ORES

ORES scrl
Annual report
2018

Name and form
ORES. Cooperative company with limited liability.

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

Incorporation
Incorporated on 18 April 2008. Certificate of incorporation published in the appendix of the *Moniteur belge* [Belgian Official Journal] on 30 April 2008 under number 065395.

Memorandum and articles of association and their modifications
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 2018-07-03/032037.

Contents

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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.

200
associated municipalities
(since 1 January 2019)

50,280 km
of electritiy networks

9,596 km
of natural gas networks

2,323
employees

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.

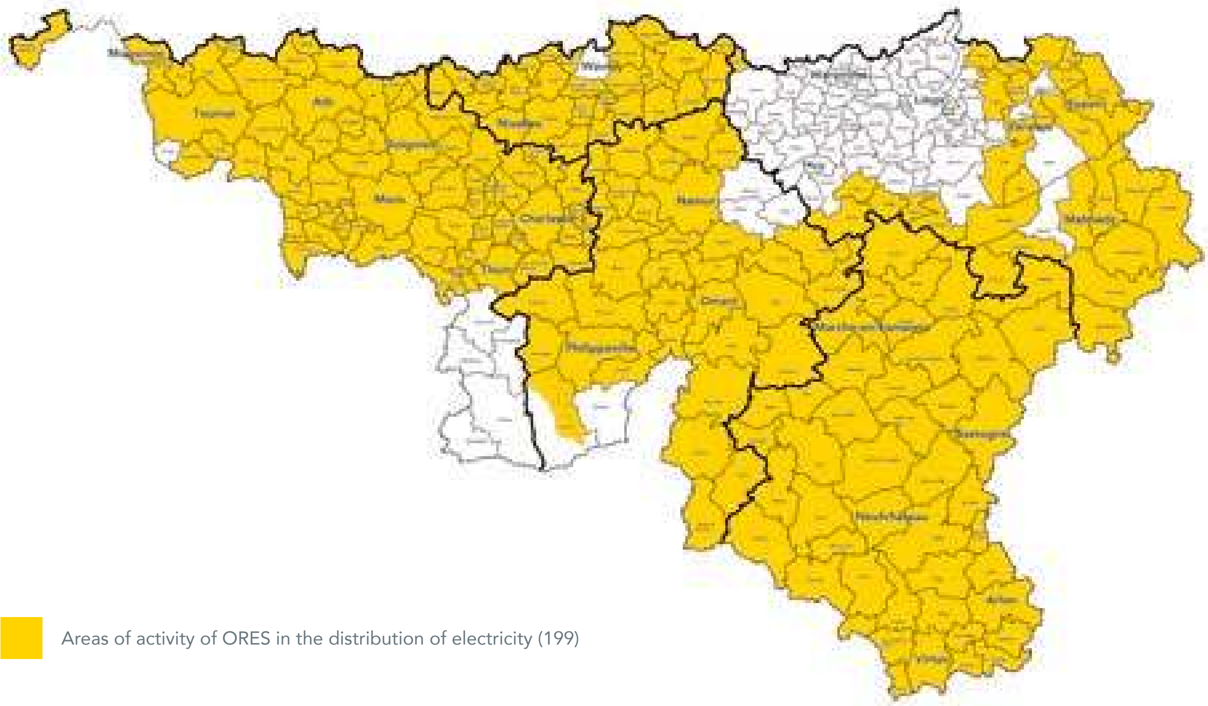
The company collects, checks and passes on customer readings to their supplier; keeps millions of pieces of data up-to-date every day in its access register so that each connection point corresponds to a supply contract; fits budget meters at the request of suppliers at non-paying customers' premises; 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.

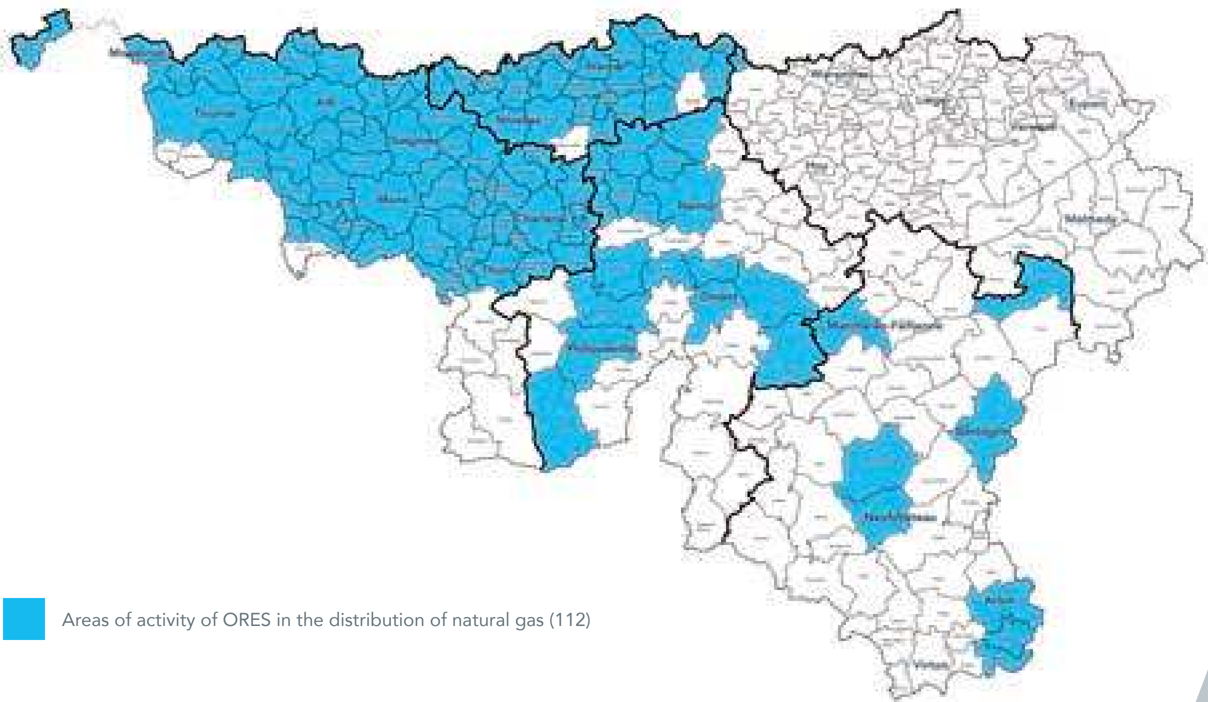
Situation as at 01/01/2019

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.

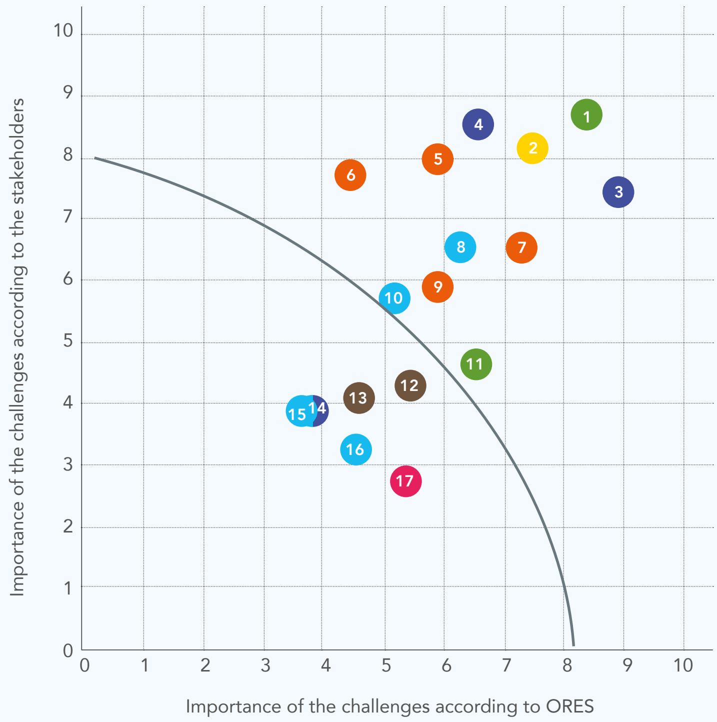
Training
When it comes to the technological and social changes that the energy sector needs to tackle, (re)training its staff – and staff working for subcontractors – is essential for the future.

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.

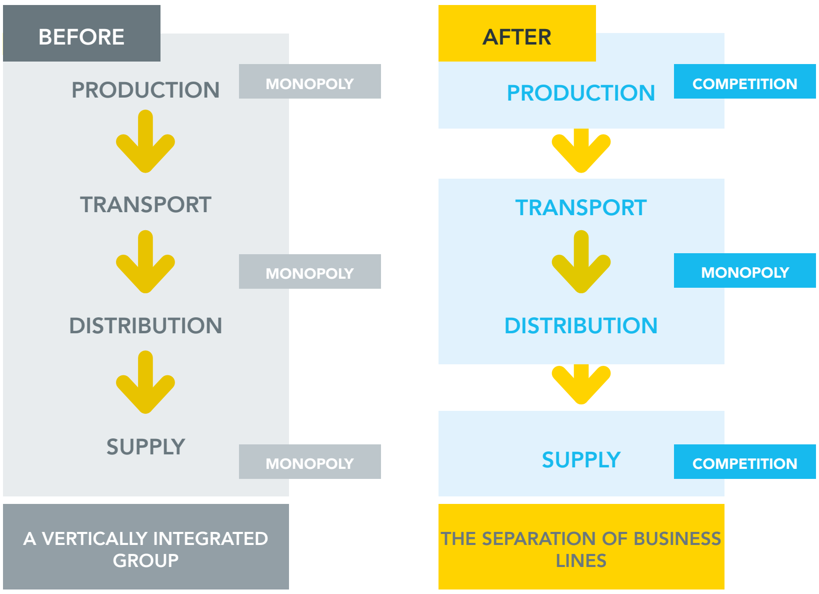
3. Governance and transparency

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.

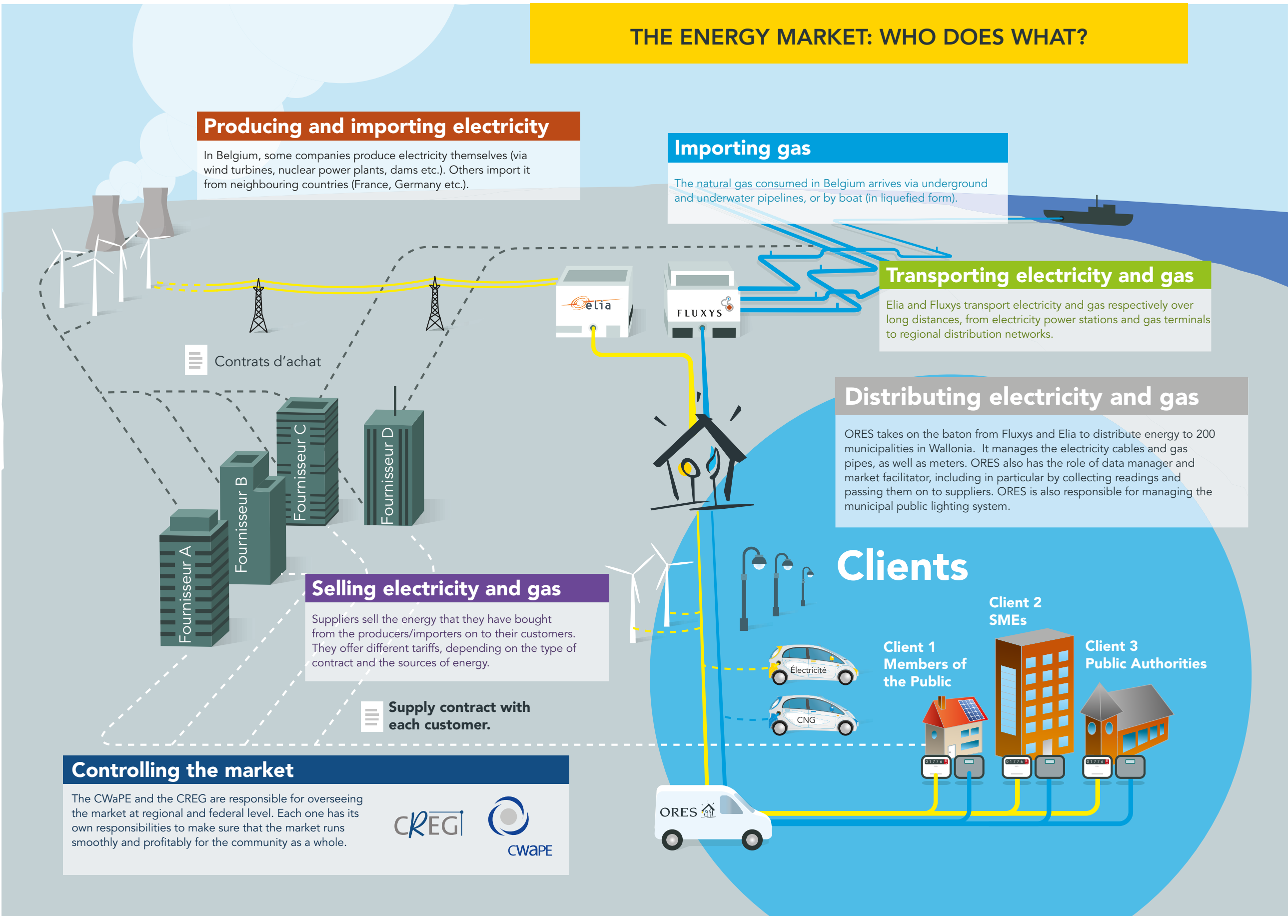


In Wallonia, the different parts of the supply chain have been broken up since 2007. They are open to competition at the beginning and end of the chain.

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.

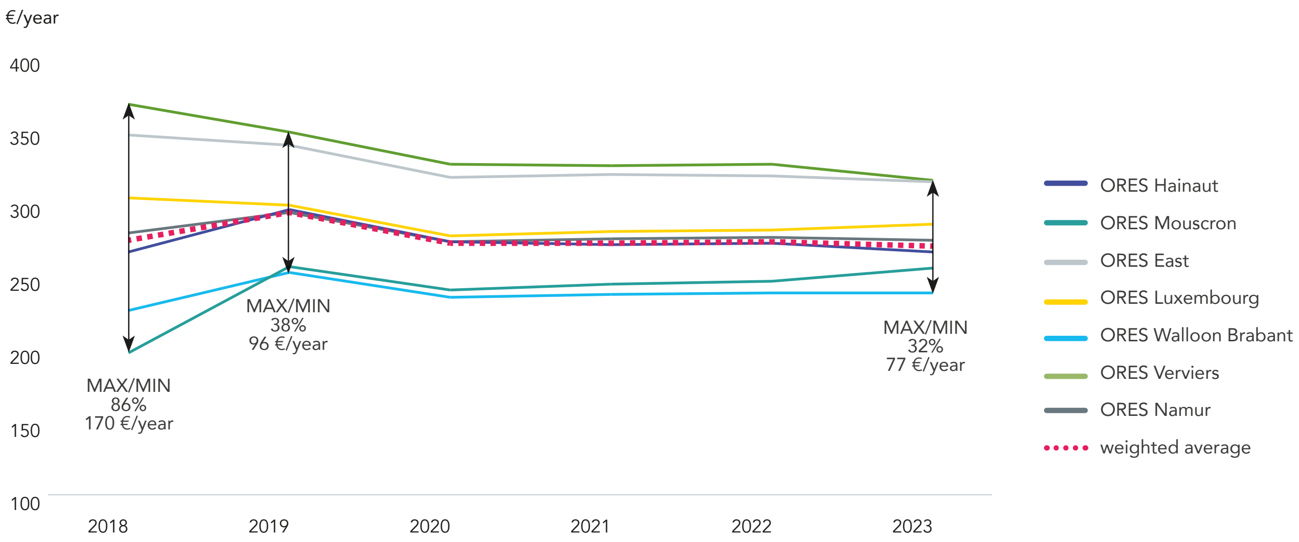
Since jurisdiction over tariffs was transferred, the CWaPE has demonstrated its desire to establish regulatory multi-year periods of five years. To begin with however, the regulator maintains some continuity when it comes to the pricing principles applied by the federal regulator and has thus defined 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

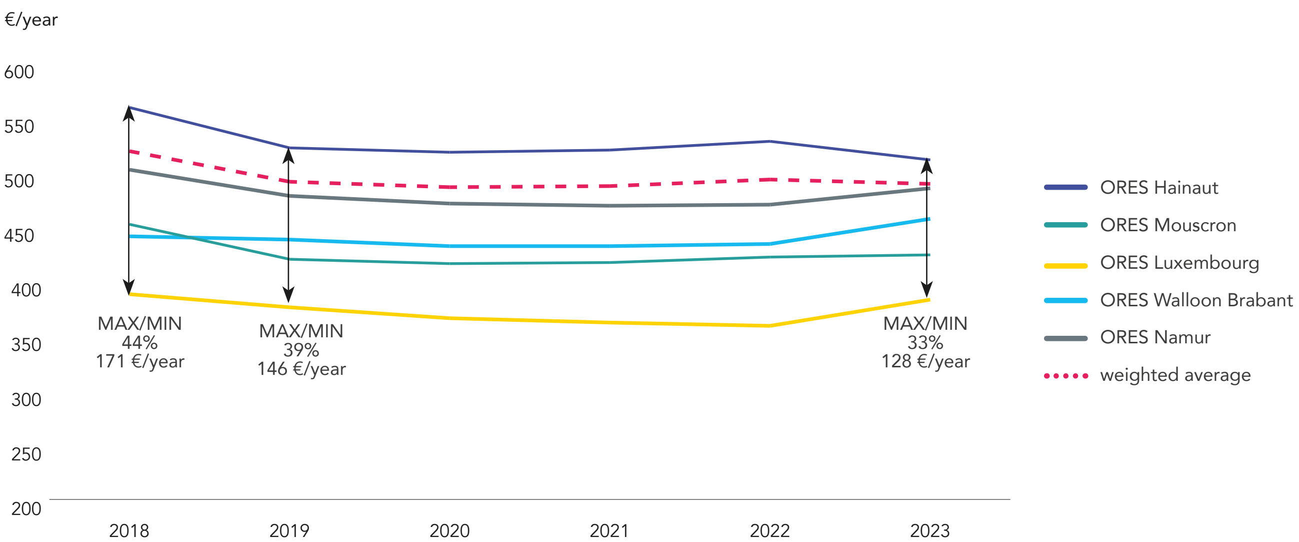
(on the basis of the consumption of 1,600 kWh peak times/1,900 kWh off-peak times)



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)

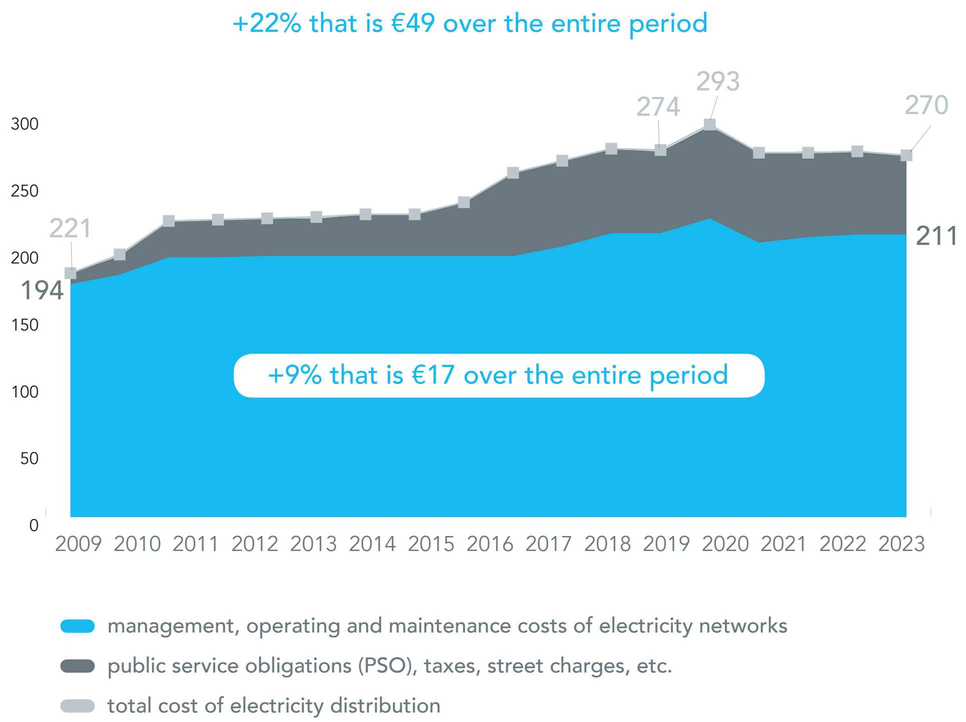


The operational and budgetary efforts made by ORES in recent years have enabled it to control the increase of network costs below the inflation level.

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.

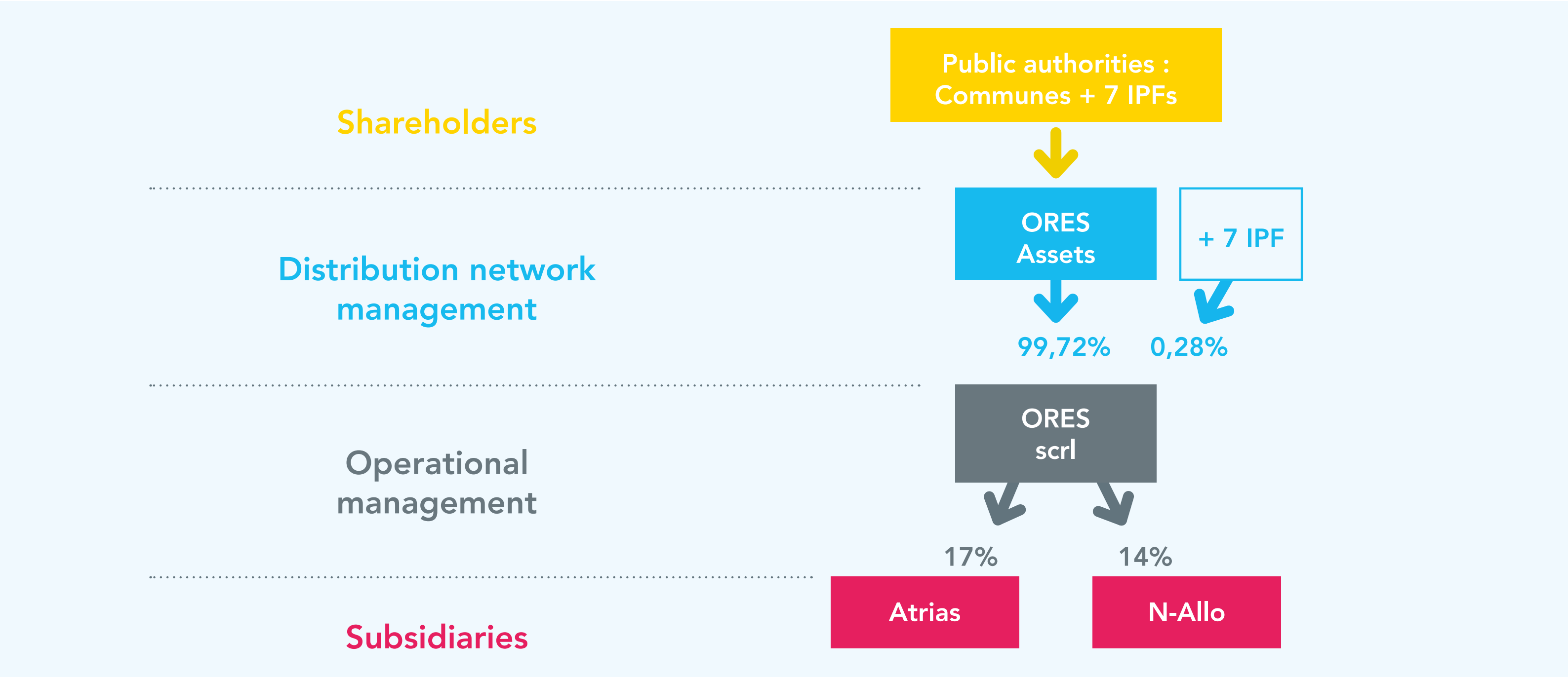
Changes to the average tariff for electricity distribution according to its different components

(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.

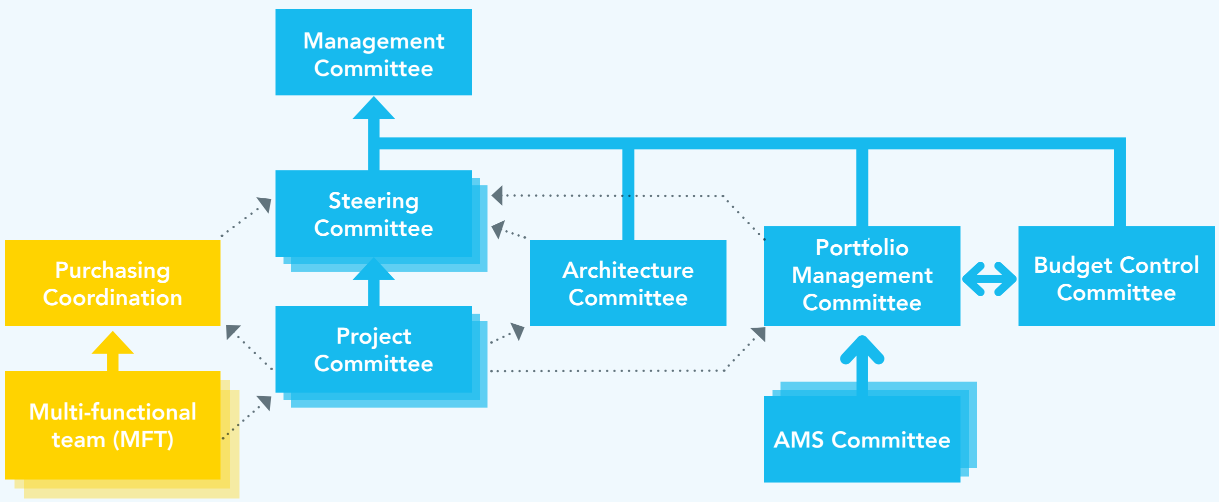
As soon as a subject demands that a collective decision be taken involving more than two departments and is of a recurrent nature, a committee is set up. These committees are permanent operational bodies designed to make strategic decisions on unambiguously defined subjects, with a clear, formalised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

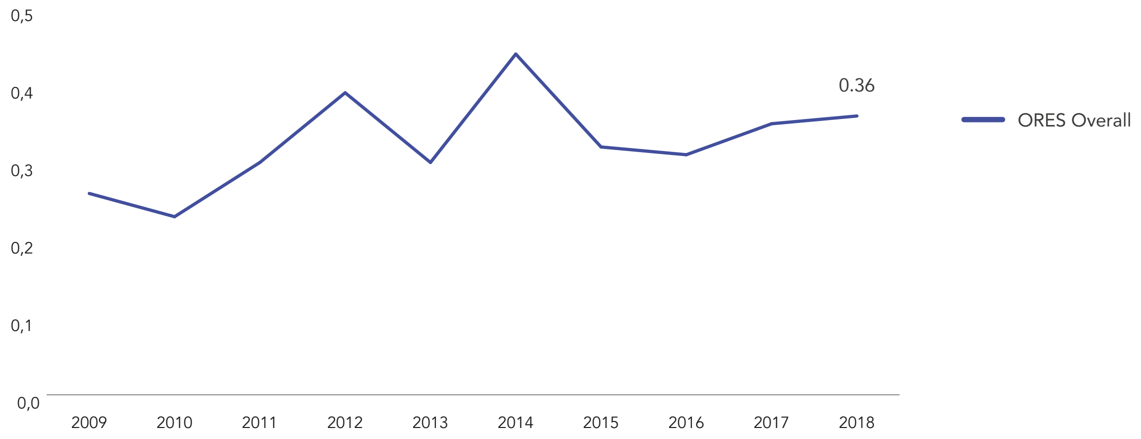
On the natural gas networks, damage often means a leak and so a danger to local residents and workers. Safety is always a priority when working on issues. Taking a preventive approach, the natural gas distribution networks are checked every year to systematically look for leaks, and it is mainly within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

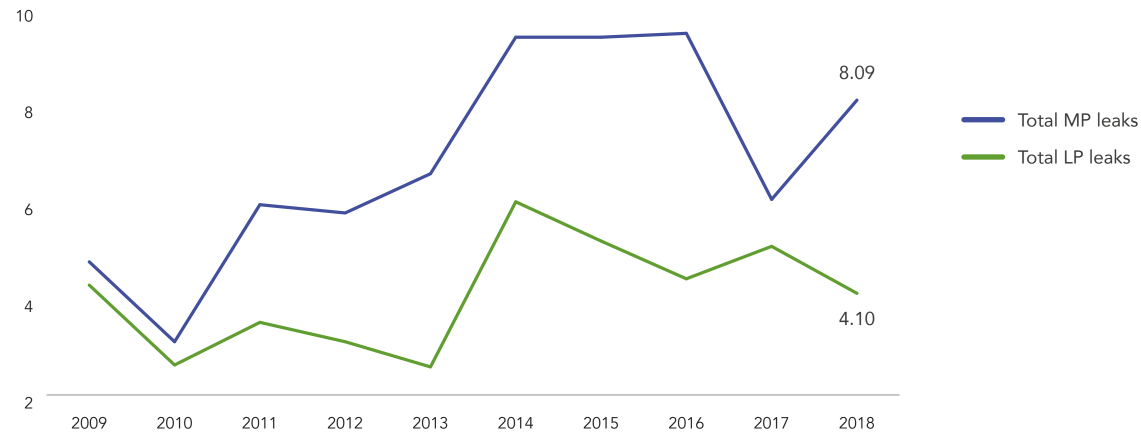
	Average in hours 2017	Average in hours 2018
Average time to arrive on site (call - arrival)	00:54:36	00:57:02
Average time spent working on the issue (arrival - finish)	01:02:01	01:04:25
Time taken to arrive and work on the issue (call - finish)	01:56:22	02:01:27

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.

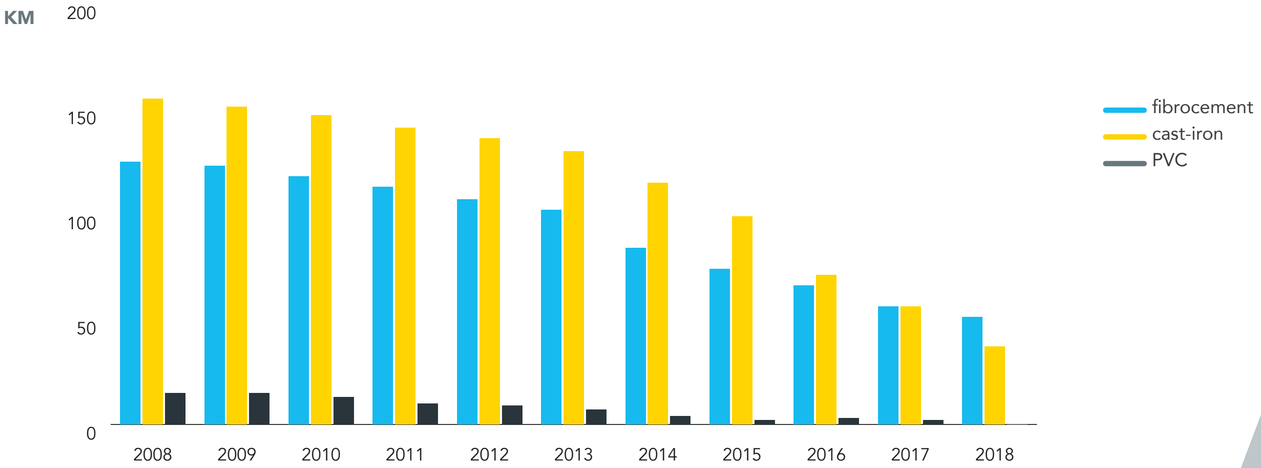
Almost 12,000 new connections were set up or renewed and 16,400 meters fitted – as well as more than 4,450 budget meters – during the year that has just ended

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

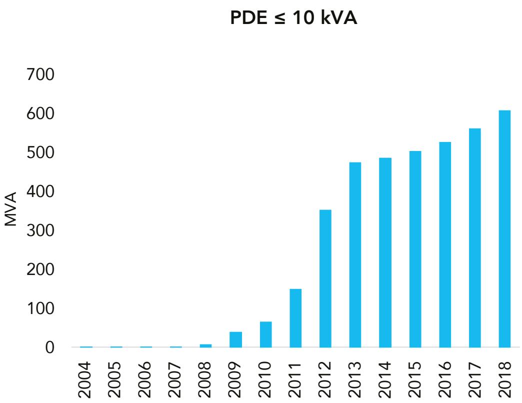
The transformation of the energy sector, like that of other areas of industry and mobility, is one of the main driving forces when it comes to tackling climate change. At the heart of the energy market, ORES is keen to position itself as a facilitator for everyone involved in the energy transition. The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

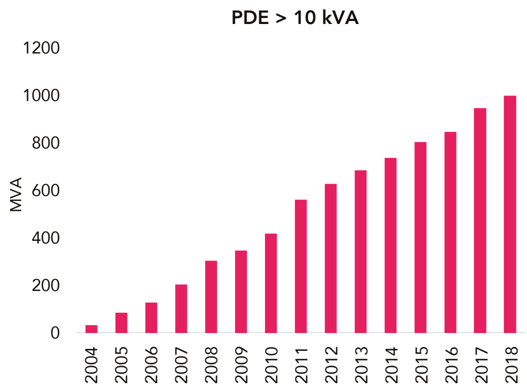
- the digitisation and modernisation of its networks and welcoming on these networks a growing number of production units using energy from renewable sources;
- the rational use of energy, including in particular by modernising the municipal public lighting infrastructures;
- the access of vehicles run 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)

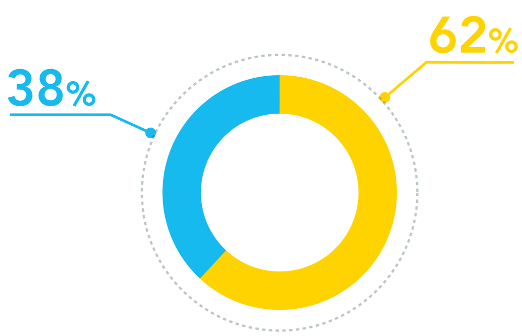
expressed in installed power (MVA) on ORES' networks



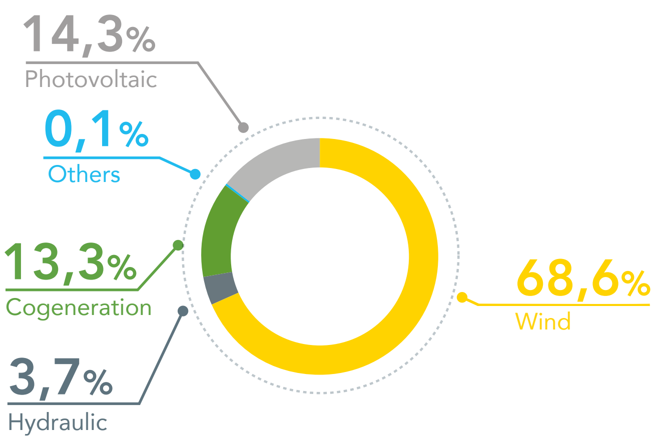


Breakdown of the total installed power according to installations

(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.

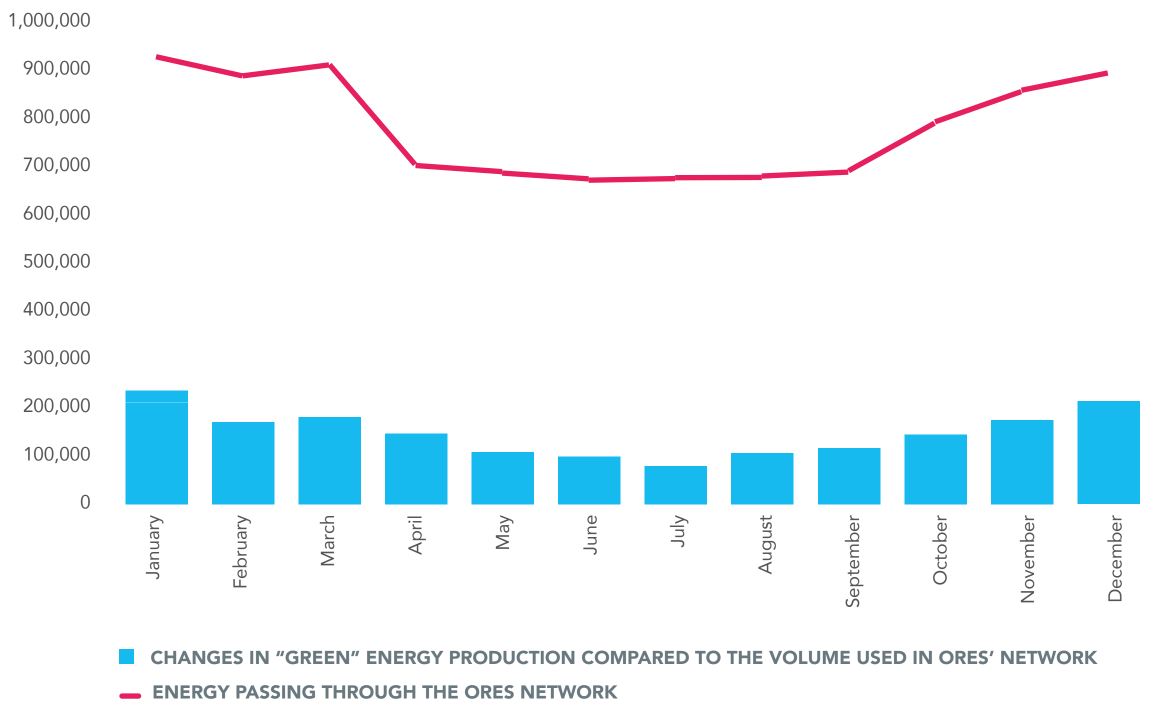
If ORES wants to encourage the incorporation of energy from renewable sources in the market, it must also make sure that it maintains quality service for the community as a whole. This is the rationale behind the project designed to transform its organisation and areas of business – described in its 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.

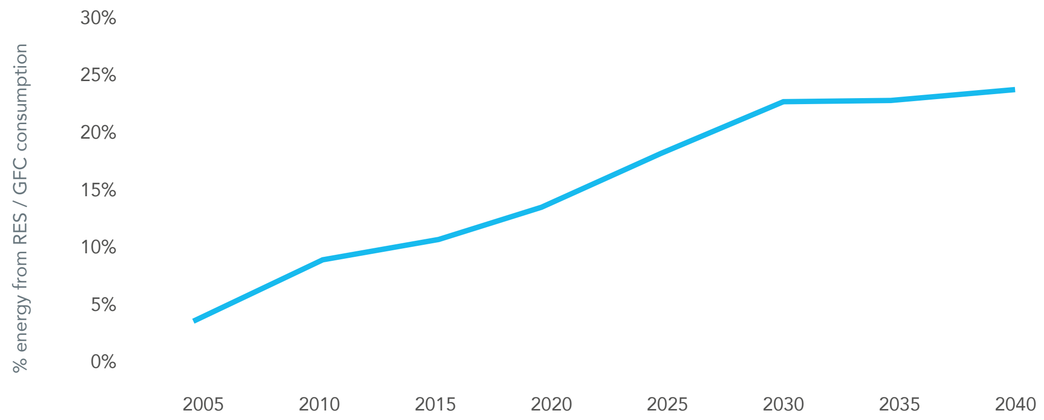
As shown in the visual below, energy from renewable sources is still in the minority in terms of the total quantity of energy going through the distribution networks. At the end of 2018, the authorities nevertheless agreed on a National Energy-Climate Plan and its regional rollout, which are designed 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.

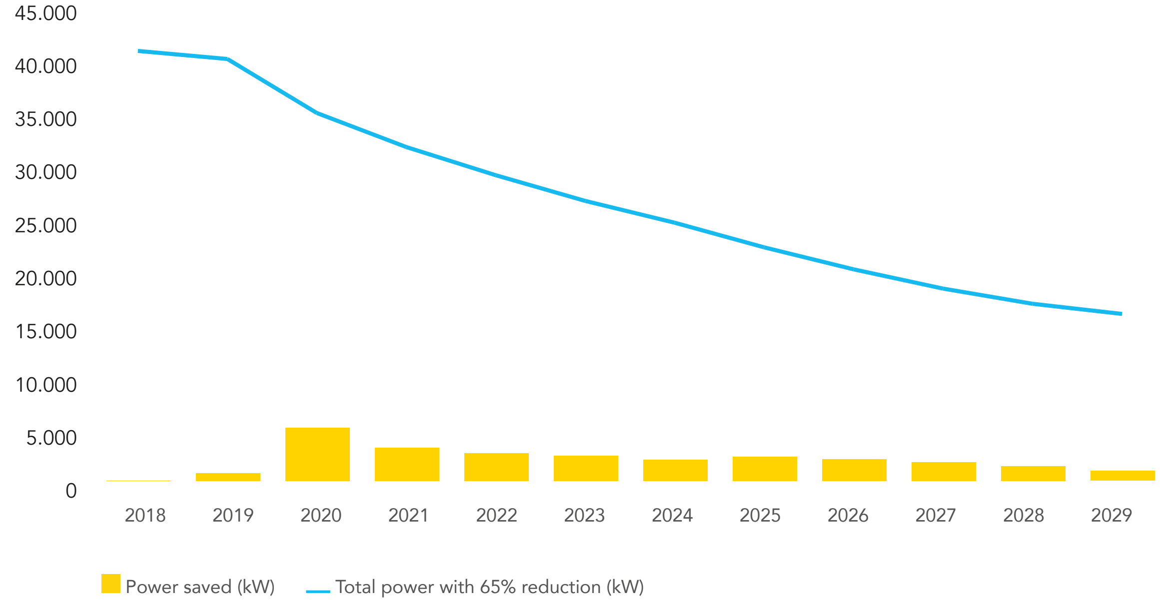
Modernising municipal public lighting

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.


ORES

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Éclairage public : on éclaire vos lanternes !

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> Qui gère cet éclairage public ?

La ville de Namur éclairée la nuit

MISE EN LUMIÈRE

LES CHIFFRES

LA BELGIQUE VUE DE L'ESPACE

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.

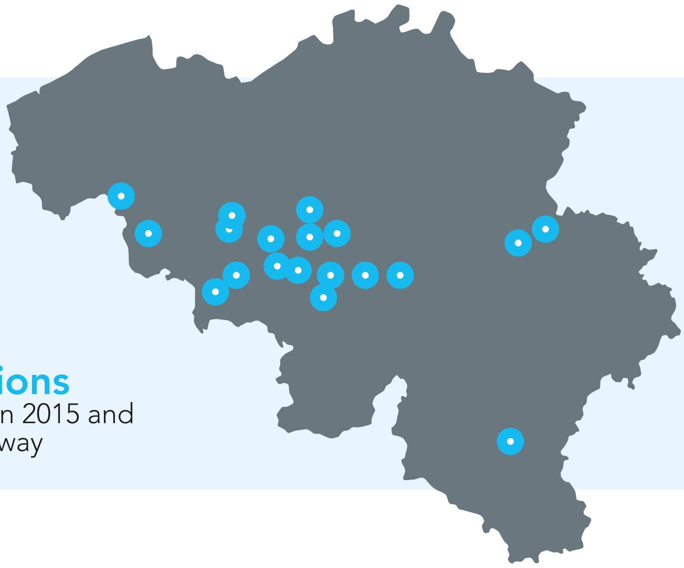
Supporting the emergence of alternative mobility

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.

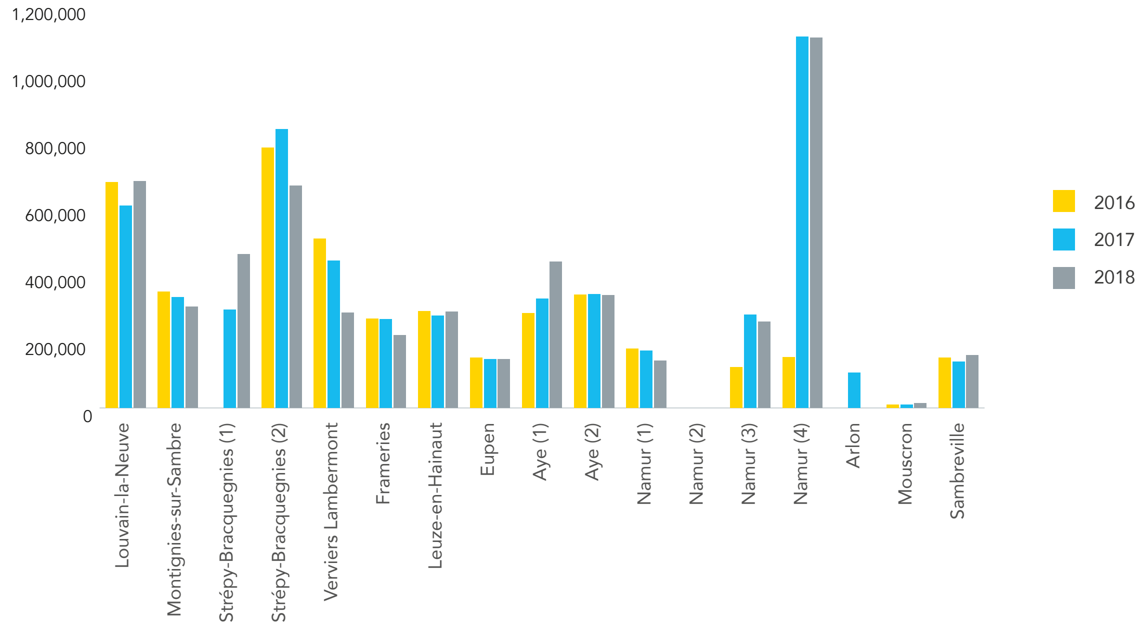
Another recurrent problem demonstrates the difficulties sometimes encountered when birds live alongside overhead cables: birds perching on lines and poles and then taking off, which, in some conditions, can electrocute the animals. Added to this is the risk of sparks, which will lead to a fault affecting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

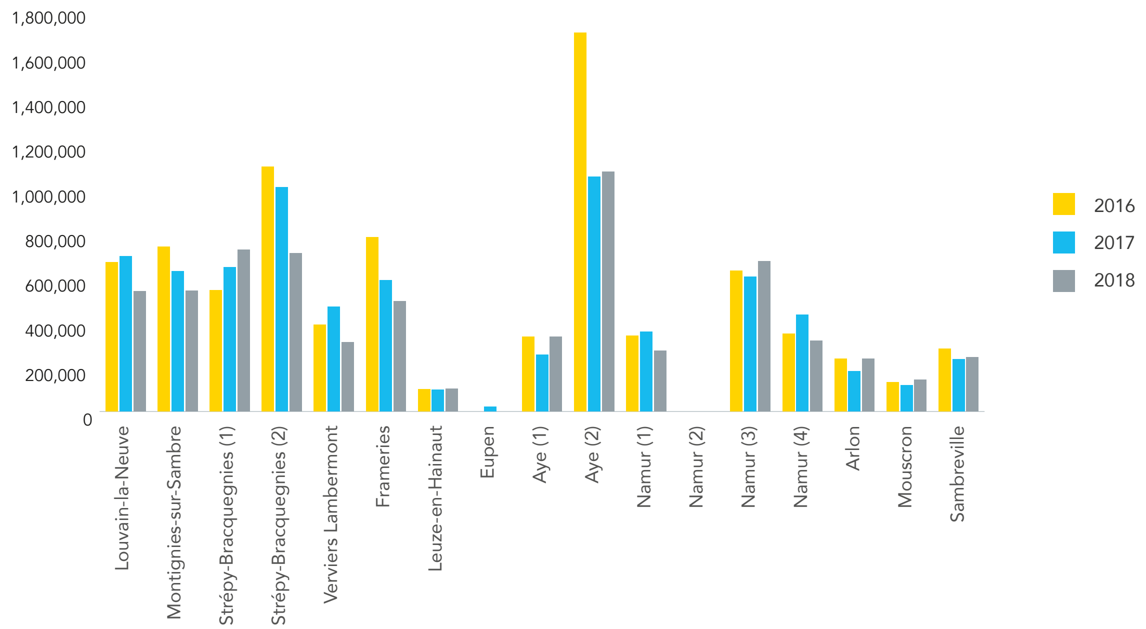
ORES also incorporates the notion of sustainable development when it comes to managing and updating its tangible and intangible assets.

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

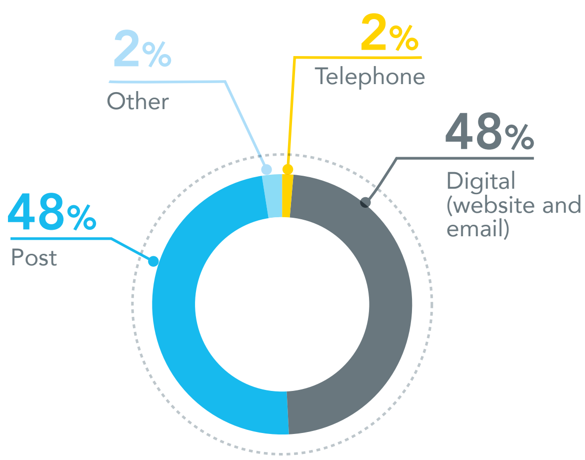
Internet user asked when browsing the website – Participation rate 15%

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.

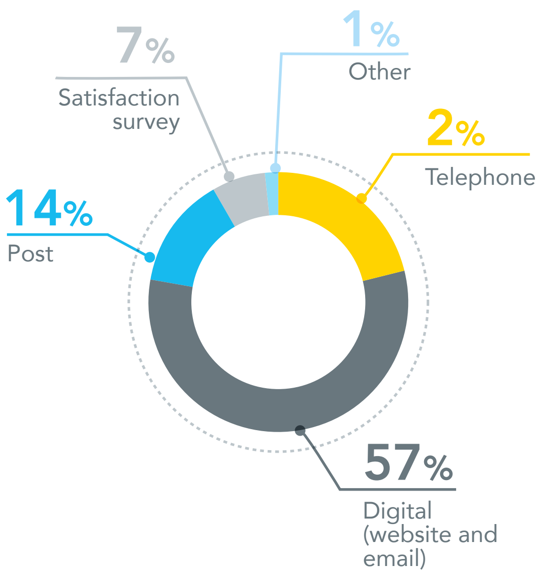
For example, within the context of the surveys carried out after "low-pressure" residential projects, customers reported many failings in terms of repairing their pavements once the work was over. This feedback has helped raise awareness among the contractors responsible for levelling about this issue, 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.

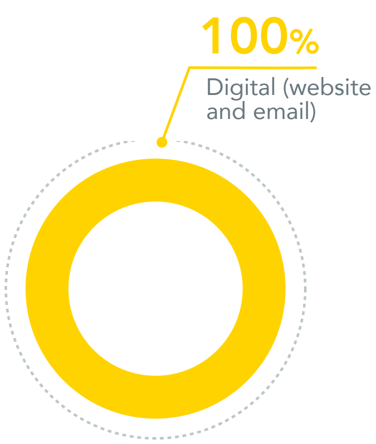
Demand for compensation



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

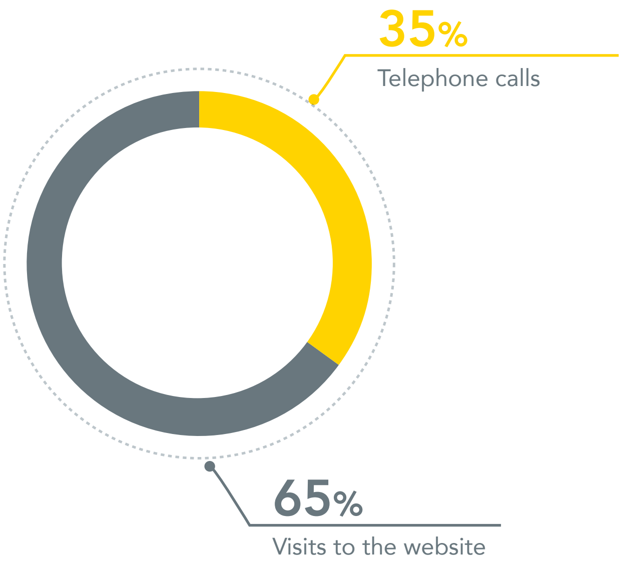
93%

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.

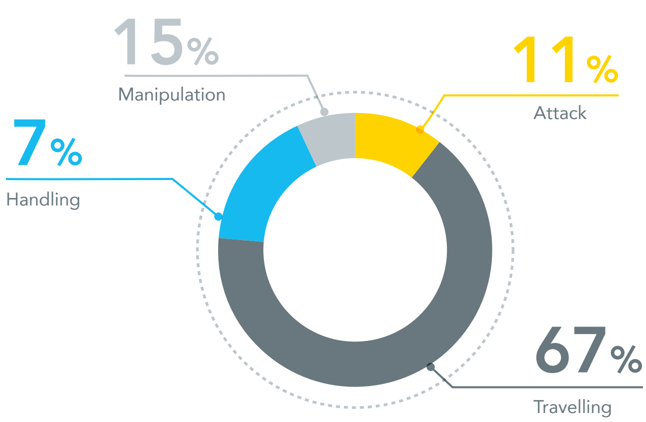
The safety policy is also at the heart of interaction between management and workers. Two joint committees dedicated to prevention and protection in the workplace ("comités paritaires pour la prévention et la protection au travail", CPPT) meet once a month to introduce and assess measures to improve 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

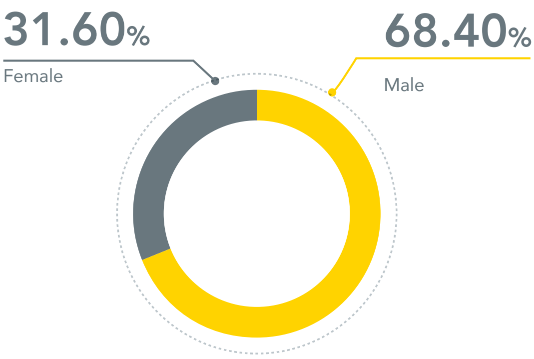


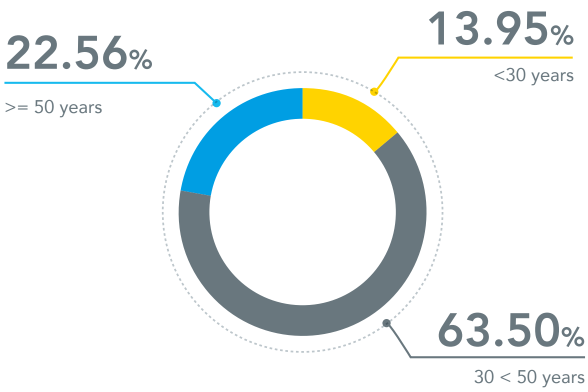
Recruitment and training*

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.

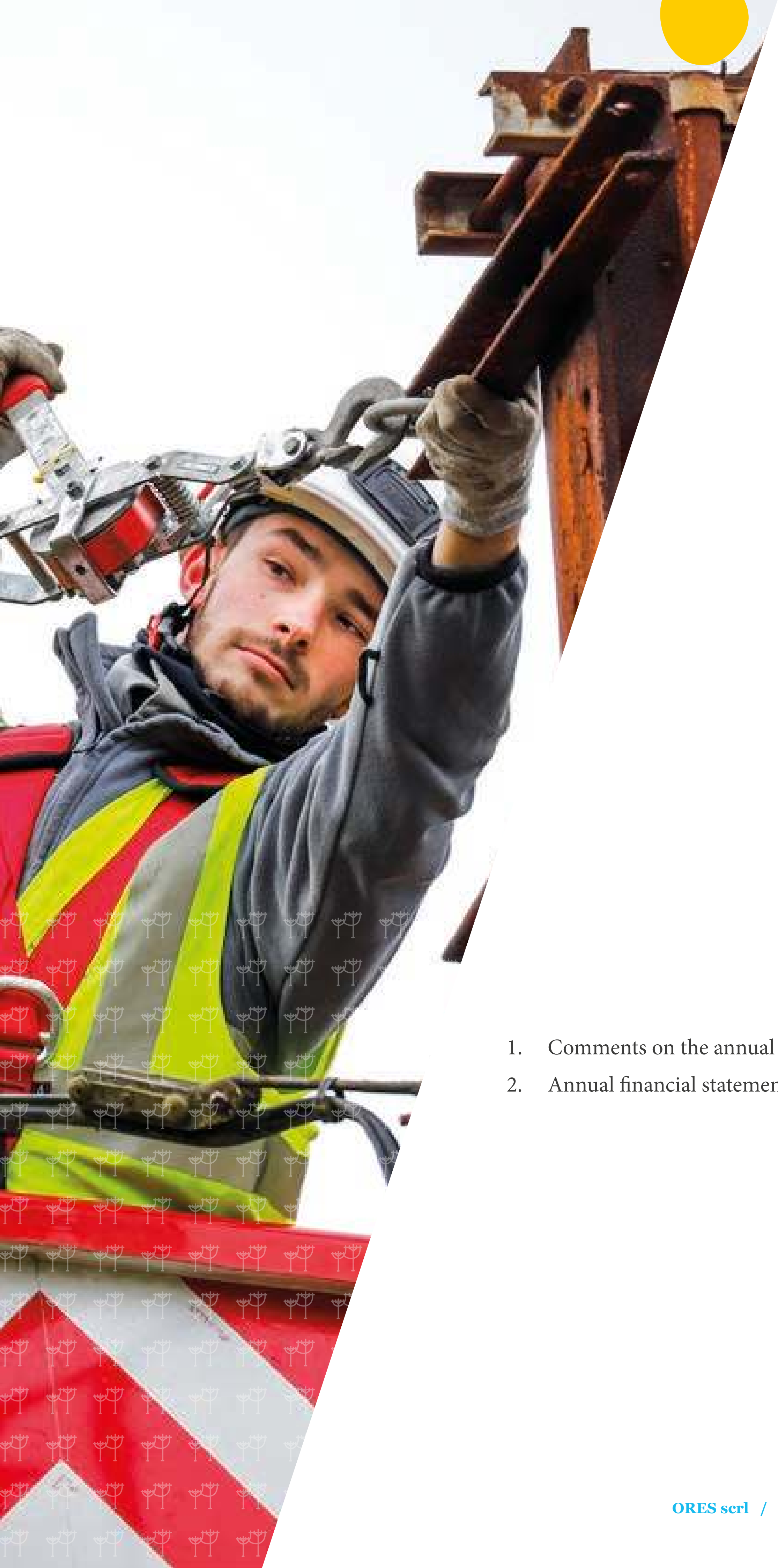
For the first time in 2015, ORES' Training Centre also welcomed engineers responsible for establishing an electricity supply in the Virunga National Park in the Democratic Republic of the Congo, offering them training on building and managing an electricity network day-to-day. In terms of the concrete, 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 96, § 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 PROFIT AND LOSS STATEMENT AS AT 31 DECEMBER 2018

The total amount for sales and services is €622,620,000 in 2018, an increase of 5.82%. It is made up of ORES scrl's revenue, at €602,996,000 (compared with €570,655,000 in 2017). This is represented by the costs charged to ORES Assets at €597,143,000 in 2018, (compared with €564,333,000 in 2017) and the work carried out on behalf of third parties at €5,853,000 in 2018 (compared with €6,322,000 in 2017). The balance of sales and services is represented, on the one hand, by other operating income, at €12,125,000 in 2018 (compared with €12,874,000 in 2017) mainly including recovered overheads and personnel costs, as well as recovered amounts from all re-invoicing connected to agreements entered into by the company and, on the other hand, by income associated with capitalising personnel costs and mixed profits on development projects at €7,499,000 in 2018 (compared with €4,852,000 in 2017).

As a reminder, ORES scrl's profit/loss as at 31 December 2018 is zero. In fact, ORES scrl is responsible for managing distribution (electricity and gas) networks on behalf of ORES Assets at cost price.

Purchases of goods amounted to €72,390,000, an increase of 9.85% compared to 2017.

Goods and miscellaneous services worth €299,315,000, an increase of 11.81% compared to 2017, relate to investments and operations as well as payments to third parties (fees for the N-Allo call centre, external consultants and lawyers, as well as payments within the context of services provided relating to IT). The balance is made up of costs relating to usage licences, transport, rent and rental fees, postage, hospitality, training etc.

Salaries, social security contributions and pensions amount to €235,784,000, a 3.26% decrease compared with 2017 (including in particular due to the "Tax-shift" effect).

At €4,940,000, depreciation was up 20.22% compared with the previous year, and represents depreciation on investments capitalised as development costs.

Write-downs of inventory and orders in progress amounted to €504,000, €424,000 of which were write-downs of inventory and €80,000 of which were write-downs of commercial debts.

Movement in terms of provisions for risks and expenses was €4,198,000 in 2018. Two provisions were established, one for €330,000, to cover ONSS (social security) contributions for the provision of IT equipment, the other for €4,789,000 within the context of terminating the IT service contract to implement an information system for smart metering. As well as this, the use of the provision for the Walloon platform for managing the vectorisation – master plans was recorded at €921,000.

The other €128,000 of operating expenses are mainly made up of miscellaneous operating taxes and charges.

A write-down of €213,000 of ORES scrl's stake in N-Allo was recorded in 2018.

Financial expenses of €42,817,000, up 31.68%, are essentially made up of interest on bonds (€570,600,000; in 2018, buyback of bonds issued in 2012 for €59,400,000), commercial papers (€131,000,000) and bank loans (€460,000,000). In 2018, the following new bank loans were taken out: €50,000,000 from Belfius, €30,000,000 from BNP Paribas Fortis and €100,000,000 from BEI.

Taxes of €5,375,000, down 3.15%, mainly represent the tax provision for the 2018 profits/losses.

Financial income of €43,030,000 is the result of the transfer from ORES scrl to ORES Assets of its financial profits from 2018.

ITEMS FROM THE BALANCE SHEET AS AT 31 DECEMBER 2018

a. ASSETS

The charges for issuing bonds are fully depreciated, with the balance of €1,914,000 as at 31 December 2017 being dealt with for the 2018 financial year in accordance with the valuation rules in force.

Intangible fixed assets worth a total of €15,844,000, up €2,571,000, are made up of development projects (mainly Smart Grid and Smart Metering).

Financial fixed assets worth €1,299,170,000, up €70,417,000, are mainly made up of the funds made available to ORES Assets for a total of €1,290,600,000 and an advance to Atrias scrl of €7,955,000.

ORES scrl owns 62 shares in Atrias scrl, 4,077 shares in N-Allo scrl, as well as one Laborelec share, purchased in 2018 from Synergrid.

Inventories and orders in progress amount to €37,764,000, so an increase of €560,000.

Trade receivables of €46,578,000 are up €1,940,000 compared with 31 December 2017. These trade receivables are essentially made up of receivables from ORES Assets (€41,999,000) and from other clients by virtue of agreements and contracts.

Other receivables of €107,067,000 are up €99,839,000 compared with 31 December 2017. They are essentially made up of the balances of current accounts with ORES Assets (€55,788,000) as well as the short-term element of receivables from ORES Assets (a total of €50,750,000), connected to ORES scrl making funds available.

Total investments are at €77,778,000, down €67,238,000. Investments in commercial papers have gone up by €7,350,000 and €75,000,000 were transferred to liquid assets. Investments as at 31 December 2018 are mainly made up of term investments in bank accounts and represent a total of €53,429,000.

At €35,817,000 (compared with €45,037,000 in 2017), liquid assets include cash held in current accounts and corporate funds.

Asset adjustment accounts amount to €1,475,000 (compared with €1,260,000 in 2017).

b. LIABILITIES

The total share capital at the end of 2018 is exactly the same as the capital as at 31 December 2017, namely €458,000. It is held by ORES Assets as well as by the purely financing intermunicipal companies IDEFIN, IPFH, FINEST, SOFILUX, FINIMO, IPFBW and IEG; it is broken down as follows:

Shareholders	%	Number of shares
ORES Assets	99.72%	2,453
IDEFIN	0.04%	1
IPFH	0.04%	1
FINEST	0.04%	1
SOFILUX	0.04%	1
FINIMO	0.04%	1
IPFBW	0.04%	1
IEG	0.04%	1
Total	**100.00%**	**2,460**

Capital subsidies (€71,000) represent 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).

Provisions for risks and expenses (€12,672,000) are made up of one provision for €6,759,000 for the Walloon platform for managing the vectorisation – master plans, one provision for €795,000 within the context of a dispute with a contractor, one for €330,000 to cover ONSS (social security contributions) for the provision of IT equipment and €4,788,000 put aside within the context of terminating the IT service contract to implement an information system for smart metering.

Long-term financial debts for €1,290,600,000, up €69,850,000 compared with 31 December 2017, are made up of a number of elements:

- commercial papers and bank loans worth €720,000,000;
- bonds worth €570,600,000.

Short-term financial debts (€142,750,000) are made up of bank loans due in over one year, owed during the year worth €50,750,000 as at 31 December 2018 and commercial papers worth €92,000,000 (compared with €145,000,000 in 2017).

Trade debts of €82,510,000 are up €7,688,000 compared with 31 December 2017, corresponding to the supplier balance, invoices and credit notes receivable.

Tax, salary and social security liabilities worth €67,367,000, up €21,377,000 compared with 31 December 2017 in particular cover:

- €4,690,000 worth of tax debts (compared with €4,399,000 in 2017) including the payroll tax balance to be paid, tax adjustments for previous years and the 2018 VAT balance to be paid;
- salary and social security liabilities worth €62,407,000 in 2018 (compared with €41,591,000 in 2017) are made up of:
  - provisions for bonuses to be paid and salaries to be paid for €35,157,000;
  - ONSS (social security contributions) for €9.645,000;
  - the provision for holiday allowances to be paid in 2019 for €17,605,000.

Other debts amount to €4,772,000 (compared with €5,297,000 in 2017).

Liability adjustment accounts (€20,293,000) were down by €3,185,000 and in particular include the total invoiced to other companies to cover annuities to pay to employees who have worked for them (€4,184,000), as well as a total of €13,590,000 essentially connected to the financial charges to be paid on our private investments, bonds and bank loans.

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 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 company's development, insofar as they are not of a nature that will seriously damage the company

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. Information about the existence of branches of the company

None

1.7. Justification of the application of accounting rules on the basis of a going concern if the balance sheet shows a loss carried over or if there is a loss according to

the profit and loss statement for two years in a row

The balance sheet does not show any loss carried over and the profit and loss statement does not show a loss for two years in a row.

1.8. All the information that needs to be included here by virtue of this code

We consider the report contains all the information required by virtue of the Code des Sociétés (Belgian company law).

1.9. 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.

1.10. Justification of independence and competence in terms of accounts and auditing of at least one member of the audit committee

Since June 2017, Mr Stéphane Lasseaux, a trained accountant, has been Chairman of the Committee, justifying de facto independence and the required competence.

A new Audit Committee was set up after the General Meeting on 28 June 2018.

This Committee (which became compulsory for ORES Assets following the decree of 29 March 2018 modifying the CDLD), was put together as a mirror committee for ORES and ORES Assets, in accordance with the joint governance rules and the requirements of the CDLD.

Mrs Florence Van Hout was appointed Chairman of this Committee, justifying the necessary independence and competence like Mr Stéphane Lasseaux, who continued to be a member of the Committee. In fact, on the one hand, they both fulfil the criteria of article 526ter of the Code des sociétés (Belgian company law) and, on the other hand, they both have the required experience in terms of accounts, audits and financial matters, in accordance with the law of 7 December 2016. These two elements were confirmed in a certificate.

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

BALANCE SHEET AFTER DISTRIBUTION

	APP.	Codes	Financial Year	Previous Financial Year
ASSETS				
Set-up costs	6.1	20	**0**	**1,914,230.20**
FIXED ASSETS		21/28	**1,315,014,218.28**	**1,242,026,070.28**
Intangible Assets	6.2	21	**15,844,339.46**	**13,273,413.57**
Tangible Assets	6.3	22/27		
Land and buildings		22		
Facilities, machinery and tooling		23		
Furniture and vehicles		24		
Finance leases and similar entitlements		25		
Other tangible assets		26		
Fixed assets under construction and advances paid		27		
Financial Fixed Assets	6.4/6.5.1	28	**1,299,169,878.82**	**1,228,752,656.71**
Affiliates	6.15	280/1	1,290,600,000	1,220,750,000
Securities holdings		280		
Accounts receivable		281	1,290,600,000	1,220,750,000
Other companies with which there is a shareholding connection	6.15	282/3	8,569,290.49	8,002,356.71
Securities holdings		282	614,616	827,316.26
Accounts receivable		283	7,954,674.49	7,175,040.45
Other financial assets		284/8	588.33	300
Stocks and shares		284	**288.33**	
Cash receivables and guarantees		285/8	300	300
CURRENT ASSETS		29/58	**306,479,585.68**	**280,382,563.25**
Receivables more than one year old		29		
Trade receivables		290		
Other receivables		291		
Inventory and orders in progress		3	**37,763,902.01**	**37,203,992.33**
Inventory		30/36	37,763,902.01	37,203,992.33
Supplies		30/31	37,763,902.01	37,203,992.33
Work in progress		32		
Finished products		33		
Goods		34		
Buildings intended for sale		35		
Payments on account		36		
Orders in progress		37		
Receivables due within one year		40/41	**153,645,587.67**	**51,865,708.41**
Trade receivables		40	46,578,360.94	44,637,782.16
Other receivables		41	107,067,226.73	7,227,926.25
Cash investments	6.5.1/6.6	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
Cash assets		54/58	**35,816,615.32**	**45,036,895.68**
Accruals and deferrals	6.6	490/1	**1,475,098.43**	**1,259,889.37**
TOTAL ASSETS		20/58	**1,621,493,803.96**	**1,524,322,863.73**

	APP.	Codes	Financial Year	Previous Financial Year
LIABILITIES				
EQUITY		10/15	**528,633.39**	**511,083.43**
Share Capital	6.7.1	10	**457,560**	**457,560**
Subscribed capital		100	457,560	457,560
Non-called-up capital		101		
Issue Premiums		11		
Upward value adjustments		12		
Reserves		13		
Legal reserve		130		
Unavailable reserves		131		
For treasury shares		1310		
Other		1311		
Tax-free reserves		132		
Available reserves		133		
Profit (loss) carried forward (+)/(-)		14		**0**
Capital grants		15	**71,073.39**	**53,523.43**
Advanced to shareholders on distribution of net assets		19		
PROVISIONS AND DEFERRED TAXES		16	**12,672,206.94**	**8,474,339.69**
Provisions for risks and expenses		160/5	**12,672,206.94**	**8,474,339.69**
Pensions and similar obligations		160		
Tax expenses		161		
Major repairs and maintenance		162		
Other risks and charges	6.8	164/5	12,672,206.94	8,474,339.69
Deferred taxes		168		
DEBTS		17/49	**1,608,292,963.63**	**1,515,337,440.61**
Debts more than one year old	6.9	17	**1,290,600,000**	**1,220,750,000**
Financial debt		170/4	1,290,600,000	1,220,750,000
Subordinated loans		170		
Unsubordinated bond issues		171		
Lease finance debt and similar liabilities		172		
Credit Institutions		173	640,000,000	460,000,000
Other borrowing		174	650,600,000	760,750,000
Trade Debts		175		
Suppliers		1750		
Notes payable		1751		
Prepayments received on orders		176		
Other debts		178/9		
Debts payable within one year		42/48	**297,399,997.92**	**271,109,502.59**
Debts payable within one year falling due within the year	6.9	42	50,750,000	0
Financial debt		43	92,000,000	145,000,000
Credit Institutions		430/8		
Other borrowing		439	92,000,000	145,000,000
Trade Debts		44	82,510,179.36	74,821,563.09
Suppliers		440/4	82,510,179.36	74,821,563.09
Notes payable		441		
Prepayments received on orders		46		
Tax, salary and social security liabilities	6.9	45	67,367,418.98	45,990,461.24
Taxes		450/3	4,960,395.97	4,399,131.47
Salaries and Social Security expenses		454/9	62,407,023.01	41,591,329.77
Other debts		47/48	4,772,399.58	5,297,478.26
Accruals and deferrals	6.9	492/3	**20,292,965.71**	**23,477,938.02**
TOTAL LIABILITIES		10/49	**1,621,493,803.96**	**1,524,322,863.73**

2.2. Profit and loss statement

		APP.	Codes	Financial Year	Previous Financial Year
Sales and services			70/76A	**622,620,124.65**	**588,381,488.23**
Revenue		6.10	70	602,995,683.39	570,654,889.99
Manufacturing work-in-progress, finished products and orders in progress: increase (reduction)	(+)/(-)		71		
Self-constructed assets			72	7,498,804.69	4,852,241.23
Other income from operations		6.10	74	12,125,636.57	12,874,357.01
Non-recurrent operating income		6.12	76A		
Cost of goods and services sold			60/66A	**617,259,721.69**	**582,847,748.49**
Raw materials and goods			60	72,390,429.61	65,899,893.09
Purchases			600/8	73,374,236.24	69,534,580.87
Stocks: reduction (increase)	(+)/(-)		609	-983,806.63	-3,634,687.78
Miscellaneous goods and services			61	299,315,280.57	267,688,257.27
Salaries, social security expenses and pensions		6.10	62	235,783,614.45	243,725,884.81
Depreciation and write-downs of set-up costs, in intangible and tangible assets			630	4,939,902.08	4,109,200.17
Write-downs of inventory, in orders in progress and in trade receivables: increases (decreases)	(+)/(-)	6.10	631/4	504,308.43	
Provisions for risks and expenses: increases (used and withdrawn)	(+)/(-)	6.10	635/8	4,197,867.25	974,339.69
Other operating expenses		6.10	640/8	128,319.30	450,173.46
Operating expenses carried to assets as restructuring costs	(-)		649		
Non-recurrent operating expenses		6.12	66A		
Operating profit (loss)	**(+)/(-)**		9901	**5,360,402.96**	**5,533,739.74**
Financial income			75/76B	**43,029,542.86**	**32,516,776.57**
Recurrent financial income			75	43,029,542.86	32,516,776.57
Income from financial investments			750		
Income from current assets			751	42,944,375.90	32,475,266.94
Other financial income		6.11	752/9	85,166.96	41,509.63
Non-recurrent financial income		6.12	76B		0
Financial expenses			65/66B	**43,029,542.86**	**32,516,776.57**
Recurrent financial expenses		6.11	65	42,816,842.60	32,516,776.57
Debt charges			650	41,883,263.56	32,147,197.29
Write-downs of current assets other than inventory, orders in progress and trade receivables: increases (decreases)	(+)/(-)		651		
Other financial expenses			652/9	933,579.04	369,579.28
Non-recurrent financial expenses		6.12	66B	212,700.26	
Profit (Loss) from the financial year before taxes	(+)/(-)		9903	**5,360,402.96**	**5,533,739.74**
Deductions on deferred taxes			780		
Transfer to deferred taxes			680		
Taxes on profit/loss	(+)/(-)	6.13	67/77	**5,360,402.96**	**5,533,739.74**
Taxes			670/3	5,374,970.98	5,549,827.57
Tax adjustments and reversals of fiscal provisions			77	14,568.02	16,087.83
Profit (Loss) from the financial year	(+)/(-)		9904	**0**	**0**
Deductions from tax-free reserves			789		
Transfer to tax-free reserves			689		
Profit (Loss) from the financial year to be allocated	(+)/(-)		9905		

2.3. Appendices

ALLOCATIONS AND DEDUCTIONS

		Codes	Financial Year	Previous Financial Year
Profit (Loss) to be allocated	(+)/(-)	9906		
Profit (Loss) for the financial year to be allocated	(+)/(-)	9905		
Profit (Loss) carried forward from the previous financial yea	(+)/(-)	14P	0	0
Transfers from capital and reserves		791/P		
on share capital and issue premiums		791		
on reserves		792		
Allocations to capital and reserves		691/2		
on the share capital and issue premiums		691		
to the statutory reserve		6920		
to other reserves		6921		
Profit (Loss)	(+)/(-)	14		0
Shareholders' share in loss		794		
Profit to be distributed		694/7		
Return on capital		694		
Directors or managers		695		
Employees		696		
Other beneficiaries		697		

APPENDICES

STATEMENT OF SET-UP COSTS

		Codes	Financial Year	Previous Financial Year
Net book value at the end of the financial year		20P	**xxxxxxxxxxxxx**	**1,914,230.20**
Movements during the financial year				
New costs incurred		8002		
Depreciation		8003	1,914,230.20	
Other	(+)/(-)	8004		
Net book value at the end of the financial year		20	**0**	
Including				
Capital formation and increase costs, loan issue expenses and other set-up costs		200/2	0	
Restructuring costs		204		

STATEMENT OF INTANGIBLE FIXED ASSETS

		Codes	Financial Year	Previous Financial Year
RESEARCH AND DEVELOPMENT COSTS				
Acquisition value at the end of the financial year		8051P	xxxxxxxxxxx	**23,969,140.01**
Movements during the financial year				
Acquisitions, including capitalised production		8021	7,510,827.97	
Asset disposals and retirements		8031		
Transfers between items	(+)/(-)	8041		
Acquisition value at the end of the financial year		8051	**31,479,967.98**	
Depreciation and downward value adjustments at the end of the financial year		8121P	**xxxxxxxxxxxx**	**10,695,726.44**
Movements during the financial year				
Recorded		8071	4,939,902.08	
Traded in		8081		
Acquired from third parties		8091		
Cancelled as a result of asset disposals and retirements		8101		
Transferred between items	(+)/(-)	8111		
Depreciation and downward value adjustments at the end of the financial year		8121	**15,635,628.52**	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		81311	**15,844,339.46**	

STATEMENT OF FINANCIAL ASSETS

		Codes	Financial Year	Previous Financial Year
AFFILIATED COMPANIES - SHAREHOLDINGS, STOCKS AND SHARES				
Acquisition value at the end of the financial year		8391P	xxxxxxxxxxx	
Movements during the financial year				
Acquisitions		8361		
Sales and disposals		8371		
Transfers between items	(+)/(-)	8381		
Acquisition value at the end of the financial year		8391		
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		
Transferred between items	(+)/(-)	8441		
Capital gains at the end of the financial year		8451		
Downward value adjustments at the end of the financial year		8521P	xxxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8471		
Trade-ins		8481		
Acquired from third parties		8491		
Cancelled as a result of asset sales and disposals		8501		
Transferred between items	(+)/(-)	8511		
Downward value adjustments at the end of the financial year		8521		
Uncalled amounts at the end of the financial year		8551P	xxxxxxxxxxxxx	
Movements during the financial year	(+)/(-)	8541		
Uncalled amounts at the end of the financial year		8551		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		280		
AFFILIATED COMPANIES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		281P	xxxxxxxxxxxxx	1,220,750,000
Movements during the financial year				
Additions		8581	180,000,000	
Reimbursements		8591	59,400,000	
Recorded write-downs		8601		
Reversed write-downs		8611		
Exchange differences	(+)/(-)	8621		
Other	(+)/(-)	8631	-50,750,000	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		281	1,290,600,000	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		8651		

		Codes	Financial Year	Previous Financial Year
RELATED BUSINESSES - SHAREHOLDINGS, STOCKS AND SHARES				
Acquisition value at the end of the financial year		8392P	xxxxxxxxxx	**827,316.26**
Movements during the financial year				
Acquisitions		8362		
Sales and disposals		8372		
Transfers between items	(+)/(-)	8382		
Acquisition value at the end of the financial year		8392	**827,316.26**	
Capital gains at the end of the financial year		8452P	xxxxxxxxxx	
Movements during the financial year				
Recorded		8412		
Acquired from third parties		8422		
Cancelled		8432		
Transferred between items	(+)/(-)	8442		
Capital gains at the end of the financial year		8452		
Downward value adjustments at the end of the financial year		8522P	xxxxxxxxxx	
Movements during the financial year				
Recorded		8472	212,700.26	
Trade-ins		8482		
Acquired from third parties		8492		
Cancelled as a result of asset sales and disposals	(+)/(-)	8502		
Transferred between items		8512		
Downward value adjustments at the end of the financial year		8522	212,700.26	
Uncalled amounts at the end of the financial year		8552P	xxxxxxxxxx	
Movements during the financial year	(+)/(-)	8542		
Uncalled amounts at the end of the financial year		8552		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		282	**614,616.00**	
RELATED BUSINESSES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		283P	xxxxxxxxxx	**7,175,040.45**
Movements during the financial year				
Additions		8582	779,634.04	
Reimbursements		8592		
Recorded write-downs		8602		
Reversed write-downs		8612		
Exchange differences	(+)/(-)	8622		
Other	(+)/(-)	8632		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		283	**7,954,674.49**	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		8652		

		Codes	Financial Year	Previous Financial Year
RELATED BUSINESSES - SHAREHOLDINGS, STOCKS AND SHARES				
Acquisition value at the end of the financial year		8393P	xxxxxxxxxxxxx	
Movements during the financial year				
Acquisitions		8363	288.33	
Sales and disposals		8373		
Transfers between items	(+)/(-)	8383		
Acquisition value at the end of the financial year		8393	288.33	
Capital gains at the end of the financial year		8453P	xxxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8413		
Acquired from third parties		8423		
Cancelled		8433		
Transferred between items	(+)/(-)	8443		
Capital gains at the end of the financial year		8453		
Downward value adjustments at the end of the financial year		8523P	xxxxxxxxxxxxxxx	
Movements during the financial year				
Recorded		8473		
Trade-ins		8483		
Acquired from third parties		8493		
Cancelled as a result of asset sales and disposals		8503		
Transferred between items	(+)/(-)	8513		
Downward value adjustments at the end of the financial year		8523		
Uncalled amounts at the end of the financial year		8553P	xxxxxxxxxxxx	
Movements during the financial year	(+)/(-)	8543		
Uncalled amounts at the end of the financial year		8553		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		284	288.33	
OTHER COMPANIES - RECEIVABLES				
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		285/8P	xxxxxxxxxxxxx	300
Movements during the financial year				
Additions		8583		
Reimbursements		8593		
Recorded write-downs		8603		
Reversed write-downs		8613		
Exchange differences	(+)/(-)	8623		
Other	(+)/(-)	8633		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		285/8	300	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR		8653		

INFORMATION RELATING TO SHAREHOLDINGS
SHAREHOLDINGS, SHARES AND ASSOCIATED RIGHTS HELD IN OTHER COMPANIES

Information is listed below on the companies in which the company has a shareholding (included under headings 280 and 282 of assets) as well as other businesses in which the company holds shares and associated rights (included under headings 284 subscribed and 51/53 of assets) representing at least 10% of the subscribed capital.

NAME, full address of the REGISTERED OFFICE and for companies regulated by Belgian law, indication of the COMPANY NUMBER	Shares and associated rights held				Data extracted from the last available annual financial statements			
	Nature	directly		by subsidiaries	Annual financial statements made up to	Currency code	Equity	Net profit/loss
		Number	%	%			(+) or (-) (in units)	
N-ALLO BE 0466.200.311 Limited liability cooperative company Bourgetlaan, Immeuble C2 42 1130 HAREN **BELGIUM**	Ordinary	4,077	13.88		31-12-2017	EUR	4,988,026	169,728
ATRIAS SCRL BE 0836.258.873 Galerie Ravenstein 4/2 1000 Bruxelles **BELGIUM**	Ordinary	62	16.67		31-12-2017	EUR	18,600	0

CASH INVESTMENTS AND DEFERRED CHARGES AND ACCRUED INCOME

	Codes	Financial Year	Previous Financial Year
CASH INVESTMENTS – OTHER INVESTMENTS			
Stocks, shares and investments other than fixed-income investments	51	4,999,345.96	4,999,345.96
Stocks and shares - Book value increased by the uncalled amount	8681	4,999,345.96	4,999,345.96
Stocks and shares - Uncalled amount	8682		
Precious metals and works of art	8683		
Fixed income securities	52		
Fixed-income securities issued by credit institutions	8684		
Term deposits held with loan institutions	53	70,350,000	138,000,000
With a residual term or notice term			
of less than one month	8686	51,000,000	126,000,000
of more than one month to less than one year	8687	19,350,000	12,000,000
of more than one year	8688		
Other cash investments not listed above	8689	2,429,036.29	2,016,731.50

	Financial Year
ACCRUALS AND DEFERRALS	
Breakdown of heading 490/1 from assets if the latter represents a significant amount	
Rentals and rental charges 2019	8,809.74
Stock option hedging premium	372,747.54
Interest receivable on investments	12,398.34
Other charges to be deferred	1,011,974.99
Interest charges to be deferred	55,757.38
Insurance premium 2019	13,410.44

STATEMENT OF SHARE CAPITAL AND SHAREHOLDING STRUCTURE

	Codes	Financial Year	Previous Financial Year
STATEMENT OF SHARE CAPITAL			
Share capital			
Subscribed capital at the end of the financial year	100P	xxxxxxxxxxxx	457,560
Subscribed capital at the end of the financial year	100	457,560	

	Codes	Amounts	Number
Changes during the financial year			
Representation of the share capital			
Share categories			
Ordinary Shares		457,560	2,460
Registered Shares	8702	xxxxxxxxxxxxx	
Bearer and/or dematerialised shares	8703	xxxxxxxxxxxxx	

	Codes	Uncalled amount	Called amount unpaid
Unreleased capital			
Uncalled capital	101		xxxxxxxxxxxxxx
Called capital, unpaid	8712	xxxxxxxxxxxxxxx	
Shareholders liable to pay up shares			

	Codes	Financial Year
Treasury shares		
Held by the company itself		
Amount of share capital held	8721	
Number of corresponding shares	8722	
Held by its subsidiaries		
Amount of share capital held	8731	
Number of corresponding shares	8732	
Share issue undertaking		
Following exercise of conversion rights		
Amount of outstanding convertible borrowings	8740	
Amount of share capital to be subscribed	8741	
Corresponding maximum number of shares to be issued	8742	
Following exercise of subscription rights		
Number of subscription rights in circulation	8745	
Amount of share capital to be subscribed	8746	
Corresponding maximum number of shares to be issued	8747	
Authorised unsubscribed share capital	8751	

	Codes	Financial Year
Shares not representing capital		
Distribution		
Number of shares	8761	
Number of votes which are attached	8762	
Breakdown by shareholder		
Number of shares held by the company itself	8771	
Number of shares held by subsidiaries	8781	

SHAREHOLDING STRUCTURE OF THE COMPANY AT THE YEAR-END

as results from the returns made by the company in virtue of the *Code des sociétés* [Company Code], article 631 section 2 last paragraph and article 632 section 2 last paragraph of the law of 2 May 2007 relating to the advertising of significant shareholdings, article 14 paragraph 4 of the royal decree of 21 August 2008 laying down additional rules relating to some multilateral negotiation systems, article 5.

NAME of the persons or entities holding ownership interests in the company, with indication of ADDRESS (the statutory registered office for legal entities) and for companies governed by Belgian law, indication of the COMPANY NUMBER	Shares and associated rights held			
	Nature	Number of voting rights		%
		Attached to securities	Not linked to securities	
ORES Assets BE 0543.696.579 avenue Jean Monnet 2 1348 Louvain-la-Neuve Belgium	Shares			99.72
IDEFIN BE 0257.744.044 Avenue Sergent WRITHOFF 2 5000 Namur **Belgium**	Shares			0.04
IPFH BE 0201.645.281 boulevard Pierre Mayence 1 6000 Charleroi **Belgium**	Shares			0.04
Finest BE 0257.864.701 place de l'Hôtel de Ville 4700 Eupen **Belgium**	Shares			0.04
Sofilux BE 0257.857.969 Avenue de Houffalize 58/8 6800 LIBRAMONT-CHEVIGNY **Belgium**	Shares			0.04
Finimo BE 0257.884.101 place du Marché 55 4800 Verviers **Belgium**	Shares			0.04

IPFBW BE 0206.041.757 avenue Jean Monnet 2 1348 Louvain-la-Neuve **Belgium**	Shares				0.04
IEG BE 0229.068.864 rue de la Solidarité 80 7700 Mouscron **Belgium**	Shares				0.04

PROVISIONS FOR OHER RISKS AND CHARGES

BREAKDOWN OF SECTION 164/5 OF LIABILITIES WHERE THIS IS A SIGNIFICANT AMOUNT

	Financial Year
management plan of master plans-vectorization	6,758,668.08
Dispute contractor	795,020.69
Denunciation of the contract for the provision of IT services for the implementation of an information system for smart metering	4,788,446.17
NOSS regularization on the availability of computer equipment	330,072

STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

	Codes	Financial Year
BREAKDOWN OF LIABILITIES ORIGINALLY DUE IN MORE THAN ONE YEAR, LISTED ACCORDING TO THEIR DUE DATES		
Debts payable within one year falling due within the year		
Financial debt	8801	50,750,000
Subordinated loans	8811	
Unsubordinated bond issues	8821	
Lease finance debt and similar liabilities	8831	
Credit Institutions	8841	
Other borrowing	8851	50,750,000
Trade Debts	8861	
Suppliers	8871	
Notes payable	8881	
Prepayments received on orders	8891	
Other debts	8901	
Total debts payable within one year falling due within the year	42	**50,750,000**
Debts due in more than one year but with no more than 5 years to run		
Financial debt	8802	530,600,000
Subordinated loans	8812	
Unsubordinated bond issues	8822	
Lease finance debt and similar liabilities	8832	
Credit Institutions	8842	160,000,000
Other borrowing	8852	370,600,000
Trade Debts	8862	
Suppliers	8872	
Notes payable	8882	
Prepayments received on orders	8892	
Other debts	8902	
Total debts due in more than one year but with no more than 5 years to run	8912	**530,600,000**
Debts with more than 5 years to run		
Financial debt	8803	760,000,000
Subordinated loans	8813	
Unsubordinated bond issues	8823	
Lease finance debt and similar liabilities	8833	
Credit Institutions	8843	480,000,000
Other borrowing	8853	280,000,000
Trade Debts	8863	
Suppliers	8873	
Notes payable	8883	
Prepayments received on orders	8893	
Other debts	8903	
Total debts with more than 5 years to run	8913	**760,000,000**

	Codes	Financial Year
SECURED DEBTS		
Debts guaranteed by the Belgian public authorities		
Financial debt	8921	
Subordinated loans	8931	
Unsubordinated bond issues	8941	
Lease finance debt and similar liabilities	8951	
Credit Institutions	8961	
Other borrowing	8971	
Trade Debts	8981	
Suppliers	8991	
Notes payable	9001	
Prepayments received on orders	9011	
Salary and social security liabilities	9021	
Other debts	9051	
Total debts guaranteed by the belgian public authorities	9061	
Debts guaranteed by actual securities constituted or irrevocably promised on the company's assets		
Financial debt	8922	
Subordinated loans	8932	

	Codes	Financial Year
Unsubordinated bond issues	8942	
Lease finance debt and similar liabilities	8952	
Credit Institutions	8962	
Other borrowing	8972	
Trade Debts	8982	
Suppliers	8992	
Notes payable	9002	
Prepayments received on orders	9012	
Tax, salary and social security liabilities	9022	
Taxes	9032	
Salaries and Social Security expenses	9042	
Other debts	9052	
Total debts guaranteed by actual securities constituted or irrevocably promised on the company's assets	9062	

	Codes	Financial Year
TAX, SALARY AND SOCIAL SECURITY LIABILITIES		
Taxes		
Tax liabilities due	9072	
Non-due tax liabilities	9073	4,960,395.97
Estimated tax liabilities	450	0
Salaries and Social Security expenses		
Liabilities due to the ONSS (National Social Security Office)	9076	
Other salary and social security liabilities	9077	62,407,023.01

	Financial Year
ACCRUALS AND DEFERRALS	
Breakdown of heading 492/3 from liabilities if the latter represents a significant amount	
Provisions related to staff	6,666,913.14
Financial expenses to be charged	13,593,176.53
Administrative expenses	32,876.04

OPERATING PROFIT

		Codes	Financial Year	Previous Financial Year
OPERATING INCOME				
Net turnover				
Breakdown by activity category				
Network operator			602,995,683.39	570,654,889.99
Breakdown by geographical market				
Belgium			602,995,683.39	570,654,889.99
Other income from operations				
Operational subsidies and compensatory amounts obtained from public authorities		740		
OPERATING EXPENSES				
Workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who are on the general register of staff				
Total number at the year-end date		9086	2,404.00	2,312
Average number of staff calculated in full-time equivalents		9087	2,336.00	2,324
Number of hours actually worked		9088	3,371,910.00	3,372,279
Personnel Costs				
Remuneration and direct social benefits		620	139,185,802.39	136,830,033.22
Employers' social insurance contributions		621	33,514,285.78	38,546,289.05
Employers' premiums for extra insurance		622	50,398,518.96	54,145,002.01
Other staff costs		623	12,214,777.65	10,296,975.35
Retirement and survivors' pensions		624	470,229.67	3,907,585.18
Provisions for pensions and similar obligations				
Increases (uses and withdrawals)	(+)/(-)	635		
Write-downs				
On stocks and orders in progress				
Recorded		9110	423,896.95	
Trade-ins		9111		
On trade receivables				
Recorded		9112	85,186.48	
Trade-ins		9113	4,775.00	
Provisions for risks and expenses				
Constitutions		9115	5,118,518.17	974,339.69
Uses and withdrawals		9116	920,650.92	
Other operating expenses				
Taxes and fees related to operations		640	79,824.85	346,152.19
Other		641/8	48,494.45	104,021.27
Temporary staff and individuals made available to the company				
Total number at the year-end date		9096	28.00	23
Average number calculated in full-time equivalents		9097	28.10	22.80
Number of hours actually worked		9098	54,102.00	45,531
Costs for the company		617	1,752,403.11	1,039,231.81

FINANCIAL AND EXCEPTIONAL INCOME

	Codes	Financial Year	Previous Financial Year
RECURRENT FINANCIAL INCOME			
Other financial income			
Subsidies granted by public authorities and charged to the profit/loss account			
Capital grants	9125	32,744.01	40,828.86
Interest subsidies	9126		
Breakdown of other financial income			
Miscellaneous		1.69	680.77
Capital gains		52,421.26	
RECURRENT FINANCIAL EXPENSES			
Depreciation of loan issue costs	6501	**1,914,230.20**	**1,914,230.20**
Interest recorded under assets	6503		
Write-downs on current assets			
Recorded	6510		
Withdrawals	6511		
Other financial expenses			
Amount of discount to be borne by the company on the negotiation of receivables	653		
Financial provisions			
Increases	6560		
Uses and withdrawals	6561		
Breakdown of other financial expenses			
Miscellaneous		125,361.84	138,313.53
Commission on line of credit on unraised funds		62,520.69	150,000
Unrealized loss		0	81,265.75
Compensation for non recovery of financing in the framework of the PBE spliting operation		745,696.51	

INCOME AND EXPENDITURE OF AN EXTRAORDINARY SIZE OR IMPACT

		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		
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		
Non-recurrent operating financial income		76B		0
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		0
Other non-recurrent financial income		769		
NON-RECURRENT FINANCIAL EXPENSES		66		
Non-recurrent operating expenses		66A	**212,700.26**	
Depreciation and non-recurrent write-downs on set-up costs, on intangible and tangible fixed assets		660		
Provisions for extraordinary operating risks and expenses: increases (use)	(+)/(-)	6620		
Capital loss on the disposal of intangible and tangible fixed assets		6630		
Other non-recurrent operating expenses		664/7		
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		
Non-recurrent financial expenses carried to assets as restructuring	(-)	6691		

DUTIES AND TAXES

	Codes	Financial Year
TAXES ON PROFIT/LOSS		
Taxes on the financial year profit/loss	9134	**5,374,970.98**
Taxes and deductions due or paid	9135	**17,102**
Surplus of payments of taxes or deductions recorded under assets	9136	
Estimated additional tax	9137	5,357,868.98
Taxes on previous financial years' profit/loss	9138	
Additional tax due or paid	9139	
Estimated or set-aside additional tax	9140	
Main sources of disparities between the profit before tax, expressed in the accounts, and estimated taxable profit		
Non-deductible expenditure		19,205,702.66

	Financial Year
Impact of extraordinary profit/loss on the amount of tax on the profit/loss for the financial year	

	Codes	Financial Year
Sources of deferred taxes		
Deferred assets	9141	
Cumulative tax losses, deductible from subsequent taxable profit	9142	
Other active deferrals		
Deferred liabilities	9144	
Breakdown of deferred liabilities		

	Codes	Financial Year	Previous Financial Year
VALUE-ADDED TAX AND TAXES BORNE BY THIRD PARTIES			
Value-Added Taxes, entered into			
The company's accounts (deductible)	9145	80,159,375.62	69,300,280.32
By the company	9146	105,286,243.27	96,047,589.27
Amounts held borne by third parties, for			
Payroll tax	9147	38,763,899.58	39,228,173.20
Withholding tax	9148	17,102.00	17,690.55

OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

	Codes	Financial Year
PERSONAL GUARANTEES CONSTITUTED OR IRREVOCABLY PROMISED BY THE COMPANY AS A GUARANTEE AGAINST THIRD-PARTY DEBTS OR COMMITMENTS	9149	
Including		
Outstanding bills of exchange endorsed by the company	9150	
Outstanding bills of exchange drawn or guaranteed by the company	9151	
Maximum amount up to which other commitments from third parties are guaranteed by the company	9153	
ACTUAL GUARANTEES		
Actual guarantees constituted or irrevocably promised by the company on its own as- sets, as a guarantee against the company's debts or commitments		
Mortgages		
Book value of charged properties	9161	
Amount of registration	9171	
Pledges against goodwill – Amount of registration	9181	
Pledges against other assets – Book value of pledged assets	9191	
Collateral provided on future assets - Amount of the assets in question	9201	
Actual guarantees constituted or irrevocably promised by the company on its own assets, as a guarantee against third-party debts or commitments		
Mortgages		
Book value of charged properties	9162	
Amount of registration	9172	
Pledges against goodwill – Amount of registration	9182	
Pledges against other assets – Book value of pledged assets	9192	
Collateral provided on future assets - Amount of the assets in question	9202	
AMOUNTS OF GOODS AND VALUES, NOT DISCLOSED ON THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT RISK TO AND FOR THE BENEFIT OF THE COMPANY		
SIGNIFICANT COMMITMENTS FOR ACQUISITIONS OF FIXED ASSETS		
SIGNIFICANT COMMITMENTS FOR DISPOSALS OF FIXED ASSETS		
FUTURES MARKET		
Goods purchased (to be received)	9213	
Goods sold (to be supplied)	9214	
Goods purchased (to be received)	9215	
Goods sold (to be supplied)	9216	

	Financial Year
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES ATTACHED TO SALES OR SERVICES ALREADY CARRIED OUT	

	Financial Year
AMOUNT, NATURE AND FORM OF DISPUTES AND OTHER SIGNIFICANT COMMITMENTS	
Guarantees from ORES Assets for the commercial bills issue programme	2,220,000,000
Sureties received under public procurement contracts	30,375,875.85
Stock Options plan	6,924,893.28

ADDITIONAL RETIREMENT OR SURVIVOR'S PENSION SCHEMES INSTIGATED FOR THE BENEFIT OF STAFF OR COMPANY OFFICERS

Brief description

Outsourcing of supplementary pensions through allocations to the pension funds

Compensation in the form of annuities

Measures taken to cover the resulting expense

Regular payments to the pension funds in question

Direct financing of the annuities by the balance sheet

	Codes	Financial Year
PENSIONS INCUMBENT UPON THE COMPANY ITSELF		
Estimated amount of commitments resulting from services already performed	9220	
Bases and methods for this estimate		

	Financial Year
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
PURCHASING OR SALES OBLIGATIONS WHICH THE COMPANY HAS AS ISSUER OF SALES OR PURCHASING OPTIONS	

	Financial Year
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT RECORDED ON THE BALANCE SHEE	
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 company	

	Financial Year
OTHER OFF-BALANCE-SHEET RIGHTS INCLUDING THOSE NOT LIKELY TO BE QUANTIFIED	

RELATIONSHIPS WITH AFFILIATED COMPANIES , ASSOCIATED COMPANIES AND OTHER COMPANIES WITH WHICH THERE IS A SHAREHOLDING CONNECTION

	Codes	Financial Year	Previous Financial Year
AFFILIATED COMPANIES			
Financial Fixed Assets	280/1	**1,290,600,000**	**1,220,750,000**
Securities holdings	280		
Subordinate receivables	9271		
Other receivables	9281	1,290,600,000	1,220,750,000
Receivables	9291	**148,507,803.79**	**44,930,568.24**
Payable in more than one year	9301		
Payable within one year	9311	148,507,803.79	44,930,568.24
Cash investments	9321		
Actions	9331		
Accounts receivable	9341		
Debts	9351		**1,258**
Due in more than 1 year	9361		
Due within 1 year	9371		1,258
Personal and actual guarantees			
Constituted or irrevocably promised by the company as a guarantee against affiliated company debts or commitments	9381		
Constituted or irrevocably promised by affiliated companies as a guarantee against the company's debts or commitments	9391		
Other significant financial commitments	9401		
Financial Income			
Income from financial investments	9421		
Income from current assets	9431	42,638,946.34	32,391,967.28
Other financial income	9441		
Debt charges	9461		
Other financial expenses	9471		
Disposals of capital assets			
Capital gains realised	9481		
Capital losses realised	9491		
ASSOCIATED COMPANIES			
Financial Fixed Assets	9253		
Securities holdings	9263		
Subordinate receivables	9273		
Other receivables	9283		
Receivables	9293		
Payable in more than one year	9303		
Payable within one year	9313		
Debts	9353		
Due in more than 1 year	9363		
Due within 1 year	9373		
Personal and actual guarantees			
Constituted or irrevocably promised by the company as a guarantee against associated company debts or commitments	9383		
Constituted or irrevocably promised by associated companies as a guarantee against the company's debts or commitments	9393		
Other significant financial commitments	9403		
OTHER COMPANIES WITH A SHAREHOLDING CONNECTION			
Financial Fixed Assets	9252	**8,569,290.49**	**8,002,356.71**
Securities holdings	9262	614,616.00	827,316.26
Subordinate receivables	9272		
Other receivables	9282	7,954,674.49	7,175,040.45
Receivables	9292	**28,049.20**	**13,746.74**
Payable in more than one year	9302		
Payable within one year	9312	28,049.20	13,746.74
Debts	9352	**1,144,004.58**	**1,167,486.34**
Due in more than one year	9362		
Due within one year	9372	1,144,004.58	1,167,486.34

TRANSACTIONS WITH RELATED PARTIES CARRIED OUT UNDER CONDITIONS OTHER THAN MARKET CONDITIONS

Such transactions must be mentioned if they are significant, including the amount and an indication of the nature of the connection with the related party, as well as any other information on the transactions which would be necessary to gain a better understanding of the financial position of the company.

Financial Year

FINANCIAL RELATIONSHIPS WITH

	Codes	Financial Year
THE DIRECTORS AND MANAGERS, NATURAL PERSONS OR LEGAL ENTITIES WHO DIRECTLY OR INDIRECTLY CONTROL THE COMPANY WITHOUT BEING CONNECTED TO IT OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS OR ENTITIES		
Receivables on the aforementioned persons/entities	9500	
Main conditions for the receivables, interest rate, term, amounts potentially repaid, cancelled or for which this has been waived		
Guarantees constituted in their favour	9501	
Other significant commitments subscribed in their favour	9502	
Direct and indirect salaries and pensions allocated, charged to the profit and loss account, where mention of this does not elusively or principally concern the situation of a single identifiable person or entity		
To directors and managers	9503	365,007.28
To former directors and former managers	9504	

	Codes	Financial Year
THE AUDITORS AND PERSONS OR ENTITIES WITH WHOM THEY ARE CONNECTED		
Auditors' fees	9505	**31,494**
Fees for extraordinary services or special tasks carried out within the company by the auditor(s)		
Other certification tasks	95061	
Tax consultancy assignments	95062	
Other assignments outside the auditing task	95063	3,780.00
Fees for extraordinary services or special tasks carried out within the company by persons or entities with whom the auditor(s) are related		
Other certification tasks	95081	
Tax consultancy assignments	95082	
Other assignments outside the auditing task	95083	

Statements pursuant to article 134 of the Code des sociétés [Belgian Company law]

DERIVED FINANCIAL INSTRUMENT NOT ASSESSED AT THE RIGHT VALUE

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

				Financial year		Previous financial year	
Category of derived financial instruments	Risk covered	Speculation / coverage	Volume	Book value	Right value	Book value	Right value
Swaps (volume give in k€)	Rate	Coverage	120,000		-1,801,355.57	0	-237,305.42
Cap (volume give in k€)	Rate	Coverage	30,000		99,451.39	0	185,929.84

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	3,100
N'ALLO s.c.r.l.	611,516	611,516

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 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

STATEMENT RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information to be completed by companies subject to the provisions of the Code des sociétés [Belgian Company Law} relating to consolidated financial statements

INFORMATION TO BE COMPLETED BY THE COMPANY IF IT IS A SUBSIDIARY OR JOINT SUBSIDIARY

Name, full address of the registered office and, if the company is regulated by Belgian law, the company number of the parent company (companies) and an indication if this (these) parent company (companies) draw(s) up and publish(es) consolidated accounts in which these annual financial statements are incorporated by consolidation*:

ORES Assets
Consolidating parent company - The largest assembly
BE 0543.696.579
Avenue Jean Monnet 2
1348 Louvain-la-Neuve
BELGIUM

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*If the company's accounts are consolidated at several levels, the information is given on the one hand for the largest set and on the other hand for the smallest set of companies of which the company is part as a subsidiary and for which the consolidated financial statements are drawn up and published.

2.4. Social accounting

SOCIAL ACCOUNTING

Numbers of joint committees on which the company depends: 326

Statement of persons employed

Workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who are on the general register of staff

During the financial year	Codes	Total	1. Men	2. Women
Average number of workers				
Full-time	1001	1,977	1,476	501
Part-time	1002	375	136	239
Total in full-time equivalents (FTE)	1003	2,336	1,610	726
Number of hours actually worked				
Full-time	1011	2,373,869	2,217,951	155,918
Part-time	1012	998,041	724,722	273,319
Total	1013	3,371,910	2,942,673	429,237
Personnel Costs				
Full-time	1021	200,057,780.16	156,415,440.85	43,642,339.31
Part-time	1022	35,255,604.62	14,410,635.63	20,844,968.99
Total	1023	235,313,384.78	170,826,076.48	64,487,308.30
Amount of benefits granted in addition to salary	1033			

During the previous financial year	Codes	P. Total	1P. Men	2P Women
Average number of workers in FTE	1003	2,324	1,608	716
Number of hours actually worked	1013	3,372,279	2,971,777	400,502
Personnel Costs	1023	239,256,458.34	173,458,738.72	65,797,719.62
Amount of benefits granted in addition to salary	1033			

As at the year-end date

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of workers	105	2,033	371	2387.1
By type of work contract				
Permanent contract	110	1,922	371	2276.1
Fixed-term contract	111	111	0.00	111
Contract for carry out a clearly defined piece of work	112	0.00	0.00	0.00
Replacement contract	113	0.00	0.00	0.00
By sex and level of study				
Men	120	1,512	133	1,642.30
primary level	1200	421	23	443.80
secondary level	1201	636	82	717.00
higher non-university level	1202	292	21	311.60
university level	1203	163	7	169.90
Women	121	521	238	744.80
primary level	1210	116	60	172.80
secondary level	1211	98	43	138.40
higher non-university level	1212	234	122	348.70
university level	1213	73	13	84.90
By professional category				
Management personnel	130	264	22	284.80
Employees	134	1,769	349	2,102.30
Workers	132			
Other	133			

Temporary staff and individuals made available to the company

During the financial year	Codes	1. Temporary staff	2. Individuals made available to the company
Average number of persons employed	150	23.10	5
Number of hours actually worked	151	45,593	8,509
Costs for the company	152	1,241,749.56	510,653.55

Table of staff movements during the financial year

Input	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of workers for whom the company has intro- duced a DIMONA [immediate recruitment declaration] statement or who were registered on the general register of staff during the financial year	205	203	2	203.2
By type of work contract				
Permanent contract	210	100	1	100.1
Fixed-term contract	211	103	1	103.1
Contract for carry out a clearly defined piece of work	212			
Replacement contract	213			

Staff departures	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of workers whose contract end date has been recorded in a DIMONA statement or on the general staff register during the financial year.	305	106	10	112.6
By type of work contract				
Permanent contract	310	61	10	67.6
Fixed-term contract	311	45	0	45.0
Contract for carry out a clearly defined piece of work	312			
Replacement contract	313			
By reason of termination of contract				
Pension	340	22	0	22.0
Unemployed with company supplement	341	10	5	13.5
Dismissal	342	11	3	13.8
Other grounds	343	63	2	63.3
Including: the number of persons who are continuing, at least part-time, to provide services for the company as self-employed	350			

Information on training for workers during the financial year

	Codes	Men	Codes	Women
Initiatives in terms of formal continuous professional development at the employer's expense				
Number of workers concerned	5801	1,525	5811	618
Number of hours of training undertaken	5802	69,707	5812	18,905
Net cost to the company	5803	11,029,899.97	5813	3,119,234.44
including the gross costs directly linked to training	58031	11,029,899.97	58131	3,119,234.44
including contributions paid and payments to collective funds	58032		58132	
including subsidies and other financial benefits received (to be deducted)	58033		58133	
Initiatives in terms of less formal or informal continuous professional development at the employer's expense				
Number of workers concerned	5821	28	5831	10
Number of hours of training undertaken	5822	4,662	5832	47
Net cost to the company	5823	297,682.10	5833	10,541.07
Initiatives in terms of initial professional training at the employer's expense				
Number of workers concerned	5841	1	5851	1
Number of hours of training undertaken	5842	99	5852	84
Net cost to the company	5843	2,194.85	5853	0

2.5. Valuation rules

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.

FINANCIAL FIXED ASSETS

Financial fixed assets are recognised 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

Inventory is valued at the weighted average price.

RECEIVABLES DUE WITHIN ONE YEAR

Accounts receivable due within one year are included in the balance sheet assets at their book value.

Unpaid receivables are covered by impairments when there is a certain risk that they will not be recovered.

CASH INVESTMENTS

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

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

LIQUID ASSETS

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

ASSET ADJUSTMENT ACCOUNTS

The expenses incurred during the financial year but chargeable in full or in part to a previous financial year are recorded in the adjustment accounts based on 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 accounted for at the amount of the proportion relating to the financial year in question.

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 AND WITHIN ONE YEAR

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

LIABILITY ADJUSTMENT ACCOUNTS

The expenses or fraction of the expenses relating to the financial year but which will only be paid during a subsequent financial year are included in the adjustment accounts for the 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 accounted for at the amount that must be regarded as income for the subsequent financial year.

04
Auditors' report


Formateur
ORES

RSM

ORES SCRL

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

Dans le cadre du contrôle légal des comptes annuels d'ORES SCRL (la "société"), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes annuels 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 annuels clôturés au 31 décembre 2018. Nous avons exercé le contrôle légal des comptes annuels d'ORES SCRL durant six exercices consécutifs.

RAPPORT SUR LES COMPTES ANNUELS

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes annuels de la société, comprenant le bilan 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 1.621.493.803,96€ et dont le compte de résultats se solde par un résultat de l'exercice de € 0,00.

À notre avis, ces comptes annuels donnent une image fidèle du patrimoine et de la situation financière de la société au 31 décembre 2018, ainsi que de ses résultats 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 annuels » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes annuels 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

Points clés de l'audit

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

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

- L'environnement IT : l'activité de la société ainsi que sa transformation pour faire face aux nouvelles technologies reposent sur un environnement IT complexe et important. L'appréhension de celui-ci constitue un élément clé de contrôle dans la mesure où la société utilise des interfaces ainsi qu'un système comptable et de gestion intégré ;

- La politique de financement du groupe : tenant compte des investissements importants que le groupe ORES doit réaliser, le financement de ceux-ci est essentiel pour l'activité de la société d'autant plus qu'une partie significative des capitaux empruntés proviennent de marchés réglementés ;

- L'environnement régulatoire et l'application de législations spécifiques ; le respect de ces différentes législations constitue naturellement un élément majeur de notre audit.

Responsabilités de l'organe de gestion relatives aux comptes annuels

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

Lors de l'établissement des comptes annuels, il incombe à l'organe de gestion d'évaluer la capacité de la société 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 la société 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 annuels

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes annuels 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 lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes annuels 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 annuels 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 annuels 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

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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 de la société ;
- 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 l'organe de gestion 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 de la société 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 annuels 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 la société à cesser son exploitation ;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes annuels et évaluons si les comptes annuels reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle.

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

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

Parmi les points communiqués au Comité d'audit, nous déterminons les points qui ont été les plus importants lors de l'audit des comptes annuels de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du commissaire, sauf si la loi ou la réglementation en interdit la publication.

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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, de la déclaration relative aux informations non financières annexée à celui-ci et des autres informations contenues dans le rapport annuel, des documents à déposer conformément aux dispositions légales et réglementaires, du respect des dispositions légales et réglementaires applicables à la tenue de la comptabilité ainsi que du respect du Code des sociétés et des statuts de la société.

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, la déclaration relative aux informations non financières annexée à celui-ci et les autres informations contenues dans le rapport annuel, certains documents à déposer conformément aux dispositions légales et réglementaires, et le respect de certaines dispositions du Code des sociétés et des statuts, ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion et aux autres informations contenues dans le rapport annuel

A l'issue des vérifications spécifiques sur le rapport de gestion, nous sommes d'avis que celui-ci concorde avec les comptes annuels pour le même exercice et a été établi conformément aux articles 95 et 96 du Code des sociétés.

Dans le cadre de notre audit des comptes annuels, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion et les autres informations contenues dans le rapport annuel, à savoir notamment la déclaration relative aux informations non financières établie conformément aux principes du GRI, comportent une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse. Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.

Mention relative au bilan social

Le bilan social, à déposer à la Banque nationale de Belgique conformément à l'article 100, § 1er, 6°/2 du Code des sociétés, traite, tant au niveau de la forme qu'au niveau du contenu, des mentions requises par ce Code et ne comprend pas d'incohérences significatives par rapport aux informations dont nous disposons dans le cadre de notre mandat.

Mentions relatives à l'indépendance

- Notre cabinet de révision n'a pas effectué de missions incompatibles avec le contrôle légal des comptes annuels et est resté indépendant vis-à-vis de la société au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal des comptes annuels visées à l'article 134 du Code des sociétés ont correctement été valorisés et ventilés dans l'annexe des comptes annuels.

Autres mentions

- Sans préjudice d'aspects formels d'importance mineure, la comptabilité est tenue conformément aux dispositions légales et réglementaires applicables en Belgique.
- La répartition des résultats proposée à l'Assemblée générale est conforme aux dispositions légales et statutaires.
- Nous n'avons pas à vous signaler d'opération conclue ou de décision prise en violation des statuts ou du Code des sociétés.

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 meetings	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 meetings	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

06

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, pages 75 to 79
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", pages 6 to 8. 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 124 to 142
GRI 102	General disclosure	102-23	Chair of the highest governance body	See remuneration report, page 124 to 142
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 79
GRI 102	General disclosure	102-34	Nature and total number of critical concerns	See "Risks" section of management report, page 75 to 79
GRI 102	General disclosure	102-35	Remuneration policies	See remuneration report, page 124 to 142
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 144

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 on next page.

		Male	Female	Total
401-1	The organisation must provide information about the following: 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%**	**9.95%**	**8.78%**
		out of the male population	out of the female population	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%	-4.09%	-3.92%
		out of the male population	out of the female population	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 on next page.

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 opportunities	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

ERRATUM

In the table about workers for whom the company submitted a DIMONA statement or who are included on the general staff register, in the entries for the number of hours actually worked, the figures for the number of hours actually worked by full-time women (724,722) and for part-time men (155,918) were the wrong way round. The document below includes the revised table taking this switch into account as well as the resulting totals.

HUMAN RESOURCES REPORT

Number of joint committees on which the company depends 326

Status of employees

Workers for whom the company submitted a DIMONA statement or who are included on the general staff register

During the financial year	Codes	Total	1. Male	2. Female
Average number of workers				
Full time	1001	1,977	1,476	501
Part time	1002	375	136	239
Total full-time equivalents (FTE)	1003	2,336	1,610	726
Number of hours actually worked				
Full time	1011	2,942,673	2,217,951	724,722
Part time	1012	429,237	155,918	273,319
Total	1013	3,371,910	2,373,869	998,041
Staff costs				
Full time	1021	200,057,780.16	156,415,440.85	43,642,339.31
Part time	1022	35,255,604.62	14,410,635.63	20,844,968.99
Total	1023	235,313,384.78	170,826,076.48	64,487,308.3
Total benefits granted on top of the salary	1033			

During the previous financial year	Codes	P. Total	1P. Male	2P. Female
Average number of FTE workers	1003	2,324	1,608	716
Number of hours actually worked	1013	3,372,279	2,971,777	400,502
Staff costs	1023	239,256,458.34	173,458,738.72	65,797,719.62
Total benefits granted on top of the salary	1033			