ORES

ORES Assets
BGAAP consolidated accounts
2018

Name and form
ORES Assets. Cooperative intermunicipal association with limited liability.

Registered office
Avenue Jean Monnet 2, 1348 Louvain-la-Neuve.

Incorporation
Deed of incorporation published in the appendices of the *Moniteur belge* [Belgian Official Journal] on 10 January 2014 under number 14012014.

Articles of association
The articles of association were last changed on 28 June 2018 and published in the appendices of the *Moniteur belge* on 3 July 2018 under number 2018-07-03/0320055.

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Introduction

1. Message from the Chief Executive Officer

The news in the last few months of 2018 and the beginning of 2019 was marked by two major social issues. On the one hand, thousands of young people regularly took to the streets in the Kingdom's cities to demand ambitious measures to protect the climate; on the other, labour disputes have risen up and reminded us, sometimes forcefully, that parts of the population have found it increasingly difficult to make ends meet.

Although they may not always have been pushing in the same direction, these two forces are nevertheless closely intertwined. They also fit in with one of ORES' current ambitions: to transform the company to support Wallonia as effectively as possible when it comes to the energy transition, whilst keeping a close eye on managing the costs and investment expenses that it has to incur. The goal is a simple one: we want to modernise and digitise how are networks are run so that we can embrace more and more renewable production, without unduly burdening household, business and municipal bills. The distribution tariffs approved by the Walloon regulator in February 2019, on the basis of proposals made by our company at the end of 2018, very clearly demonstrate the efforts we have made in this direction.

Within the context of preparing this 2018 annual report, we invited our stakeholders and day-to-day partners – representatives from public authorities, businesses, union organisations, consumer watchdogs, universities etc. – to share their views on the priority measures to be implemented by ORES to encourage a sustainable future for energy that will benefit as many people as possible. This consultation process was a commitment that we made against the backdrop of the publication of our first social responsibility report last year. I would like to thank everybody who contributed to our thought processes and helped us define our priority measures and resulting performance indicators together. The results of the consultation process can be summed up in two words: ambition and responsibility, for the benefit of customers in a changing world.

This annual report, as well as the 2018 balance sheet, will tell you all about our achievements and our prospects, as a company that is committed to the sustainable development of the society to which it is fully committed.

Happy reading.

Fernand Grifnée
Chief Executive Officer

2. About the company

Wallonia's premier electricity, natural gas and municipal public lighting operator, ORES is a company committed to serving the community and staying in touch with citizens. Its number one responsibility is to guarantee a reliable, good quality energy supply for households, business and local authorities.

Day-to-day, it is a team of more than 2,300 employees – technicians, engineers, IT experts, administrative staff etc. – that manages the energy networks for 200 municipalities in Wallonia. A responsibility that stretches over more than 50,000km of electricity networks, 9,500km of natural gas networks and public lighting for municipalities.

As well as managing distribution infrastructures, ORES also carries out fundamental work to guarantee the smooth running of the energy market.

The company collects, checks and passes on customer readings to their supplier; keeps millions of pieces of data up-to-date every day in its access register so that each connection point corresponds to a supply contract; fits budget meters at the request of suppliers at non-paying customers' premises; oversees access to energy for the most vulnerable... All of this work makes ORES a partner and an unbiased point of contact for customers and for other stakeholders in the market.

A changing environment

The distribution infrastructures are the foundation on which an evolving energy sector is based. For decades, they have been used to take electricity and natural gas to consumer clients. But the emergence of renewable energies is a game changer. Every citizen, company or public body can now invest in production resources in order to play an active role in a greener, more local energy landscape.

200
associated municipalities
(since 1 January 2019)

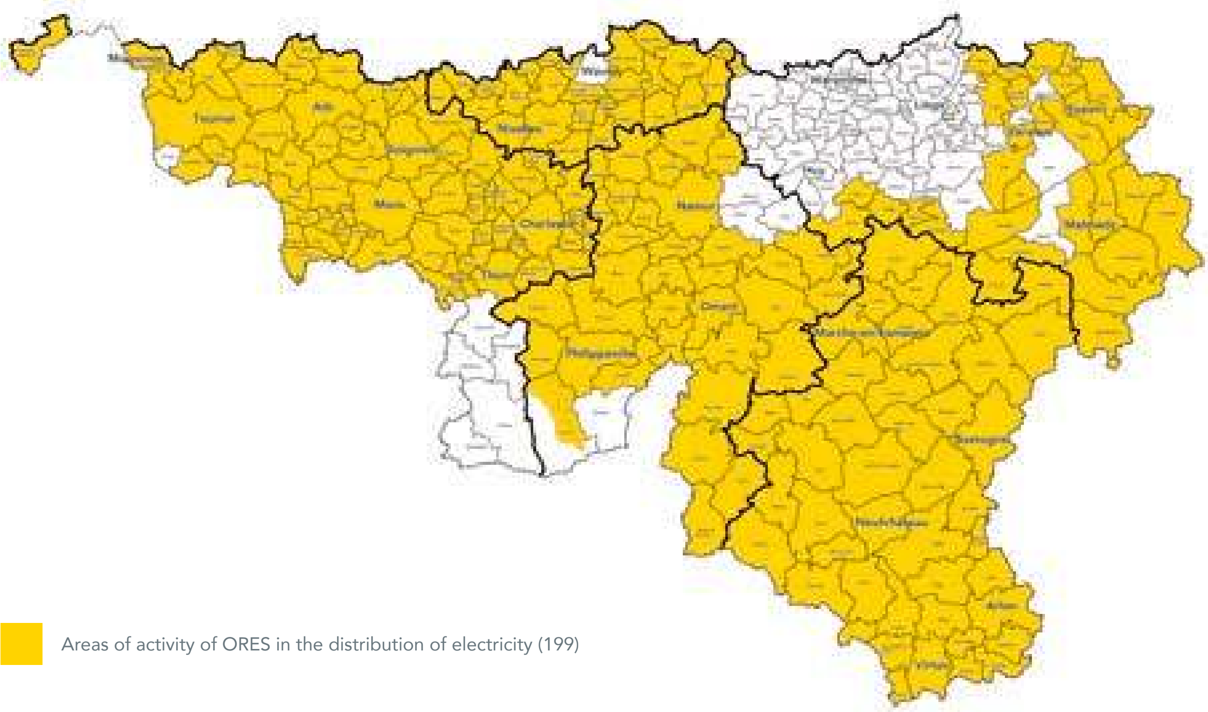
50,280 km
of electritiy networks

9,596 km
of natural gas networks

2,323
employees

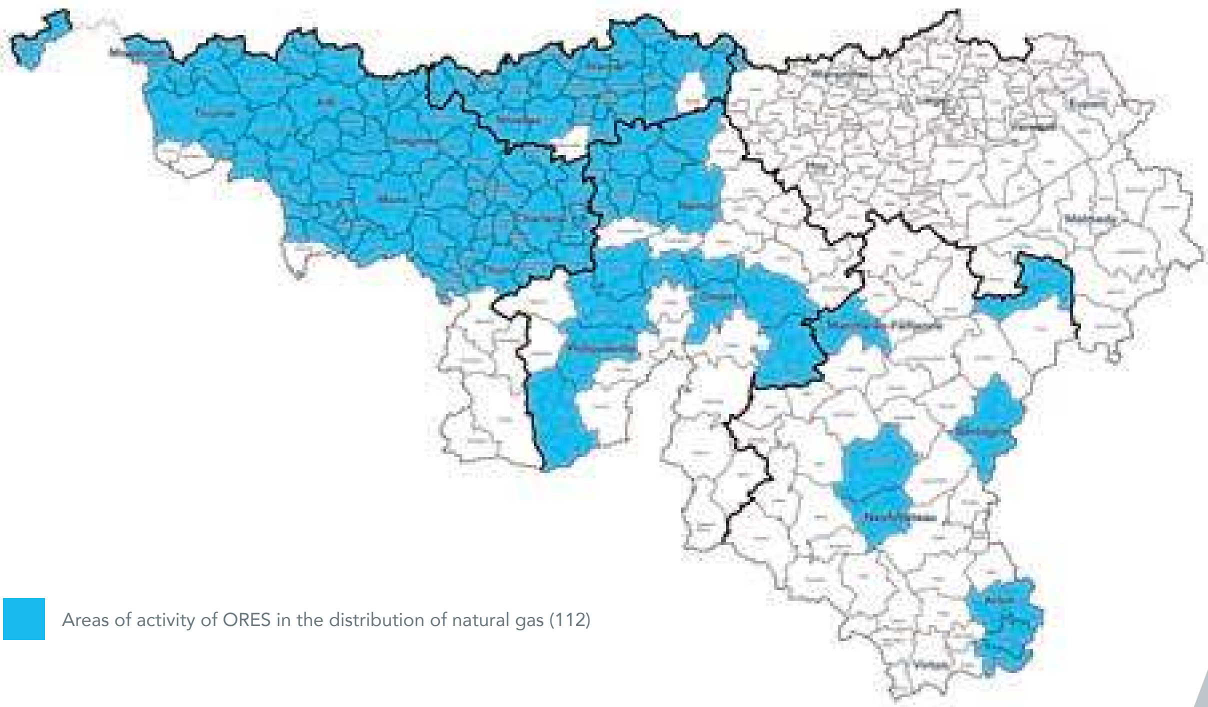
Situation as at 01/01/2019

Electricity



Areas of activity of ORES in the distribution of electricity (199)

Natural gas



Areas of activity of ORES in the distribution of natural gas (112)

The electricity production units connected to the distribution networks are now far more plentiful and decentralised than in the past. Production is also less predictable, as it is directly connected to weather conditions. The networks need to adapt and make it easier to integrate these intermittent energy sources whilst continuing to guarantee excellent supply at every moment.

Clients' expectations are evolving too. The speed of services, their quality and their cost are constantly being scrutinised. In the era of digital platforms and online services, entire economic sectors are being transformed and the traditional big players are struggling. Now inescapable, the distribution networks need to adapt to the potential emergence of micro-networks and communities of local consumption. ORES is aware of these changes, is working on pilot initiatives to this end and is focusing on the quality and development of its services to continue to be a benchmark for its clients and partners in the future.

To adapt to the technological and societal developments that are profoundly reshaping the energy sector, ORES initiated a process to overhaul its organisation.

Values

Within this context of unprecedented change, ORES draws on five values to fulfil its role as the provider of public utility services and prepare for the future.

Professionalism

ORES' expertise and thirst for excellence are the company's strengths. Employees reach ambitious, demanding targets to make sure that ORES is the benchmark in its field.

Sense of responsibility

ORES' priority is to manage the networks reliably, sustainably and completely safely. Employees take responsibility and respect legislation, ethics, procedures and commitments, whilst also managing costs.

Sense of service

ORES is at the community's service. In practical terms, this means listening, being available and proactive, with the ultimate goal of making life easier for customers.

Daring

Each individual contributes their ideas and suggestions to help the company evolve and prepare for the challenges of the future. Daring to try out new solutions is essential for ORES' future.

Respect and friendliness

Working together constructively and respectfully in a stimulating environment is vital for the smooth running of the business. For ORES, it is important that employees make their commitment together, with enthusiasm.

02

Activity and sustainable development report – Statement on non-financial information

1. 2018 at a glance

JANUARY

Chastre, Incourt, Perwez and Villers-la-Ville join ORES on 1 January. The four municipalities in Brabant entrust ORES with the responsibility of managing their electricity distribution networks. For the inhabitants of these municipalities, this means a reduction of around 22% in the "distribution" element of their bills.

FEBRUARY

The Salon des Mandataires takes place in Marche-en-Famenne. ORES takes part in the event and talks to representatives from Wallonia's political scene about future updates to the municipal public lighting infrastructures with LEDs.

MARCH

The European Investment Bank (EIB) and ORES organise an official ceremony in Namur following the signature of loan agreements for a total of €550,000,000. These loans, with attractive terms, secured thanks to the European institution's 'AAA' rating, will cover almost 50% of the organisation's investment costs over the next five years. A quarter of the totals allocated will be dedicated to environmentally friendly projects.

APRIL

The "Décret Impétrants" (Utilities Decree) comes into force in Wallonia. To put an end to all the roadworks, from now on, network operators and local authorities will need to work together and comply with an integrated process, via the online platform, "Powalco", before starting such work.

JUNE

ORES and ORES Assets hold their respective Annual General Meetings. At these meetings, the joint shareholders approve the Group's 2017 accounts and the payment of dividends worth €105,500,000 (€71,500,000 for electricity distribution and €34,000,000 for natural gas distribution), excluding the fees for using the public highway. The joint shareholders also vote on the changes to the articles of association needed in particular to introduce a new dividends policy, applicable as of the 2019 financial year, as well as on the transposition of the new governance policy for intermunicipal companies. Lastly, it is also at these Annual General Meetings that the first corporate social responsibility report is presented.

SEPTEMBER

ORES and RESA sign a cooperation agreement. Wallonia's two main energy network operators thus formalise their desire to nurture synergies that will help them make economies of scale and improve customer service.

AUGUST

The CWaPE approves ORES' "authorised income" proposals for 2019 - 2023. By doing this, the Walloon Energy Market Regulator (CWaPE) grants the organisation the budgets needed for the smooth running of its activities for the next five years. This decision demonstrates the regulator's support for ORES' industrial plans and approach to its transformation.

OCTOBER

Between October and December, ORES purchases some of the bonds issued in October 2012 due to mature on 2 October 2021. Following on from this transaction, and the cancellation of the bonds thus purchased, the total bond issue is reduced by €59,400,000 to €290,600,000.

NOVEMBER

At its General Meeting, ORES Assets approves the plan to take over the municipalities of Celles, Comines-Warneton, Ellezelles and Mont-de-l'Enclus. This takeover, which comes into effect on 1 January 2019, follows on from the latest government reform and the regionalisation of the rules surrounding network management, including in particular when it comes to tariffs. At the same General Meeting, the company's new 2019 - 2025 strategic plan is also approved by the Group's shareholders.

DECEMBER

ORES carries out a number of different transactions to guarantee funding for its activities. €100,000,000 is drawn down from the loan granted by the European Investment Bank (EIB), two bank loans are taken out from BNP Paribas Fortis (€30,000,000 for a five-year term) and Belfius (€50,000,000 for a four-year term). As in previous years, a capital increase of €6,900,000 is carried out by shareholders at the end of 2018. Lastly, within the context of implementing the new dividend policy, any shareholders who wanted to could ask for their R shares to be redeemed. Once these requests had been received, for €8,500,000, they were presented to the General Meeting in November 2018 and redeemed by 31 December.

2. Social commitment and responsibility

In 2017, ORES introduced a process committed to thinking about and formalising its responsibility within Walloon society. As a key economic player, whose activities are vital for the community, the company is assessing its policy to make sure that its activities and business strands fit in with the principles of responsible, sustainable development. This report analyses the current and future challenges that the organisation must tackle and explains how its stakeholders have contributed to defining and prioritising them.

ORES wants to help Wallonia to succeed in its energy transition, while controlling the costs incurred by the process.

Choice of benchmark

To present its progress and results for 2018, the company has structured its approach around the guidelines issued by the Global Reporting Initiative (GRI). This international benchmark helps organisations define the relevant content to take stock of their economic, social and environmental performance.

The method invites organisations to consult with their stakeholders to define their challenges in terms of sustainable development, and publish transparent, pertinent information to respond to them.

Defining the challenges

In order to comply with the GRI process, 17 themes for which ORES' commitment and efforts may benefit the community as a whole have been defined internally and approved by the company's Management Committee. They have been listed below in alphabetical order and, at this stage, with no order of importance.

Appeal

ORES is one of the biggest employers in Wallonia and needs to continue to appeal to talented individuals in order to replace outgoing staff and make sure its activities evolve.

Cost of energy

Electricity and natural gas are basic necessities, the prices of which have an impact both on household budgets and on those of public organisations and businesses.

Customer satisfaction and quality of service

In order to honour its monopoly position – clients can now choose their energy supplier but not their network operator – ORES has put customers right at the heart of its strategy, and is keen to make their lives easier by offering a modern, fast and friendly service.

Digitisation

Digitisation is a major challenge for businesses. At ORES, it has an impact on both services and customer relations, and on the very work involved in managing networks and data.

Diversity and discrimination

At all levels – age, gender, origin – ORES takes the measures needed to avoid any risk of discrimination in the workplace.

Donations and sponsorship policy

Regularly approached to support local and regional initiatives, ORES defines guidelines to choose partners that fit in with its public interest roles and areas of business.

Energy transition

The transformation of the energy sector is one of the main drivers – along with industry and mobility – for tackling the climate challenge. Thanks to its expertise, ORES is keen to position itself as a facilitator for everyone involved in the energy transition.

Energy poverty

Many citizens struggle to heat their homes and fulfil their basic energy needs. In light of this, through its public service obligations, ORES takes different measures to guarantee access to energy for households that find it difficult to pay their bills.

Environmental footprint

By making enlightened choices when it comes to choosing materials, managing waste and updating resources, the organisation wants to control its environmental impact.

Evolution of the corporate culture

New ways of working together and offering services must be incorporated by ORES to make sure that the company is in a position to respond to its customers' expectations and ensure the development of its activities.

Fair operating practices

Due to its central, neutral position in the energy market, ORES is keen to treat the many different parties it interacts with day-to-day – clients, energy suppliers, partners etc. – fairly and transparently.

Governance

Companies entrusted with a public interest role must be particularly transparent in terms of their management, governance and ethics.

Network reliability

Managing and operating the energy networks is ORES' core business, and all of its clients expect an uninterrupted supply throughout the year.

Partner to public authorities and citizens

By offering up its expertise, ORES is keen to support the public authorities when it comes to implementing their energy policies.

Prevention and safety

ORES' roles and activities are potentially hazardous, both for workers and for members of the public. In light of this, the company takes preventive measures and strives to achieve "zero accidents".

Purchasing policy

As a major economic player in Wallonia, ORES demands that its suppliers and subcontractors comply with legal requirements relating to human rights, decent working conditions and protecting the environment.

Training

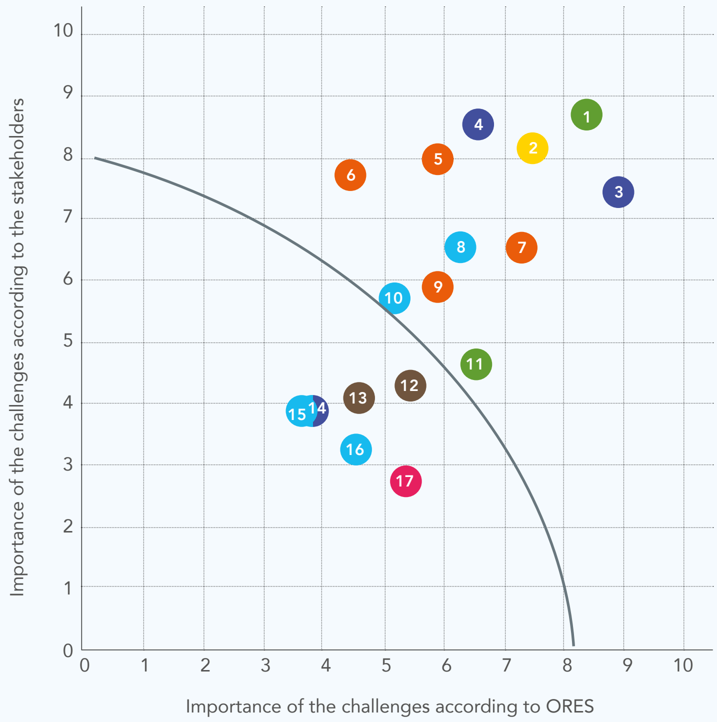
When it comes to the technological and social changes that the energy sector needs to tackle, (re)training its staff – and staff working for subcontractors – is essential for the future.

Identifying and consulting stakeholders

In addition to the work carried out internally, ORES wanted to involve its stakeholders in the process of thinking about its social responsibility. The company has identified a sample of partners and contributors with a view to organising a session where this issue is discussed. Stakeholders have been chosen on the basis of a strategic review process carried out internally, and then approved by the Management Committee. The goal was to target a representative panel of stakeholders in relation to ORES' position in Walloon society, and to focus on the diversity of profiles and genders.

Around thirty day-to-day stakeholders were invited. Those who accepted the invitation include: different energy players, (including in particular the Belgian Federation of Electricity and Gas Companies), a member of the Board of Directors, Wallonia's market regulator (the CWaPE), representatives of public authorities (the Walloon Minister for Budget, Finance, Energy and Climate, the Union of Walloon Cities and Municipalities, the City of Namur), consumer watchdogs (the Association for the Promotion of Renewable Energies), individuals from the world of academia (the University of Liège) as well as from the union movement (the General Labour Federation of Belgium).

The meeting took place on 25 January 2019, before this report was prepared, in Louvain-la-Neuve. At the beginning of the meeting, each participant was invited to talk freely about how they saw ORES' social responsibilities both now and in the future. The topics defined internally were then presented, amended and approved by the stakeholders.



1 Energy transition
11 Environmental footprint from ORES
Section "Energy and environmental transition"

2 Reliability of the network
Section "Reliability of the network"

3 Cost of energy
4 Governance
14 Diversity and discrimination
Section "Governance and transparency"

5 Customer satisfaction/quality of service
6 Digitisation
7 Energy poverty
9 Partner of the public authorities and citizens
Section "Customer satisfaction"

8 Prevention and safety
10 Training
14 Diversity and discrimination
15 Evolution of corporate culture
16 Attractiveness
Section "Corporate Culture and Well-being within the organisation"

12 Sustainable Procurement
13 "Fair" operational practices
Section "Fairness of business practices, respect for human rights and fight against corruption"

17 Patronage and sponsorship
Section "Patronage and sponsorship policy"

Materiality matrix

This discussion helped to establish the materiality matrix presented above.

The x-axis shows the different challenges, in order of importance in the eyes of the stakeholders who attended the meeting on 25 January.

The y-axis shows the same challenges, listed in order of priority according to ORES' top management within the context of a previous analysis of the company's CSR policy.

In both cases, at the end of the discussion, participants were invited to give each challenge a mark out of 10.

The matrix includes an approach to prioritising put forward by those taking part in the internal and external discussions about sustainable development. The main themes raised focus particularly on the energy transition, governance, network reliability, the cost of energy, customer satisfaction, fuel poverty and prevention and safety.

The following chapters of this report tackle the themes identified as priorities on the basis of the consolidated marks.

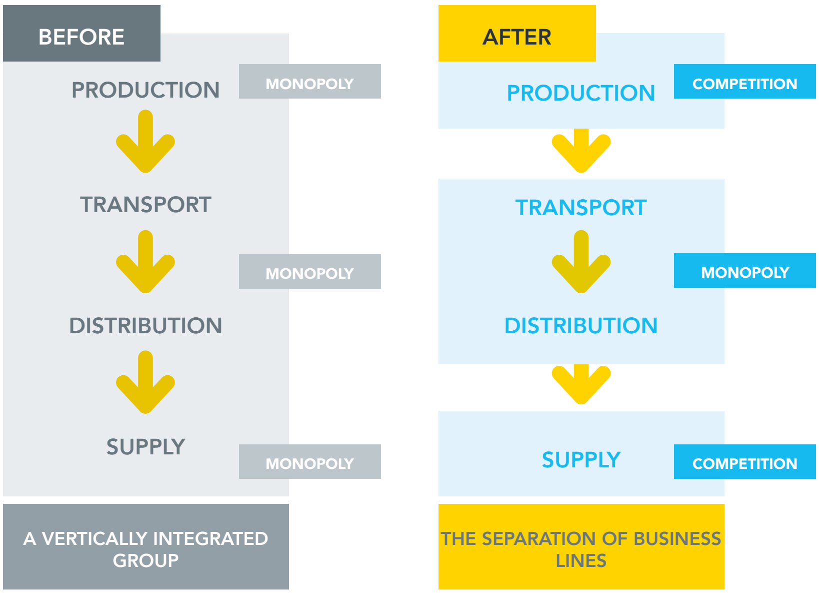
3. Governance and transparency

For a company that is publicly owned – municipal and supra-municipal – that carries out its activities under a regulated monopoly, the issue of governance is vital. It encompasses different aspects:

- the scope of activities and respect for this scope, for a company with a monopoly, in a market that is both liberalised and regulated;
- the transparency, independence and competence of the bodies that form the point of contact between the municipal shareholders and the company;
- the efficiency of the way operational activities are managed.

Context and scope of activities

ORES came about because of the liberalisation of the energy sector. In the 1990s, most European electricity and natural gas markets were monopolies entrusted to a single national operator. With a view to creating a single market, the European Union and its member states decided to gradually open up the sector to competition. Between 1996 and 2009, three "Energy" packages were adopted in turn at a European level, and transposed by member states into their own national systems.

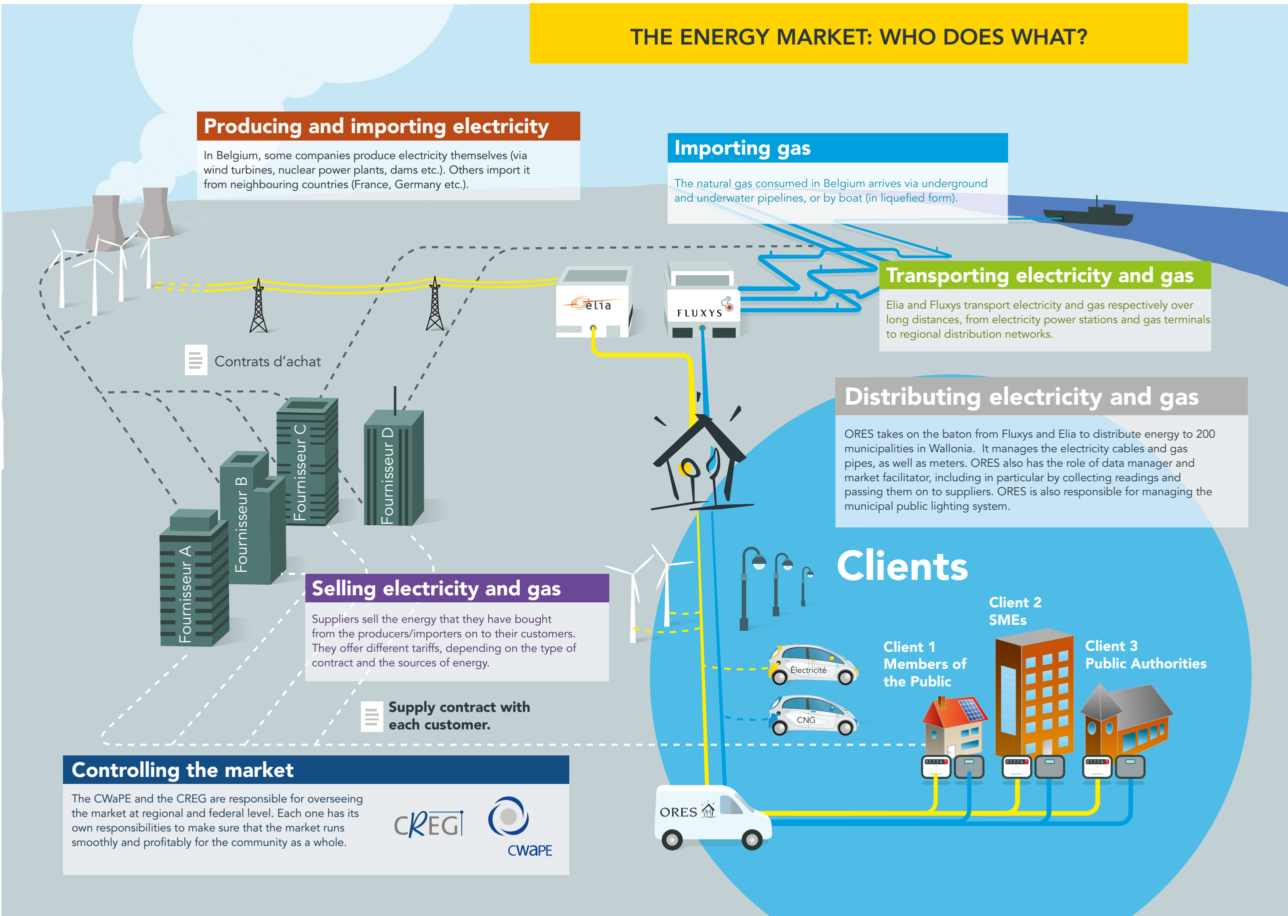


In Wallonia, the different parts of the supply chain have been broken up since 2007. They are open to competition at the beginning and end of the chain.

ORES was established on 6 February 2009 at the end of a process during which Electrabel – the market's main operator before liberalisation – and the municipalities established an autonomous, professional organisation to act as operator of the distribution networks throughout the municipalities that had come together.

Right at the heart of the market, ORES has opted for a so-called "pure player" model for the business. This allows the company to focus all of its efforts on its core activities and on the tasks entrusted to it by the legislator: operator of electricity and natural gas networks as well as municipal public lighting, facilitator of markets and partner to public authorities and citizens.

It is precisely this model that was endorsed by the Walloon Parliament in May 2018 via the decree reforming the gov-



By controlling the costs of their impact on the distribution aspect of the energy bill, ORES has managed to stabilize the "average price" of the distribution portion of the electricity bill.

ernance of distribution network operators and redefining the outlines of their activities.

ORES and ORES Assets: two organisations and one group for strong local roots

When it was created in 2009, ORES was the technical operator appointed by eight intermunicipal companies - Walloon network operators – to run their infrastructures: IDEG scrl, IEH scrl, IGH scrl, INTEREST scrl, INTERLUX scrl, INTERMOSANE scrl, SEDILEC scrl and SIMOGEL scrl.

Within the context of the first governance reform, these eight "DSOs" merged at the end of 2013 to create ORES Assets, a cooperative intermunicipal company with limited liability. With this process of streamlining structures, seven intermunicipal companies disappeared and more than 200 directorships, which also disappeared, resulted in a reduction in the remuneration associated with these directorships of around €250,000/year.

To make sure that the local interests of each entity are represented, the merger of intermunicipal companies was accompanied by the creation of eight sector committees within the new structure. Their role was to approve plans for investment and changes to the network for their geographical area and tariff proposals that concern them.

In 2017, a second governance reform would lead to the disappearance of the sector committees, and their decision-making powers were transferred to the Board of Directors. However, to maintain strong local roots and its position as a local company, ORES introduced regular information and discussion meetings with municipal leaders within the context of a drive referred to as "ORES Proximité". Unlike the old sector committees, attendance at these meetings is not remunerated.

These "ORES Proximité" information sessions are organised locally, on the initiative of ORES' regional directors. In 2018, they took place on the following dates:

- **Walloon Brabant:** 26 March, 29 October
- **Charleroi :** 18 April, 7 November
- **Luxembourg :** 22 March, 26 October
- **Mons - La Louvière :** 15 March, 27 November
- **Namur :** 28 March, 7 November
- **East Wallonia (Eupen):** 23 April, 19 November
- **East Wallonia (Verviers):** 16 April, 12 November
- **Picardy Wallonia (Leuze-en-Hainaut):** 26 April, 13 November
- **Picardy Wallonia (Mouscron):** 3 May, 20 November

Regulated tariffs and activities

When the energy sector was liberalised, independent regulators were introduced to ensure the smooth running of the market and uphold the interests of the community.

In Wallonia, the Commission wallonne pour l'énergie (Wallonia's energy market regulator, CWaPE) was first given the task of offering advice to public authorities and the general role of overseeing and controlling the market. The regulator's tasks have been defined by the decrees of 12 April 2001 on the organisation of the regional electricity market and of 9 December 2002 on the organisation of the regional gas market. In 2014, following on from the sixth government reform, the CWaPE was also given jurisdiction over tariffs.

Since then, the regional authority has had jurisdiction over:

- the local transport and distribution of energy;
- the production of renewable energy;
- the rational use of energy;
- network operators' distribution tariffs;
- certain social aspects (public service obligations).

As well as this, at a federal level, the Commission de Régulation de l'Electricité et du Gaz (CREG), established by two laws of 29 April 1999, has jurisdiction over:

- supplying the country with electricity and natural gas;
- transporting electricity via the high-voltage network;
- storing and transporting natural gas;
- nuclear energy;
- calculating the social tariff.

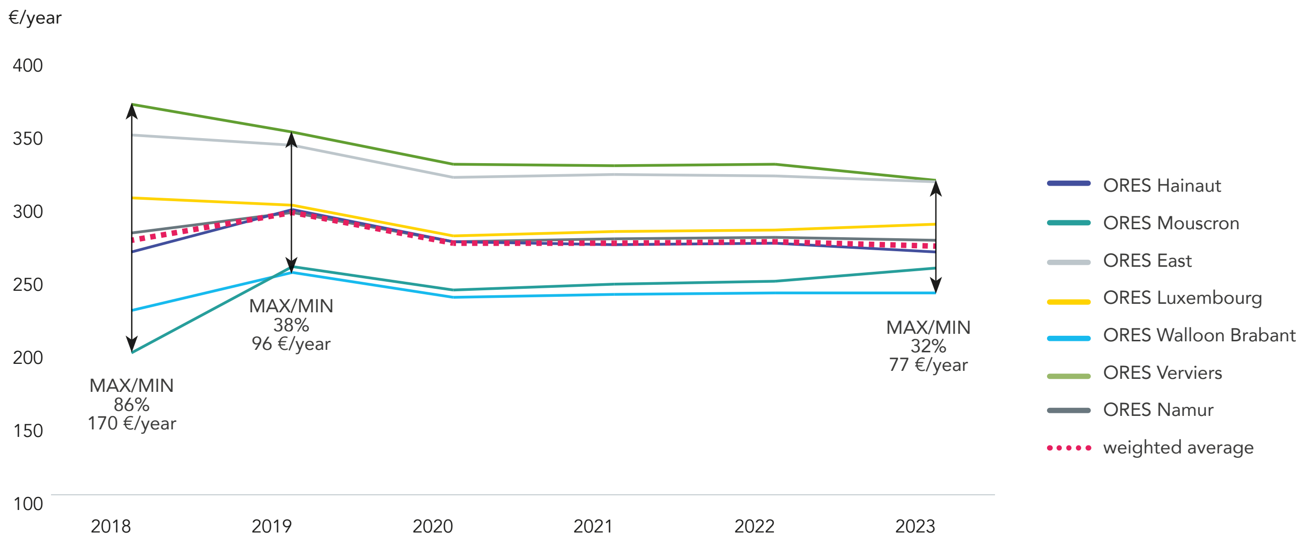
Since jurisdiction over tariffs was transferred, the CWaPE has demonstrated its desire to establish regulatory multi-year periods of five years. To begin with however, the regulator maintains some continuity when it comes to the pricing principles applied by the federal regulator and has thus defined a so-called "transitional" regulatory period covering 2015 and 2016, extended to 2017 and 2018.

On 7 February 2019, the CWaPE Management Committee decided to approve the revised proposals for ORES' tariffs for electricity and gas for the 2019-2023 regulatory period.

By managing costs and their impact on the distribution element of energy bills, ORES has managed to stabilise the "average tariff" part of the electricity bill connected to distribution, despite the fact that the company has decided to carry out extensive transformation programmes with a view to facilitating the energy transition. The company is also managing to limit price disparities – associated with operating conditions and population density – between its different sectors as much as possible.

Changes to electricity distribution tariffs

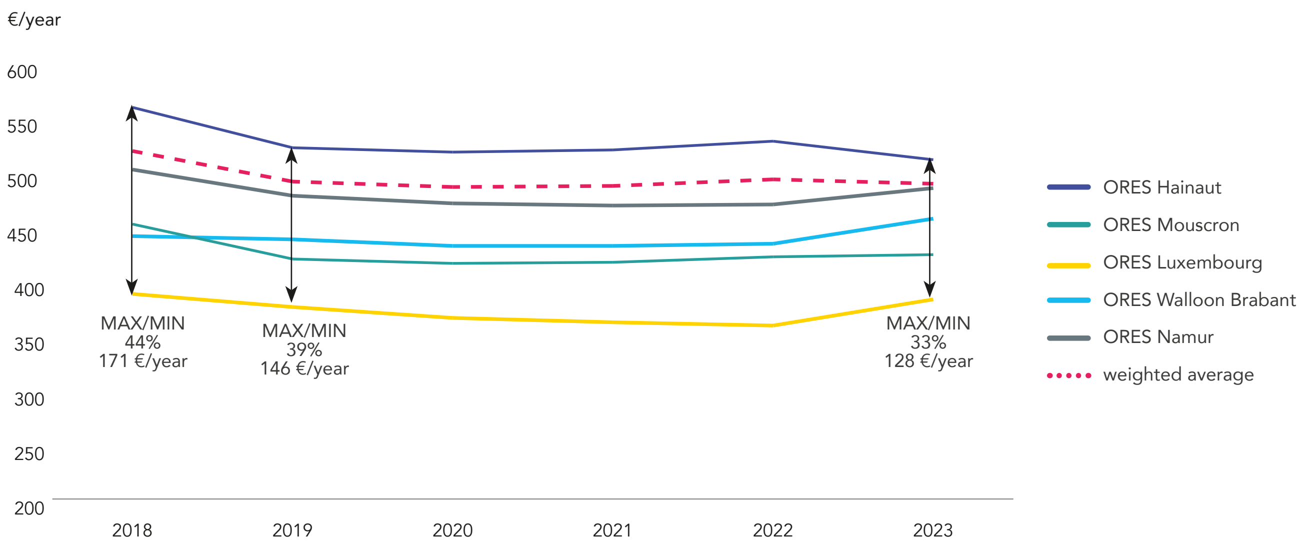
(on the basis of the consumption of 1,600 kWh peak times/1,900 kWh off-peak times)



As far as natural gas is concerned, the distribution tariffs are down overall over the 2019 - 2023 period, and are also converging towards the "average tariff" for a typical customer, going down from 519 Euros/year to 488 Euros/year.

Changes to gas distribution tariffs

(on the basis of the consumption of 23,260 kWh)

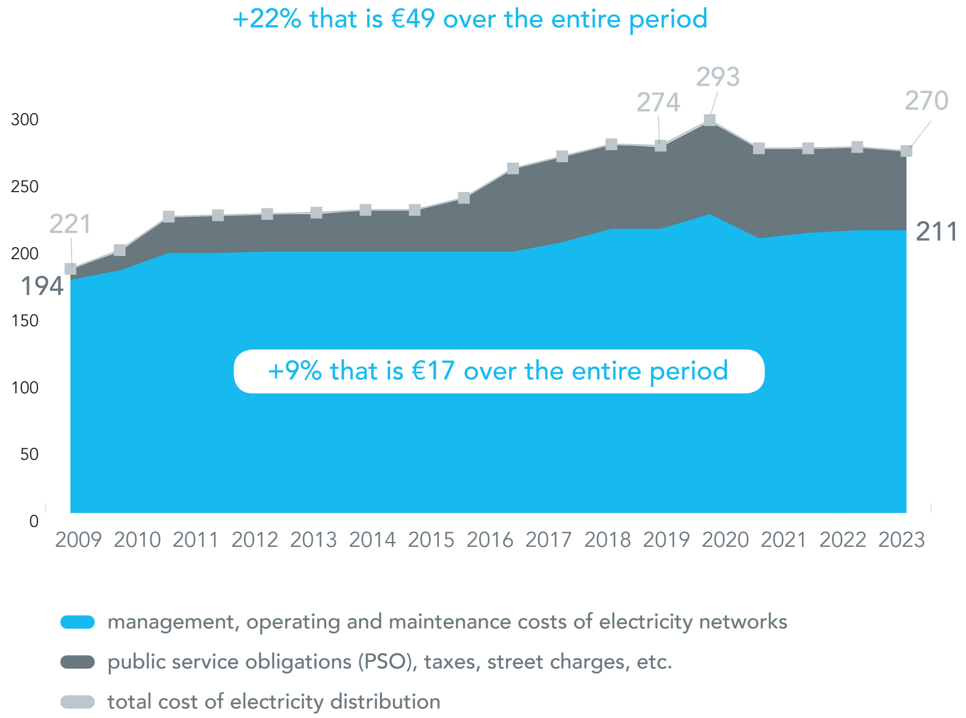


The operational and budgetary efforts made by ORES in recent years have enabled it to control the increase of network costs below the inflation level.

It is worth pointing out that the efforts made by ORES in terms of operations and budgets in recent years have allowed it to manage the increase of network costs, keeping the rise under the rate of inflation. Although the "distribution" element of the electricity bill has indeed risen in recent years, as shown in the visual below, this is more due to a rise in public service obligations – including in particular support for renewable energy – and miscellaneous duties and taxes. It is also worth remembering here that since 2015, VAT on electricity rose from 6 to 21%, which significantly increased customers' bills.

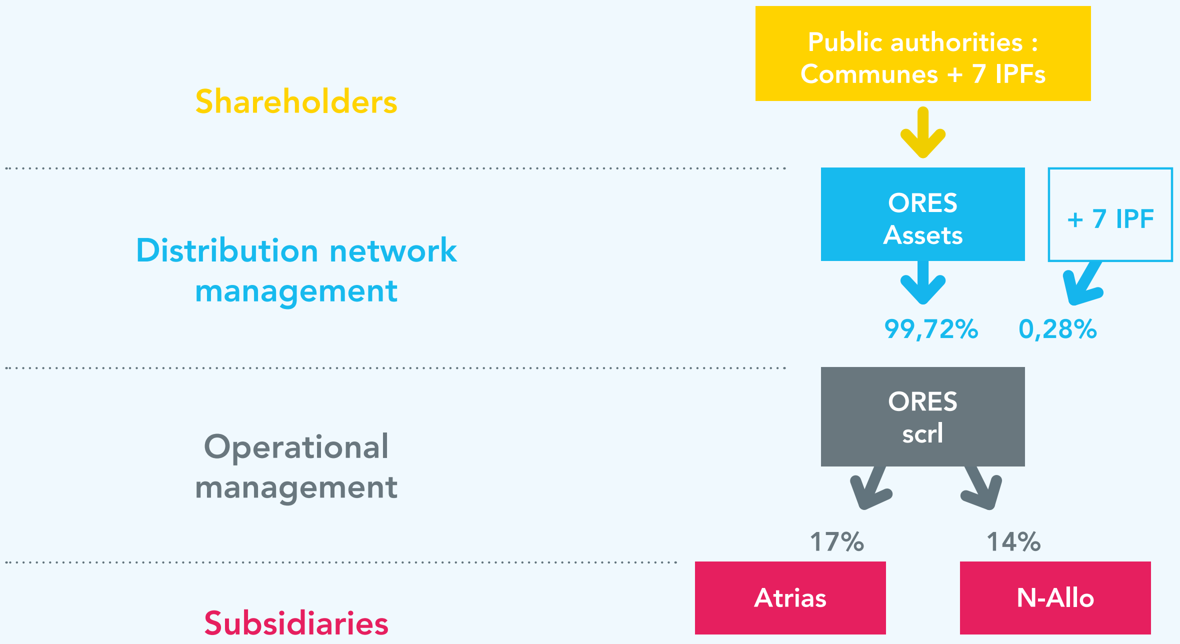
Changes to the average tariff for electricity distribution according to its different components

(for a low voltage customer with a consumption of 3,500 kWh - 1,600 during peak times and 1,900 during off-peak periods)



Shareholders

(As at 31.12.2018)



ORES Assets' shareholders are now made up of 200 municipalities – 198 as at 31.12.2018 – and 7 purely financing intermunicipal companies. The role of the latter is to work with and support the municipalities when it comes to taking a financial stake in energy distribution networks.

The seven IPFs mentioned above are:

- **Idefin:** Namur's financing intermunicipal company
- **IPFH:** Hainaut's purely financing intermunicipal company
- **Finest (Finost):** Eastern cantons' financing intermunicipal company
- **Sofilux:** Luxembourg Province's financing intermunicipal company
- **Finimo:** Cooperative intermunicipal association in the Liège Province
- **IPFBW:** Walloon Brabant's purely financing intermunicipal company
- **IEG** : Studies and management intermunicipal company (Mouscron and Comines-Warneton)

ORES also owns shares in two companies: Atrias, at 17%, whose purpose is to establish a new federal platform for sharing market data, and N-Allo – 14% – which works in the field of customer relations, with a contact centre and the first telephone line.

Management bodies

ORES and ORES Assets rely on a shared governance via mirror bodies, ensuring efficiency and consistency when it comes to the decisions taken by the different management and control bodies.

The way these bodies run and their responsibilities are defined by the Local Democracy and Decentralisation Code ("Code de la Démocratie locale et de la Décentralisation", CDLD), as well as in their articles of association and formalised in their Internal Regulations and Governance Charter. More specifically, in accordance with article L1523-15 of the CDLD, reflected in article 14 of ORES Assets' articles of association (*), the Board of Directors is made up of 20 members of different sexes, 13 of whom (2/3) represent

(*) where it is understood that these rules also apply to the Board of Directors of ORES scrl; which is made up - in accordance with article 13 of its articles of association - as a mirror of the Board of Directors of ORES Assets, plus the presence of the Chairman of the Management Committee who is an integral part of it.

municipal shareholders and who must, to this end, be municipal representatives. The other 7 represent the IPFs and may (or may not) be municipal representatives.

The members of the Board of Directors are broken down:

- **politically** (on a bi-proportional basis, as described in article 14 of the articles of association, in other words using the d'Hondt method for 9 directorships and the weighted d'Hondt method for the other 11) which, on the basis of the affiliations received on 1 March 2019 gives the following out of the total of 20 directorships: 8 PS – 6 MR – 4 CDH – 2 Ecolo; broken down as follows:

- 5 PS – 4 MR – 3 CDH – 1 Ecolo representing the municipalities
- 3 PS – 2 MR – 1 CDH – 1 Ecolo representing the IPFs

and
- **geographically** (on a pro rata basis according to the EANs as available at the time of the municipal elections).

The description of the bodies, their roles, their composition and how their members are appointed, as well as their remuneration, if applicable, are described in the remuneration report (read more in the chapter with that title).

In May 2018, the Walloon Parliament voted in a new decree reforming the governance of electricity and gas distribution network operators and consolidating their independence. This results in a significant change in terms of the shareholders of N-Allo, which could no longer be owned both by an energy supplier and by a network operator, as is the case today, – Engie/Electrabel and ORES with approximately 86% and 14% of the shares in the company respectively. Within this context, ORES will cease being a shareholder of N-Allo before the deadline of 1 June 2019, and will create its own call centre subsidiary – in part of N-Allo's building in Gosselies, which it also acquired in 2018. For this transfer of activities, there were two priorities: maintaining a high quality of service for customers, and keeping jobs in Wallonia.

Corporate strategy

ORES' mission and vision as well as the challenges that it needs to tackle are described in a strategic plan published on the company's website. The plan has been drawn up by the company's experts and approved by the Board of Directors and a vote by the municipal shareholders at an Annual General Meeting.

The first vision was put together for 2015 - 2020, and the company has defined a new plan for 2019 - 2025. It highlights the desire to transform the organisation in a structured, sequenced way, with a view to turning its vision into a reality and achieving the targets that it has set for itself.

In order to make it easier for the Board of Directors to look at economic, environmental and social challenges and their impact, risks and opportunities, the organisation also provides it with strategic indicators once a quarter, and every year submits different reports relating to its financial situation, its activities and the risks that it is facing.

It is also worth noting that training courses are occasionally organised, aimed at directors and designed to develop their understanding of the challenges and make sure they are keeping their skills up-to-date in their roles.

The following training was provided in 2018:

- "Operational activities – running ORES' electricity networks - an inside view" (12 March)
- "The energy market, liberalised markets - Federal State, Wallonia – General framework and recent developments" (21 November)

AN AMBITIOUS INDUSTRIAL PROJECT

In order to structure its transformation, ORES has equipped itself with a department dedicated specifically to guiding this change, designed to be a real industrial project. This department is responsible for coordinating the main programmes introduced for this purpose. A transformation plan has been approved; it will cover 7 years (2019 - 2025), taking a sequential, iterative approach, which will aim to guarantee the sustainability of the changes in terms of resources. This ambitious plan is based on a cross-disciplinary vision of the company's core business areas, and the roll-out of efficient, standardised IT and telecom systems, with a view to optimising investment and maintenance costs.

Internal governance

In order to carry out its activities and steer the company as successfully as possible, ORES introduces mechanisms that make up its management system – in other words, its internal governance.

These mechanisms are designed in particular to pursue the following goals:

- demonstrate the ability to provide services at all times that meet the expectations of stakeholders and applicable legal and regulatory requirements;
- improve customer satisfaction thanks to continuous improvement.

This management system complies with the ISO 9001 standard and is based on the Integrated Performance Management System (IPMS) benchmark in order to incorporate quality assurance.

The key principle of operational governance is empowerment: decisions should be made at the right level, within the context of a specific mandate. This principle is totally compatible with the Board of Directors delegating day-to-day and operational management to the Management Committee, and with the management of trust that ORES implements internally, in its corporate culture. You can read more in the chapter entitled "Wellbeing within the organisation and development of the working culture".

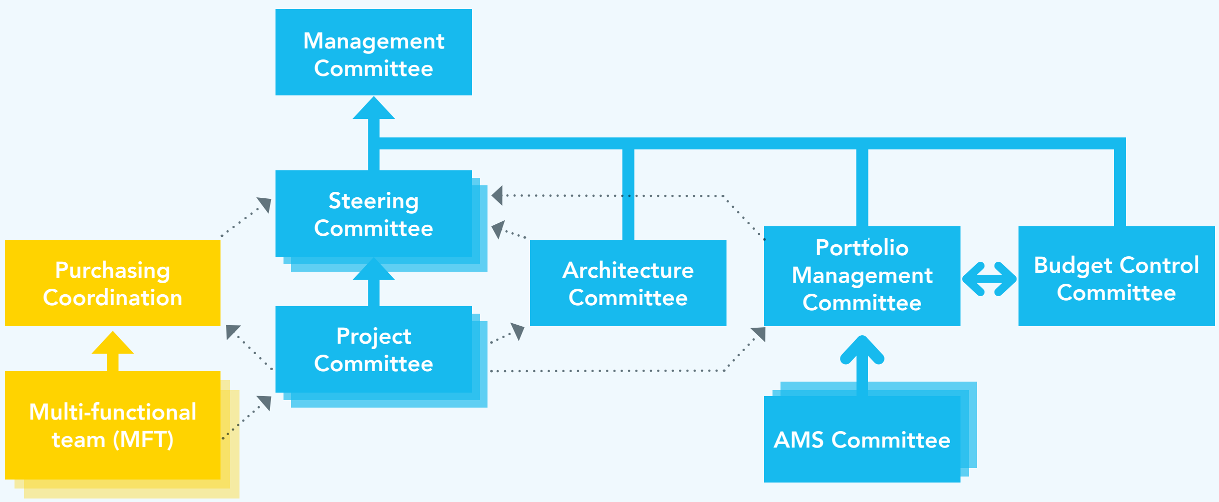
The general principles of governance and risk management, applicable to all of the company's activities, are described in a directive for internal use that is available to members of staff.

As soon as a subject demands that a collective decision be taken involving more than two departments and is of a recurrent nature, a committee is set up. These committees are permanent operational bodies designed to make strategic decisions on unambiguously defined subjects, with a clear, formalised mandate and specified tolerance levels.

The key principle of operation governance is accountability.

Their role is:
- to discuss their expectations and needs at a cross-disciplinary level and seek solutions;
- to define the ad hoc action plan;
- to delegate responsibility for monitoring the action plan to different “coordinating bodies”;
- to make sure that approaches complement each other when it comes to making decisions that have an impact on the company.

It is important to note that only the Management Committee can set up a committee.



In order to measure its operational performance, ORES relies on:
- operational, tactical and strategic indicators;
- annual statistics (presented in an internal “handbook” and rolled out by region or sector of ORES);
- customer satisfaction surveys connected to different processes;
- management reviews (in accordance with the ISO 9001 standard).

4. Network reliability

Electricity and natural gas are essential basic necessities, both for households and for businesses and the community. ORES' responsibility as a distribution network operator can be broken down into different levels:

- the ability to guarantee a safe, reliable supply;
- the maintenance, modernisation and extension of existing infrastructures;
- the management and maintenance of municipal public lighting.

A first response team that is available 24 hours a day, 7 days a week

11,768,092 MWh
of electricity distributed

1,407,442
electricity supply points

13,025,056 MWh
of natural gas distributed

552,003 natural gas
supply points

Customers' primary expectation of their network operator is that they can rely on a continuous, quality energy supply. At any time of the day or night, throughout the year, ORES' operations and breakdown teams are ready to go out on the ground in the event of a supply problem.

ORES responded 1,285 times to issues on the medium-voltage (MV) electricity network last year – a similar number to the 1,273 interventions the previous year. The time taken to attend and re-establish supply are almost exactly the same as well.

	Average in hours 2017	Average in hours 2018
Planned downtime	00:33:06	00:33:08
Re-establishment of supply	02:51:53	02:53:19
Unplanned downtime (breakdown)	00:55:00	00:55:00
Re-establishment of supply	00:45:27	00:42:18

On the low-voltage (LV) electricity network, repair teams carried out some 8,500 service calls in 2018, with interruptions being caused by technical faults (84%), bad weather (6%) or "external phenomena" (10%) – usually cables being pulled away by operators working on the network nearby. The indicators for service calls improved compared with the previous year.

	Average in hours 2017	Average in hours 2018
Average time to arrive on site	00:58:28	00:49:07
Average time spent working on the issue	01:10:08	01:06:05
Unplanned downtime (breakdown)	02:03:35	01:55:12

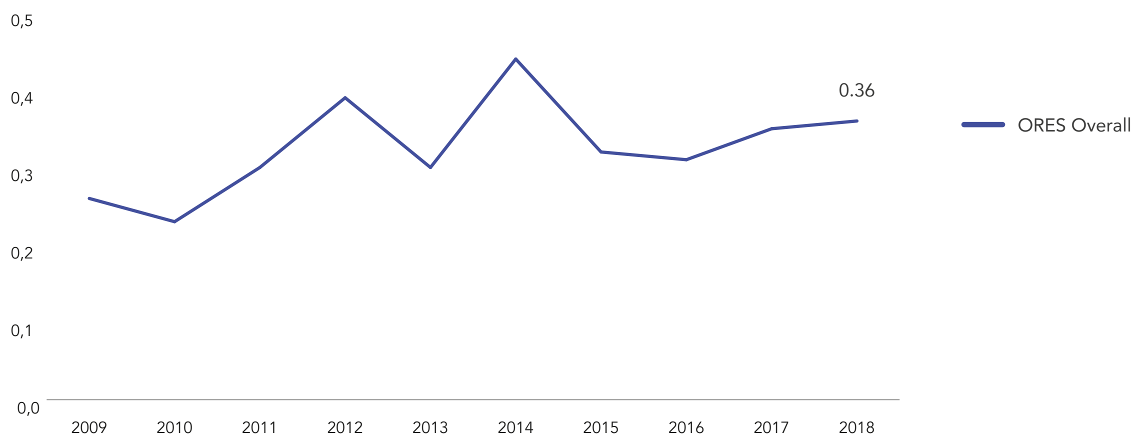
On the natural gas networks, damage often means a leak and so a danger to local residents and workers. Safety is always a priority when working on issues. Taking a preventive approach, the natural gas distribution networks are checked every year to systematically look for leaks, and it is mainly within this context that repairs are carried out on the network.

	2017	2018
Intervention following a third-party call	1,319	1,320
Intervention following a systematic network check	691	811

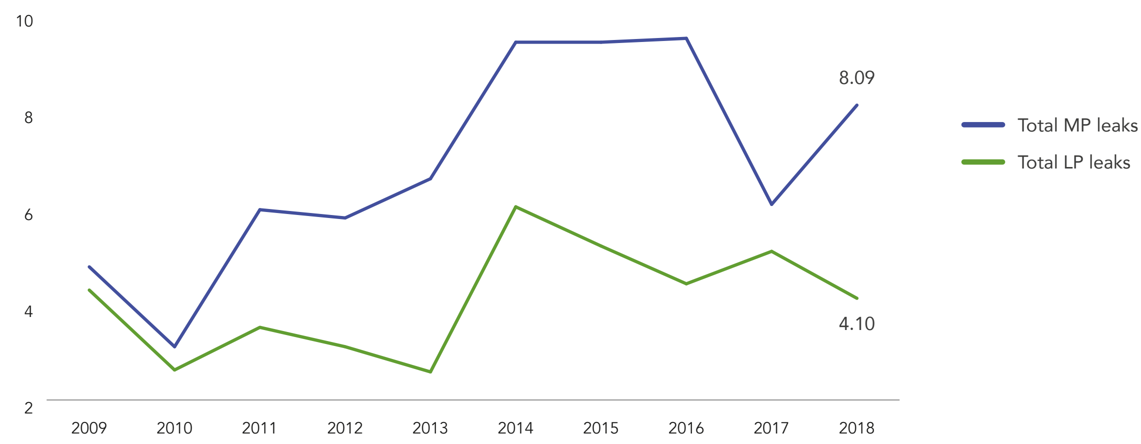
	Average in hours 2017	Average in hours 2018
Average time to arrive on site (call - arrival)	00:54:36	00:57:02
Average time spent working on the issue (arrival - finish)	01:02:01	01:04:25
Time taken to arrive and work on the issue (call - finish)	01:56:22	02:01:27

Pipelines checked	2017	2018
Medium voltage (km)	716.7	688.4
Low voltage (km)	1,074.3	844.2
Total (km)	1,791	1,532.6

Number of leaks/100 connections



Leaks/100 km



It is worth noting that ORES' technical departments had to intervene 1,300 times following damage caused to the distribution infrastructure by other operators carrying out work nearby. The entry into force of the Utilities Decree and the launch of the "Powalco" platform in 2018 demand more communication and efforts to find synergies between operators of pipes and pipelines. Ultimately, this new method of consultation should help limit the number of incidents.

Investment in the electricity distribution networks

Considerable investments have been granted to modernise and even develop the existing medium-voltage infrastructure. More than 400km of underground cables have been laid, over 100km of which were part of the work to extend the network infrastructures. It is worth nothing that 64km of old overhead lines, which are more exposed to bad weather, have been taken down and replaced by underground solutions. Maintenance has been carried out on some 140km of overhead lines as well, and more than 1,500 meters, most of which can be read remotely, have been installed at the premises of customers whose high energy needs require connection to the medium-voltage network.

On the low-voltage electricity network, 400km of new cables were laid in 2018: 210km of replacement cables and 190km of extensions to the existing infrastructure. ORES' technical teams connected almost 10,000 new customers to the low-voltage electricity network and fitted or updated more than 35,500 meters. More than 7,000 budget meters were also fitted for residential customers in 2018.

50,280 km
Electricity distribution network

29,381 km
Low-voltage electricity network

20,899 km
Medium-voltage electricity network

Investment in the natural gas distribution networks

On the medium- and low-pressure networks, more than 130km of new pipelines were laid in 2018, 75km of which were to respond to the demands of new users. These network extensions are the subject of a profitability calculation, for which the parameters have been approved by the regulator. Replacement of the cast-iron, PVC or fibro cement low-pressure networks continued and a total of more than 23km was removed in 2018 to make way for polyethylene pipes, which are better adapted to the current usage and operating conditions. They are also sealed better and more resistant, particularly with regard to soil movements.

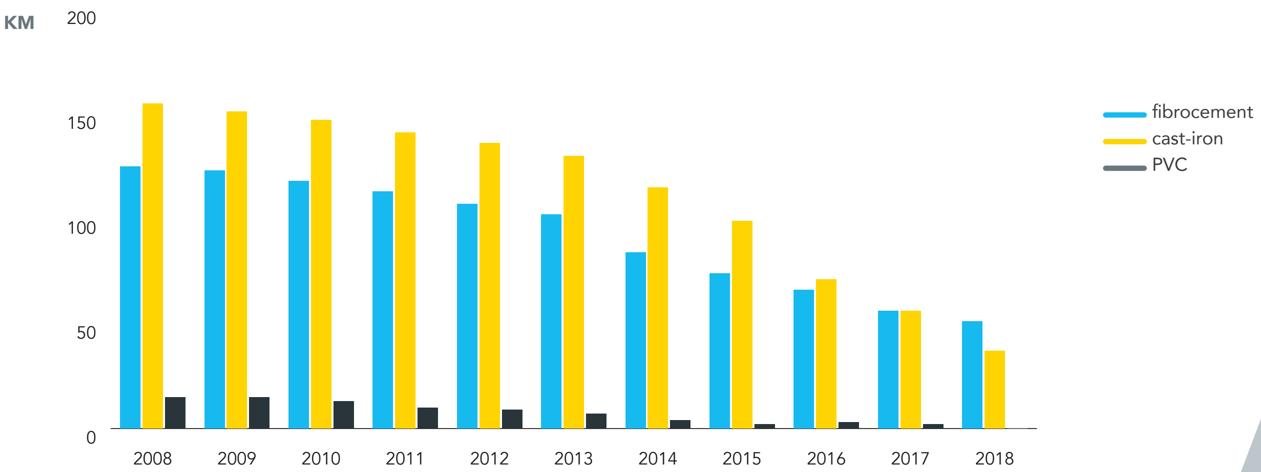
Almost 12,000 new connections were set up or renewed and 16,400 meters fitted – as well as more than 4,450 budget meters – during the year that has just ended

9,596 km
Natural gas distribution network

5,802 km
Low-pressure natural gas network

3,794 km
Medium-pressure natural gas network

Change in length of pipes made of fibrocement, cast iron and PVC



NATURAL GAS PROMOTIONAL CAMPAIGN: 2018 TARGET ACHIEVED

The energy performance of new homes and new condensing boilers help customers reduce their consumption. To compensate for this reduction in the volumes passing through pipelines, for a number of years ORES has run a campaign designed to convince customers living along the existing network to choose this source of energy for heating and cooking. By doing this, the company wants to maximise the use of the network and avoid a drop in the profitability of the infrastructure, which could result in an increase in costs for connected clients. In 2018, the original target set with the Walloon market regulator was to find 3,100 new clients. This target has been reached and exceeded, as the teams in charge of promoting natural gas have convinced 3,617 new customers during the year that has just ended.

Municipal public lighting

Maintenance of municipal public lighting is a public service obligation (PSO) imposed on distribution network operators. Within this context, ORES maintains, repairs and modernises – on this last point, please refer to the chapter entitled "Energy transition and the environment" – the lighting used to light up municipal roads, public parks and town squares, as well as those used to enhance certain municipal buildings. These facilities contribute to the security and embellishment of public spaces. However, ORES does not manage the lighting for dual carriageways, motorways and most national roads.

443,164
lights

39,780 kW
power installed

167,073,984 kWh
total energy consumption

Change in the number of lights by type among the municipal lighting facilities managed by ORES

	2017	2018
LP Hg (low-pressure mercury vapour)	779	654
TL (fluorescent tube)	49	21
HP Hg (low-pressure mercury)	23,972	1,959
NaLP (low-pressure sodium)	96,550	95,755
NaHP (high-pressure sodium)	233,995	233,295
HP MH (metal halide)	65,052	66,557
LED (light-emitting diode)	21,058	44,701
Other	249	222
Total	**441,704**	**443,164**

	2017	2018
Number of lights fixed	27,983	30,356

	2017	2018
Number of lights subject to preventive maintenance	82,462	104,896

Public lighting is essential to guarantee safety for local residents and visibility for pedestrians and drivers. On its website, ORES offers members of the public an application which allows them to report a light that is not working in a matter of clicks.

	2017	2018
Number of faulty lights reported via the ORES website (members of the public) and the Lumiweb application (municipalities)	35,801	38,121

Other options for customers who want to report a problem: the company's breakdown department number (078/78.78.00) or reporting the issue to their municipal authorities.

Lastly, public lighting is a good way for municipalities to showcase their heritage. Lots of lighting projects were carried out to this end last year by the company's design offices, sometimes in collaboration with private operators.

ORES maintains, repairs and modernizes the lighting equipment used to light municipal highways, public parks, squares and certain local buildings.

5. Energy transition and the environment

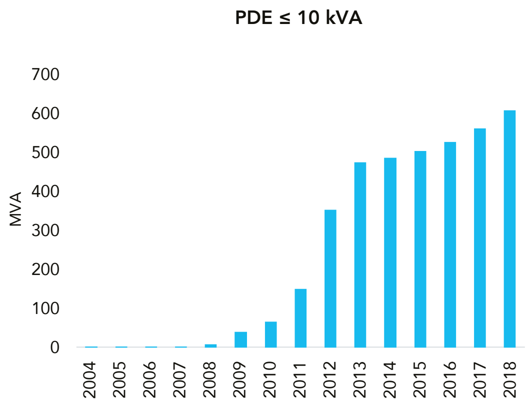
The transformation of the energy sector, like that of other areas of industry and mobility, is one of the main driving forces when it comes to tackling climate change. At the heart of the energy market, ORES is keen to position itself as a facilitator for everyone involved in the energy transition. The company assumes this responsibility in relation to its stakeholders, and to do so, it needs to rethink its activities in order to encourage:

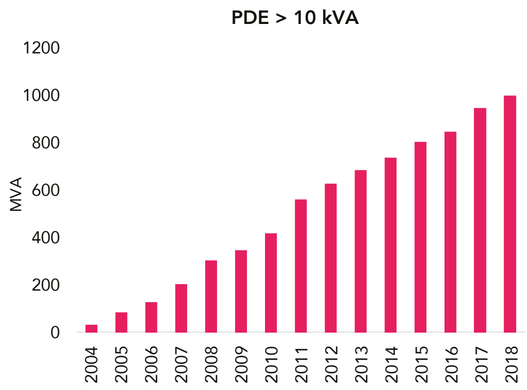
- the digitisation and modernisation of its networks and welcoming on these networks a growing number of production units using energy from renewable sources;
- the rational use of energy, including in particular by modernising the municipal public lighting infrastructures;
- the access of vehicles run using electricity or natural gas to the networks;
- the control and monitoring of the environmental impact of its own activities.

Active support for renewable energy

Changes in decentralised energy production (PED)

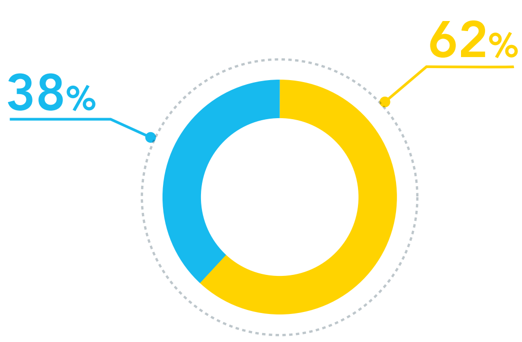
expressed in installed power (MVA) on ORES' networks



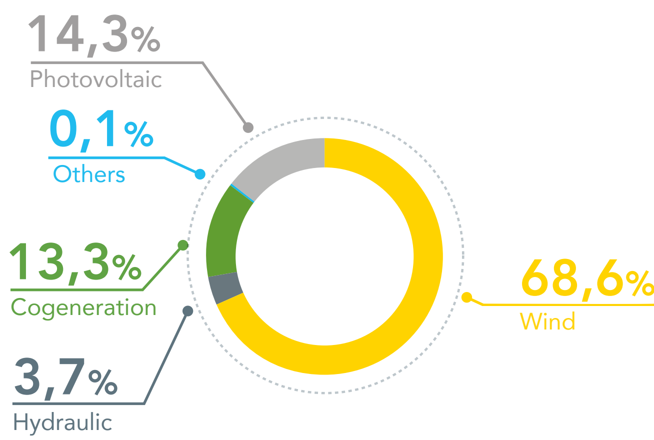


Breakdown of the total installed power according to installations

(in blue: PDE<= 10 kVA, in yellow: PDE > 10 kVA)



Breakdown by source



In just over ten years, Wallonia has gone from tens of renewable energy production units to almost 120,000. The market's traditional producers and suppliers are no longer the only ones. With photovoltaic panels, wind turbines, hydraulic systems and biomass, members of the public, businesses and even public bodies now have more and more ways of playing an active role in a greener, more local energy market.

For operators of the electricity network, this multiplication of different renewable energy sources means that processes have to be adapted and new methods of managing infrastructures need to be introduced. The networks were not actually originally built to welcome electricity production methods that are decentralised and intermittent as they are dependent on weather conditions. The energy flows that travel through the networks are now two-way and so the infrastructures, as well as the remote measuring and control tools, need to be reinforced.

The gradual rise of renewable energy in the electricity mix demands a more flexible approach to production, distribution and consumption. Customers can also play a useful role in the management of the electricity network by adapting to the availability of resources and reducing their demand at the right time, in other words when production cannot cover consumption.

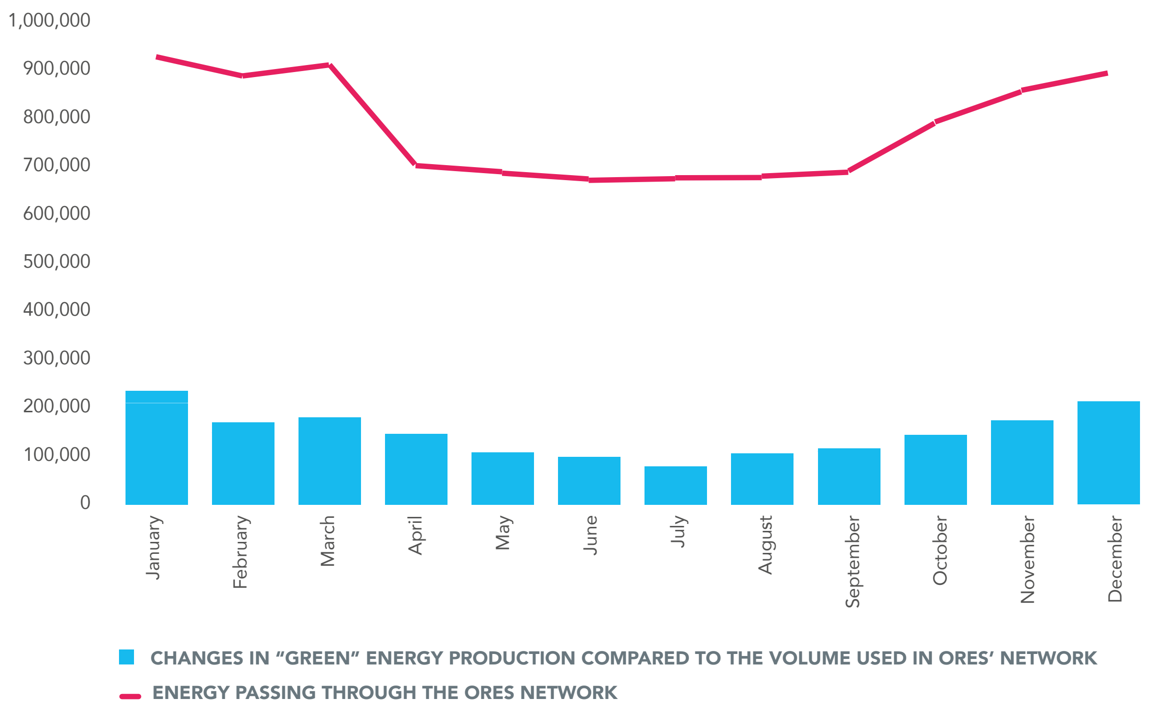
If ORES wants to encourage the incorporation of energy from renewable sources in the market, it must also make sure that it maintains quality service for the community as a whole. This is the rationale behind the project designed to transform its organisation and areas of business – described in its 2019 - 2025 strategic plan – which encompasses technical factors, IT and data management to give life to the new role of system operator, with a wider remit than the "traditional" role of network operator.

SMART METERS :
A SHARED VISION FOR WALLONIA

Smart meters are an essential tool for implementing the energy transition. Thanks to the more detailed overview that they offer of consumption, these new measuring systems will encourage more rational, more flexible energy management. In 2018, the Walloon Government introduced a legal framework for using and rolling out smart meters. ORES and RESA are now working together to put together a joint technical solution. In September 2019, Wallonia's two main energy distribution network operators will present their shared vision of the technical plan and their respective rollout prospects.

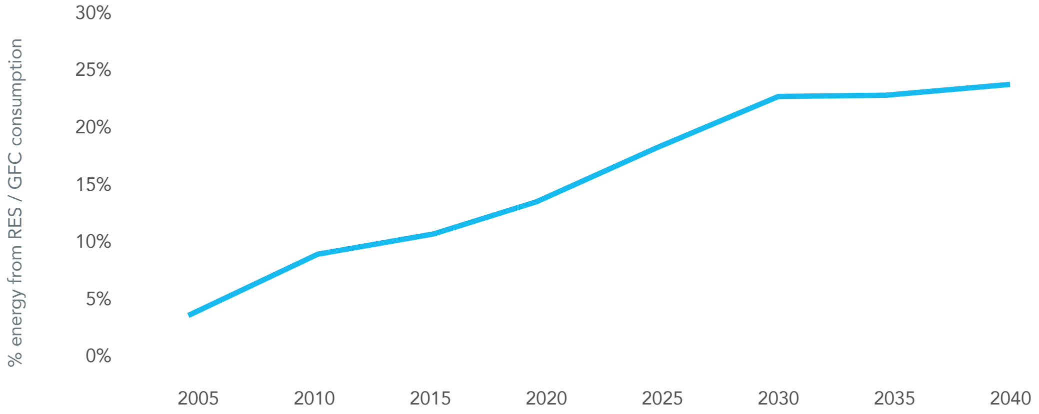
As shown in the visual below, energy from renewable sources is still in the minority in terms of the total quantity of energy going through the distribution networks. At the end of 2018, the authorities nevertheless agreed on a National Energy-Climate Plan and its regional rollout, which are designed to increase the proportion of renewable energy in Wallonia's energy mix to 23% by 2030. ORES' transformation must also allow the company to play an active role in this change.

Proportion of renewables in the energy passing through ORES' networks in 2018 (in MWh)



Targets for the development of renewable energy in Wallonia by 2030

(source: draft Walloon Energy-Climate Plan – update approved on 18 December 2018)



Again in order to encourage a greener, more local energy market, ORES is opening the door to new technologies and making its expertise and infrastructures available to public, private and university partners. Research connected to developing short supply chains, collective self-consumption systems, storage and the addition of biomethane to the natural gas network has been carried out within the context of pilot projects.

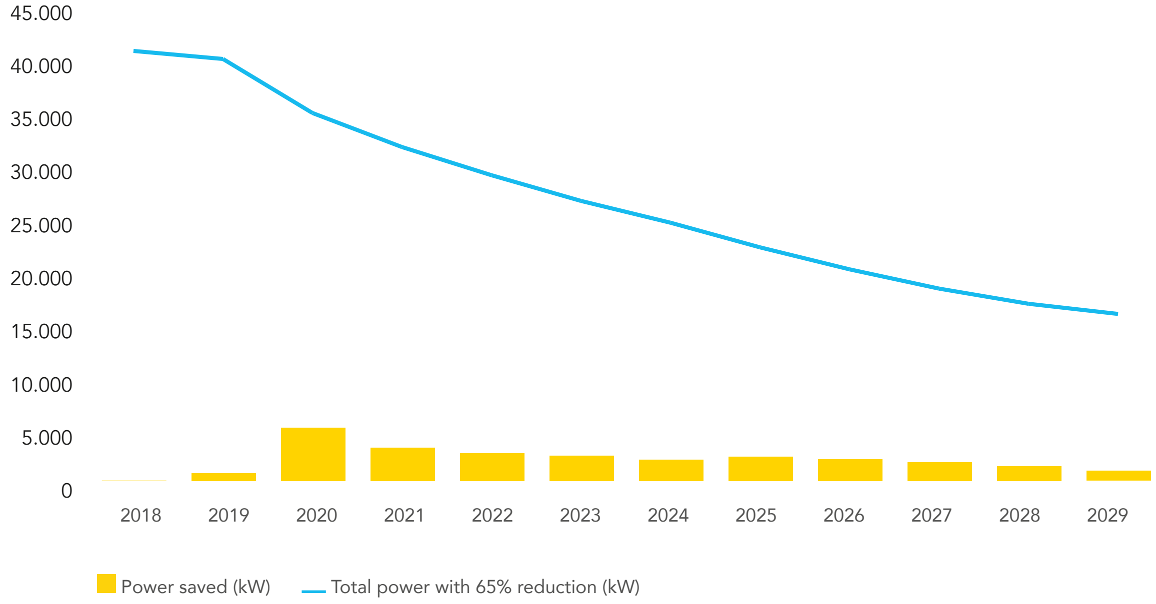
Modernising municipal public lighting

The energy transition is also based on the notion of energy efficiency (or the rational use of energy), which refers to managing or reducing consumption, for example by renovating and insulating buildings. It involves major changes in the residential and service sectors in particular. For municipalities, the challenge of rationalising consumption is also a very real one. Road lighting represents more than 50% of their electricity bills on average, so modernising their public lighting network will result in more sustainable resource management. At the end of summer 2018, the Walloon Government adopted a Decree organising the modernisation of all of Wallonia's public lighting, which will result in the widespread rollout of LED technology – "light-emitting diodes".

In the next ten years, Wallonia's distribution network operators will replace the approximately 585,000 municipal public lights used in Wallonia. Priority will first be given to low pressure sodium lights, which their manufacturers will soon stop marketing, as well as the most energy-intensive lights.

LED bulbs consume less and are therefore more ecological. In the geographical area in which ORES works, updating the lights will help reduce consumption by somewhere in the region of 65% – so 102,000 megawatt hours per year – and lead to an annual fall in emissions of around 29,000 tonnes of CO_2 equivalent. Thanks to their longer lifespan, they also require less maintenance then traditional bulbs.

Prospects of reducing public lighting consumption by modernizing the lighting infrastructure



This drastic reduction in consumption will have a positive impact on municipal budgets. The investment needed for the work will also be covered by a closed budget (public service obligation for network operators) and quickly compensated for by the cost reduction resulting from the better energy performance of LED bulbs.

CAMPAIGN TO RAISE AWARENESS AMONG YOUNG PEOPLE ABOUT THE RATIONAL USE OF ENERGY

As part of its role as a facilitator and partner in the field of energy, ORES also runs awareness-raising campaigns. For several years, the company has been targeting the consumers of the future: children. In 2018, it developed and distributed a card game to primary schools in Wallonia called "ORES'O", designed as a fun way to introduce young children to electricity and natural gas, as well as how they are distributed, together with some practical advice for managing their consumption. Towards the end of the year, the company also contributed to the release of a special edition of the "Journal des Enfants" (a newspaper aimed at children) dedicated to public lighting, its modernisation, and the prospects for reducing the consumption of Wallonia's network thanks to LEDs.

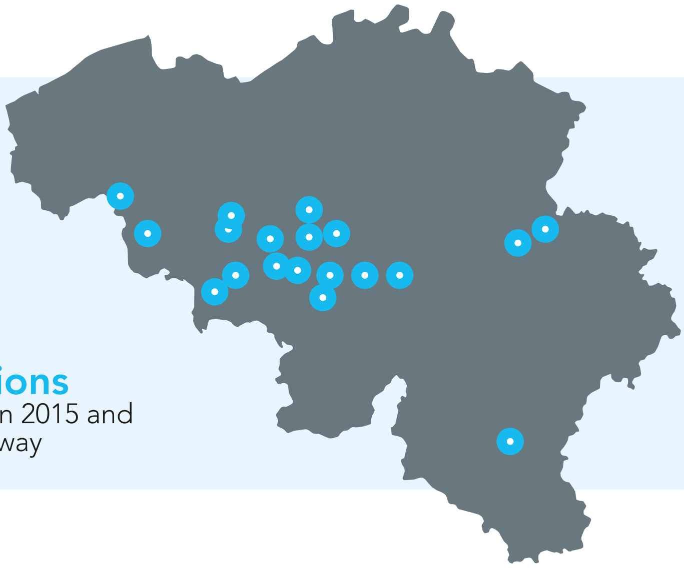
Supporting the emergence of alternative mobility

Another very important theme at the moment when talking about the ecological transition, protecting the environment and combating global warming: mobility. Polluting gases from different means of transport have been the source of much discussion in recent months. The legislative framework is evolving, with vehicles and fuels that produce the most pollution incurring higher taxes, and even being banned. Within this context, a large proportion of the population is looking for sustainable alternatives.

Again in its role as facilitator, ORES plans to support its public and private partners when it comes to developing electric mobility and "CNG" or compressed natural gas. From an environmental perspective, these vehicles boast the advantage of emitting less CO_2 than their diesel or petrol counterparts.

As charging this type of vehicle at home can in some cases be fairly restrictive, ORES is supporting public and private operators keen to install charging terminals or stations. This basically involves providing information about the capacity of the networks to handle their installations at the lowest price, helping them secure permits and, of course, connecting these installations to the distribution network.

In agreement and collaboration with the CWaPE, ORES has also developed an enticing tariff and connection mode for operators of CNG service stations. Wallonia's first public station was opened in 2015 in Tournai. Since then, around twenty more have been connected to the distribution network. This increase in the number of charging points throughout the region is helping to boost the appeal of this fuel: in 2018, the sales figures for CNG vehicles exceeded those of electric cars for the first time. And this is just the beginning: in Germany and Italy, the number of cars running on natural gas is already running into the hundreds of thousands.



19

"CNG" public service stations

were connected to the network between 2015 and 2018 and numerous projects are under way

FEWER CO_2 EMISSIONS FOR MUNICIPAL FLEETS AS WELL

At the end of 2018, the Walloon Minister of Local Government launched a call for projects aimed at municipalities, CPASs and "régies communales autonomes" (independent municipal public companies). The goal: to encourage local authorities to gradually replace their fleet with low-emission vehicles, whether electric or CNG.

Some municipalities have already taken action. So in June 2018, when its lease contract for municipal vehicles came to an end, the municipality of Ham-sur-Heure-Nalinnes decided to turn to vehicles powered by natural gas. Since then, 17 new cleaner vehicles have been introduced and are now used by the municipal and CPAS teams, leading to a substantial reduction in the carbon footprint, together with lower fuel and maintenance costs. To carry out this project, the municipality was able to rely on the know-how of ORES experts, with the introduction of a charging system to suit its needs.

Control and monitoring of the environment impact of activities

Above and beyond its role as a facilitator of the energy transition, committed to the community, ORES pays particular attention to the impact of its activities on the environment. The company would like to gradually reduce its environmental footprint thanks to the sustainable management of its infrastructure, tangible and intangible assets and waste.

To do this, the company relies on its internal environmental policy charter, in which it lays out its commitment to carrying out its activities whilst striving to protect the quality of the environment and find a balance between ecology, economics and energy.

For its main role managing and operating energy distribution networks, the desire to use products that comply with the principles of eco-design is applied at different levels:

- technology (choice of products and materials)
- energy (within the context of the production of these products and materials)
- logistics (optimised packaging to limit transport)
- methodology (in the implementation and choice of technical solutions)

Eco-design also has a presence in the use of this equipment, for example when planning the location of new installations so that they have a limited impact on the wellbeing of local residents, as well as on local flora and fauna. On this point, it is worth noting that in 2018, ORES began moving 64km of old overhead electricity lines underground in order to improve the quality of supply, as the underground network is less exposed to bad weather. As well as this, these actions help reduce the unpleasantness sometimes experienced by local residents in terms of the landscape.

MORE PROTECTION FOR BIRDLIFE AND FEWER FAULTS

Every year, during migration periods, many birds die when they hit electricity lines. This phenomenon mainly affects the provinces of Liège, Luxembourg and Namur, where a large proportion of the network is overhead.

Conscious of this damaging impact on biodiversity, ORES' technical departments have come up with some solutions to reduce the risks. Little red and white spirals hanging locally from electricity lines help birds identify our cables at any time of the day – or night – whatever the weather.

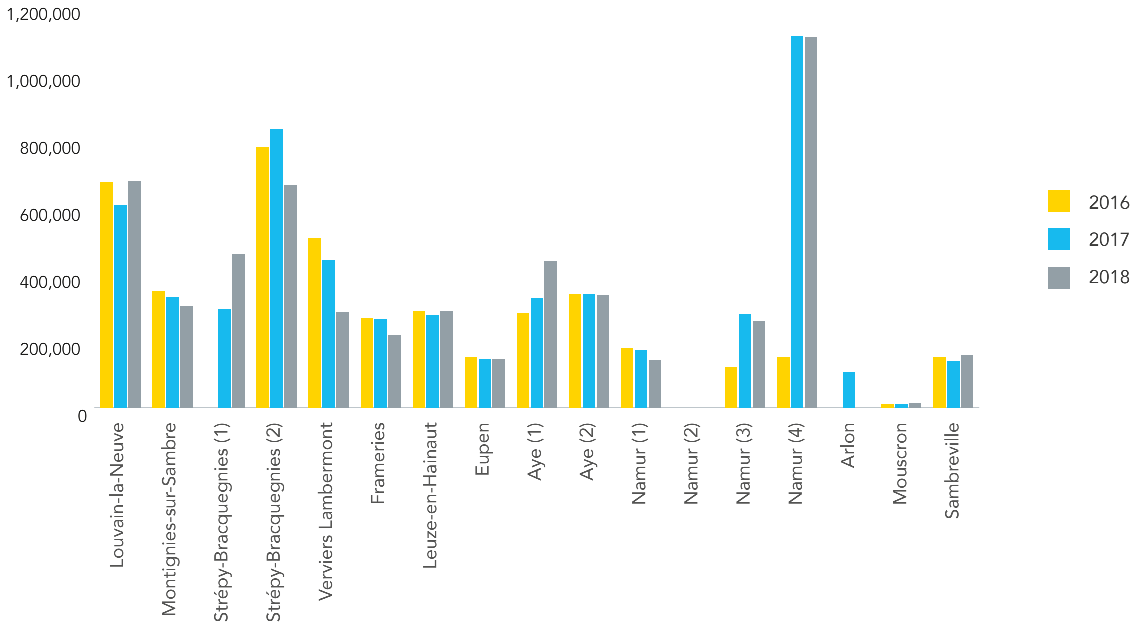
Another recurrent problem demonstrates the difficulties sometimes encountered when birds live alongside overhead cables: birds perching on lines and poles and then taking off, which, in some conditions, can electrocute the animals. Added to this is the risk of sparks, which will lead to a fault affecting nearby customers.

To tackle this issue, the company's technical teams have decided to insulate the necessary cables. This technique has now been incorporated into the maintenance policy for overhead lines, both to help respect the environment, and to improve the quality of the energy supply for customers.

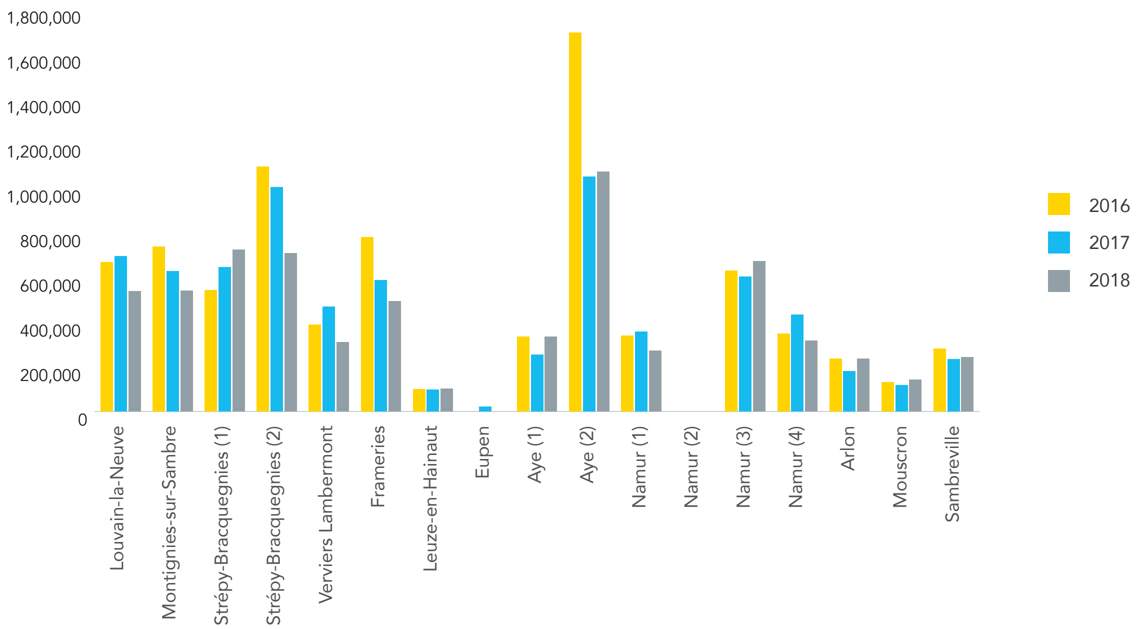
ORES also incorporates the notion of sustainable development when it comes to managing and updating its tangible and intangible assets.

The company manages the energy consumption of its buildings, and tries to limit consumption via repeated awareness-raising campaigns aimed at its staff. In recent years, the replacement of the centralised technical management systems – automated control of the building's equipment such as heating, air-conditioning, lighting and security systems – has also helped reduce consumption in the buildings concerned, including in particular in Aye, Lambermont, Louvain-la-Neuve and Frameries.

Change in electricity consumption of the company's buildings



Change in natural gas consumption of the company's buildings



But it is mainly in the design of new buildings that the most efficient techniques in terms of insulation, heating, ventilation and the use of natural light are implemented. Opened in 2015, the operational headquarters of ORES for Picardy Wallonia, in Leuze-en-Hainaut – the latest building that the company has built – is a benchmark when it comes to the rational use of energy and water. Like seven other buildings owned by the company, it is fitted with photovoltaic panels.

The completion of work on the new head office for ORES in Gosselies will also help rationalise the company's tangible assets by bringing together several hundreds of support service staff on one highly energy efficient site.

Photovoltaic energy produced by the company's buildings

Site	Installed power (kWe)	Production of renewable electricity in 2016 (MWh)	Production of renewable electricity in 2017 (MWh)	Production of renewable electricity in 2018 (MWh)	Total electricity consumption 2018 (MWh)	Needs covered by panels (%)
Namur	40	46.9	34.9	44.9	141.6	21.8%
Strépy-Bracquegnies	32	32.6	30.7	32.8	663.3	4.4%
Eupen	10	10.4	10.7	11.0	144.9	6.9%
Aye	8	7.2	6.9	7.9	437.5	1.7%
Lambermont	45	40.8	40.3	41.9	284	12.7%
Louvain-la-Neuve	70	64.8	65.6	68.1	676.7	9.0%
Frameries	50	30.4	24.5	51.0	217.9	14.5%
Leuze-en-Hainaut	41	39.8	26.6	43.7	287.2	8.5%
Total	**296**	**272.9**	**240.2**	**301.4**	**2,853.1**	**8%**

The company's service fleet is made up of just over 1,000 vehicles. ORES now favours CNG when replacing the vehicles in its fleet when these models are available. 7% of the fleet now runs on compressed natural gas.

	As at 31/12/2018
Lorries	**14**
Cherry picker carriers	**120**
of which CNG	1
Cars/utility < 3.5T	**822**
of which CNG	71
of which electric	2
Vans > 3.5T	**53**
of which CNG	0

Since 2013, carsharing has been encouraged within the company. This approach has environmental, economic and social benefits.

1,610

encoded carsharing days in 2018

Management and executive staff entitled to a leased company car are financially incentivised to choose CNG or electric hybrid models. Carsharing is also encouraged for employees who travel to work in a private car.

Around 800 employees also have the option to work from home one day a week. As well as the benefit in terms of work-life balance, the option to work from home has helped save these members of staff an average of 1,600km of commuting over the year, so a consolidated total of 1,280,000km avoided in 2018.

Lastly, ORES pays particular attention to managing its waste and uses approved channels for its recycling, as well as making sure the process is traceable. Every year, the company submits a declaration on the production of hazardous waste for the previous year to the Service Public de Wallonie. It makes a point of securing all the certificates that guarantee that this waste has been processed in accordance with legal standards. At the end of 2018, an analysis began into upgrading certain dismantled transformers on the network with a view to reusing them.

	2015	2016	2017	2018
Non-hazardous industrial waste (Category II; NHIW)	639,742 kg	550,875 kg	523,401 kg	493,460 kg
Mixed paper/cardboard	232,736 kg	321,837 kg	143,945 kg	126,380 kg
PMC	-	-	5,394 kg	5,459 kg
Various oils	8,622 kg	5,824 kg	10,924 kg	17,854 kg
Transformers	395,790 kg	360,048 kg	266,328 kg	372,672 kg
SF6 Cells	14,196 kg	3,344 kg	10,502 kg	5,398 kg
Wood	6,760 kg	10,320 kg	22,280 kg	33,480 kg
Equipment scrapped	3,441 kg	1,180 kg	1,854 kg	6,353 kg
Contaminated land	83,460 kg	-	16,608 kg	-
Asbestos	17,496 kg	13,794 kg	18,480 kg	29,110 kg
Copper, bronze, brass	11,427 kg	7,477 kg	4,934 kg	7,183 kg
Various metals	421,214 kg	408,718 kg	375,747 kg	431,968 kg
Small hazardous waste	3,929 kg	972 kg	4,795 kg	2,059 kg
Total	**1,838,813 kg**	**1,684,389 kg**	**1,405,192 kg**	**1,531,377 kg**

Waste processing method

	Hazardous waste	Non-hazardous waste
Waste to-energy		22,751 kg
Organic recycling		420 kg
Inorganic recycling		522 kg
Exchange for reuse	388,939 kg	1,080,634 kg
Used as filling material or foundations	2,280 kg	
Landfill ("CET")	26,830 kg	
Physical and chemical processing before disposal	3,400 kg	
Consolidation before disposal	202 kg	
Storage off-site before disposal	5,398 kg	

6. Customer satisfaction

As a distribution network operator, ORES plays a key role within the energy market. Its ambition is to be a "facilitator" for its clients – households, businesses and public services – as well as the market as a whole. To achieve this, the company strives to:

- take into account its customers' needs in order to offer them a service that meets their expectations;
- establish interaction and smooth communication with the company's different departments;
- manage data effectively in order to encourage communication within the market as well as its development;
- fulfil its public service obligations, including in particular those that guarantee access to energy for the most vulnerable.

The customer experience as a means of improvement

ORES pays close attention to the upheaval experienced by its environment: decentralisation of energy production, digitisation of services, new relationships with consumption, "uberisation" of different jobs etc. All of these phenomena significantly increase customers' demands.

In order to maintain its position as a preferred partner of citizens, municipalities and other market players, ORES focuses on developing services structured around its vision: "making energy easier makes life easier". This ambition needs to be translated into every day-to-day measures: simplifying processes, keeping customers informed with

ORES places customers at the heart of its strategy. The shared objective within the organisation is clear: we want to make energy easier, make life easier.

complete transparency, guiding them and advising them via the website or over the telephone, respecting appointments etc.

In 2018, ORES carried out customer satisfaction surveys among its clients in a number of different contexts. The results are presented below:

- **"Low-power" work : connecting a new home to the electricity network for example**
  - Customer score 8/10

18,047 surveys sent out in 2018 – Carried out by email – Participation rate 24% – 1,957 dissatisfied customers contacted again by telephone – 268 complaints submitted following the survey

- **"High-power" work : connecting a small or medium-sized business to the electricity network for example**
  - Customer score 6.7/10

161 surveys sent out in 2018 – Carried out by email – Participation rate 15% – 45% of customers who responded were contacted again by telephone after expressing dissatisfaction (creativity of the solution, slowness of the process, complexity of the online form, information about timings etc.)

- **Taking meter readings**
  - Customer score 7.9/10

18,000 surveys sent out in 2018 – Carried out by email – Participation rate 28% – 16% of customers who responded were contacted again by telephone after expressing dissatisfaction or lack of understanding (reason for the reading, contact with the employee, billing, communication, technical problem etc.)

- **Telephone contact with our departments**
  - Customer score 8.9/10

Automatic pre-recorded message at the end of the call – SMS option – Participation rate 24.6%

- **Submitting a request for work via our website**
  - Customer score 6.2/10

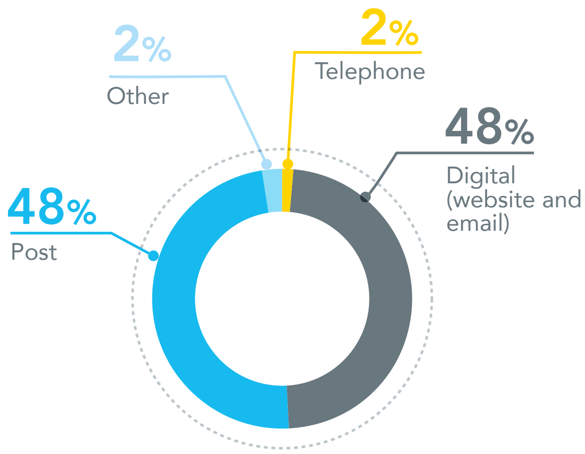
Internet user asked when browsing the website – Participation rate 15%

Every customer who said they were unhappy during these surveys was contacted again. This process is not just about listening to their reasons for dissatisfaction and rectifying the way the issue is handled, but it is also designed to target recurrent complex points and, if applicable correct the processes.

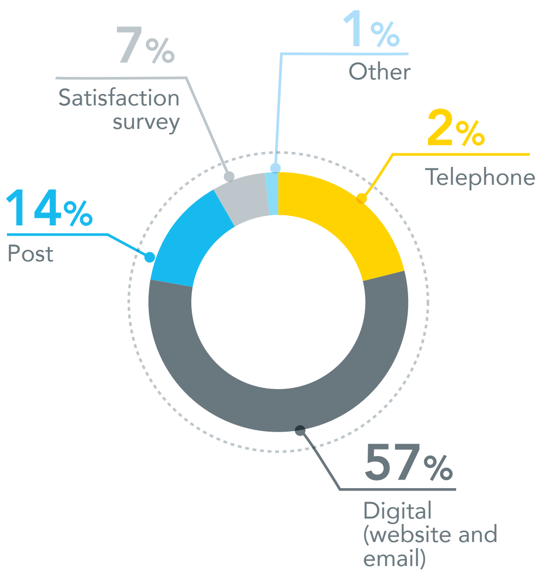
For example, within the context of the surveys carried out after "low-pressure" residential projects, customers reported many failings in terms of repairing their pavements once the work was over. This feedback has helped raise awareness among the contractors responsible for levelling about this issue, and introduce monitoring tools for every project. The marks given to "high-pressure" work highlighted issues relating to meeting deadlines (see elsewhere); here too, organisational measures have been taken within the relevant departments to move towards a more flexible approach.

Above and beyond these responsive surveys, the company also organises discussion groups with its customers to test out new procedures before they are implemented. By taking customers' views into account, ORES is keen to offer services that are totally in line with their expectations.

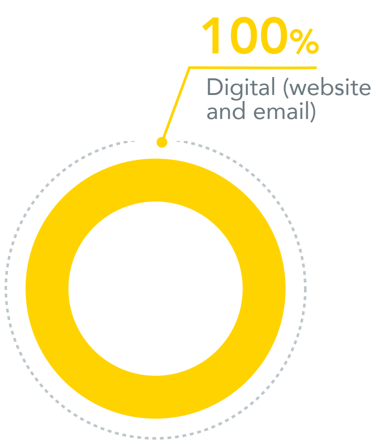
Demand for compensation



Dissatisfaction



Demand for mediation



Following up cases that resulted in a complaint or a demand for compensation

Complaints are an important form of feedback. In this area as well, the desire is to do everything possible to make sure customers are not left unhappy with a bad feeling.

Customers have the option to submit a complaint – dissatisfaction, demand for compensation or mediation – in a matter of seconds via an online form. Every query received is confirmed by telephone, email or post to reassure the customer that their issue is being dealt with.

Electronic communication is preferred for submitting complaints.

The number of cases to be handled rose significantly in 2018 (+12.8% compared with 2017) as customers are now invited to express their unhappiness.

Types of complaint	Received	Legitimate
Dissatisfaction	4,195	2,447
Compensation	2,240	650
Mediation	474	88

The teams responsible for following up complaints set themselves a maximum deadline of 30 days to give the customer a useful, good quality response. We can see that, thanks to interaction becoming more electronic, the average response time has been going down over the years.

Types of complaint	Average resolution time (in days)
Dissatisfaction	18.42
Compensation	31.52
Mediation	22.24

Meeting deadlines when work is requested

Deadlines are also monitored when it comes to work carried out on clients' premises. Customers often get in touch with ORES at important times in their lives. For example, when they are building their homes and need to connect the building to the energy networks.

The company aims to respond to every request and carry out every project within the deadline set by the Walloon market regulator, apart from in cases when the customer's request involves work to reinforce the network in advance.

Meeting deadlines in 2018

93%

Offers to connect to the low-voltage electricity network sent on time

90%

Connections to the low-voltage electricity network completed on time

65%

Connections to the medium-voltage electricity network completed on time

93%

Offers to connect to the low-pressure gas network sent on time

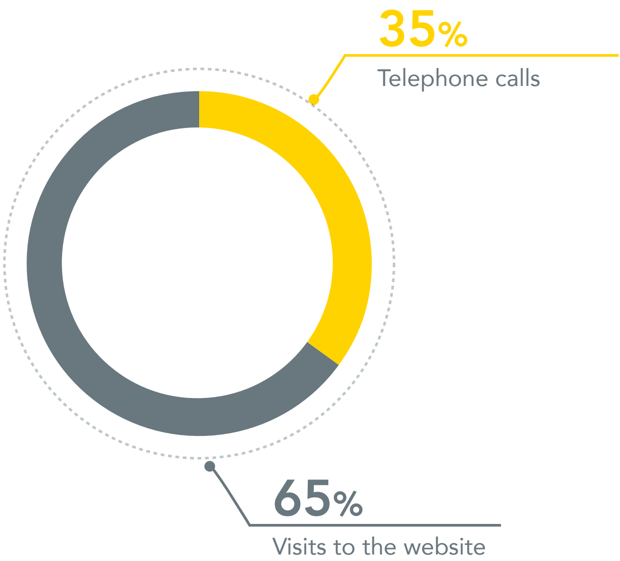
93%

Connections to the low-pressure natural gas network completed on time

Requests for connections to the medium-voltage electricity network require some preliminary work in order to determine whether the infrastructure needs to be reinforced first. This interim stage clearly extends the deadlines, which can sometimes cause problems for professionals. In 2018, the company's design offices reviewed the way they manage cases, by prioritising them and anticipating certain measures: designing plans, requesting permission etc. No costs are incurred without the customer's agreement, but everything possible is done in advance so that work can begin as soon as the go-ahead is given. This new way of working should help reduce current deadlines.

Digitising and personalising interaction with clients

In the digital age, customers' expectations in terms of service availability and speed have risen considerably. Clients are much more likely to contact ORES online than by telephone. In 2018, on average more than 90,000 people visited our website every month.



The digitisation of customer relations involves launching new functions. Designed in 2015, the new version of the ORES website is always being updated with new applications: online forms, a blog offering advice about energy efficiency, an application to track faults and planned downtimes, an online chat feature so that clients can ask questions live, video tutorials to support preparation work for new projects, a simulator showing the power needed for connection requests, information about tariffs and bills, maps showing the network's capacity for renewable energy etc.

ORES also has a presence on social networks and, via these channels, facilitates instant communication with customers. Facebook is the network that has been most successful, and the relevant statistics for 2018 are shown below.

5,960
Number of followers for the page (as at 31/12/2018)

225
Average number of reactions to posts

5,158
Average audience of posts

252
Average number of messages received every month

PLANNING CONNECTIONS ON THE SAME DAY VIA AN ONLINE REQUEST

Within the context of a pilot project in the ORES Mons - La Louvière and ORES Picardy Wallonia regions, the company now offers new owners the chance to handle the administrative management and practical organisation of new connections to the Proximus, VOO and Société wallonne des Eaux (SWDE) networks via its website, as well as traditional electricity and gas connections. The three – or four – connections are then carried out on the same day, only involving the clients once for all of the work.

The company strives to make sure that the growing digitisation of interaction with its customers is combined with a personal approach to communication. When they send a request for work to ORES, customers are accompanied throughout the process and the different steps involved by a customer advisor who is the unique point of contact in the company and makes sure that everything runs smoothly.

Managing networks and managing data

Respect for clients also requires the establishment of the right conditions to guarantee the smooth running of the electricity and natural gas markets.

ORES collects, checks and passes on the customer's production/consumption data to their supplier. In 2018, the company read more than 1,680,000 meters, either physically or electronically. So-called TMMR – 5,825 meters that take monthly readings remotely – and AMR – 7,300 meters that automatically take readings every quarter of an hour – meters are also used for clients whose consumption requires more regular readings.

Thanks to its access register, ORES makes sure that each connection point is identified and "connected" to a supply contract. The company facilitates supplier switches and monitors the beginning and end of a contract.

If a connection point is consuming energy without a contract being agreed with a supplier, ORES tries to resolve the situation and offers alternatives to avoid the supply being cut off. This type of situation happens in particular when a customer moves to a new house without informing their supplier of the change. In the vast majority of cases, ORES' administrative departments take the necessary measures and a solution is found with the customer to avoid disconnection.

Difficult moves Managed by ORES in 2018	Electricity	Natural gas	Total
Requests received	32,636	13,621	**46,257**
Disconnections implemented	1,139	725	**1,864**

2018 : THE YEAR OF THE GDPR

On 25 May 2018, the "General Data Protection Regulation" (GDPR) came into force, dramatically changing the way all organisations manage and store personal data. Businesses' responsibilities when it comes to data protection have been increased significantly. Instigated by its IT and Legal departments, ORES carried out an inventory of the personal data that it processes and keeps. This project helped raise awareness among all members of staff about respecting privacy, and gave the company a new data protection policy that complies with the legislation.

Managing energy poverty

Within the context of its public service obligations, ORES fits – and/or activates – budget meters, mostly for customers who have not paid, at their supplier's request. These meters must be topped up via an individual smart card. For the supplier, this system guarantees payment for the energy consumed. Sometimes criticised as it is often imposed on the customer, this type of meter is a tool for managing a household's budget. It can also help raise awareness about consumption and result in more rational use of energy.

As at 31.12.2018	Electricity	Natural gas	Total
All budget meters	123,329	41,246	**164,575**
Number of requests to fit a budget meter received	70,209	31,338	**101,547**
Number of active budget meters	46,471	19,727	**66,198**
Percentage of active budget meters	37.68%	47.83%	**40.22%**
Number of top-ups	835,943	219,942	**1,055,885**

In Belgium, access to energy is a fundamental right. The law therefore stipulates mechanisms to make sure everyone has access to it, even if they are struggling.

For some groups of client, ORES acts as their energy supplier. The company thus becomes either a "social supplier" for socially protected customers, or a "temporary supplier" (also referred to as "supplier X") when customers find themselves in a difficult situation with their commercial supplier.

Customers for whom ORES is a supplier (situation as at 31/12/2018)	Electricity	Natural gas	Total
Social supplier	24,198	12,019	**36,217**
Supplier X	6,016	2,376	**8,392**

Customers who receive social protection, either regionally or federally, are also given support when it comes to accessing energy. They benefit from lower tariffs than the market prices, can use a certain amount of energy even if their budget meter card has run out of credit, and have the option to use "secours hivernal" (winter aid) from 1 November until 15 March, if they cannot afford to heat their homes during this time of the year.

In Belgium, access to energy is a fundamental right.

ORES acts as facilitator for these clients, and is involved in "Local Committees for Energy", in collaboration with the CPASs and local social action committees to find solutions and help those who are going through difficult times.

Number of cases examinated by the Local Committees of Energy in 2018	Electricity	Natural gas	Total
Number of cases relating to minimum supply	500	-	**500**
Number of cases related to losing protected customer status	1,686	966	**2,652**
Number of cases relating to granting natural gas supply cards during the winter	-	987	**987**

7. Corporate culture and wellbeing within the organisation

Faced with an evolving environment and technologies, the key to success lies in the company's ability to carry out its work whilst embracing change. To support this change, ORES focuses on

- the expertise and rigour of its members of staff, based in particular on an integrated prevention and safety policy;
- an ambitious approach to managing talent that encourages the development of each individual's skills;
- a working environment that is conducive to efficiency, but also to wellbeing, collaboration and confidence.

Safety as a priority

Since it was founded in 2009, ORES has been committed to preventing and combating workplace accidents. A daily challenge for which the only imaginable target is to have zero accidents.

In 2015, the company formalised its prevention policy with a programme referred to as "Shared Vigilance". In practical terms, this is a training programme, and is based on solidarity: it is a good idea to be vigilant for your own safety, but also that of others. "Shared Vigilance" is now part of the learning journey of all of the company's employees. Since this campaign was launched, it is estimated that more than 2,300 lost days were avoided thanks to the training and the commitment of members of staff.

The "Shared vigilance" training programme pursues the ambition of developing a preventative culture that is integrated and shared by all members of staff.

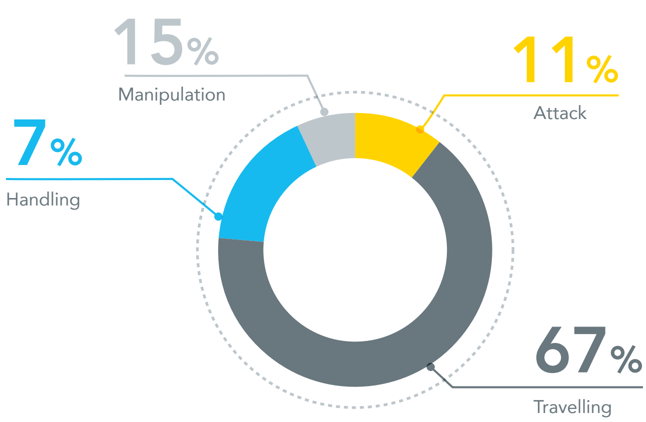
The safety policy is also at the heart of interaction between management and workers. Two joint committees dedicated to prevention and protection in the workplace ("comités paritaires pour la prévention et la protection au travail", CPPT) meet once a month to introduce and assess measures to improve safety, as well as health and hygiene. Social partners have also set targets in terms of safety. Combined with other performance indicators, these targets were achieved and resulted in a non-recurrent bonus being awarded to all employees in 2018.

The safety audit for the last two years is satisfactory, as there has not been a single workplace accident caused directly by electricity or natural gas in that time. There were 27 accidents in 2018 – most caused when travelling – 4 of which represented half the days on which work was temporarily interrupted.

Changes in the frequency and gravity of accidents in 2018 compared with previous years are as follows:

Changes in the frequency and gravity of accidents in 2018 compared with previous years

Sources of accidents with incapacity for work in 2018

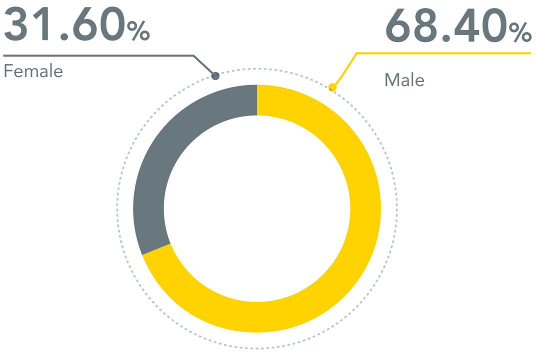


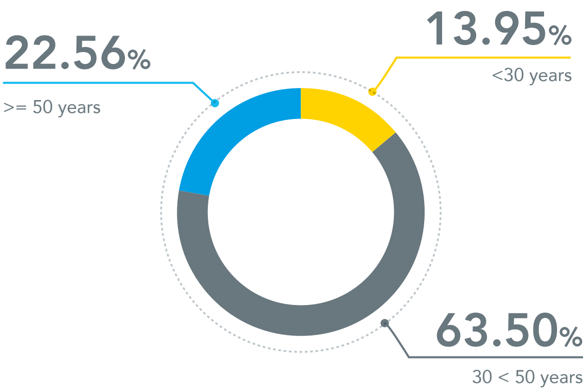
Recruitment and training*

At the end of 2018, ORES had 2,323 employees, 2,212 of whom were on a permanent contract.

Breakdown of members of staff by gender and age group

	Employees	Supervisory staff	Executive staff	Management staff	Total
Male	49.03%	10.55%	8.57%	0.26%	**68.40%**
Female	25.61%	2.76%	3.01%	0.22%	**31.60%**
	74.64%	13.30%	11.58%	0.47%	**100%**





	Employees	Supervisory staff	Executive staff	Management staff	Total
<30	12.91%	0.09%	0.95%	0%	**13.95%**
>= 30 <50	48.73%	7.15%	7.45%	0.17%	**63.50%**
>=50	13.00%	6.07%	3.19%	0.30%	**22.56%**
	74.64%	13.30%	11.58%	0.47%	**100%**

* The data included in this chapter has been put together in accordance with GRI 102. It is therefore nominal data as at 31 December 2018, so more specifically data relating to active employees. It is also important to point out that the data included in the human resources report in ORES scrl's financial report is expressed in full-time equivalent working, non-working and disabled employees. This difference in the definition explains the differences between the data included in the two sections.

Within the context of its transformation, ORES is committed to finding talented new individuals. 204 employees were hired during the year, while 91 people left the company. The profiles required are often more qualified than in the past – engineers, technicians, individuals with an electromechanical qualification, computer engineers, etc. – and some branding work has been carried out in order to establish the company's position in relation to its competitors on the employment market. The company is also using temporary staff to make up for absences or to deal with temporary increases in the workload – 9,691 days of work were carried out by temporary staff in 2018, which corresponds to 45 full-time equivalents.

ORES also invests in training for its employees. Each and every one of them must be able to embrace change with confidence to find their place in the company of the future. Among the programmes designed to update skills and help individuals handle the transition, training connected to change and flexibility, IT, stress management and a customer-focused approach is also offered to staff. A specific programme has also been put in place for employees over the age of 55, to make sure they are in the best possible circumstances at the end of their career.

ON AVERAGE, MEMBERS OF STAFF COMPLETED 40.25 HOURS OF TRAINING IN 2018.

Training according to professional category (in hours)

	Male	Female	Hours of training
Management staff	36.58	57.20	45.95
Executive staff	47.34	43.56	46.35
Supervisory staff	44.67	27.82	41.18
Employees	47.31	23.40	39.10
	46.86	**25.93**	**40.25**

"LEARNING THE NETWORK"

Every new technician hired by ORES begins their journey through the company with a period with the "Brigade formation" (Training Brigade) in Aye (Marche-en-Famenne): 200 hours spent familiarising themselves with how the network is managed. Theory lessons and sessions in the workshop are complemented by fieldwork, in real-life conditions, working with experienced instructors. The culture of safety and full command of working methods are taught here over the course of 13 weeks.

The networks also provide the backdrop for a lot of work entrusted to external suppliers: companies specialising in laying cables, connections, ground levelling etc. A total of no fewer than 2,500 professionals have at least one permit entitling them to work for ORES. Their teams are also monitored and trained. In 2018, the company's two training centres provided 16,500 hours of training – and work to prepare for securing a permit – to around 834 workers from 92 subcontracted companies.

Efficiency and wellbeing in the workplace

In order to achieve a successful transformation, the company relies on employees who are open to change and innovation. Because these are the people who will guarantee the company's long-term future; by developing smarter network and data management systems, by putting customers at the heart of what they do, by injecting the organisation with the "data" vision needed to consolidate ORES' position right at the centre of the market etc.

The executive staff performance appraisal system was reviewed in 2017, and applied in full for the first time in 2018. The new process is resolutely focused on collaboration, empowerment and the company's values. For ordinary members of staff too, discussions are underway between the management and workers' representatives to come up with a more motivational appraisal system.

Percentage of workers given a performance review or career development interview in 2018

	Male	Female	Total
Management staff	100%	100%	**100%**
Executive staff	100%	100%	**100%**
Supervisory staff	32%	67%	**39%**
Employees	75%	89%	**80%**

From the company's perspective, it is essential that all of these changes also result in greater wellbeing in the workplace. Initiatives have been put in place to encourage a better work-life balance. Working from home, for example, is now possible for the company's executives and administrative staff who would like to do so (779 employees in total, who worked from home for an average of 26.6 days in 2018), as well as the opportunity to work on one of the company's other sites occasionally (266 employees, who worked remotely for 12.6 days) – usually at premises nearer their home.

Cultural change is also based on a willing, participative approach. Across the different sites, a network of ambassadors has been set up, bringing together employees representing their department to involve members of staff in ORES' transformation. Initiatives designed to encourage improvements to buildings, document management, commuting and relationships between colleagues have been introduced by members of staff at every level in the hierarchy.

In order to assess the impact on employees of changes to their working environment, ORES carried out a survey about wellbeing in the workplace. This was carried out by an external organisation during the first half of 2018. The results indicate that 80.19% of employees feel engaged in their work and 76.25% take pleasure from their role. Areas to look out include the fact that 38.22% of respondents report a need for recuperate, which 23% of this group saying that they feel this need on a daily basis. The results of this survey have been analysed by a joint working group, areas for improvement have been defined and concrete measures to respond to the needs expressed by staff continue to be implemented throughout 2019.

8. Fair practices, respect for human rights and combating corruption

ORES is a major economic player in Wallonia. In 2018, the company contributed some 450 million Euros of revenue to 1,900 suppliers, the vast majority of which were local. Relationships and transactions with stakeholders must be guided by:

- staff ethics and robust measures designed to protect them from corruption;
- the commitment of its subcontractors to respect human rights and combat social dumping.
- the establishment of a sustainable, responsible purchasing policy.

Setting an example internally

The company's ethics are based on its five values: professionalism, sense of responsibility, sense of service, audacity, "respect and friendliness", added to which are a spirit of impartiality and independence in relation to other market players, which determines ORES' position as a natural monopoly.

Each employee undertakes to respect the basic rules formalised in an internal ethics charter. These rules cover the use of the company's assets and resources, the procedure to follow in the event of attempted corruption or a conflict of interests, information protection, and in particular information described as privileged.

Internal control procedures are also in place for ordering out-of-stock materials: requests approved by line managers, calls for tenders sent to different suppliers, definition of signature authorities, tracking for purchase orders etc.

Relationships with stakeholders

Along the same lines, ORES demands that its suppliers, contractors and service provider subcontractors comply with a code of ethics. The themes covered in the document are essentially exactly the same as those in the internal ethics charter.

In accordance with the thresholds defined by legislation, ORES complies with public procurement rules. The three main categories of contract are work, services and supplies. All bidders – both Belgian and international – are subject to different clauses designed to put a stop to social dumping: checking the company's criminal record, statement and confirmation that social security contributions and taxes are being paid etc.

The contracts most sensitive to fraud, including in particular those connected to work on building sites, are subject to special provisions. Bidders must comply with a number of obligations to guarantee that work and workers are registered, along with their pay, reporting seconded workers,

MONITORING AND ASSESSING CONTRACTORS

In order to manage costs, ensure compliance with regulations and guarantee the quality of the work that it subcontracts to its suppliers, ORES has set up a unit that is constantly monitoring and assessing them, including in particular via site visits. The areas focused on include: administrative rigour, flexibility and responsiveness, quality of work, organisation and safety. ORES' customers are also consulted when suppliers are assessed who are responsible for work that affects them.

an adequate knowledge among the subcontracted workers of the language of the contract, decent, appropriate accommodation for workers who cannot go back to their own homes every day etc. Deterrent one-off and daily penalties are stipulated in the specifications according to the breaches observed.

Limiting subcontracting to one or two degrees, depending on the contract, is also designed to reinforce measures introduced by legislation to combat social dumping. Bidders must make sure they complete the documents in the "bid form" about subcontractors, regardless of the extent to which they are involved in the subcontracting chain and regardless of their position in that chain.

Lastly co-contractors must respect the five basic standards of the International Labour Organization: freedom of association with a union and the right to collective bargaining, freedom from forced labour, freedom from child labour, improved working conditions, freedom from discrimination at work.

Sustainable purchasing policy

For supply contracts, ORES encourages the use of "ecolabels" or so-called "environmentally responsible" products and their equivalents. In practical terms, when it is procuring services or materials, the company uses specific rules in terms of prevention, safety and environmental protection.

The rules stipulate requirements in terms of safety, and imposes on the supplier the obligation to comply with a range of environmental regulations: waste management, obligation to report any incident that could have an impact on the environment, obligation to take all useful measures to limit damage in the event of an incident etc.

9. Donations and sponsorship policy

ORES is a fundamental part of the socioeconomic fabric of the geographical areas in which it operates. The company nurtures close relationships with its municipal and private partners, and more generally with the community as a whole. It is regularly approached and asked to support different actions and associations, so has introduced a partnership and sponsorship policy that mainly focuses on:

- supporting regional or local initiatives in three fields: energy, culture and the environment;
- offering its expertise and human resources to benefit schemes to promote solidarity.

Support for local initiatives: proximity and roots

By its very nature, ORES is a core part of Walloon society, in municipalities, areas, neighbourhoods etc. Occasionally, the company offers its support to local initiatives on the basis of requests received from municipal partners or associations. The purpose of its partnership policy is to consolidate its local roots by promoting its expertise and its services, at events focusing on three specific fields: energy, art and culture in the broadest sense of the words, and the environment.

In 2015, with a view to managing costs, the decision was made both to reduce the overall amounts dedicated to "regional" partners, and to commit a closed budget to more "local" partnerships. In 2018, the support offered by ORES and its local departments helped more than fifty initiatives.

Committed to good governance, the company is keen to structure the decision-making process for partnerships and aid (financial or in terms of expertise) and frame it more specifically, within the context of its public relations and

ORES, MEMBER OF THE SAMBRIA COLLECTIVE

ORES, whose head office will soon be in Gosselies, has joined the Sambria collective of businesses offering sponsorship, created at the initiative of the not-for-profit organisation, Prométhéa asbl in 2017. This collective and its member companies, which include Brussels South Charleroi Airport, Cegelec, the design office Pirnay as well as eight other companies, support initiatives that promote culture and heritage in greater Charleroi. In 2018, the collective granted its first support to the "Alba" project. Led by Charleroi-born artist Melanie De Biasio, this project is designed to transform the former Italian consulate in Charleroi into a shared space in which artists and members of the public can live and create. The call for projects for the prize, which will be awarded in 2019, was launched by the collective with Prométhéa last March.

communication policy. A new policy and administrative process for partnerships, sponsorships and donations has been proposed and will be submitted for approval to ORES' Board of Directors in 2019.

Expertise in the interests of cooperative projects and supporting development

Every year, ORES' technicians and engineers offer their services as volunteers within the context of the Energy Assistance association. They provide coaching and training services and install or repair equipment for people in developing countries who do not have access to energy. In recent years, dozens of them have visited different parts of Africa and Asia to install, develop and even repair infrastructures needed to improve living conditions for local populations.

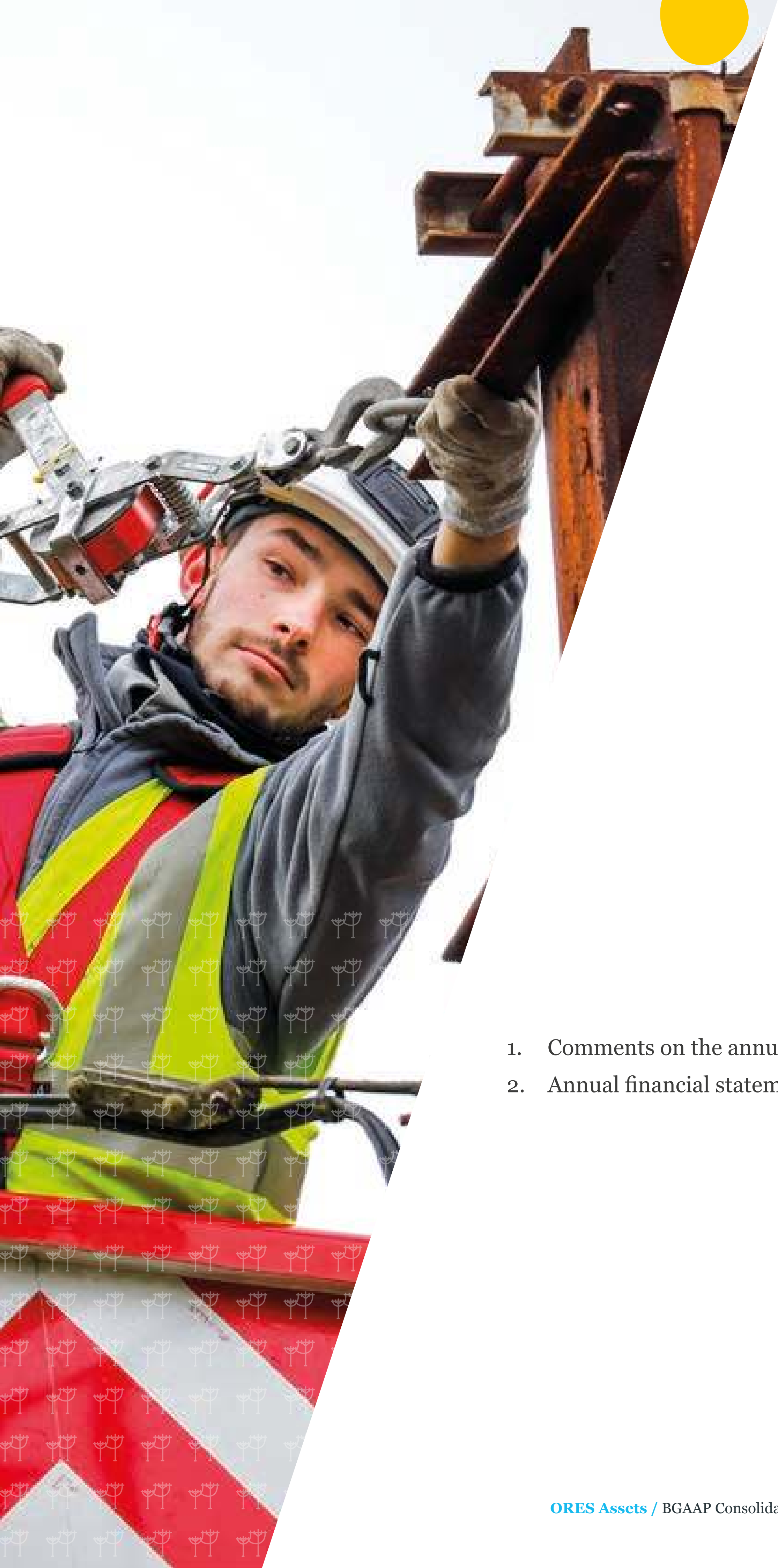
For the first time in 2015, ORES' Training Centre also welcomed engineers responsible for establishing an electricity supply in the Virunga National Park in the Democratic Republic of the Congo, offering them training on building and managing an electricity network day-to-day. In terms of the concrete, conclusive results of this initiative, three new Congolese interns will be attending a two-month training course in 2019.

MEMBERS OF STAFF INVOLVED IN VIVA FOR LIFE

Every year, as the holiday season approaches, "Viva for Life" draws on the solidarity of the people of Wallonia and Brussels to raise money for vulnerable children. One of the original partners of the scheme, once again last year ORES could count on the involvement and passion of its employees. The 2018 event raised more than 18,000 Euros to support the work done by the RTBF and CAP48, following collections set up on the initiative of members of staff.

03

Management report



1. Comments on the annual accounts

(article 119, § 1 of the *Code des sociétés*)

1.1. A true and accurate review of

A. The development of the business

Please refer to chapter II – Activity and sustainable development report – Statement on non-financial information.

B. The company's profits/losses and situation

ITEMS FROM THE CONSOLIDATED PROFIT AND LOSS STATEMENT AS AT 31 DECEMBER 2018

Changes in the consolidated profit/loss (in thousands of €)	31/12/2018	31/12/2017
Sales and services	1,166,474	1,151,189
Cost of sales and services	- 955,770	- 930,497
Operating profit	210,704	220,692
Financial income	714	352
Financial expenses	- 62,330	- 60,411
Profit for the financial year before tax	149,088	160,633
Tax on profit	- 52,219	- 63,049
Consolidated profit for the financial year	96,869	97,584

The Group's turnover amounted to €1,125,192,000 in 2018 compared with €1,106,360,000 in 2017. This is mainly made up of transmission charges invoiced to energy suppliers, energy sales to protected customers, as well as income relating to work on behalf of third parties.

Total other income is €41,282,000 in 2018 compared with €44,829,000 in 2017.

The costs of sales and services amount to €955,770,000 in 2018, so an increase of €25,274,000 compared with 2017. On this subject, it is worth pointing out that:

- miscellaneous services and goods amount to €571,828,000 in 2018 (an increase of €8,652,000); the Elia fee is the largest element in this cost item, at €355,099,000 for 2018;
- salaries and social security contributions amount to €153,112,000 in 2018 compared with €161,367,000 in 2017);
- depreciation on tangible and intangible fixed assets as well as on positive consolidation differences have risen by €11,199,000 to €156,695,000 in 2018;
- as far as write-downs on our trade receivables in 2018 are concerned, a charge of €2,727,000 has been recorded compared with a charge of €5,336,000 in 2017. This difference is justified by considerably lower coverage of bad debts in 2018 than in 2017 (€8,529,000 compared with €5,823,000);

- in 2018, allowances for provisions for risks and expenses were accounted for at €20,360,000 compared with €9,201,000 in 2017; this was mainly due to an additional provision relating to the "Atrias" project.

The Group's financial profit/lost reflects expenditure of €61,616,000 in 2018 compared with €60,059,000 in 2017. This is mainly interest paid for our bank loans, bond issues and commercial papers.

Taxes, made up mainly of corporation tax, represent €52,219,000 in 2018, compared with €63,050,000 in 2017. The €10,831,000 decrease can mostly be explained by the change in the tax rate from 33.99% to 29.58% in 2018.

ITEMS FROM THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

The balance sheet total amounted to €4,290,787,000 compared with €4,232,969,000 at the end of 2017.

Consolidated balance sheet in thousands of €	31/12/2018	31/12/2017
ASSETS		
Set-up costs	0	1,914
Fixed assets	3,759,691	3,604,301
Current assets	531,096	626,754
Total assets	**4,290,787**	**4,232,969**
LIABILITIES		
Equity	1,630,947	1,597,537
Third-party interests	2	2
Provisions, deferred taxes and latent tax liability	54,166	33,806
Debts	2,605,672	2,601,624
Total liabilities	**4,290,787**	**4,232,969**

ASSETS

Set-up costs are made up of the costs of issuing loans and were totally depreciated at the end of 2018.

Intangible fixed assets worth a total of €80,313,000, compared with €59,559,000 in 2017, are made up of expenses relating to IT projects (including in particular the "Atrias" project) and development costs (Smart Grid and Smart Metering).

Tangible fixed assets amounted to €3,670,613,000 in 2018 compared with €3,536,536,000 in 2017, so an increase of €134,077,000. This increase can be explained as follows:

- investments for the financial year: + €249,664,000;
- taking over the electricity networks for the municipalities of Chastre, Incourt, Perwez and Villers-la-Ville, previously run by PBE: + €29,570,000;
- depreciation for the financial year: - €137,488,000 (including "depreciation" of the RAB ("Regulated Asset base") capital gains of €20,524,000);
- derecognising installations: - €7,669,000.

Financial fixed assets worth €8,765,000 compared with €8,206,000 in 2017 are mainly made up of an advance by ORES scrl to Atrias scrl for €7,955,000, for shares owned by ORES scrl in Atrias scrl, Laborelec scrl and N-Allo scrl, as well as shares owned by ORES Assets in Laborelec scrl and Igretec scrl.

Inventories and orders in progress amount to €46,173,000 and are made up of goods (€37,764,000) as well as work in progress for private individuals and municipalities (€8,409,000).

Trade receivables amounted to €152,052,000 compared with €163,613,000 in 2017 and are mainly made up of debts relating to energy suppliers within the context of invoices for transmission fees as well as receivables for protected and "supplier X" customers.

The "other receivables" (€13,495,000 compared with €6,135,000 in 2017) include VAT to be recovered (€3,743,000) as well as receivables relating to damage to the network caused by third parties (€2,503,000) and miscellaneous receivables (€7,249,000).

Cash investments worth €77,778,000 compared with €145,016,000 in 2017, are mainly made up of term investments in bank accounts for €51,000,000.

At €45,447,000, liquid assets include cash held in current accounts and corporate funds.

Adjustment accounts (€190,107,000 compared with €206,010,000 in 2017) mainly include the balance of pension capital yet to be covered at €36,131,000, the fees for using public roads for gas of €17,440,000, regulated assets worth €117,211,000 as well as the RTNR ("redevance transit non-relevée" or unmetered transmission charge) of €6,252,000.

LIABILITIES

Subscribed share capital amounted to €713,028,000 as at 31 December 2018, an increase of €771,000 compared with 31 December 2017 and is made up of:

- A shares: €479,997,000;
- R shares: €233,031,500

Share capital increased by €771,000 following the issue of new R shares worth €1,500,000 and due to the effect of the €18,153,000 capital increase at the end of 2018 to fund investments for the financial year; part of this capital increase (€11,252,000) was funded by the public shareholders via the conversion of R shares to A shares. This was offset by the redemption of R shares for a total of €8,673,000. We would also like to point out the takeover of the electricity network of 4 municipalities previously run by PBE on 1 January 2018, which boosted share capital by €1,043,000 (contribution in kind which was the subject of a capital increase).

The revaluation of tangible fixed assets amounts to €528.826,000, representing the initial difference between the RAB and the book value of these assets in 2001 for electricity activities and in 2002 for gas activities. This item has gone down by €13,636,000, following the depreciation of the appreciation calculated at a rate of 2% per year for €20,525,000, partially offset by the earned value following the takeover of the electricity networks of 4 municipalities previously run by PBE for €6,889,000.

The consolidated reserves rose by €46,256,000, mainly following:

- the transfer to the restricted reserves of the depreciation of the revaluation appreciation for a total of €20,525,000 (from the "revaluation appreciation" item);
- changes to the available reserves within the context of allocating profits/losses for a total of €9,117,000 (provision: €15,059,000 and levy: €5,942,000, of which €3,997,000 was on the decision of ORES Assets' General Meetings in June and November 2018 within the context of taking over the electricity networks for 4 municipalities previously run by PBE);
- the take-over of the electricity networks for 4 municipalities previously run by PBE generated an increase to the reserves as at 31.12.2018:
  - statutory reserve: €1,600;
  - restricted reserve: €9,468,000, of which €1,035,000 was incorporated into the share capital in 2018;
  - available reserve: €5,655,000, of which €3,997,000 is part of the levy (see point 2 above).

Total impact as at 31.12.2018: €14,089,000;

- the transfer of €748,000 to the tax-free reserves relating to the "Tax shelter" and €1,778,000 to the profit/loss carried over.

Capital subsidies (€71,000) represent two subsidies received from Wallonia, one within the context of a project to operate networks open to renewables and the other a general interest industrial research project relating to smart meters (Smart Users).

Third-party interests represent the share of the subsidiary ORES scrl transferred by ORES Assets to the purely financing intermunicipal companies in 2013 (total transfer of seven shares).

Provisions for risks and expenses rose by €20,360,000 from €33,806,000 to €54,166,000 as at December 2018. They are made up of:

- environmental provisions worth €3,789,000;
- provisions for disputes worth €43,618,000, of which:
  - provisions for moving installations (€8,103,000);
  - the provision to cover the applicable risks associated with the switch to the new IT systems needed for market processes and changes to them (€8,101,000);
  - the provision for the "Atrias" project for €19,500,000;
  - the provision established following the termination of the IT service contract to implement an information system for smart metering (€4,788,000);
  - other provisions: €3,126,000;
- provision within the context of the vectorisation work on the distribution network plans for €6,759,000.

Debts falling due in more than one year (€1,994,675,000 compared with €2,010,711,000 at the end of 2017) have gone down by €16,036,000. They are mainly made up of loans taken out by the Group from credit institutions (€1,086,783,000), other loans (€650,600,000) as well as a loan from the EIB (€250,000,000).

Debts falling due in more than one year (€139,787,000) are made up of the capital of loans to be repaid in 2019.

Short-term financial debts (€92,000,000) are made up exclusively of commercial papers.

Miscellaneous suppliers as well as invoices yet to be received make up the bulk of trade debts (€166,180,000 compared with €159,297,000 in 2017).

Advance payments received on orders (€26,848,000) include intermediate invoices sent to protected and "supplier X" customers (public service obligations or PSO), as well as advance payments from clients for work to be carried out.

Tax, salary and social security liabilities worth €69,032,000 (compared with €50,894,000 in 2017) cover:

- tax liabilities (€6,625,000): the balance of payroll taxes to be paid, VAT for December 2018, the withholding tax due relating to the advance payment on 2018 dividends as well as the tax provision for the profit/loss for 2018;
- salary and social security liabilities (€62,407,000): provisions for salaries, bonuses to be paid and various annual contributions (Inami, ONSS).

The "other debts" item (€40,232,000), down €1,023,000, mainly includes the balance of dividends to pay after the Ordinary General Meeting for the 1st half of 2019 (€31,103,000) as well as debts to third parties and staff (corporate funds).

Liability adjustment accounts (€76,918,000 compared with €74,207,000) are mainly made up of:

- Regulatory balances (€44,045,000);
- a total of €13,590,000 of financial expenses mainly relating to our private investments and other loans;
- allowances (€4,184,000) received to cover future annuities;
- the unmetered transmission charge for the end of 2018 (€12,418,000).

1.2. Description of the main risks and uncertainties that it faces

The following paragraphs describe the measures taken to resolve the main known risks and uncertainties faced by the ORES group. 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. 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 ORES' goals. The methodology used in this process is described in the 2018 financial report relating to the BGAAP consolidated accounts for ORES Assets, and more specifically in the section entitled "Description of the main characteristics of the internal auditing and risk management systems". The results for 2018 are explained in more detail below, with the exception of types for which the risk assessment is low (image/reputation, governance, legal, technological). This is a snapshot of the risks at the end of August 2018. As well as this, certain unidentified risks may exist or, while they may seem limited today, may become more significant in the future. However, the purpose of the new methodology is to reduce the probability of ignoring a severe risk by empowering all the departments and thus expanding the sources of information.

A. RISKS ASSOCIATED WITH HUMAN RESOURCES

Risks relating to human resources encompass the risks associated with the company's human capital.

These risks:

- are directly linked to the company's overall performance areas (economic and financial);
- may have a significant, long-term impact within the company.

These risks may in particular reduce the company's capacity to access the staff it needs to operate successfully. This means an adequate number of members of staff, but also members of staff who are competent and motivated.

The transformation plan ORES and its projects and programmes require significant human resources. As well as this, continuity and quality of service must be maintained at all times, as electricity and gas are essential basic necessities, the distribution of which cannot be suspended due to transformation measures.

Three potential risks have thus been identified in terms of human resources:

- the sustainability of work, mainly for resources involved in the transformation being implemented at the same time as ensuring business-as-usual;
- the capacity to attract, recruit and keep the talented individuals needed, particularly in highly competitive sectors such as IT;
- the management of salary costs in the medium- and long-term, in relation to the pricing envelope granted by the regulator for the 2019-2023 period and ORES' goal to guarantee pricing management and stability.

A huge programme has been developed to anticipate, manage and overcome these risks.

An impact analysis is carried out with the projects. The purpose of this is to optimise the way the company is organised in relation to the needs of projects and the wellbeing of workers. In practical terms, it involves encouraging career changes for some members of staff, introducing career meetings, adopting a new approach to managing mobility and identifying critical positions and high levels of potential.

The recruitment policy has been adapted to the new challenges. New recruitment channels, focusing mainly on digital solutions have been put in place. Recruitment is increasingly geared towards candidates' capacity to learn and change.

Alongside this, more attention is paid to the wellbeing and working environment of workers. An employee satisfaction survey is carried out using different tools: wellbeing questionnaire, employee satisfaction "thermometer", vox pops. ORES has established an environment that encourages creativity, interaction and wellbeing in the workplace.

The issue of "human resources" is regularly monitored on the basis of key indicators. Particular attention is paid to analysing absenteeism and support when returning to work.

Special attention is paid to managing salary costs. Remuneration systems, including salaries and non-salary items, are regularly reviewed in order to keep changes in salary costs under control in the medium- and long-term, whilst also guaranteeing respect for legislation and applicable agreements on the one hand, and attracting and retaining qualified individuals on the other.

Internal control when it comes to salary costs is also consolidated, alongside tax and social security monitoring.

B. RISKS ASSOCIATED WITH STRATEGY

This type encompasses the risks associated with ORES' ability to define and implement a strategy and action plan in the form of concrete programmes and projects.

These risks may manifest themselves as difficulties:

- understanding the environment outside the company;
- putting together strategies that are visionary enough to ensure the organisation's relevance and longevity;
- communicating the strategy at organisational level;
- completing strategic programmes and projects successfully.

The context of distributing electricity and gas is faced with increasingly rapid and uncertain changes. This means that there is growing tension between the company's desire to implement a strategy designed to anticipate the needs of customers and the expectations of authorities, and the risk that changes in legislation or technology could have a significant impact on this strategy.

On this basis, a major risk for 2018 was the change to the strategy for rolling out smart meters introduced by the Walloon government. Although the draft decree approved at its first reading by the Walloon government included a widespread roll-out plan in line with ORES' project, the final text stipulates a partial roll-out for network operators, limited to certain groups of customers.

The uncertainty in relation to Atrias' ability to be operational in 2020 is also a risk factor. The development of this new federal clearing house for managing data and processes connected to the electricity and gas supply market is indeed experiencing a number of difficulties, creating uncertainty about the timing and the perimeter.

Lastly, more generally, there is a question about the company's ability to adapt to a context that is changing increasingly rapidly and unpredictably.

ORES reacted immediately to the change in the roll-out strategy for smart meters that was suddenly introduced by the regional authorities. The programme was reorganised and considerable work was done to identify what to keep and the changes to be made to respond to the new legal requirements. Synergies were pursued and developed with the other major DSO in the Walloon Region, RESA, to come up with the most effective joint solutions possible.

The development of the Atrias project is closely monitored by the Management Committee. Factors dependent on other programmes and the transformation plan, as well as the financial impacts and any impact on the company's legal obligations are identified and monitored on an ongoing basis. The necessary resources are mobilised to make sure that ORES' contribution to this federal project is at the required level.

As far as the company and its strategy's ability to adapt are concerned, the strategic plan is updated annually to make sure it is relevant to the context outside the company. In 2018 there was a major overhaul of the strategic plan (still in keeping with the original one), setting a framework for 2019-2025, incorporating the transformation plan in particular.

C. ECONOMIC AND FINANCIAL RISKS

TARIFF-RELATED RISK

ORES' activities 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). The decisions taken by the regulator within the context of the 2019-2023 tariff methodology could put pressure on ORES' authorised income, which could have an impact on the quality of services and/or the fulfilment of some of the company's targets. The tariff methodology, more incentive-driven than previous ones, also presents some risks, including for example differences in controllable costs, non-compliance with the incentive-driven mechanisms, or going over budget for specific projects. To mitigate this risk, a number of measures have been taken within the context of approving the 2019-2023 tariffs: caution when preparing budgets used as the basis for the authorised income, monthly monitoring of the main cost components etc. ORES authorised income for 2019-2023 was approved in 2018, as was its roll-out to tariffs in 2019, so this risk has gone down.

Lastly, the company must make sure that it respects financial covenants, which are now monitored on a regular basis.

CREDIT RISKS

ORES is pursuing a financing policy which calls on a variety of sources in the capital markets. Since 2012, the Group's funding has been done by ORES scrl, with a guarantee from ORES Assets scrl.

In 2018, the sources of funding included:

- a programme of commercial papers with an indefinite duration up to a maximum of €550 million;
- amounts collected via private investments (in 2012, 2014 and 2015 via bond markets or another);
- the issuing of bank loans:
- significant finance raised from the European Investment Bank (€550 million);
- a short-term credit line for an overall total of €50 million.

INTEREST RATE RISKS

Any change in interest rates has an impact on the level of financial expenses In order to minimise this risk, ORES 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. The financing policy also takes debt maturity into account. With a view to managing interest rate risks, ORES 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). Debt management and market data are carefully monitored. No derivatives are used for the purposes of speculation.

TAX RISK

ORES Assets scrl and ORES scrl are subject to corporation tax. Currently, the tariff methodology stipulates that any fiscal charges are incorporated into tariffs and as a result, the impact of changes in tax legislation is limited for the ORES group.

ASSETS AND LIABILITIES AND LIQUIDITY RISKS

Within the context of managing these risks and billing fees to use the networks, ORES has financial guarantees from all of the energy suppliers active on the network. These financial guarantees are defined by the contract granting access to the network and may be reviewed annually. The company is also reinforcing specific measures to recover debts relating to work carried out as part of operating the networks, by awarding public contracts to recovery companies.

ORES has short-term financing capacity thanks to its programme of commercial papers and credit lines as outlined above; the liquidity risk can therefore be regarded as virtually non-existent. Cash flow 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 cash flow. Finally, it is worth pointing out that the 2018 tariff methodology stipulates that all the costs associated with the financing policy are covered by the regulatory budget.

MACRO-ECONOMIC AND FINANCIAL CLIMATE RISKS

The current economic climate may have repercussions on the demand for electricity and natural gas, or on ORES' financing conditions, or even on the profit due to be distributed to shareholders. These risks and their effects are not normally borne by the Group. The tariff methodology means that they can be taken into account within the context of regulatory balances being approved and allocated, in theory, to the tariffs for the next regulatory period.

D. REGULATORY RISKS

This type encompasses the risks associated with a potential change (or an unwanted lack of change) in elements of the legislative and regulatory framework governing ORES (European, federal or regional legislation; regulator's decisions; market model).

This type takes on a particular dimension for a company with a public monopoly, whose scope of activities is heavily determined by the regulatory framework. In ORES' case, these mainly involve the roles imposed by Wallonia's electricity and gas decrees.

The risks associated with the tariff decree and methodology are covered by "Economic and Financial" risks.

The main regulatory risk identified in 2018 is linked to a collection of actual or potential changes to the regulatory framework that might result in a reduction in the volumes of electricity and gas billed. A framework more conducive to direct lines, an increase in requirements in terms of buildings' energy efficiency, new mechanisms for private networks etc. are some examples of these risks.

Structurally, ORES maintains extensive, proactive relationships with Walloon authorities and administrations, as well as all the stakeholders to keep them informed of the potential effects of the measures taken or envisaged by the authorities on the role of network operator. ORES is involved with discussions within the "Energy" division of the Economic, Social and Environmental Council of Wallonia (Conseil économique social et environnemental de Wallonie, CESW). This is an advisory body responsible for passing on views relating to energy policy at the request of the Government, the regional energy administration, the CWaPE or specific initiatives.

Concrete measures have also been introduced to anticipate and incorporate the main changes in society and the market model into ORES's activities and a sustainable approach to operating the network: a pilot e-cloud project designed to test collective self-consumption via the public network in a business park, a tariff analysis to incorporate the effects of new means of production and consumption, increased attention paid to the role of market facilitator (part of the DSO's legal responsibilities), the establishment of an innovation unit, the promogaz programme to increase the number of clients connected to the existing network, support for the use of CNG vehicles etc.

Focusing more specifically on the risk associated with the 2019 regional elections, the decision was made to put together a memo aimed at the political parties.

E. IT RISKS

IT risks are risks

- associated with the use, possession, operation, involvement, influence and adoption of IT solutions at ORES. It is a vital tool for the company;
- including the unauthorised distribution of information, errors, fraud, business interruption following an equipment or software fault, inefficient planning, as well as risks associated with individual IT operations.

In particular, the risk may manifest itself in a lack of modern tools and applications making it possible to fulfil the role of DSO, run the networks or process and provide information.

The challenges connected to the company's transformation represent risks associated with the modernisation and implementation of new IT platforms such as: data platform, customer platform, AMI Smart systems, EAM etc. The impact on current systems is significant both from a technological point of view, and in terms of activities.

In terms of day-to-day management, some risks are inherent in IT activities and must be covered by managing obsolescence and using security tools to prevent losses, data theft and service interruptions. Situations where there is heavy dependence on certain external suppliers to manage some of our operational activities are also something to think about.

The implementation and consolidation of the transformation plan are factors that significantly reduce the risks described above. A roadmap incorporating end-of-life application replacement has been drawn up, with a system for monitoring applications to anticipate obsolescence. Implementing the GDPR and NIS regulations also helps reduce the risks associated with IT security by introducing strategies for controlling and monitoring how data is handled and identify the systems that are critical for fulfilling our roles. The risk of dependence on suppliers with a monopoly position is reduced by prioritising tried and tested technologies and standards (adopt before adapt), insourcing applications and increasing the involvement of the IT department in specifications.

F. OPERATIONAL RISKS

Operational risks are those that might affect the company's ability to carry out activities rigorously and in accordance with defined targets, deadlines and budgets, as well as being able to bear comparison with other operators. These risks may come from systems or processes, or external events, staff errors in the broadest sense (whether intentional or not), such as:

- the risks associated with damage to the networks;
- technological risks;
- the risks of black-outs or shortages;
- climate risks;
- environmental risks;
- the risks of legal disputes;
- IT and telecom risks.

There may be different origins: human error, fraud, failings in IT systems, natural failure.

At an operational level, the risks of network disruption or paralysis are an integral part of the work of a network operator, along with securing sites, poles and cabins, data etc. These risks may potentially be aggravated by the ageing of the network.

Alongside this, the risk of ORES' logistics centre shutting down has also been identified.

Many measures are taken to reduce the risks of network disruptions and to manage their resolution more effectively if they do occur: lessons learned, preventive maintenance and new investments, network monitoring, PIU safeguarding plans, emergency power supplies, exercises and simulations, raising staff awareness etc. Master plans and key indicators are used to monitor the ageing of the network and the impact on its performance in terms of reliability. ORES regularly invests in its network, and works with suppliers to improve the reliability of the equipment that it purchases for them. Ultimately, an analysis needs to be carried out in order to identify whether investments need to be consolidated in response to ageing.

Awareness is also raised among ORES staff about security issues. Subcontractors are informed and monitored in relation to these issues. A collection of physical (passes, barriers, intrusion detection, patrolling security guards) and data (firewalls, data quality action plans, IT security measures, GDPR implementation and monitoring) protection measures have been introduced. As well as this, the quality of suppliers is monitored and acceptance criteria for equipment have been reinforced as required to overcome some failings that have been observed.

Lastly, the risks associated with the logistics centre are mitigated by measures to prevent fires, secure the electricity supply and provide preventive maintenance for the robotics tool.

1.3. Information on significant events that occurred after the year end

On 1 January 2019, the procedures needed to implement the new dividend policy were implemented. The R shares existing on this date were converted to A shares. The available reserves as at 31 December 2018 were incorporated into the capital, also resulting in the creation of A shares. Appendix 1 of the articles of association has been updated to included details of the number of A shares following these processes and is included at the end of the 2018 financial report for the ORES Assets accounts.

On 7 February 2019, the CWaPE approved the periodic proposed tariffs for electricity and gas for ORES Assets' 2019-2023 regulatory period. The non-periodic tariffs for the same period were approved on 20 February 2019.

On the basis of the approval by ORES Assets shareholders of the process involving the (partial) transfer of the municipalities of Celles, Comines-Warneton, Ellezelles and Mont-de-l'Enclus de Gaselwest to ORES Assets for the management of the electricity and natural gas distribution networks, as of 1 January 2019. These 4 municipalities have been incorporated into the Mouscron sector. The part of the municipality of Frasnes-lez-Anvaing previously associated with Gaselwest was also transferred from the Hainaut sector to the Mouscron sector. As of this date, the tariffs for the Mouscron sector are applicable for these entities.

1.4. Information about the circumstances likely to have a significant influence on the whole consolidated development

None

1.5. Information about research and development activities

The development of techniques relating to running the networks, smart metering and other developments show that significant development costs are generated and that it is highly probable that they will be spread over longer periods of time than in the past. With this in mind, ORES scrl has chosen to capitalise staff expenditure relating to researchers, technicians and other support personnel, insofar as they are allocated to a "development" project.

1.6. Use of financial instruments by the company

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 done by ORES scrl, which means that the group can benefit from different financing sources. This funding by ORES scrl is guaranteed by ORES Assets.

Outside bank financing (which has not been subject to a public contract since 30 June 2017), as at 31 December 2018, ORES scrl:

- has a programme of commercial papers worth €550 million with an indefinite duration;
- has a line of credit renewed annually for a total of €50 million, the renewal of which is currently being analysed as this report is being written;

- issued bonds in 2012 admitted to the official listing and to be negotiated on the regulated market of the Luxembourg stock exchange within the context of a private investment. Some of this loan was the subject of a buy-out during 2018;
- issued bonds in 2014 and 2015 admitted to the listing and to be negotiated 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 million to be drawn over 5 years.

In 2018, ORES took out two new bank loans worth €80 million and drew €100 million from the EIB financing programme.

ORES will continue to pursue a financing policy which 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 scrl. The financing policy also takes into account different lifetimes of loans and the lifetimes of 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.

As well as this, 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.

1.7. Description of the main characteristics of the internal auditing and associated companies' risk management systems in relation to the process for drawing up the consolidated accounts

As the operational and day-to-day management of ORES Assets' activities, including for example keeping accounts, is entrusted to ORES - as an operating company - this description will essentially focus on the characteristics of the systems put in place within ORES in relation to the process of drawing up the accounts.

The internal control and risk management systems implemented within ORES fit in with the corporate governance established in order to allow the company to make decisions responsibly and transparently.

A. CONTROL ENVIRONMENT

CORPORATE GOVERNANCE

In accordance with ORES' articles of association, the Board of Directors has set up different committees which help fulfil its responsibilities: the Audit Committee, the Executive Board and the Appointment and Remuneration Committee. It has entrusted to the Audit Committee in particular the roles of (i) helping analyse financial information, (ii) monitoring the effectiveness of the internal control and risk management systems (iii) monitoring the internal audit and its effectiveness and (iv) monitoring the statutory audit of the accounts and the recommendations made by the auditor. This Committee meets at least three times a year to discuss these different points.

The Board of Directors has delegated the operational management of the company to the Management Board. Within this context, the Finances & Controlling department supports the Committee by providing correct, reliable financial information in good time. This information is needed, on the one hand, to make decisions to monitor management activities and, on the other, for the effective management of the company's financial departments. They include, in particular, financial and tax reports (statutory and consolidated accounts) as well as regulatory reports.

In order to respond to needs relating to managing and monitoring ORES' activities, the Management Board has adopted an approach to governance based on the IPMS (Integrated Performance Management System) methodology.

It lays down the management rules which, when applied to processes and activities - including those relating to financial, tax and regulatory reports - allow ORES, among other things, to achieve its objectives, manage its risks, control its activities, improve the efficiency of its operations thanks to an appraisal system and assign roles and responsibilities as effectively as possible. This governance has two levels: on the one hand, corporate governance (link between the shareholders and the management and so essentially how the company's management bodies function) and, on the other, operational governance.

BREAKDOWN OF OBJECTIVES

The company's strategy is outlined in a transformation plan, the purpose of which is to provide a timeline for the main goals, restrictions (including financial ones) and contributions of project to ORES' industrial project. Once these goals have been defined at corporate level, and also documented in the strategic plan, they are then rolled out by department. ORES' management assumes responsibility for implementing effective internal control measures that guarantee, among other things, that goals are achieved.

ROLES AND RESPONSIBILITIES

As far as corporate governance is concerned, the roles and responsibilities of the different bodies are described in the articles of association and the governance charter. These texts are available on the ORES website.

The key principle of operational governance is empowerment. Decisions should be made at the right level, within the context of a specific mandate. To do this, the Management Committee has defined and implemented an organisational structure outlined in an organisational chart. Allocating roles and responsibilities to every employee helps share out operational tasks within ORES. The "Group Accounts" department is thus responsible for preparing financial and tax reports. The "Management & Optimum Control – Financial Regulation" department is, among other things, responsible for the budget process, its operational coordination and preparing the financial report for the regulator. These two departments report to the director of the Finances & Controlling department. The Human Resources department is in charge of updating the organisational chart and job descriptions, which outline the purpose, required qualifications, outcome areas and key responsibilities of different roles. The skills needed to fulfil ORES' mission are outlined in the Capability Map. A skills management policy is in place to encourage training and thus help employees carry out their tasks effectively and reliably. As for every other ORES employee, the tasks, responsibilities and skills of each member of the "Group Accounts" and "Management & Optimum Control – Financial Regulation" departments are thus clearly identified and training is offered to them. The IT tools needed to prepare these reports are available. The same ERP software is used to keep the accounts and reports for the companies that are fully consolidated within ORES Assets.

GOVERNANCE BODIES

As far as "corporate" matters are concerned, a joint governance approach for ORES and ORES Assets has been put in place with mirror bodies (please refer to the articles of association and governance charter for more details).

Operational governance involves two types of body: committees and coordination groups. A Committee is set up if a subject demands that a collective decision be taken involving more than two departments and is of a recurrent nature. They are permanent operational bodies designed to make strategic decisions on unambiguously defined subjects, with a clear, formalised mandate and specified tolerance levels. They report to the Management Committee. For example, a Budget Control Committee and a Portfolio Management Committee have been set up. The latter is responsible for consolidating the portfolio of projects and proposing arbitration depending on the resources available. Coordination groups are organised in order to line up functional or operational counterparts and to consult or inform this group. For example, a budget coordination group has been set up, bringing together employees from the "Management & Optimum Control – Financial Regulation" department and management SPOCS. It meets once a week in order to, among other things, analyse internal management reports and prepare proposals for decisions to be submitted to the Budget Control Committee.

INTEGRITY AND ETHICS

ORES' integrity and ethics are essential in its internal control environment. ORES' ethical code of conduct, based on ORES' values, defines how ethics rules are applied via its values, and how they are experienced and respected. A code for applying the rules relating to market abuse also includes the rights and obligations of the directors and employees involved in terms of using privileged information and market manipulation. The management makes sure that employees comply with these codes, values and internal procedures and, if applicable, takes the necessary measures described in the company's working regulations. Due to its legal status as electricity and gas distribution system operator, ORES complies with a significant number of statutory and regulatory rules which define various fundamental principles, such as confidentiality, transparency and non-discrimination.

B. RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Risk management is a key process when it comes to helping ORES fulfil its strategic goals. 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 ORES' goals. This leads to an annual map of risks and action plans implemented and/or planned to mitigate these risks. Each department (according to the principle of empowerment mentioned above) feeds into this, and the process is led by the Risk Manager, who provides the necessary methodology and tools in terms of risk management, then consolidates the results of the analyses of each department to produce the abovementioned map, on the basis of the different kinds of predefined risks. This map is then submitted to the Management Committee and the Audit Committee, identifying for each type of risk the severity, the nature of the most severe risks and the associated action plans in place and/or to be planned. Changes in relation to previous years are also highlighted. This exercise, completed within the Finance department, takes into account, among other things, current and future risks associated with the financial, tax and regulatory reports. All of the risks thus identified are classified in order of importance and action plans are drawn up

INTERNAL CONTROL

Internal control is another key process that helps provide reasonable assurance about the fulfilment of ORES' activities, as well as of its targets, by handling the associated risks appropriately. It is everybody's responsibility: the board, management and staff. It is a day-to-day approach to management and continuous improvement. It is coordinated by the "Internal Control" department, under the authority of the Finances & Controlling department.

The general approach in terms of ORES' internal control system involves systematic analyses designed to identify and assess the risks associated with operational activities and processes (probability and impact), decide how to handle risks, implement control measures to contain them at an acceptable level for ORES and monitor the control system in place. For all the processes involved, including those related to financial, tax and regulatory reports, the analysis and control process incorporates the protection of assets by separating tasks within processes, preventing one person from initiating, authorising and recording a transaction; using access policies for information systems; controlling how powers are delegated. This is in particular to help limit the risks of errors and fraud. Accounts are closed according to a calendar defining everybody's roles and responsibilities. It also includes control mechanisms to minimise the risk of errors as well as tests for certain transactions (for example, those carried out outside normal working hours). The goal is to get sufficient assurance about the reliability of the financial results.

The results of the internal control process are the subject of an annual review by the Management Committee, as well as the Audit Committee, which helps the former with its role.

AUDITS

Internal audit

The internal audit also plays a key role by carrying out independent reviews of operating processes in relation to regulations applicable to ORES. It is based on a systematic, rigorous approach to assess and improve the effectiveness of risk and process management. 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 submitted to the Management Committee and the Audit Committee, to help fulfil its role.

External audit

ORES is also subject to an external audit by the company's auditor. This audit generally includes an assessment of the internal control systems and comments on the statutory and consolidated financial results (annual and half-yearly). The auditor makes recommendations about how the internal control systems can be improved. These recommendations, action plans and their implementation are the subject of an annual report submitted to the Audit Committee. In addition, ORES is ISO9001-2015 certified for all of its activities.

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

INFORMATION AND COMMUNICATION

The resources in place to ensure an effective internal control system and decent risk management include communicating relevant information to ORES' employees so that they can exercise their responsibilities and fulfil their goals. Financial information is necessary for budgeting and forecasts, as well as to ensure compliance with the regulatory framework. Operational information is also vital for preparing the different reports that are essential for the smooth running of the company. Multiple communication channels are used: manuals, notes, emails, Intranet applications etc.

C. MONITORING AND EVALUATING RESULTS

Operational governance fits within a framework of ongoing performance reviews covering indicators, risk management, internal control and audits.

Monitoring activities include, among others, KPI reports aimed at the Management Committee on the one hand and the Board of Directors on the other; as well as monitoring the main operational indicators at department level.

Financial results are the subject of an internal report and are approved at different levels: the Management Committee and, once every six months, the Audit Committee, the Chairman of which reports back to the Board of Directors.

1.8. Additional information

The intermunicipal company does not have its own staff.

Since the General Meeting on 22 June 2017, a "mirror" Board of Directors has been in place within ORES Assets scrl and ORES scrl, without remuneration in ORES Assets scrl and payment of wages in ORES scrl.

These annual accounts are subject to an administrative control procedure.

This management report will be submitted in full to the National Bank of Belgium (comments on the accounts and annual accounts, the latter in the format of the full standardised template), accompanied by the non-financial information (introduction and activity and sustainable development report – Statement on non-financial information) and the remuneration report.

2. Annual financial statement

2.1. Balance sheet

CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION (1)

	Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
ASSETS				
Formation costs	5.7	20		1,914,230.20
FIXED ASSETS		21/28	3,759,690,855.36	3,604,301,558.43
Intangible assets	5.8	21	80,313,139.34	59,558,908.28
Positive consolidation differences	5.12	9920		666.06
Fixed assets	5.9	22/27	3,670,612,782.60	3,536,535,867.34
Land and buildings		22	111,612,987.70	93,710,434.52
Plant, machinery and equipment		23	3,523,261,810.33	3,410,764,088.78
Furniture and vehicles		24	35,098,076.18	31,396,403.88
Leasing and similar charges		25		
Other fixed assets		26	639,908.39	664,940.16
Fixed assets in progress and advance payments		27		
Financial assets	5.1 - 5.4/5.10	28	8,764,933.42	8,206,116.75
Equity accounted companies	5.10	9921	7,957,774.49	7,178,140.45
Holdings		99211	3,100.00	3,100.00
Receivables		99212	7,954,674.49	7,175,040.45
Other companies	5.10	284/8	807,158.93	1,027,976.30
Participating interests and shares		284	628,696.25	841,108.18
Receivables		285/8	178,462.68	186,868.12

(1) Article 124 of the Royal Decree of 30 January 2001 concerned with the application of the Companies Code.

	Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
CURRENT ASSETS		29/58	531,096,211.87	626,753,687.03
Amounts receivable after one year		29	6,044,698.89	2,298,863.29
Trade receivables		290		
Other receivables		291	6,044,698.89	2,298,863.29
Deferred tax		292		
Inventories and orders in progress		3	46,172,775.84	48,767,823.83
Stocks		30/36	37,763,902.01	37,203,992.33
Provisions		30/31	37,763,902.01	37,203,992.33
Work in progress		32		
Finished products		33		
Goods		34		
Property held for sale		35		
Advance payments		36		
Orders in progress		37	8,408,873.8	11,563,831.50
Amounts receivable within one year		40/41	3 165,546,787.55	169,748,638.52
Trade receivables		40	152,051,675.69	163,613,398.16
Other receivables		41	13.495.11,86	6,135,240.36
Cash investments		50/53	77,778,382.25	145,016,077.46
Treasury shares		50		
Other investments		51/53	77,778,382.25	145,016,077.46
Disposable assets		54/58	45,446,909.56	54,911,893.96
Accruals		490/1	190,106,657.78	206,010,389.97
TOTAL ASSETS		20/58	**4,290,787,067.23**	**4,232,969,475.66**

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
LIABILITIES					
SHAREHOLDERS' EQUITY			10/15	1,630,947,016.12	1,597,537,393.70
Capital			10	713,027,926.44	712,256,695.93
Subscribed capital			100	713,027,926.44	712,256,695.93
Non-subscribed capital stock			101		
Share premium			11		
Revaluation surplus			12	528,826,180.90	542,461,733.07
Consolidated reserves	(+)/(-)	5.11	9910	389,021,835.39	342,765,441.27
Negative consolidation differences		5.12	9911		
Allocations for positive consolidation differences			99201		
Conversion differences	(+)/(-)		9912		
Investment grants			15	71,073.39	53,523.43
MINORITY INTERESTS					
Minority interests			9913	1,575.64	1,525.70
PROVISIONS AND DEFERRED TAXES			16	54,165,770.85	33,805,819.35
Provisions for risks and charges			160/5	54,165,770.85	33,805,819.35
Pensions and similar obligations			160		
Taxes			161		
Major repairs and maintenance			162		
Environmental bonds			163	3,788,933.01	5,788,933.01
Other risks and charges			164/5	50,376,837.84	28,016,886.34
Deferred tax liabilities		5.6	168		

	Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
DEBTS		17/49	2,605,672,704.62	2,601,624,736.91
Amounts payable after one year	5.13	17	1,994,675,165.67	2,010,710,971.04
Financial liabilities		170/4	1,994,497,165.67	2,010,683,971.04
Subordinated loans		170		
Non-subordinated bond issues		171		
Leasing and other similar debts		172		
Debts to credit institutions		173	1,336,782,879.94	1,245,448,256.74
Other borrowing		174	657,714,285.73	765,235,714.30
Trade liabilities		175		
Suppliers		1750		
Notes payable		1751		
Prepayments received on orders		176		
Other debts		178/9	178,000.00	27,000.00
Amounts payable within one year	5.13	42/48	534,079,483.10	516,706,868.05
Long-term debts falling due this year		42	139,786,805.33	94,731,597.74
Financial liabilities		43	92,000,000.00	145,000,000.00
Debts to credit institutions		430/8	92,000,000.00	145,000,000.00
Other borrowing		439		
Trade liabilities		44	166,180,186.90	159,296,862.42
Suppliers		440/4	166,180,186.90	159,296,862.42
Notes payable		441		
Prepayments received on orders		46	26,847,648.82	25,528,812.00
Taxes, wages and social liabilities		45	69,032,355.72	50,893,662.90
Tax		450/3	6,625,332.71	9,302,333.13
Remuneration and social security		454/9	62,407,023.10	41,591,329.77
Other amounts payable		47/48	40,232,486.33	41,255,932.99
Accruals		492/3	76,918,055.85	74,206,897.82
TOTAL LIABILITIES		10/49	**4,290,787,067.23**	**4,232,969,475.66**

2.2. Profit and loss statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Breakdown of the operating results according to type

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Operating income			70/76A	1,166,474,470.94	1,151,189,187.00
Turnover		5.14	70	1,125,192,164.49	1,106,359,813.48
Manufacturing work-in-progress, finished products and orders in progress: increase (reduction)	(+)/(-)		71	-3,154,957.67	2,253,608.91
Capitalised production			72	7,483,401.69	4,845,406.23
Other operating income			74	36,953,862.43	37,730,358.38
Non-recurrent operating income		5.14	76A		
Cost of sales and services			60/66A	955,770,286.24	930,496,609.97
Goods and supplies			60	17,731,460.30	18,585,060.21
Acquisitions			600/8	18,715,266.93	22,219,747.99
Stocks: reduction (increase).	(+)/(-)		609	-983,806.63	-3,634,687.78
Services and other goods			61	571,827,632.45	563,175,805.09
Remunerations, social security and pensions		5.14	62	153,111,613.50	161,367,174.22
Depreciation and write-downs on formation costs, on intangible and tangible assets			630	156,694,668.37	145,496,110.44
Amounts written off on stocks, contracts in progress and trade receivables: increase (decrease)	(+)/(-)		631/4	2,726,750.29	5,335,637.49
Provisions for risks and charges: charges (utilisation and write backs)	(+)/(-)		635/8	20,359,951.49	9,200,844.30
Other operating costs			640/8	32,226,708.86	26,743,696.41
Operating costs carried to assets as restructuring costs	(-)		649		
Depreciation of goodwill			9960	666.06	2,966.99
Non-recurrent operating expenses		5.14	66A	1,090,834.92	589,314.82
Operating profits (loss)	(+)/(-)		9901	210,704,184.70	220,692,577.03

(1) The operating results may also be classified according to their purpose (1) (pursuant to Article 158, § 2 of the Royal Decree of 30 January 2001 implementing the Companies Code).

		Ann.	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Financial products			75/76B	714,039.07	351,978.50
Recurrent financial income			75	714,039.07	351,978.50
Income from financial fixed assets			750		46.71
Income from current assets			751	560,684.79	271,685.03
Other financial products			752/9	153,354.28	80,246.76
Non-recurrent financial income		5.14	76B		
Financial expenses			65/66B	62,329,961.57	60,411,362.84
Recurrent financial expenses			65	62,117,261.31	60,411,362.84
Debt charges			650	61,138,391.35	59,981,476.58
Depreciation of goodwill			9961		
Write-downs on current assets other than inventories, orders in progress and trade receivables: appropriations (write-backs)	(+)/(-)		651		
Other financial costs			652/9	978,869.96	429,886.26
Non-recurrent financial expenses		5.14	66B	212,700.26	
Profit (Loss) for the financial year before taxation	(+)/(-)		9903	149,088,262.20	160,633,192.69
Transfers from deferred taxes and latent taxation liabilities			780		
Transfer to deferred taxes and latent taxation liabilities			680		
Tax on the profit	(+)/(-)		67/77	52,218,806.24	63,049,528.07
Taxes		5.14	670/3	52,367,148.67	63,248,800.74
Adjustments of taxes and write-back of tax provisions			77	148,342.43	199,272.67
Profit (Loss) for the financial year	(+)/(-)		9904	96,869,455.96	97,583,664.62
Share in the profits (loss) of companies at equity	(+)/(-)		9975		
Profits			99751		
Loss			99652		
Consolidated profit (loss)	(+)/(-)		9976	**96,869,455.96**	**97,583,664.62**
Of which:					
Minority interests	(+)/(-)		99761	96,869,455.96	97,583,664.62
Group	(+)/(-)		99762		

2.3. Appendices

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

LIST OF CONSOLIDATED SUBSIDIARIES AND COMPANIES INCLUDED ACCORDING TO THE EQUITY METHOD

COMPANY NAME, Complete address of the REGISTERED OFFICE and for companies under Belgian law, state the COMPANY NUMBER	METHOD USED (G/P/E1/E2/E3/E4) (1)(2)	PROPORTION OF CAPITAL HELD (3) (IN %)	VARIATION OF % OF CAPITAL HELD (COMPARED TO THE PREVIOUS FINANCIAL YEAR) (4)
ORES SCRL Avenue Jean Monnet 2 1348 Louvain-la-Neuve Belgium 0897.436.971	G	99.72	0.00
ATRIAS SCRL Galerie Ravenstein 4, boîte 2 1000 Brussels 1 Belgium 0836.258.873	E1	16.67	0.00

(1) G. General Consolidation
P. Proportional consolidation (with reference, in the first column, of elements illustrating the joint management)
E1 Use of the equity method for an associated company (article 134, paragraph 1st, 3° of the Royal Decree of 30 January 2001 relating to the implementation of the Companies Code)
E2 Use of the equity method for a de facto subsidiary if its inclusion in the consolidation would be contrary to the principle of fair representation (article 108 jo.110 of the aforementioned Royal Decree)
E3 Use of the equity method of a subsidiary in liquidation, of a subsidiary having declared it will cease operation, of a subsidiary with no prospect of continuing its operations (article 109 jo. 110 of the aforementioned Royal Decree)
E4 Use of the equity method for a joint subsidiary whose activity is not closely integrated into the activities of the company with joint control (article 134, paragraph 2 of the aforementioned Royal Decree)
(2) If a change in the percentage of the capital held causes a change to the method used, the new method must be followed by an asterisk.
(3) Proportion of the capital held in these companies by the companies included in the consolidation and by persons acting in their own name but on the behalf of these companies
(4) If the composition of the consolidated entity has, during the financial year, been significantly affected by variations in this percentage, additional information must be provided in section CONSO 4.5. (article 112 of the aforementioned decree).

COMPANIES OTHER THAN SUBSIDIARIES AND ASSOCIATED COMPANIES

The companies listed below, other than those referred to in the statements CONSO 5 .1 and CONSO 5 .2, in which the companies included in the consolidation and those excluded (under article 107 and 108 of the Royal Decree of 30 January 2001 on the implementation of the Companies Code) hold at least 10% of the capital, either themselves or through a person acting in his own name but on their behalf . This information may be omitted if it is of negligible interest with respect to the principle of fair presentation

COMPANY NAME, Complete address of the REGISTERED OFFICE and for companies under Belgian law, state the COMPANY NUMBER	Proportion of capital held (1) (In %)	INFORMATION INCLUDED IN THE LAST ANNUAL ACCOUNTS (2)			
		ANNUAL ACCOUNTS CLOSED ON	CURRENCY CODE	STOCKHOLDERS EQUITY	NET INCOME
				(+) OR (-) (IN CURRENCY)	
N-ALLO SCRL Bourgetlaan 42, boîte C2 1130 HAREN Belgium 0466.200.311	13.88	31-12-17	EUR	4,988	170

(1) Proportion of capital held by the companies included in the consolidation and those excluded.

(2) This information may be omitted if the company concerned is not obliged to public this information

CRITERIA FOR CONSOLIDATION AND MODIFICATIONS OF THE CONSOLIDATION SCOPE

Although this information is of significant importance, the identification of criteria which preside over the implementation of consolidation methods by overall and proportional integration and the equity method as well as cases, with justification, where these criteria are waived (under article 165, I. of the Royal Decree of 30 January 2001 implementing the Code des sociétés (Companies Code)).

See the attached valuation rules

Information which makes the comparison with the consolidated accounts from the previous year important if the composition of the consolidated whole is subject to a notable modification during the financial year (under article 112 of the aforementioned Royal Decree).

STATEMENT OF FORMATION EXPENSES

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
Net book value at the end of the financial year		20P	xxxxxxxxxxxxxx	1,914,230.20
Movements during the financial year				
New expenses incurred		8002		
Depreciations		8003	1,914,230.20	
Conversion differences	(+)/(-)	9980		
Other	(+)/(-)	8004		
Net book value at the end of the financial year		(20)		
Of which:				
Costs for formation and capital increase, loan issues, reimbursement premium and other formation costs		200/2		
Restructuring costs		204		

STATEMENT OF INTANGIBLE ASSETS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
DEVELOPMENT COSTS				
Acquisition value at the end of the financial year		8051P	xxxxxxxxxxxxxx	92,015,730.63
Movements during the financial year				
Acquisitions, including capitalised production		8021	41,051,328.22	
Sales and disposals		8031	1,378,041.16	
Transfers from one section to another	(+)/(-)	8041		
Conversion differences	(+)/(-)	99811		
Other changes	(+)/(-)	99821		
Acquisition value at the end of the financial year		8051	131,689,017.69	
Depreciations and amortisations				
At the end of the financial year		8121P	xxxxxxxxxxxxxx	32,456,822.35
Movements during the financial year				
Recorded		8071	19,206,262.24	
Write-back		8081		
Acquired from third parties		8091		
Cancelled		8101	287,206.24	
Transfers from one section to another	(+)/(-)	8111		
Conversion differences	(+)/(-)	99831		
Other changes	(+)/(-)	99841		
Depreciation and downward value adjustments at the end of the financial year		8121	51,375,878.35	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		210	80,313,139.34	

STATEMENT OF TANGIBLE CAPITAL ASSETS

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
LAND AND BUILDINGS				
Acquisition value at the end of the financial year		8191P	xxxxxxxxxxxx	127,684,409.40
Movements during the financial year				
Acquisitions, including capitalised production		8161	20,608,243.47	
Sales and disposals		8171	41,592.21	
Transfers from one section to another	(+)/(-)	8181		
Conversion differences	(+)/(-)	99851		
Other changes	(+)/(-)	99861		
Acquisition value at the end of the financial year		8191	148,251,060.66	
Capital gains at the end of the financial year		8251P	xxxxxxxxxxxxx	5,037,795.47
Movements during the financial year				
Recorded		8211		
Acquired from third parties		8221	107,067.86	
Cancelled		8231		
Transfers from one section to another	(+)/(-)	8241		
Conversion differences	(+)/(-)	99871		
Other changes	(+)/(-)	99881		
Capital gains at the end of the financial year		8251	5,144,863.33	
Depreciation and reductions in value at the end of the financial year		8321P	xxxxxxxxxxxxx	39,011,770.35
Movements during the financial year				
Recorded		8271	2,268,241.82	
Write-back		8281		
Acquired from third parties		8291	517,448.57	
Cancelled		8301	14,524.45	
Transfers from one section to another	(+)/(-)	8311		
Conversion differences	(+)/(-)	99891		
Other changes	(+)/(-)	99901		
Depreciation and reductions in value at the end of the financial year		8321	41,782,936.29	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(22)	111,612,987.70	

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
PLANT, MACHINERY AND EQUIPMENT				
Acquisition value at the end of the financial year		8192P	xxxxxxxxxxxxxx	4,678,084,894.64
Movements during the financial year				
Acquisitions, including capitalised production		8162	257,056,092.46	
Sales and disposals		8172	32,655,047.55	
Transfers from one section to another	(+)/(-)	8182		
Conversion differences	(+)/(-)	99852		
Other changes	(+)/(-)	99862		
Acquisition value at the end of the financial year		8192	4,902,485,939.55	
Capital gains at the end of the financial year		8252P	xxxxxxxxxxxxxxx	1,010,917,964.90
Movements during the financial year				
Recorded		8212		
Acquired from third parties		8222	9,864,864.90	
Cancelled		8232		
Transfers from one section to another	(+)/(-)	8242		
Conversion differences	(+)/(-)	99872		
Other changes	(+)/(-)	99882		
Capital gains at the end of the financial year		8252	1,020,782,829.80	
Depreciation and reductions in value at the end of the financial year		8322P	xxxxxxxxxxxxxx	2,278,238,770.76
Movements during the financial year				
Recorded		8272	128,452,274.58	
Write-back		8282		
Acquired from third parties		8292	18,348,852.52	
Cancelled		8302	25,032,938.84	
Transfers from one section to another	(+)/(-)	8312		
Conversion differences	(+)/(-)	99892		
Other changes	(+)/(-)	99902		
Depreciation and reductions in value at the end of the financial year		8322	2,400,006,959.02	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(23)	3,523,261,810.33	

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
FURNITURE AND VEHICLES				
Acquisition value at the end of the financial year		8193P	xxxxxxxxxxxxx	149,091,514.63
Movements during the financial year				
Acquisitions, including capitalised production		8163	10,474,326.36	
Sales and disposals		8173	1,544,081.76	
Transfers from one section to another	(+)/(-)	8183		
Conversion differences	(+)/(-)	99853		
Other changes	(+)/(-)	99863		
Acquisition value at the end of the financial year		8193	158,021,759.23	
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		
Transfers from one section to another	(+)/(-)	8243		
Conversion differences	(+)/(-)	99873		
Other changes	(+)/(-)	99883		
Capital gains at the end of the financial year		8253	769,326.59	
Depreciation and reductions in value at the end of the financial year		8323P	xxxxxxxxxxxxx	118,464,437.34
Movements during the financial year				
Recorded		8273	6,742,857.96	
Write-back		8283		
Acquired from third parties		8293	10,057.20	
Cancelled		8303	1,524,342.86	
Transfers from one section to another	(+)/(-)	8313		
Conversion differences	(+)/(-)	99893		
Other changes	(+)/(-)	99903		
Depreciation and reductions in value at the end of the financial year		8323	123,693,009.64	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(24)	35,098,076.18	

		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		
Sales and disposals		8175		
Transferred from one section to another	(+)/(-)	8185		
Conversion differences	(+)/(-)	99855		
Other changes	(+)/(-)	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		
Conversion differences	(+)/(-)	99875		
Other changes	(+)/(-)	99885		
Capital gains at the end of the financial year		8255		
Depreciation and reductions in value at the end of the financial year		8325P	xxxxxxxxxxxx	1,787,753.54
Movements during the financial year				
Recorded		8275	25,031.77	
Write-back		8285		
Acquired from third parties		8295		
Cancelled		8305		
Transferred from one section to another	(+)/(-)	8315		
Conversion differences	(+)/(-)	99895		
Other changes	(+)/(-)	99905		
Depreciation and reductions in value at the end of the financial year		8325	1,812,785.31	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(26)	639,908.39	

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
EQUITY-ACCOUNTED COMPANIES - SHAREHOLDINGS				
Acquisition value at the end of the financial year		8391P	xxxxxxxxxxx	3,100.00
Movements during the financial year				
Acquisitions		8361		
Sales and disposals		8371		
Transferred from one section to another	(+)/(-)	8381		
Conversion 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	xxxxxxxxxxxx	
Movements during the financial year				
Recorded		8411		
Acquired from third parties		8421		
Cancelled		8431		
Conversion differences	(+)/(-)	99921		
Transferred from one section to another	(+)/(-)	8441		
Capital gains at the end of the financial year		8451		
Depreciation and reductions in value at the end of the financial year		8521P	xxxxxxxxxxx	
Movements during the financial year				
Recorded		8471		
Write-back		8481		
Acquired from third parties		8491		
Cancelled		8501		
Conversion differences	(+)/(-)	99931		
Transferred from one section to another	(+)/(-)	8511		
Reductions in value at the end of the financial year		8521		
Amounts uncalled at the end of the financial year		8551P	xxxxxxxxxx	
Movements during the financial year	**(+)/(-)**	8541		
Amounts uncalled at the end of the financial year		8551		
Changes in equity at the end of the financial year	**(+)/(-)**	9994P	xxxxxxxxxx	
Change in shareholders' equity of companies consolidated using the equity method		99941		
Share in the result for the financial year		99941		
Eliminations of dividends on these holdings		99942		
Other types of movements in equity		99943		
Changes in equity at the end of the financial year		9994		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		99211	3,100.00	
EQUITY-ACCOUNTED COMPANIES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		99212P	xxxxxxxxxxxxx	7,175,040.45
Movements during the financial year				
Additions		8581	779,634.04	
Repayments		8591		
Provision for impairment of receivables		8601		
Reversed value adjustments		8611		
Conversion differences	(+)/(-)	99951		
Other	(+)/(-)	8631		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(99212)	7,954,674.49	
ACCUMULATED AMOUNTS WRITTEN-DOWN ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		(8651)		

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
OTHER COMPANIES - HOLDINGS				
Acquisition value at the end of the financial year		8392P	xxxxxxxxxxxx	841,108.18
Movements during the financial year				
Acquisitions		8362	288.33	
Sales and disposals		8372		
Transferred from one section to another	(+)/(-)	8382		
Conversion differences	(+)/(-)	99912		
Acquisition value at the end of the financial year		8392	841,396.51	
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		
Conversion differences	(+)/(-)	99922		
Transferred from one section to another	(+)/(-)	8442		
Capital gains at the end of the financial year		8452		
Depreciation and reductions in value at the end of the financial year		8522P	xxxxxxxxxxxx	
Movements during the financial year				
Recorded		8472	212,700.26	
Write-back		8482		
Acquired from third parties		8492		
Cancelled		8502		
Conversion differences	(+)/(-)	99932		
Transferred from one section to another	(+)/(-)	8512		
Reductions in value at the end of the financial year		8522	212,700.26	
Amounts uncalled at the end of the financial year		8552P	xxxxxxxxxxxxxx	
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)	628,696.25	
OTHER COMPANIES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		285/8P	xxxxxxxxxxxxx	186,868.12
Movements during the financial year				
Additions		8582	1,469.56	
Repayments		8592	9,875.00	
Provision for impairment of receivables		8602		
Reversed value adjustments		8612		
Conversion differences	(+)/(-)	99952		
Other	(+)/(-)	8632		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		(285/8)	178,462.68	
ACCUMULATED AMOUNTS WRITTEN-DOWN 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	xxxxxxxxxxxxx	342,765,441.27
Movements during the financial year				
Share of the group in the consolidated income	(+)/(-)	99002	46,256,394.12	
Other changes	(+)/(-)	99003		
Other changes *(to allocate significant amounts not attributed to the share of the group in the consolidated income)*				
Consolidated reserves at the end of the financial year	(+)/(-)	(9910)	389,021,835.39	

STATEMENT OF CONSOLIDATION AND EQUITY METHOD DIFFERENCES

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
CONSOLIDATION - POSITIVE DIFFERENCES			
Net book value at the end of the financial year	99201P	xxxxxxxxxxxxxxxxx	666.06
Movements during the financial year			
Variations due to an increase in the percentage held	99021		
Variations due to an decrease in the percentage held	99031		
Depreciations	99041	-666.06	
Differences included in the results	99051		
Other changes	99061		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	99201		
CONSOLIDATION - NEGATIVE DIFFERENCES			
Net book value at the end of the financial year	99111P	xxxxxxxxxxxxxxx	
Movements during the financial year			
Variations due to an increase in the percentage held	99022		
Variations due to an decrease in the percentage held	99032		
Depreciations	99042		
Differences included in the results	99052		
Other changes	99062		
Net book value at the end of the financial year	99111		
EQUITY METHOD - POSITIVE DIFFERENCES			
Net book value at the end of the financial year	99202P	xxxxxxxxxxxxxxxxx	
Movements during the financial year			
Variations due to an increase in the percentage held	99023		
Variations due to an decrease in the percentage held	99033		
Depreciations	99043		
Differences included in the results	99053		
Other changes	99063		
Net book value at the end of the financial year	99202		
EQUITY METHOD - NEGATIVE DIFFERENCES			
Net book value at the end of the financial year	99112P	xxxxxxxxxxxxxxxxx	
Movements during the financial year			
Variations due to an increase in the percentage held	99024		
Variations due to an decrease in the percentage held	99034		
Depreciations	99044		
Differences included in the results	99054		
Other changes	99064		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	99112		

STATEMENT OF LIABILITIES

	Codes	FINANCIAL YEAR
BREAKDOWN OF LIABILITIES ORIGINALLY DUE IN MORE THAN ONE YEAR, LISTED ACCORDING TO THEIR DUE DATES		
Long-term debts falling due this year		
Financial liabilities	8801	139,786,805.33
Subordinated loans	8811	
Non-subordinated bond issues	8821	
Leasing and other similar debts	8831	
Credit institutions	8841	139,415,376.77
Other borrowing	8851	371,428.56
Trade liabilities	8861	
Suppliers	8871	
Notes payable	8881	
Prepayments received on orders	8891	
Other amounts payable	8901	
LONG-TERM DEBTS FALLING DUE THIS YEAR	(42)	139,786,805.33
Long-term debts payable after more than one year but within a maximum of 5 years		
Financial liabilities	8802	930,643,842.65
Subordinated loans	8812	
Non-subordinated bond issues	8822	
Leasing and other similar debts	8832	
Credit institutions	8842	557,758,128.34
Other borrowing	8852	372,885,714.31
Trade liabilities	8862	
Suppliers	8872	
Notes payable	8882	
Prepayments received on orders	8892	
Other amounts payable	8902	178,000.00
TOTAL DEBTS PAYABLE AFTER MORE THAN ONE YEAR BUT WITHIN A MAXIMUM OF 5 YEARS	8912	930,821,842.65
Long-term debts falling due after more than 5 years		
Financial liabilities	8803	1,063,853,323.02
Subordinated loans	8813	
Non-subordinated bond issues	8823	
Leasing and other similar debts	8833	
Credit institutions	8843	779,024,751.60
Other borrowing	8853	284,828,571.42
Trade liabilities	8863	
Suppliers	8873	
Notes payable	8883	
Prepayments received on orders	8893	
Other amounts payable	8903	
TOTAL LONG-TERM DEBTS FALLING DUE AFTER MORE THAN 5 YEARS	8913	1,063,853,323.02

	Codes	FINANCIAL YEAR
Amounts payable, or a portion thereof, which are guaranteed by real sureties given or irrevocably promised on the assets of companies included in the consolidation (included in sections 17 and 42/48 of the liabilities)		
Financial liabilities	8922	
Subordinated loans	8932	
Non-subordinated bond issues	8942	
Leasing and other similar debts	8952	
Credit institutions	8962	
Other borrowing	8972	
Trade liabilities	8982	
Suppliers	8992	
Notes payable	9002	
Prepayments received on orders	9012	
Taxes, wages and social liabilities	9022	
Taxes	9032	
Remuneration and social security	9042	
Other amounts payable	9052	
TOTAL AMOUNTS PAYABLE GUARANTEED BY REAL SURETIES OR IRREVOCABLY PROMISED ON THE ASSETS OF THE COMPANIES INCLUDED IN THE CONSOLIDATION	9062	

RESULTS

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NET TURNOVER			
Breakdown by category of activity			
Distribution network operator		1,125,192,164.49	1,106,359,813.48
Breakdown according to geographical market			
Belgium		1,125,192,164.49	1,106,359,813.48
Aggregate turnover of the group in Belgium	99083	1,125,192,164.49	1,106,359,813.48
THE AVERAGE NUMBER OF STAFF (IN UNITS) AND PERSONNEL COSTS			
Consolidated parent company and fully consolidated subsidiaries			
Average number of employees	90901	2,387.00	2,297.00
Labourers	90911		
Employees	90921	2,102.00	2,041.00
Management personnel	90931	285.00	256.00
Other	90941		
Personnel costs			
Remuneration and social security	99621	152,641,383.83	157,459,589.04
Pensions	99622	470,229.67	3,907,585.18
Average number of personnel employed in Belgium by the companied concerned	99081	2,387.00	2,297.00
Proportionately consolidated subsidiaries			
Average number of employees	90902		
Labourers	90912		
Employees	90922		
Management personnel	90932		
Other	90942		
Personnel costs			
Remuneration and social security	99623		
Pensions	99624		
Average number of personnel employed in Belgium by the companied concerned	99082		

RESULTS

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NON-RECURRENT FINANCIAL INCOME	76		
Non-recurrent operating income	76A		
Adjustments to depreciation and write-downs on intangible and tangible fixed assets	760		
Adjustments to depreciation on consolidation differences	9970		
Reversals of provisions for extraordinary risks and operating costs	7620		
Capital gains on the disposal of intangible and tangible fixed assets	7630		
Other non-recurrent operating income	764/8		
of which			
Non-recurrent operating financial income	76B		
Write-backs on financial fixed assets	761		
Reversals of provisions for extraordinary risks and financial expenses	7621		
Capital gains on the disposal of financial fixed assets	7631		
Other non-recurrent financial income	769		
of which			

		Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
NON-RECURRENT FINANCIAL EXPENSES		66	1,303,535.18	589,314.82
Non-recurrent operating expenses		66A	1,090,834.92	589,314.82
Depreciation and non-recurrent write-downs on set-up costs, on intangible and tangible fixed assets		660		
Depreciation on positive consolidation differences		9962		
Provisions for extraordinary operating risks and expenses: increases (use)	(+)/(-)	6620		
Capital loss on the disposal of intangible and tangible fixed assets		6630	1,090,834.92	589,314.82
Other non-recurrent operating expenses		664/7		
of which				
Non-recurrent operating expenses carried to assets as restructuring costs	(-)	6690		
Non-recurrent financial expenses		66B	**212,700.26**	
Write-downs on financial investments		661	212,700.26	
Provisions for extraordinary financial risks and expenses- increases (use)	(+)/(-)	6621		
Capital loss on disposal of financial fixed assets		6631		
Other non-recurrent financial expenses		668		
of which				
Non-recurrent financial expenses carried to assets as restructuring	(-)	6691		
Charging to profit/loss of negative consolidation differences	(-)	9963		

RESULTS

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
TAX ON PROFIT			
Difference between the tax expense charged to the consolidated profit for the financial year and for previous years, and the tax expense already paid or to be paid for these financial years, insofar as this difference is of a certain interest with regard to future tax expense	99084		
Influence of non-recurrent profit on the amount of taxes on the profits for the financial year	99085		

OFF BALANCE SHEET RIGHTS AND COMMITMENTS

	Codes	FINANCIAL YEAR
PERSONAL GUARANTEES, given or irrevocably promised by the companies included in the consolidation as surety for third party debts or undertakings	9149	
REAL GUARANTEES given or irrevocably promised by the companies included in the consolidation on their equity as surety for debts and undertakings respectively:		
of companies included in the consolidation	99086	
of third parties	99087	
Goods and titles held by third parties in their own names but at the risk and benefit of the companies included in the consolidation, if not reflected in the balance sheet	9217	
Significant commitments for the acquisition of fixed assets	9218	
Significant commitments for the disposal of fixed assets	9219	
Rights resulting from operations relating:		
to interest rates	99088	
to exchange rates	99089	
to the price of raw materials or goods	99090	
other similar transactions	99091	
Commitments resulting from operations relating		
to interest rates	99092	
to exchange rates	99093	
to the price of raw materials or goods	99094	
other similar transactions	99095	

	FINANCIAL YEAR
Commitments resulting from technical guarantees in respect of sales or services already	

Amount, nature and form of disputes and other significant commitments	FINANCIAL YEAR
Guarantee for customs and excise relating to the collection of the energy contribution	40,818.00
Guarantee in our favour for transmission charges and public procurement contracts	35,965,875.85
Bank guarantee for the rental of buildings	45,000.00
Guarantee for the WR within the context of the Décret Impétrants (Utilities decree)	100,000.00
Guarantee of a loan from Sowafinal in the context of the replacement of HGHP lamps	3,486,825.00
Stock Option Plan	6,924,893.28

Commitments with regard to retirement and survivor's pensions for the personnel or executives, at the expense of the companies included in the consolidation	FINANCIAL YEAR
Based on the law of 06 August 1993 on pensions for staff employed with local government, the group has a pension commitment of 9,3 Million EUR relating to former staff of the Inter-municipal company AIE taken by Electrabel on 1st June 1991. Due to the regulated nature of our business, the decision was taken to include the annual cost of these pensions insofar as they occur	

NATURE AND FINANCIAL IMPACT OF SIGNIFICANT POST-CLOSING EVENTS NOT TAKEN INTO ACCOUNT IN THE BALANCE SHEET OR THE PROFIT AND LOSS STATEMENT	FINANCIAL YEAR
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT	
So long as the risks or advantages arising from these transactions are significant and insofar as disclosure of the risks or benefits is necessary to assess the financial situation of the companies included in the consolidation	

RELATIONS WITH AFFILIATED COMPANIES AND COMPANIES WITH WHICH THERE IS A PARTICPATION ASSOCIATION WHICH ARE NOT INCLUDED IN THE CONSOLIDATION

	Codes	FINANCIAL YEAR	PREVIOUS FINANCIAL YEAR
AFFILIATED COMPANIES			
Financial assets			
Interests and shares	9261		
Receivables	9291		
AFTER one year	9301		
WITHIN one year	6.11		
Cash investments	6.12		
Shares	9331		
Receivables	9341		
Debts	9351		
AFTER one year	9361		
WITHIN one year	9371		
Personal and real guarantees			
Given or irrevocably promised by the company as surety for the debts or commitments of associated companies	9381		
Other significant financial commitments	9401		
Financial results			
Income from financial fixed assets	9421		
Income from current assets	9431		
Other financial products	9441		
Debt charges	9461		
Other financial costs	9471		
COMPANIES WITH A PARTICIPATION LINK			
Financial assets			
Interests and shares	9262	611,516.00	824,216.26
Receivables	9292	28,049.20	13,746.74
AFTER one year	9302		
WITHIN one year	9312	28,049.20	13,746.74
Debts	9352	28,406,625.48	29,465,845.48
AFTER one year	9362		
WITHIN one year	9372	28,406,625.48	29,465,854.48

TRANSACTIONS WITH RELATED PARTIES OUTSIDE OF NORMAL MARKET CONDITIONS

	FINANCIAL YEAR
Mention of such transactions, with the exception of transactions within the group, if they are significant, including the amount and indication of the nature of the relationship with the related party as well as any other information on the transactions that would be required to get a better understanding of the financial position of the companies included in the consolidation as a whole:	

None

FINANCIAL RELATIONS WITH

	Codes	FINANCIAL YEAR
DIRECTORS AND MANAGERS OF THE CONSOLIDATING COMPANY		
Total amount of remunerations granted in respect of their responsibilities in the consolidating company, its subsidiaries and affiliated companies, including the amount for retirement pensions granted in this respect to former directors or managers	99097	365,007.28
Total 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 PEOPLE WITH WHOM HE IS (THEY ARE) LINKED		
Auditor(s) fees		
Emoluments of the auditor(s) for carrying out the duties of auditor at the level of the group of which the company which publishes the information is at the head	*9507*	92,295.69
Emoluments for extraordinary services or special assignments carried out at the company concerned and its subsidiaries by the auditor(s)		
Other auditing work	95071	37,500.00
Tax advice tasks	95072	
Other external services in connection to auditing	95073	22,440.00
Emoluments of persons with whom the auditor(s) is (are) connected for carrying out the duties of auditor at the level of the group of which the company which publishes the information is at the head	9509	
Emoluments for extraordinary services or special assignments carried out at the company concerned and its subsidiaries by persons with whom the auditor(s) is (are) connected		
Other auditing work	95091	
Tax advice tasks	95092	
Other external services in connection to auditing	95093	

Notices pursuant to article 133 of the Code des sociétés [Company Code]

DERIVED FINANCIAL INSTRUMENT NOT ASSESSED AT THE RIGHT VALUE

For each category of derived financial instruments not assessed at the right value

Category of derived financial instruments	Risk covered	Speculation coverage	Volume	Financial year		Previous financial year	
				Book value	Right value	Book value	Right value
Swaps (volume give in k€)	interest rate	coverage	254,224	0.00	- 7,523,292.70	0.00	-9,985,683.21
Collar (volume give in k€)	interest raite	coverage	64,957	0.00	32,494.73	0.00	391,931.88
CAP (volume give in k€)	interest raite	coverage	496,722	0.00	5,238,658.64	0.00	1,517,625.17
Swaps (volume give in k€)	Inflation	coverage	100,000	0.00	1,648,099.69	0.00	0.00

Financial fixed assets accounted for at an amount greater than the right value

Amounts of assets taken in isolation or grouped together in a suitable manner

	Book value	Right value
ATRIAS s.c.r.l.	3,100.00	3,100.00
N'ALLO s.c.r.l.	611,516.00	611,516.00

Reasons for which the book value has not been reduced

ATRIAS s.c.r.l: ATRIAS works at cost price for Belgian DSOs (ORES' share: 16.67%). Considering the above, ORES considers that the interest held in its subsidiary (which corresponds to an amount equivalent to the percentage held in own funds) is measured at fair value and does not require depreciation.

N'ALLO s.c.r.l: In 2018 an impairment has been recorded for a amount of 212.700,26 €. The value of de participation in the accounting books of ORES scrl at 31.12.2018 ist the right value that corresponds to the amount that the company ENGIE has committed to repurchase the shares 2019.

Elements which allow it to be supposed that the book value will be recovered

FURTHER INFORMATION

In compliance with Article 24 of the Royal Decree of 30 January 2001, implementing the Company Code, we wish to bring to your attention that under the heading "174 other borrowings" of the annual accounts, obligatory loans have been classified, but which have the character of a private placement and subscribed to a financial intermediary, for which reason we consider this reclassification as more appropriate

2.4. Valuation rules

A. CONSOLIDATION PRINCIPLES

ORES Assets is a gas and electricity distribution system operator (hereinafter referred to as DSO) in Wallonia which, as at 31 December 2018, has exclusive control over its only subsidiary, ORES scrl (hereinafter referred to as ORES scrl). In order to prepare the Group's consolidated financial statements, ORES Assets has fully consolidated its subsidiary.

The Group's consolidated financial statements include all of the financial statements for the entities that it controls (its subsidiaries). The notion of control is defined as being the power to manage the financial and operational policies of an entity in order to enjoy the benefits of its activities. The type of control is evaluated on a case-by-case basis in accordance with the Law of 7 May 1999 of the Code des sociétés (Belgian company law).

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

Intragroup balances and transactions, as well as any profits resulting from intragroup transactions, are totally eliminated when it comes to preparing the consolidated financial statements.

CONSOLIDATION DIFFERENCE

When the parent company incorporates a subsidiary in its consolidated accounts for the first time, the subsidiary's equity 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 other than the parent company and the subsidiaries included in the consolidation, included in the liabilities of the consolidated balance sheet under "Minority 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 accounts.

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 reality.

EQUITY-ACCOUNTED COMPANIES

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.

B. ASSETS

SET-UP-COSTS

This section includes the costs associated with forming, developing and restructuring the company, such as the costs of forming or increasing the share capital and the costs of issuing loans. The set-up costs must be depreciated in accordance with the 1st paragraph of article 59 of the Royal Decree of 30 January 2001, which stipulates that set-up costs are the subject of appropriate depreciation, in annual bands of at least 20% of the sums actually spent. From 2017, the costs of issuing loans will be included in this section and depreciated over the year. However, the residual value of the loan issue costs at the end of 2016 is depreciated over two years (2017 and 2018).

Depreciation according to the valuation rules in force in 2017 and 2018: €1,914,230.20.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are intangible means of production. They represent assets that are intangible because the company would like to use them as operating resources. In other words, they imply an operating capacity of a limited or unlimited period.

According to the Royal Decree of 30 January 2001 (article 95, paragraph 1), a distinction must be made between the following:

- development costs;
- concessions, patents and licences, know-how, trademarks and other similar rights;
- goodwill.

Intangible fixed assets are accounted for if and only if it is probable that the future economic advantages attributable to the assets will go to the company and if the cost of these assets can be valued reliably. Intangible fixed assets are initially valued at their cost. The cost of an intangible fixed asset generated internally includes all the costs directly attributable to it and is equal to the sum of the expenses incurred from the date on which this intangible fixed asset fulfils the accounting criteria stipulated by Belgian standards.

After they are first accounted for, intangible fixed assets are accounted for at their cost less total depreciation and total impairments. Intangible fixed assets are depreciated according to the straight-line method over the estimated useful life of the asset (fixed at 5 years).

ORES scrl has chosen to capitalise development costs as intangible fixed assets. Development costs likely to be recorded under assets as intangible fixed assets are the costs of manufacturing and developing prototypes, products, inventions and know-how useful to the future activities of the business.

Within this context, the following costs were capitalised:

- staff costs relating to researchers, technicians and other support staff, insofar as they are assigned to carrying out a project that corresponds to the definition above;
- the costs of instruments and equipment insofar as and for as long as they are used for carrying out the project. If these are not used for their entire useful life for carrying out the project, only the depreciation costs corresponding to the lifetime of the project are therefore admissible;
- the costs of the services of consultants and equivalent services used to carry out the project;
- other operational costs, including the cost of materials, supplies and similar products, incurred directly by carrying out the project.

An intangible asset that comes from the development costs activity is then depreciated using the straight-line method over its useful life (fixed at 5 years) and reduced by any impairments.

An intangible asset that comes from buying computer licences is then depreciated using the straight-line method over a fixed period of five years as well and reduced by any impairments until the end of 2018. As of 2019, the depreciation period for these assets is 10 years.

TANGIBLE FIXED ASSETS

Purchase value

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

Ancillary costs

Ancillary costs are included in the purchase value of the tangible fixed assets concerned. Ancillary costs are depreciated at the same rhythm as the facilities 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 above-mentioned facilities.

Depreciation

- Depreciation is calculated using the straight-line 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 prorata temporis. A facility purchased during the month will be amortised from the 1st day of month n+1.
- The depreciation rates to take into account are as follows:

ELECTRICITY FACILITIES	RATES OF DEPRECIATION AS A %
Land	0
Industrial buildings	3
Administrative buildings	2
Cables	2
Lines	2
Fibre optic cable sheath signalling network	4
SMART equipment signalling network	10
Poles and cabins (high voltage (HV) and low voltage (LV) equipment)	3
Connections - transformers	3
Connections – lines and cables	2
Measuring equipment	3
Electronic meters, budget meters, automatic meters	10
Low voltage (LV) SMART electric meters	6.7
Remote control, lab and dispatching equipment	10
Teletransmission and optical fibre	10
Tools and equipment	10
Vehicles (to transport people and goods)	20
Mobile equipment	10
IT equipment	33

GAS FACILITIES	RATES OF DEPRECIATION AS A %
Land	0
Industrial buildings	3
Administrative buildings	2
Pipes	2
Cabins - stations	3
Connections	3
Measuring equipment	3
Lab, dispatching equipment	10
Budget meters, electronic and automatic meters	10
Low pressure (LP) SMART gas meters	6.7
Remote control, dispatching equipment, lab equipment	10
Teletransmission and fibre optics	10
Tools and equipment	10
Vehicles (to transport people and goods)	20
Mobile equipment	10
IT equipment	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 rhythm that the electricity and natural gas markets have been liberalised, the intermunicipal companies active 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 at 31.12.2001 (electricity) / 31.12.2002 (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 stipulates that the RAB taken into account to determine the basis for remunerating invested capital changes according to the following formula: **RABn = iRAB + investments n – depreciation n – derecognised facilities 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 to 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.

Given the specific nature of this initial difference, ORES Assets chose to account for it in as a separate item from tangible fixed assets and to neither depreciate nor derecognise it.

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 long as the amounts corresponding to this proportion of the capital gain are held in a reserve in the DSO's liabilities. The regulator checks to make sure that the change in this reserve tallies with the recorded instances of derecognition. The method applied by the DSO in order to determine technical derecognitions is certified by the auditor of the DSO in question. The capital gain is carried forward and carried over into costs at a rate of 2% per year.

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, each security in the portfolio is valued individually so as to reflect the situation, profitability and prospects of the company in which the interest or shares are held as satisfactorily as possible.

RECEIVABLES DUE IN MORE THAN ONE YEAR

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

INVENTORY AND ORDERS IN PROGRESS

Inventory is valued at the weighted average price.

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 finished.

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 on the profit and loss statement. If some of these are subsequently recovered, the total 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.

In 2015, a new public contract was launched so that receivables could be recovered for the supply of energy to end customers as well as receivables for works. This public contract stipulates a collection rate for the successful bidder. The proportion of these receivables covered by a write-down is calculated net of the expected recovery percentage.

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 write-downs 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.

CASH INVESTMENTS

Investment securities are recorded under balance sheet assets at their purchase price, excluding ancillary costs, or at their transfer value.

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

LIQUID ASSETS

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

ADJUSTMENT ACCOUNTS

- The expenses incurred during the financial year but chargeable in full or in part to one or more previous financial years are evaluated 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.

The asset adjustment accounts 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 scrl) 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 of no more than 20 years.

The estimated value of the transmission fees for energy transported but not raised as 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).

The asset adjustment accounts include any "regulated assets" accounted for by virtue of the principle of annuality for expenditure and income. These "regulated assets" relating to the previous years are recovered using tariffs in accordance with the recommendations issued by the regulator in its decisions relating to balances under "Allocation of regulatory balances". The impact of these regulated assets on the results for the intermunicipal company will be absorbed annually and partially by allocating some of the profits to the available reserves.

C. LIABILITIES

TAX-FREE RESERVES

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

PROVISIONS AND DEFERRED TAXES

At the end of each financial year, applying caution, sincerity and good faith when coming to its decision, 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 accounted for under liabilities in the balance sheet at their book value.

DEBTS DUE WITHIN ONE YEAR

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

ADJUSTMENT ACCOUNTS

- The 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 total amount attributable to the financial year.
- The 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.

The liability adjustment accounts 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 relating to balances under "Allocation of regulatory balances". 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 at 31 December is also included in the liability 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).

04

Auditors' report


Formateur
ORES
MK
ORES

ORES ASSETS SCRL

RAPPORT DU COMMISSAIRE A L'ASSEMBLEE GENERALE DE LA SOCIETE POUR L'EXERCICE CLOS LE 31 DECEMBRE 2018 - BGAAP

Dans le cadre du contrôle légal des comptes consolidés de la société Ores Assets ("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 23 juin 2016, conformément à la proposition de l'organe de gestion émise sur présentation du Conseil d'Entreprise. Notre mandat de commissaire vient à échéance à la date de l'Assemblée générale délibérant sur les comptes consolidés clôturés au 31 décembre 2018. Nous avons exercé le contrôle légal des comptes consolidés de la société Ores Assets durant trois 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 2018 ainsi que le compte de résultats pour l'exercice clos à cette date et l'annexe, dont le total du bilan s'élève à € 4.290.787.067,23 et dont le compte de résultat se solde par bénéfice de l'exercice de € 96.869.455,96.

À notre avis, les comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2018, 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 de gestion 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.

RSM

Responsabilités de l'organe de gestion relatives aux comptes consolidés

L'organe de gestion 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 consolidés 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 de gestion 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 de gestion 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.

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 de gestion, 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.

RSM

Nous assumons l'entière responsabilité de l'opinion d'audit.Nous communiquons à l'organe de gestion notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes relevées lors de notre audit, y compris toute faiblesse significative dans le contrôle interne.

AUTRES OBLIGATIONS LÉGALES ET RÉGLEMENTAIRES

Responsabilités de l'organe de gestion

L'organe de gestion est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés.

Responsabilités du commissaire

Dans le cadre de notre mandat et conformément à la norme belge complémentaire aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans ses aspects significatifs, le rapport de gestion sur les comptes consolidés, ainsi que de faire rapport sur cet élément.

Aspects relatifs au rapport de gestion 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 119 du Code des sociétés.

Dans le cadre de notre audit des comptes consolidés, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion sur les comptes consolidés comporte 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.

Nous n'exprimons aucune forme d'assurance que ce soit sur le rapport de gestion sur les comptes consolidés.

Mentions relatives à l'indépendance

- Notre cabinet de révision et notre réseau n'ont pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et sont restés indépendants 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 134 du Code des sociétés ont correctement été ventilés et valorisés dans les annexes aux comptes consolidés.

Gosselies, le 12 avril 2019

RSM InterAudit Scrl
Commissaire
Représentée par
Thierry Lejuste
Associé

05

ORES scrl - ORES Assets consolidated remuneration report[1]

1 Report drawn up in accordance with articles (i) L1523-17 of the CDLD and (ii) 100, §1 6°/3 of the Code des sociétés (Belgian company law) (article 3:12 § 1 9° of the Code des sociétés et associations [Belgian company and associations law])


ORES

1. Remuneration report

In terms of governance and structures, our intermunicipal company has been committed to a streamlining process since 2013. In December 2013, the first stage was completed with the merger of eight Walloon mixed intermunicipal companies to form ORES Assets, a single intermunicipal company currently made up of 197 municipalities. With this process of simplifying structures, seven intermunicipal companies disappeared along with more than 200 directorships, which also resulted in a reduction in the remuneration associated with these directorships of around €250,000/year. The aim of this process was to respond to the many challenges faced by the distribution sector: the energy transition, the development of the production of renewables connected to the distribution network, increased digitisation, improvements in customer service, the consolidation of operational efficiency and the need for more transparency for the Group in capital markets, to name but a few. However, maintaining strong links and a feeling of closeness with local authorities was a priority. The creation of this single intermunicipal company – the country's largest energy intermunicipal company – was accompanied by the establishment of eight Sector Committees, granted considerable decision-making powers and a total of 90 directorships.

On 22 June 2017, a second reform continued the process of streamlining the Group's structures and governance. This second reform can be broken down into three key areas:

- the removal of the Sector Committees on 22 June 2017;
- following this removal, the redefinition of the company's local roots via greater consultation processes, including in particular regarding the pricing policy, investments and dividends and the efficient organisation of information points aimed at municipal representatives at meetings organised by the region's directors, quite rightly called "ORES Proximité";
- the introduction of "mirror" Boards of Directors in the two companies ORES Assets and ORES scrl. This means that the same people make up both Boards; they are remunerated for just one of these two directorships according to their actual presence at meetings and in accordance with the remuneration thresholds stipulated in the Local Democracy and Decentralisation Code ("Code de la Démocratie locale et de la Décentralisation", CDLD), with the other directorship being unpaid.

The last change to the new governance strategy is one whereby the Annual General Meeting of ORES scrl and ORES Assets on 28 June 2018 transposed the CDLD's reform requirements into the articles of association and governance rules. The decree of 29 March 2018 modifying the CDLD in order to strengthen governance and transparency when it comes to exercising public roles within local and supra-local structures and their subsidiaries (so-called "Governance Decree", or "Décret Gouvernance") has, among other things, revised the threshold of the number of directors, changing it from thirty to twenty directors.

A. ORES Assets's bodies

ABOUT THE BODIES

REMUNERATION COMMITTEE

The roles and composition of the Remuneration Committee were modified by the "Governance Decree".

An off-shoot of the Board of Directors, 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.

ORES Assets' Remuneration Committee met twice in 2018.

AUDIT COMMITTEE

Established by the "Governance Decree" issued in March 2018, ORES Assets' Audit Committee was set up on 17 October 2018 in accordance with the principle of the "mirror" Committee between ORES Assets and ORES.

In accordance with the joint governance of ORES scrl, this off-shoot of the Board of Directors is made up of five directors responsible for checking and overseeing the statutory and consolidated accounts, as well as matters relating to financial information, internal control and risk management.

ORES Assets' Audit Committee met once in 2018.

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, clients, 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 and its key policies, as well as monitoring the running of the business.

Since 22 June 2017, the intermunicipal company ORES Assets and its subsidiary ORES scrl have had a "mirror" Board of Directors. This joint governance was confirmed within the context of the introduction of the new Boards of Directors appointed by the Annual General Meetings on 28 June 2018. Since then, in accordance with the CDLD's requirements, there have been twenty directors.

ORES Assets' Board of Directors met twelve times 2018.

LEVEL OF REMUNERATION FOR THE DIRECTORS OF ORES ASSETS IN 2018

In accordance with the deliberations of the Annual General Meeting on 22 June 2017 and 28 June 2018, all the directorships for ORES Assets are unpaid, it being understood that the same individuals make up the Board of Directors for ORES scrl and are remunerated within the context of this directorship, in accordance with CDLD thresholds and requirements on this subject.

The same is true for directorships for Committees established within the Board, as decided during the deliberations of the Annual General Meeting on 28 June 2018.

LIST OF NAMES – PRESENCE AT MEETINGS OF THE BOARD OF DIRECTORS OF ORES ASSETS – FROM 1 JANUARY 2018 TO 28 JUNE 2018

Surname	First name	Job title	Actual Presence at Meetings	Number of Meetings	Presence (as a %)
BARBEAUX	Cécile	Director	7	7	100.00
BERRENDORF	Bruno	Director	2	7	28.57
BINON	Yves	Director	6	7	85.71
BORREMANS	Jean-Luc	Vice-Chair	6	7	85.71
BULTOT	Claude	Director	6	7	85.71
BURNOTTE	Daniel	Director	6	7	85.71
CAFFONETTE	Yves	Director	7	7	100.00
CAPPE	Robert	Director	6	7	85.71

Surname	First name	Job title	Actual Presence at Meetings	Number of Meetings	Presence (as a %)
CATTALINI	Nathalie	Director	2	7	28.57
DE GHORAIN	Benoît	Director	3	7	42.86
DEBIEVE	Jean-Claude	Director	0	7	0.00
DEGUELDRE	Renaud	Director	5	7	71.43
DEMORTIER	Nathalie	Director	7	8*	87.50
DESAMA	Claude	Director	6	7	85.71
DEVILERS	Cyprien	Chair	7	7	100.00
DONFUT	Didier	Director	6	7	85.71
DURANT	Raphaël	Director	7	7	100.00
GILLIS	Alain	Director	8	8*	100.00
LANGENDRIES	Benoît	Director	6	7	85.71
LASSEAUX	Stéphane	Director	6	7	85.71
LEFEBVRE	Philippe	Director	4	7	57.14
MEDINGER	Georges	Director	5	7	71.43
MEURENS	Jean-Claude	Director	1	7	14.29
PALERMO	Vincent	Director	6	7	85.71
RIGAUX	Luc	Director**	3	6	50.00
SIEUX	Marc	Vice-Chair	7	7	100.00
STAQUET	Danièle	Director	6	7	85.71
STOFFELS	Heribert	Director	7	7	100.00
VAN HOUT	Florence	Director	7	7	100.00
VEREECKE	Anne	Director	5	7	71.43
WOLFF	Claudy	Director	6	7	85.71

* Correction for 2018: addition of the meeting on 13/12/2017, not remunerated in 2017

** Until 24 May 2018

LIST OF NAMES – PRESENCE AT MEETINGS OF THE BOARD OF DIRECTORS OF ORES ASSETS – FROM 28 JUNE 2018 TO 31 DECEMBER 2018

Surname	First name	Job title	Actual Presence at Meetings	Number of Meetings	Presence (as a %)
BINON	Yves	Director	5	5	100.00
BULTOT	Claude	Director	5	5	100.00
BURNOTTE	Daniel	Director*	4	4	100.00
CAPPE	Robert	Director	5	5	100.00
DEVILERS	Cyprien	Chair	4	5	80.00
D'HAEYER	Loïc	Director	5	5	100.00
DONFUT	Didier	Director	3	5	60.00
DURANT	Raphaël	Director	5	5	100.00
FAYT	Christian	Director	4	5	80.00
FRANCEUS	Michel	Director**	1	1	100.00
GHIGNY	Francis	Director**	1	1	100.00
GILLIS	Alain	Director	4	5	80.00
LASSEAUX	Stéphane	Vice-Chair ***	5	5	100.00
LEFEBVRE	Philippe	Director	3	5	60.00
MEURENS	Jean-Claude	Director	3	5	60.00
MICHIELS	Daniel	Director	4	5	80.00
PAULUS	Fabrice	Director**	1	1	100.00
SIEUX	Marc	Vice-Chair*	4	4	100.00
STAQUET	Danièle	Director	4	5	80.00
STOFFELS	Heribert	Director*	4	4	100.00
VAN HOUT	Florence	Director	4	5	80.00
VEREECKE	Anne	Director	3	5	60.00

* Until 5 December 2018

** From 5 December 2018

*** Director until 5 December 2018, then Vice-Chairman after this date.

LIST OF NAMES – PRESENCE AT MEETINGS OF THE REMUNERATION COMMITTEE OF ORES ASSETS – FROM 1 JANUARY 2018 TO 28 JUNE 2018

Surname	First name	Job title	Actual Presence at Meetings	Number of Meetings	Presence (as a %)
DEVILERS	Cyprien	Chair	2	2	100.00
GILLIS	Alain	Member	2	2	100.00
LEFEBVRE	Philippe	Member	1	2	50.00
STAQUET	Danièle	Member	2	2	100.00
STOFFELS	Heribert	Member	2	2	100.00

LIST OF NAMES – PRESENCE AT MEETINGS OF THE AUDIT COMMITTEE OF ORES ASSETS – FROM 28 JUNE TO 31 DECEMBER 2018

Surname	First name	Job title	Actual Presence at Meetings	Number of Meetings	Presence (as a %)
BINON	Yves	Member	0	1	0.00
FAYT	Christian	Member	1	1	100.00
LASSEAUX	Stéphane	Member	1	1	100.00
LEFEBVRE	Philippe	Member	1	1	100.00
VAN HOUT	Florence	Chair	1	1	100.00

B. ORES scrl's bodies

ABOUT THE BODIES

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.

Because of its mirror composition with the Board of Directors of ORES Assets, ORES scrl's Annual General Meeting renewed the mandate of its Board of Directors on 28 June 2018, establishing the number of directors at 20, in accordance with CDLD requirements.

The Board of Directors met twelve times 2018.

As well as this, the members of the Board of Directors of ORES scrl sit on the company's management and control committees – off-shoots of the Board of Directors – namely:

1) the Executive Board

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 Gas and Electricity decrees of 12 April 2001 and 19 December 2002.

In the first half of 2018, ORES scrl's Executive Board had nine members.

In the second half of 2018, the number of members was reduced to seven, it being understood that the Managing Director continues to attend automatically.

The Executive Board met ten times during the year.

2) Appointment 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 Appointment and Remuneration Board of ORES scrl.

In 2018, ORES scrl's Appointment and Remuneration Committee met four times.

3) 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 made up exclusively of non-executive, independent directors.

In 2018, ORES scrl's Audit Committee, made up of five directors, met four times.

LEVEL OF REMUNERATION FOR THE DIRECTORS OF ORES SCRL

As a reminder, since 22 June 2017, the intermunicipal company ORES Assets and its subsidiary ORES scrl have had a "mirror" Board of Directors. As a result, the same people make up both Boards; they are remunerated for just one of these two directorships (in this case, for ORES scrl) according to their actual presence at meetings and in accordance with the remuneration thresholds stipulated in the CDLD, with the other directorship (for ORES Assets) being unpaid.

LEVEL OF REMUNERATION FOR THE DIRECTORS OF ORES SCRL FROM 1 JANUARY TO 30 JUNE 2018

On the recommendation of the Appointment and Remuneration Committee, approved by the Board of Directors on 3 May 2017, the Annual General Meeting on 22 June 2017 set the following remuneration levels for the directorships, as of 1 July 2017.

Job title	Remuneration amount	Frequency at which remuneration is paid
Chairman of the Board of Directors	€24,996.43 gross per year	Half-yearly (remuneration weighted according to attendance* + mileage costs**)
Vice-Chairman of the Board of Directors	€18,747.00 gross per year	Half-yearly (remuneration weighted according to attendance* + mileage costs**)
Chairman of the Executive Board and Committees	€14,997.00 gross per year	Half-yearly (remuneration weighted according to attendance* + mileage costs**)
Member of the Board of Directors without a specific role	Attendance fee €163.07	(attendance fee + mileage costs**)

* weighted according to attendance – subject to attendance clause set out as follows: :

- the annual payment is granted in full if the aforementioned representative is present at 80% of the meetings of the management bodies;
- the remuneration is reduced by 10% if the individual in question is present at less than 80% of the meetings of the management bodies;
- if presence at the meetings of the management bodies is less than 70% or 50%, the deduction is 30% and 60% respectively.

The reference period for calculating the presence of the directors in question is twelve months.

** €0.3461 rounded up to €0.35/km from 1 January 2018 to 30 June 2018.

LEVEL OF REMUNERATION FOR THE DIRECTORS OF ORES SCRL FROM 1 JULY TO 31 DECEMBER 2018

On the recommendation of the Appointment and Remuneration Committee, approved by the Board of Directors on 23 May 2018, the Annual General Meeting on 28 June 2018 set the following remuneration levels for the directorships, as of 1 July 2018 (index 138.01).

Job title	Remuneration amount	Frequency at which remuneration is paid
Chairman of the Board of Directors	Annual gross allowance of €19,997.14 (index 138.01) So indexed at €33,463.21 gross per year before 28.09.2018 €34,133.12 gross per year after 28.09.2018 (index increase)	Half-yearly (remuneration weighted according to attendance* + mileage costs**)
Vice-Chairman of the Board of Directors	Annual gross allowance of €14,997.85 (index 138.01) So indexed at €25,097.40 gross per year before 28.09.2018 €25,599.83 gross per year after 28.09.2018 (index increase)	Half-yearly (remuneration weighted according to attendance* + mileage costs**)
Chairman of the Executive Board and Committees	Attendance fee of €180 (index 138.01) So indexed at €301.21 before 28.09.2018 €307.24 after 28.09.2018 (index increase)	(attendance fee + mileage costs**)
Member of the Board of Directors without a specific role	Attendance fee of €125 (index 138.01) So indexed at €209.18 before 28.09.18 €213.36 after 28.09.18 (index increase)	(attendance fee + mileage costs**)

(*) weighted according to attendance – subject to attendance clause set out as follows:
- the annual payment is granted in full if the aforementioned representative is present at 80% of the meetings of the management bodies.
- the remuneration is reduced by 10% if the individual in question is present at less than 80% of the meetings of the management bodies.
- if presence at the meetings of the management bodies is less than 70% or 50%, the deduction is 30% and 60% respectively.

The reference period for calculating the presence of the directors in question is twelve months.

(**) €0.3573 rounded up to €0.36/km from 1 July 2018 to 31 December 2018.

LIST OF NAMES – PRESENCE AT MEETINGS OF THE BOARD OF DIRECTORS OF ORES SCRL – FROM 1 JANUARY 2018 TO 28 JUNE 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BARBEAUX	Cécile	Director	7	7	100	1,388.94
BERRENDORF	Bruno	Director	2	7	28.57	0
BINON	Yves	Director	6	7	85.71	1,243.02
BORREMANS	Jean-Luc	Vice-Chair	6	7	85.71	8,572.65
BULTOT	Claude	Director	6	7	85.71	1,335.42
BURNOTTE	Daniel	Director	6	7	85.71	1,083.42
CAFFONETTE	Yves	Director	7	7	100	1,484.49
CAPPE	Robert	Director	6	7	85.71	1,121.22
CATTALINI	Nathalie	Director	2	7	28.57	405.94
DE GHORAIN	Benoît	Director	3	7	42.86	625.71
DEBIEVE	Jean-Claude	Director	0	7	0	0
DEGUELDRE	Renaud	Director	5	7	71.43	1,039.35
DEMORTIER	Nathalie	Director	7	8*	87.50	1,161.09
DESAMA	Claude	Director	6	7	85.71	1,440.42
DEVILERS	Cyprien	Chair	7	7	100	12,767.72
DONFUT	Didier	Director	6	7	85.71	1,314.42
DURANT	Raphaël	Director	7	7	100	1,504.09
GILLIS	Alain	Director	8	8*	100	1,455.76
GRIFNÉE	Fernand	Chief Executive	7	7	100	Non applicable
LANGENDRIES	Benoît	Director	6	7	85.71	1,167.42
LASSEAUX	Stéphane	Vice-Chair	6	7	85.71	1,306.02
LEFEBVRE	Philippe	Director	4	7	57.14	904.28
MEDINGER	Georges	Director	5	7	71.43	1,392.85
MEURENS	Jean-Claude	Director	1	7	14.29	241.47
PALERMO	Vincent	Director	6	7	85.71	1,369.02

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
RIGAUX	**Luc**	Director*	3	6	50	701.31
SIEUX	**Marc**	Vice-Chair	7	7	100	10,059.50
STAQUET	**Danièle**	Director	6	7	85.71	1,391.39
STOFFELS	**Heribert**	Director	7	7	100	1,994.09
VAN HOUT	**Florence**	Director	7	7	100	1,494.29
VEREECKE	**Anne**	Director	5	7	71.43	815.35
WOLFF	**Claudy**	Director	6	7	85.71	1,679.82

* Correction for 2018: addition of the meeting on 13/12/2017, not remunerated in 2017

** Until 24 May 2018

LIST OF NAMES – PRESENCE AT MEETINGS OF THE BOARD OF DIRECTORS OF ORES SCRL – FROM 28 JUNE 2018 TO 31 DECEMBER 2018

Surname	First name	Job title	Actual presence at meetings	Number of mee-tings	Presence (as a %)	Gross amount received (in €)
BINON	**Yves**	Director	5	5	100	1,205.67
BULTOT	**Claude**	Director	5	5	100	1,292.13
BURNOTTE	**Daniel**	Director*	4	4	100	894.97
CAPPE	**Robert**	Director	5	5	100	1,134.05
DEVILERS	**Cyprien**	Chair	4	5	80	17,021.38
D'HAEYER	**Loïc**	Director	5	5	100	1,111.06
DONFUT	**Didier**	Director	3	5	60	743.51
DURANT	**Raphaël**	Director	5	5	100	1,230.73
FAYT	**Christian**	Director**	4	5	80	909.87
FRANCEUS	**Michel**	Director	1	1	100	310.56
GHIGNY	**Francis**	Director**	1	1	100	232.80
GILLIS	**Alain**	Director	4	5	80	881.09
GRIFNÉE	**Fernand**	Chief Executive	5	5	100	Non applicable
LASSEAUX	**Stéphane**	Vice-Chair ***	5	5	100	3,184.23
LEFEBVRE	**Philippe**	Director	3	5	60	786.61
MEURENS	**Jean-Claude**	Director	3	5	60	882.00
MICHIELS	**Daniel**	Director	4	5	80	1,206.38
PAULUS	**Fabrice**	Director**	1	1	100	299.76
SIEUX	**Marc**	Vice-Chair*	4	4	100	10,927.39
STAQUET	**Danièle**	Director	4	5	80	0

Surname	First name	Job title	Actual presence at meetings	Number of mee-tings	Presence (as a %)	Gross amount received (in €)
STOFFELS	Heribert	Director*	4	4	100	1,283.77
VAN HOUT	Florence	Director	4	5	80	1,056.62
VEREECKE	Anne	Director	3	5	60	585.61

* Until 5 December 2018

** From 5 December 2018

*** Director until 5 December 2018, then Vice-Chairman after this date

LIST OF NAMES, PRESENCE AND REMUNERATION AT MEETINGS OF THE EXECUTIVE BOARD OF ORES SCRL – FROM 1 JANUARY 2018 TO 28 JUNE 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BURNOTTE	Daniel	Member	4	6	66.67	801.03
DEGUELDRE	Renaud	Member	4	6	66.67	858.78
DEVILERS	Cyprien	Member	5	6	83.33	869.25
DONFUT	Didier	Chair	6	6	100	7,788.30
DURANT	Raphaël	Member	6	6	100	1,091.12
GILLIS	Alain	Member	5	6	83.33	932.95
SIEUX	Marc	Member	6	6	100	1,513.92
VEREECKE	Anne	Member	6	6	100	978.42

LIST OF NAMES, PRESENCE AND REMUNERATION AT MEETINGS OF THE EXECUTIVE BOARD OF ORES SCRL – FROM 28 JUNE 2018 TO 31 DECEMBER 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BURNOTTE	**Daniel**	Member*	2	3	66.67	508.94
DEVILERS	**Cyprien**	Member	3	4	75	640.22
D'HAEYER	**Loïc**	Chair	4	4	100	941.42
DONFUT	**Didier**	Member	3	4	75	1,112.97
GHIGNY	**Francis**	Member**	1	1	100	240
GILLIS	**Alain**	Member	4	4	100	1,001.90
LASSEAUX	**Stéphane**	Member**	0	1	0	0
SIEUX	**Marc**	Member*	3	3	100	961.34
VEREECKE	**Anne**	Member	4	4	100	849.26

* Until 5 December 2018

** From 5 December 2018

LIST OF NAMES, PRESENCE AND REMUNERATION AT MEETINGS OF THE APPOINTMENT AND REMUNERATION BOARD OF ORES SCRL – FROM 1 JANUARY TO 28 JUNE 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BINON	Yves	Member	3	4	75	577.41
CAPPE	Robert	Member	4	4	100	723.68
LANGENDRIES	Benoît	Member	4	4	100	746.78
STAQUET	Danièle	Chair	4	4	100	6,508.61*
STOFFELS	Heribert	Member	4	4	100	1,017.68

* 2018 gross remuneration for Mrs Staquet limited to €7,900.00 at her request for all her directorships

LIST OF NAMES, PRESENCE AND REMUNERATION AT MEETINGS OF THE AUDIT COMMITTEE OF ORES SCRL – FROM 1 JANUARY TO 28 JUNE 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BULTOT	Claude	Member	2	3	66.67	396.14
GILLIS	Alain	Member	3	3	100	538.21
LASSEAUX	Stéphane	Chair	3	3	100	7,554.50
LEFEBVRE	Philippe	Member	3	3	100	573.21
VAN HOUT	Florence	Member	2	3	66.67	387.04

LIST OF NAMES, PRESENCE AND REMUNERATION AT MEETINGS OF THE AUDIT COMMITTEE OF ORES SCRL – FROM 28 JUNE TO 31 DECEMBER 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)
BINON	**Yves**	Member	0	1	0	0
FAYT	**Christian**	Member	1	1	100	264.48
LASSEAUX	**Stéphane**	Member	1	1	100	335.32
LEFEBVRE	**Philippe**	Member	1	1	100	255.84
VAN HOUT	**Florence**	Chair	1	1	100	276

MANAGEMENT COMMITTEE

The company's management is the responsibility of the Management Committee, as of 31 December 2018 made up of the Managing Director, who chairs the Committee, and nine other members.

From 1 January to 1 June 2018, the Managing Director managed the company on a freelance basis, pursuant to the agreement signed in 2012. As he is subject to personal income tax, his total remuneration for this period is akin to his turnover, and all of the social security contributions associated with his remuneration are his responsibility.

The remuneration granted to the Managing Director from 1 January to 1 June 2018 is made up of the following:

- basic remuneration (fixed), remuneration linked to performance subject to achieving annual set targets with a short-term (target 45%) and long-term (target 15%) variable – broken down as explained in the table below.
- a number of benefits applicable to the sector and generally similar to those granted to the members of the Management Committee (group insurance plan, hospitality expenses, vehicle, medical cover).

	Gross amount allocated from 1/01/2018 to 31/05/2018 (€)
Basic fixed remuneration	123,117
Short-term variable annual remuneration (target 45%) already earned	56,610.73
Long-term variable annual remuneration (target 15%) already earned	18,870.24

The Decree of 29 March 2018 modifying the Local Democracy and Decentralisation Code in order to strengthen governance and transparency when it comes to exercising public roles within local and supra-local structures and their subsidiaries, added a provision - article L6441-1, §2 of the CDLD - specifying that from now on, "The role of local manager cannot be carried out via a management or intermediary company, or carried out on a freelance basis".

As a result, on the recommendation of the Appointment and Remuneration Committee, and in agreement with the Managing Director, the Board of Directors has adjusted the way that ORES is managed so that it is in keeping with the new legal framework in Wallonia in terms of remuneration and the status of managers of public companies.

From now on, the Chairman of ORES' Management Committee, working as an employee, will receive fixed remuneration - without any variables - so for the period between 1 June 2018 and 31 December 2018, a gross total of €121,984.

Remuneration of members of the Management Committee

	Basic salary 2018 (€)	Bonus paid in 2019 (linked to performance in 2018) (€)	Collective bonus linked to 2018 results(*)(€)
Mr VAN OPDENBOSCH Philippe **Infrastructure Director**	205,234	42,552	2,300
Mr HOUSSARD Benoît **Technical Director**	189,949	26,595	2,300
DECLERCQ Christine **Interim Director**	199,334	26,595	2,300
MERTENS Inne **Director of Markets & Customer Relations**	180,008	26,595	2,300
MAHAUT Sébastien **Transformation Director**	171,462	37,233	2,300
MEDAETS Benoît **IT Director**	128,963	31,914	2,300
OFFERGELD Dominique **Finance Director**	191,610	14,893	2,300
PONT Chantal **HR Director**	191,486	26,595	2,300
CALLENS Isabelle **Public Affairs, Legal & Communications Director**	158,393	21,276	2,300

(*) Collective bonus linked to 2018 results for all executive staff and the Management

The members of the Management Committee also enjoy all the benefits defined by the sector, like all of the company's executive staff.

2. Director training

In accordance with the requirements of article L1532-1bis of the CDLD, training for directors was organised on 12 March and 21 November 2018, with a view to making sure that the directors' professional skills are being developed and kept up-to-date.

The theme of the first training session was:"Operational activities - running ORES' electricity networks - an inside view".

The theme of the second was:"The energy market, liberalised markets - Federal State, Wallonia – general framework and recent developments".

Participation at these training sessions is not remunerated. However, if the training is the only meeting that day, travel expenses are paid by mileage:

- €0.3461/km rounded up to €0.35/km for the 1st half of 2018;
- €0.3573/km rounded up to €0.36/km for the 2nd half of 2018.

LIST OF NAMES, PRESENCE AND EXPENSES FOR THE TRAINING SESSIONS

1ST HALF OF 2018 – TRAINING ON 12 MARCH 2018

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)*
BARBEAUX	Cécile	Director	1	1	100	14.35
BERRENDORF	Bruno	Director	1	1	100	0
BINON	Yves	Director	1	1	100	43.40
BORREMANS	Jean-Luc	Vice-Chair	0	1	0	0
BULTOT	Claude	Director	0	1	0	0
BURNOTTE	Daniel	Director	1	1	100	17.50
CAFFONETTE	Yves	Director	1	1	100	45.15
CAPPE	Robert	Director	0	1	0	0
CATTALINI	Nathalie	Director	1	1	100	32.90
DE GHORAIN	Benoît	Director	0	1	0	0
DEBIEVE	Jean-Claude	Director	0	1	0	0
DEGUELDRE	Renaud	Director	0	1	0	0
DEMORTIER	Nathalie	Director	1	1	100	26.25

Surname	First name	Job title	Actual presence at meetings	Number of meetings	Presence (as a %)	Gross amount received (in €)*
DESAMA	**Claude**	Director	0	1	0	0
DEVILERS	**Cyprien**	Chair	1	1	100	33.95
DONFUT	**Didier**	Director	0	1	0	0
DURANT	**Raphaël**	Director	0	1	0	0
GILLIS	**Alain**	Director	1	1	100	0
LANGENDRIES	**Benoît**	Director	0	1	0	0
LASSEAUX	**Stéphane**	Director	1	1	100	26.25
LEFEBVRE	**Philippe**	Director	1	1	100	42
MEDINGER	**Georges**	Director	1	1	100	94.50
MEURENS	**Jean-Claude**	Director	0	1	0	0
PALERMO	**Vincent**	Director	1	1	100	76.30
RIGAUX	**Luc**	Director	1	1	100	77.70
SIEUX	**Marc**	Vice-Chair	1	1	100	107.80
STAQUET	**Danièle**	Director	0	1	0	0
STOFFELS	**Heribert**	Director	1	1	100	102.90
VAN HOUT	**Florence**	Director	1	1	100	63
VEREECKE	**Anne**	Director	1	1	100	0
WOLFF	**Claudy**	Director	0	1	0	0

* Travel costs only

2ND HALF OF 2019 – TRAINING ON 21 NOVEMBER 2018

Surname	First name	Job title	Actual presence at meetings	Number of mee-tings	Presence (as a %)	Gross amount received (in €)*
BINON	Yves	Director	1	1	100	0
BULTOT	Claude	Director	1	1	100	0
BURNOTTE	Daniel	Director	1	1	100	0
CAPPE	Robert	Director	1	1	100	0
DEVILERS	Cyprien	Chair	1	1	100	0
D'HAEYER	Loic	Director	1	1	100	0
DONFUT	Didier	Director	0	1	0	0
DURANT	Raphaël	Director	1	1	100	0
FAYT	Christian	Director	1	1	100	0
GILLIS	Alain	Director	1	1	100	0
LASSEAUX	Stéphane	Director	1	1	100	0
LEFEBVRE	Philippe	Director	1	1	100	0
MEURENS	Jean-Claude	Director	1	1	100	0
MICHIELS	Daniel	Director	1	1	100	0
SIEUX	Marc	Vice-Chair	1	1	100	0
STAQUET	Danièle	Director	1	1	100	0
STOFFELS	Heribert	Director	1	1	100	0
VAN HOUT	Florence	Director	1	1	100	0
VEREECKE	Anne	Director	0	1	0	0

(*) No travel expenses as the training took place after the meeting of the Board of Directors on the same day

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Specific report on shareholding


ORES

Within the context of the missions assigned to it, the Board of Directors has looked at the ORES group shareholdings 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 which 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.

The 7 shares were still owned by ORES Assets as at 31 December 2018, worth a total of €2,000.

In 2018, Synergrid has transferred the shares that it still had in Laborelec to ORES scrl worth €300.

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 owns 2,400 Igretec shares as at 31 December 2018 for a value of €14,900.

SHAREHOLDING IN N-ALLO

N-Allo is a next generation interactive European call centre, whose role is to delight brands, optimise and manage their interaction with customers and help them build strong relationships by offering flexible, innovative multi-channel solutions. ORES scrl owns 4,077 shares in N-Allo, so 13.9% worth €824,200.

Following the changes made to the electricity and gas decrees by the decree of 11 May 2018, Electrabel and ORES have signed an agreement with N-Allo regarding the process of reorganising ORES' call centre activity. In particular, this agreement covers Electrabel's takeover of ORES' shareholding in N-Allo, representing 16.88% of N-Allo's shares, for a price of €611,500. A write-down of the stake was recorded in 2018 in ORES scrl's accounts accordingly.

At the end of 2018 ORES scrl owned 4,077 shares in N-Allo worth €611,500.

SHAREHOLDING IN ATRIAS

Atrias, "the round table for the energy market of the future", plays an active role on the energy landscape, not only as a platform for neutral, objective consultation between network operators, suppliers and regional regulators, but more importantly by creating IT systems suitable for centralised market management.

ORES scrl owns 62 shares in Atrias, so 16.7% worth €3,100.

The ORES group's shares as at 31 December 2018 are therefore worth €631,500, which can be broken down as follows:

Shares in N-Allo:	€611,500
Shares in Atrias:	€3,100
Shares in Laborelec:	€2,000
Shares in Igretec:	€14,900
Total:	**€631,500**

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GRI content index

Profile of the organisation

GRI 102	General disclosure	102-1	Name of the organisation	ORES and ORES Assets
GRI 102	General disclosure	102-2	Activities, brands, products and services	See chapter entitled "About the company", page 4 to 6
GRI 102	General disclosure	102-3	Location of headquarters	Avenue Jean Monnet 2, 1348 Louvain-la-Neuve
GRI 102	General disclosure	102-4	Location of operations	The locations of the company's operations are shown on page 7
GRI 102	General disclosure	102-5	Share capital and legal form	See chapter entitled "Governance and transparency", page 20
GRI 102	General disclosure	102-6	Markets served	See chapter entitled "Governance and transparency", page 19
GRI 102	General disclosure	102-7	Scale of the organisation	See chapter entitled "Working culture and wellbeing within the organisation", page 63
GRI 102	General disclosure	102-8	Information about employees and other workers	See chapter entitled "Working culture and wellbeing within the organisation", pages 63 and 64
GRI 102	General disclosure	102-9	Supply chain	See chapter entitled "Fair practices, respect for human rights and combating corruption", pages 66 and 67
GRI 102	General disclosure	102-10	Significant changes to the organisation and its supply chain	NA
GRI 102	General disclosure	102-11	Precautionary principle or preventive approach	See "Risks" section of management report, page 75 to 80
GRI 102	General disclosure	102-12	External initiatives	Walloon utilities charter - Walloon public lighting charter
GRI 102	General disclosure	102-13	Membership of associations	Ciriec - Edso - Gas.be - Synergrid - UVCW

Strategy

GRI 102	General disclosure	102-14	Statement from senior decision-maker	Introductory message, pages 4 and 5

Ethics and integrity

GRI 102	General disclosure	102-16	Mechanism for offering advice and managing concerns relating to ethical questions	See chapter entitled "About the company", page 4 to 6. See chapter entitled "Fair practices, respect for human rights and combating corruption", pages 66 and 67
GRI 102	General disclosure	102-17	Mechanism for advice and managing concerns relating to ethical questions	Ethics charter for members of staff - Ethics charter for suppliers - Code for applying the rules relating to market abuse

Governance

GRI 102	General disclosure	102-18	Governance structure	The Board of Directors has the broadest powers when it comes to achieving the corporate purpose 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 different committees and their respective roles are described in the remuneration report. Additional information available in the company's articles of association and governance charter.
GRI 102	General disclosure	102-19	Delegating authority	The Board of Directors can – with an option to sub-delegate – entrust the day-to-day management of the company, as well as the role of representing the company in all matters relating to this management, for ORES, to one of its members who has the role of Chief Executive Office and chairs the Management Committee. For ORES Assets, sub-delegation involves the operating company represented by the Chief Executive Officer. Additional information available in the articles of association and corporate governance charter.
GRI 102	General disclosure	102-20	Executive-level responsibility for economic, environmental, and social topics	By virtue of the company's articles of association, ORES' Board of Directors can delegate all or some of its management powers to a Management Committee in accordance with the Code des sociétés (Belgian company law). It is this committee that is charged with the operational management of the company, including day-to-day management and its representation in relationships with third parties. ORES' Board of Directors appoints and dismisses the chairman of the Management Board after consulting the Appointment and Remuneration Committee. The chairman of the Management Committee submits proposals to the Board of Directors on appointing and dismissing members of this Committee after consulting the Appointment and Remuneration Committee. The Board of Director defines the Management Committee's internal regulations.
GRI 102	General disclosure	102-21	Consulting stakeholders on economic and social topics.	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. Refer to the roles of the Board of Directors in the governance charter.
GRI 102	General disclosure	102-22	Composition of the highest governance body and its committees	See remuneration report, page 130 to 150
GRI 102	General disclosure	102-23	Chair of the highest governance body	See remuneration report, page 130 to 150
GRI 102	General disclosure	102-24	Nominating and selecting the members of 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 Chairman of the Management Committee. 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.

GRI 102	General disclosure	102-25	Conflicts of interests	Directors pay close attention to their legal and ethical obligations in terms of conflicts of interests, particularly in accordance with article 523 of the Code des sociétés (Belgian company law), the provisions of decrees, including in particular those imposed by the Local Democracy and Decentralisation Code ("Code de la Démocratie locale et de la Décentralisation", CDLD) and by electricity and gas decrees. More information in the corporate governance charter.
GRI 102	General disclosure	102-26	Role of highest governance body in setting purpose, values, and strategy	See chapter entitled "Governance and transparency", page 26
GRI 102	General disclosure	102-27	Collective knowledge of the highest governance body	See chapter entitled "Governance and transparency", page 26
GRI 102	General disclosure	102-28	Evaluating the highest governance body's performance	The Board examines and assesses: 1. its own effectiveness as well as the effectiveness of the company's governance structure as well as the role and missions of the different Committees and Executive Board; 2. once a year, the performance of the Chairman of the Management Board and, on the proposal of the Chairman of the Management Board, other members of the Management Committee, within the context of the procedure relating to determining the proportion of their remuneration linked to performance.
GRI 102	General disclosure	102-29	Identifying and managing economic, environmental and social impacts	See chapter entitled "Governance and transparency", page 26
GRI 102	General disclosure	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 special meeting of the Board of Directors is dedicated to the company's strategy. During the course of the year, an update on its progress is provided. The Audit Committee carries out an annual assessment as well as the Management Committee.
GRI 102	General disclosure	102-31	Review of economic, environmental and social topics	A review is carried out: 1. annually (annual report and risk report) 2. quarterly (brochure covering the main performance indicators)
GRI 102	General disclosure	102-32	Highest governance body's role in sustainability reporting	The 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.
GRI 102	General disclosure	102-33	Communicating critical concerns	See "Risks" section of management report, page 75 to 80
GRI 102	General disclosure	102-34	Nature and total number of critical concerns	See "Risks" section of management report, page 75 to 80
GRI 102	General disclosure	102-35	Remuneration policies	See remuneration report, page 130 to 150

GRI 102	General disclosure	102-36	Process for determining remuneration	In accordance with the requirements of the Local Democracy Code, 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 Appointment and Remuneration Committee.
GRI 102	General disclosure	102-37	Stakeholders' involvement in remuneration	The legal framework is defined by the Local Democracy and Decentralisation Code ("Code de la Démocratie locale et de la Décentralisation", CDLD).
GRI 102	General disclosure	102-38	Annual total compensation ratio	The entry into force of the Local Democracy and Decentralisation Code ("Code de la Démocratie locale et de la Décentralisation", CDLD) led to a change to the status and remuneration of the Chief Executive Office during the year. The information item will be provided in the annual report for 2019.
GRI 102	General disclosure	102-39	Percentage increase in annual total compensation ratio	See previous point.

Commitment of stakeholders

GRI 102	General disclosure	102-40	List of stakeholder groups	See chapter entitled "Social commitment and responsibility", page 16
GRI 102	General disclosure	102-41	Collective bargaining agreements	100%
GRI 102	General disclosure	102-42	Identifying and selecting stakeholders	See chapter entitled "Social commitment and responsibility", page 16
GRI 102	General disclosure	102-43	Approach to stakeholder engagement	See chapter entitled "Social commitment and responsibility", page 16
GRI 102	General disclosure	102-44	Key topics and concerns raised	See chapter entitled "Social commitment and responsibility", pages 15 and 16

Reporting method

GRI 102	General disclosure	102-45	Entities included in the consolidated financial statements	ORES Assets, ORES scrl and Atrias
GRI 102	General disclosure	102-46	Defining report content and topic boundaries	See chapter entitled "Social commitment and responsibility", pages 15 and 16
GRI 102	General disclosure	102-47	List of material topics	See chapter entitled "Social commitment and responsibility", pages 15 and 16
GRI 102	General disclosure	102-48	Restatements of information	NA

GRI 102	General disclosure	102-49	Changes in reporting	NA
GRI 102	General disclosure	102-50	Reporting period	2018
GRI 102	General disclosure	102-51	Date of most recent report	NA
GRI 102	General disclosure	102-52	Reporting cycle	Annual report cycle
GRI 102	General disclosure	102-53	Contact point for questions regarding the report	Jean-Michel Brebant Communication Manager jeanmichel.brebant@ores.be
GRI 102	General disclosure	102-54	Claims of reporting in accordance with the GRI Standards	This annual report has been prepared in accordance with the GRI standards: Core option
GRI 102	General disclosure	102-55	GRI content Index	See page 156

Specific parts

GRI 201	Economic performance	201-1	Direct economic value generated and distributed	Please refer to the organisation's annual accounts
GRI 201	Economic performance	201-2	Financial implications and other risks and opportunities due to climate change	See chapter entitled "Energy transition and the environment", page 38 to 51
GRI 201	Economic performance	201-4	Financial assistance received from government	Within the context of its activities, the Group benefits from two subsidies received from Wallonia, one within the context of a project for the management of networks open to renewables and the other a general interest industrial research project relating to smart meters (Smart Users)
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	See chapter entitled "Fair practices, respect for human rights and combating corruption", pages 66 and 67
GRI 302	Energy	302-1	Energy consumption within the organisation	See chapter entitled "Energy transition and the environment", page 46
GRI 302	Energy	302-4	Reduction of energy consumption	See chapter entitled "Energy transition and the environment", page 48
GRI 306	Effluents and waste	306-2	Waste by type and disposal method	See chapter entitled "Energy transition and the environment", page 51
GRI 306	Effluents and waste	306-4	Transport of hazardous waste	See chapter entitled "Energy transition and the environment", pages 50 and 51
GRI 307	Environmental compliance	307-1	Non-compliance with environmental laws and regulations	No instances of non-compliance during the reporting period.

GRI 401	Employment	401-1	New employee hires and employee turnover	See information below

401-1	The organisation must provide information about the following:			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 newcomers					
			<30	70	34	
		>=30	<50	57	39	
			>=50	4	0	
				131	73	204
	Recruitment rate			**8.24%** out of the male population	**9.95%** out of the female population	**8.78%** out of the total population
	b. The total number of employees and the staff turnover rate during the reporting period, by age group, gender and region Region = Wallonia					
	Number of people leaving					
			<30	19	16	
		>=30	<50	21	13	
			>=50	21	1	
				61	30	91
			Turnover rate	-3.84% out of the male population	-4.09% out of the female population	-3.92% out of the total population

GRI 401	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	See information below

401-2	The standard benefits granted to the organisation's full-time employees and not to temporary or part-time employees. **These include, as a minimum:**	
	i. life insurance	Included in the group insurance policy with the employer's and the employee's contributions
	ii. healthcare;	Hospitalisation and out-patient treatment
	iii. disability and invalidity coverage;	Included in the group insurance policy with the employer's and the employee's contributions
	iv. parental leave;	According to CLA 64 of 29/4/1997: contractual parental leave / parental leave within the context of career breaks.
	v. retirement provision;	Included in the group insurance policy with the employer's and the employee's contributions
	vi. employee stock ownership;	None
	vii. other benefits	Tariff benefits, Social Fund

GRI 401	Employment	401-3	Parental leave	See information below.

401-3 The organisation must provide information about the following:

a. The total number of employees entitled to parental leave, by gender.

Male	690
Female	309
Total	**999**

b. The total number of employees who have taken parental leave, by gender.

Male	75
Female	77
Total	**152**

c. The total number of employees who have returned to work during the reporting period at the end of parental leave, by gender.

Male	34
Female	20
Total	**54**

d. The total number of employees who have returned to work at the end of parental leave and who were still employed 12 months after their return to work, by gender.

Male	85
Female	98
Total	**183**

e. The rate of employees who returned to work and the retention rate for employees who have taken parental leave, by gender.

	Return	Retention
Male	45.33%	71.76%
Female	25.97%	72.45%
Total	**35.53%**	**72.13%**

GRI 402	Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	There is no minimum number of weeks' 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, planned for spring 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	Occupational health and safety	403-1	Employee representatives on official health and safety committees involving both workers and management	See chapter entitled "Changes to the working culture and wellbeing within the organisation", pages 61 and 62
GRI 403	Occupational health and safety	403-2	Types of occupational accident and rate of occupational accidents, occupational illnesses, days lost, absenteeism and number of deaths linked to work	See chapter entitled "Changes to the working culture and wellbeing within the organisation", pages 61 and 62

GRI 403	Occupational health and safety	403-3	Workers among whom the incidence rate and risk of professional illnesses are high	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 thinks that the risk of professional illness is not high here.
GRI 403	Occupational health and safety	403-4	Worker participation, consultation, and communication on occupational health and safety	100%
GRI 404	Training and education	404-1	Average hours of training per year per employee	See chapter entitled "Changes to the working culture and wellbeing within the organisation", page 64
GRI 404	Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	See chapter entitled "Changes to the working culture and wellbeing within the organisation", page 64
GRI 404	Training and education	404-3	Percentage of employees receiving regular performance and career development reviews	See information below.

404-3 The organisation must provide information about the following:

a. The percentage of the total number of employees by gender and by professional category who have benefited from a performance or career development review during the reporting period:

	Male	Female	Total	
Management	100%	100%	**100%**	
Executives	100%	100%	**100%**	
Supervisory staff	32%	67%	**39%**	New working conditions only
Employees	75%	89%	**80%**	New working conditions only
	72%	88%	**77%**	New working conditions only
Not assessed	28%	12%	**23%**	Old working conditions
	100%	100%	**100%**	

GRI 405	Diversity and equal opportu-nities	405-1	Diversity of governance bodies and employees	See information on next page.

405-1	The organisation must 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:

i. Gender and

ii. Age group		Male	Female
	<30	0.00%	0.00%
>=30	<50	0.09%	0.09%
	>=50	0.17%	0.13%
		0.26%	**0.22%**

b. The percentage of employees by professional category in each of the following diversity categories:

i. Gender		Employees	Supervisory staff	Executives	**Total excluding management**	Management	**Total**
	Male	49.03%	10.55%	8.57%	**68.14%**	0.26%	**68.40%**
	Female	25.61%	2.76%	3.01%	**31.38%**	0.22%	**31.60%**
		74.64%	**13.30%**	**11.58%**	**99.53%**	**0.47%**	**100.00%**

ii. Age group		Employees	Supervisory staff	Executives	**Total excluding management**	Management	**Total**
	<30	12.91%	0.09%	0.95%	**13.95%**	0.00%	**13.95%**
>=30	<50	48.73%	7.15%	7.45%	**63.32%**	0.17%	**63.50%**
	>=50	13.00%	6.07%	3.19%	**22.26%**	0.30%	**22.56%**
		74.64%	**13.30%**	**11.58%**	**99.53%**	**0.47%**	**100.00%**

GRI 405	Diversity and equal opportunities	405-2	Ratio of basic salary and remuneration of women to men	See information below.

405-2 The organisation must provide information about the following:

a. The ratio of the basic salary and the remuneration for women to men for each professional category, by significant location of operation

No significant location of operation but just one region = Wallonia

Ratio	**Female/Male**
Management	-2.44%
Executives	-12.50%
Supervisory staff	-13.37%
Employees	-2.21%
Total	**-6.67%**

GRI 412	Human rights assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	See chapter entitled "Fair practices, respect for human rights and combating corruption", pages 66 and 67
GRI 414	Supplier social assessment	414-1	New suppliers analysed using social criteria	See chapter entitled "Fair practices, respect for human rights and combating corruption", pages 66 and 67
GRI 416	Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	All technical activities and materials are permanently assessed (products, methodology documents, technical specifications, instruction notes etc.). Monitoring departments trained in safety policies have been set up to make sure that the networks are being monitored 24/7.
GRI 418	Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	One substantiated complaint out of a total of three received during the reporting period.

Contacts

ORES–Avenue Jean Monnet, 2
1348 Louvain-la-Neuve
www.ores.be
Customer service : 078/15.78.01
Technical assistance : 078/78.78.00
Emergency smell of gas : 0800/87.087