

The ratio of the basic salary and the remuneration for women to men for each professional category, by major operating site.

No "major operating sites", but consolidated results for a single region, i.e. the ORES territory in Wallonia.

2020	
Ratio	**Female/male**
Senior management	-2,91%
Executives	-10,08%
Supervisors	-10,80%
Employees	-0,73%
Total	**-5,59%**

GRI 412	Assessment of human rights	412-3	Major investment agreements and contracts featuring clauses relating to human rights or human rights compliance records	See section 8. "Ethics and fair practices", pages 66 and 67..
GRI 414	Social assessment of suppliers	414-1	New suppliers analysed using social criteria	See section 8. "Ethics and fair practices", pages 66 and 67..
GRI 416	Health and safety of consumers	416-1	Assessment of the health and safety impacts of product and service categories	All technical actions and materials used by the company are evaluated in a constant and systematic way (method documents, technical specifications, product datasheets instruction notes, etc.). Operational teams and monitoring departments, trained in safety and risk prevention policies, have been set up to ensure operations activities and that the networks are monitored 24/7.
GRI 418	Customer data privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	12 substantiated complaints were received about customer data were received during the reporting period and 5 cases of data leaks, theft or loss were identified.

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ORES