Key figures 2022

Overarching indicators

80%*
Internal Engagement Index

7.8
Reputation survey

Secure supply today and tomorrow

99.99963% Target: 99.99962%
Onshore grid availability
Grid availability

4,493 Target: 4,230
Future proof grid
Investments (in EUR million)

Drive the energy transition

35%
Environmental impact
% Greened of our carbon footprint

9.9 GW Target: 40 GW by 2030
Offshore grid connection capacity
Offshore capacity in operation (in GW)

Energise our people and organisation

4.4 Target: 4.5
Safe workforce
TRIR group (including contractors)

33% Target: 30%
Diverse workforce
Diversity (% female inflow of total inflow)

NL 3.7, GE 4.1
Healthy workforce
Absentee rate the Netherlands and Germany

Safeguard our financial health

1,162 Target: 835
Healthy financial operations
Adjusted underlying EBIT group (in EUR million)**

4.9% Target: 4.2%
Satisfied capital providers
ROIC group (%)**

9.7% Target: 8.5%
Safeguarded capital structure
Adjusted FFO/Net debt (%)**

* The latest employee survey was performed in 2021, as it is our policy to perform this every other year. The 2021 survey was an additional survey.
** Reference is made to the chapter 'Safeguard sustainable financial performance and investor ratings'.

Executive Board (fltr): Tim Meyerjürgens, Chief Operating Officer - Manon van Beek, Chief Executive Officer, Arina Freitag, Chief Financial Officer - Maarten Abbenhuis, Chief Operating Officer

Letter from the Board

Pathways to responsible growth

Our Integrated Annual Report 2022 comes on the eve of a new and challenging era for TenneT now that TenneT and its shareholder, the Dutch state, are engaged in discussions with the German government to explore the possibility of a full sale of TenneT's German activities on acceptable terms. Such a transaction would enable the creation of two strong national players who would continue to cooperate in driving the energy transition on land and leading offshore transmission. TenneT's focus in the discussions will be on ensuring security of supply and safeguarding the interests of its employees, customers, suppliers, financiers and other stakeholders.

As this IAR reflects the year 2022 it reports on the activities of one integrated TenneT.

Over the past year, both the short and long-term challenges facing the energy system forced us to perform like a sprinter and marathon runner at the same time. More than ever, we are responsible for enabling a carbon-free energy system several decades from now, while in the short term our grids need to maintain security of supply on a highly volatile energy market. In 2022, together with other European TSOs and governments, we kept the electricity supply secure during the energy crisis. Our high voltage grids showed a 99.9996% availability. This made them indispensable for society and they remained a strong foundation for our economy.

Alongside our solid grid availability, TenneT in 2022 remained committed to the design, maintenance and operation of the high-voltage grids. For example, we introduced a new generation of grid connection systems, the so-called 2GW offshore programme, which sets a new standard in the industry and will allow the entire offshore

chain for wind energy to benefit from more than double the capacity of existing grid connection systems in an environmentally friendly manner. We realised two new offshore grid connection systems for wind energy with a total capacity of 1,400 MW, Hollandse Kust Zuid alpha and beta. And we completed the topside installation of DolWin6 (900 MW) and Hollandse Kust Noord (700 MW). These latter two projects are planned to go in service in 2023. On land, TenneT delivered 320 kilometres of new high-voltage power lines and 6 new high voltage substations. Furthermore, we strongly scaled up our maintenance activities by, among other things, replacing and modernising dozens of high-voltage substations. We are also pleased that, together with the 38 European TSOs, we were able to support the Ukrainian electricity system by synchronising both the Ukrainian and Moldovan high-voltage grids with the European system. Due to the still volatile situation in energy markets, this year's annual analyses in Germany and the Netherlands to assess the readiness to secure electricity supply for the winter period were performed with extra intensity. On behalf of the German Federal Ministry for Economic Affairs and Climate Action, TenneT - together with the three other German TSOs – conducted a special analysis on the security of supply of the power grids, the so-called 'stress test'. The TSOs put forward a number of proposals aimed at ensuring security of electricity supply. These proposals were adopted and implemented by the German government. In the Netherlands the analysis showed a reassuring picture in terms of security of electricity supply.

Safety needs our energy

Despite our endeavours to always ensure highest standards of safety, we were deeply saddened in 2022 by the fatalities of a TenneT colleague and an employee of one of our contractors, while they were working on construction projects in Germany. We sympathise deeply with the bereaved families and are more determined than ever to put even more emphasis on life saving rules and zero harm practices, to ensure the safest possible working environment. We started Safety Tops, dialogues with the top management of all our (sub)contractors to look together at how to ensure safety on all our projects and for all our people and partners. Zero Harm, in addition to all processes and measures, is a mindset that must be daily lived by top management all the way to the people in the field and back again.

Shaping the climate-neutral grid together

Our growth path comes with great responsibilities and tough choices. The war in Ukraine has made it clear that business and communities need to become more independent from fossil fuels and to accelerate the energy transition. As demand shifts away from fossil fuels, electrification in the transport, building and industrial sectors could cut greenhouse gas emissions in the EU significantly by 2050. TenneT takes its responsibility to support this transition and has developed the so-called Target Grid 2045 to steer the future infrastructure expansion by anticipating sensing political developments and needs.

The Target Grid 2045 provides a realistic vision of the high-voltage grid on land and offshore, with power corridors connecting countries around us. Based on a back-casting approach, it allows early alignment among all stakeholders on goals and is based on relevant national infrastructure plans. With the goal of providing a fully sustainable energy system, we aim to deliver a future-proof, reliable and cost-efficient grid, ready on time.

Offshore wind energy leads the green way

The Target Grid 2045 is underlined by challenging targets for offshore wind development. For TenneT, it will be crucial to succeed in connecting 40 GW of offshore wind in the Netherlands and Germany by 2030. This is from a total of 65 GW committed to the Esbjerg Declaration, the first intergovernmental agreement between Belgium, Denmark, Germany and the Netherlands envisaging up to 150 GW of offshore wind to be built until 2050.

These objectives not only require political determination, but also important energy system innovations. We have developed a world-first with our proprietary 2GW direct current (DC) standard for offshore connection systems, allowing larger wind farms to be connected to the grid with fewer platforms and cables. Also, our 2GW offshore converter platforms are 'hub-ready'. This means that they can be connected to a future DC grid. To truly make the North Sea a green powerhouse for Europe, TenneT is exploring options for energy hubs at sea. These will not only connect wind farms to onshore grids, but also serve as connections between North Sea countries. In time, these North Sea power hubs will also enable large-scale conversion of wind energy to green hydrogen.

Challenges on the path ahead

Over the last year the Netherlands has seen a boom in business grid connection requests, adding to a total capacity of 40 GW. This is more than three times the capacity needed for electricity consumption of the whole of the Netherlands on a normal day. However, our grid capacity cannot be expanded at the same pace to meet sudden demand at this scale. We therefore paused issuing new connection requests for companies in some parts of the Netherlands. To accommodate different stakeholder interests, we initiated a national consultation process looking for more flexibility in the electricity demand of industry to facilitate new requests from customers. Under the auspices of the Minister of Economic Affairs and Climate, the National Grid Congestion Action Program was launched to create more space o the electricity grid in every possible manner.

As the electrification of industry advances, we call for more clarity on the transition plans of industrial end-users, allowing the switch to electricity to be better orchestrated in a non-discriminatory manner. In doing so, we advocate a smart location policy, in which industry requiring large-scale electricity consumption should preferably locate as close as possible to renewable generation, for example where offshore wind energy is connected to land. This avoids unnecessary additional infrastructure that would be necessary to provide electricity to energy-intensive consumers such as electrolysis plants, just like making use of the so-called emergency lane in our grids to connect additional solar and wind farms.

In an effort to shorten lengthy permit procedures, the Dutch and German governments have recognised that current permitting practices delay the energy transition. However, in the Netherlands we also expect the ban on nitrogen emissions to negatively impact the progress of our projects. In Germany, we welcome efforts to relieve delays such as simplification of legislation which would allow us to start construction of projects earlier.

As many companies and institutions, we are facing a tight labour market, particularly for highly skilled technical staff. The energy transition must move faster, so we need all hands on deck and bring. We need all talent to the table: men and women, from the countries in which we operate as well as culturally rich, highly educated and practically skilled international people. Therefore, diversity is not a KPI for us but the essence of our business. We like to work together with other companies, the government and knowledge institutes to find, motivate, bind and grow all talents for a job in the energy transition. To address this, TenneT is partnering with universities and secondary vocational education institutions to bring in talented people and to partly train them internally. We also focus on specific target groups such as IT professionals with tailor-made campaigns.

European co-operation gets us closer to our goals faster

As the energy transition can only succeed if tackled at European level, it is important for TenneT to engage in intensive international co-operation. This will ensure the functioning of integrated electricity markets which are key for a resilient electricity supply, especially during the winter. In the North Sea, we are a strong partner to realise its potential as a renewable power hub for Europe. To this end, we are developing an international agreement on technical standards and conditions, with laws and regulations and a well-functioning market model. As a leading cross-border grid operator, TenneT is closely involved in this joint effort, and will further expand its role as a reliable and independent advisor to governments.

Through intensified co-operation with our suppliers TenneT is helping to create an environment where market players can invest more securely, employ people with greater certainty and secure available resources in supply chains. We did this in 2022 by developing two large-scale EU tenders for long-term framework contracts for the development of the 2GW offshore connection systems. Such agreements create more certainty in the market for the required scale-up, giving the offshore industry the investment security it needs.

Financial health is essential to complete our journey

Our investments amounted to as much as EUR 4.5 billion in 2022. And investments will rise in the next ten years. As political ambitions evolve, we aim to deliver at least EUR 8 billion annually in projects. This is fully in line with the national energy policies of Germany and the Netherlands and largely attributable to the energy transition. In 2022 TenneT issued two Green Bonds totalling EUR 6.85 billion. With these offerings, TenneT strengthened its status as the largest corporate EUR green debt issuer globally, with currently approximately EUR 19.5 billion of green debt outstanding across different formats (senior, hybrid, USPP and Schuldscheine) issued in the last 7 years. It also shows the company's favourable access to capital markets. To safeguard our financial health, we strive for a good balance between debt and equity allowing us to finance our projects as reliably and efficiently as possible. The Dutch state has given its commitment to shoulder the equity requirement for the Dutch part of our investment

portfolio, currently estimated at EUR 10 billion. For our German investment portfolio, the equity requirement is approximately EUR 15 billion.

We look forward to further exploration and negotiation with the German state in cooperation with the Dutch state while moving 'full steam ahead' given the challenges and opportunities resulting from the energy transition. We, the Executive Board of TenneT, are personally committed to the European energy transition and to deliver on our promises. We also commit to lead this process and stay on board to create two national champions together with all our people and together with both governments to achieve the climate goals 2030 and beyond.

A wholehearted thank you!

We are incredibly grateful to our colleagues and partners, for their commitment to accelerate the energy transition in the Netherlands and Germany and for all the extra effort to help our colleagues in and the people of Ukraine. We thank all our colleagues wholeheartedly for their tireless efforts, resilience and commitment during a challenging and rather unthinkably impactful year 2022.

Looking ahead, we all trust to work together closely and with a shared focus towards the goal of a sustainable, reliable and affordable energy system for all. We are fully aware this will take perseverance. And by working together with all our stakeholders, we will build this new, meshed grid on land and offshore fit for the future. With a steady beat of endurance and determination we are changing the very heart of European energy. We are on it!

On behalf of TenneT's Executive Board,
Manon van Beek (CEO)

Thank you!

Profile

With over 25,000 kilometres of high-voltage connections both onshore and offshore, our role as Transmission System Operator is to ensure a secure supply of electricity to nearly 43 million end-users, in the Netherlands and a large part of Germany, and to create the infrastructure to be able to secure supply today and tomorrow.

Our core tasks

Our primary tasks are to provide power transmission services, system services and facilitation of the energy market. These tasks follow from our appointment as grid operator under the Dutch and German energy laws, the 'Elektriciteitswet' (E-wet) and the German 'Energiewirtschaftsgesetz' (EnWG).

Transmitting electricity

Power transmission services mean that our role is to transmit electricity via our electricity grid. This is the backbone of the electricity supply system. We transmit electricity from where it is generated by other parties, either on land or at sea or imported from other markets. Electricity is transmitted to our customers via our high voltage grid, being 110 kV and higher in the Netherlands and 220 kV and higher in a large part of Germany. As electricity is often generated far away from where it is used, we need to transmit it over large distances without incurring major losses on the way. To achieve this, we transmit electricity at very high voltages.

System services

System services refers to our role in carefully managing the balance between the supply and demand of electricity and to keep the frequency at a constant level (50 hertz).

To do this, we have control centres in the Netherlands and in Germany, where supply and demand are monitored and controlled 24 hours a day, seven days a week.

Market facilitation

In addition, we ensure that European electricity markets are set up in an efficient manner so we are able to create a (single) market where consumers can rely on security of supply at an affordable price. To this end, we build and operate for instance interconnections (such as NorNed, NordLink, BritNed and the COBRAcable), to create possibilities to import and export electricity. We also work together with other European TSOs and electricity markets to guarantee the reliability of the supply of electricity and to balance supply and demand across borders and markets.

Driving the energy transition

The future energy system will become increasingly dependent on renewable sources. But renewables are, by nature, intermittent – the sun does not always shine and the wind does not always blow. This calls for a change in the system, for example through new developments such as storage and demand side response are also new developments. TenneT is working on these challenges together with its stakeholders. We build grids that integrate new energy sources and unlock flexibility, both onshore and

offshore. Furthermore, we develop concepts in our system to safeguard the balance between supply and demand in the future.

Want to know more about our company and the energy system? Enjoy our online interactive story

Our role in Europe

By 2050, Europe aims to become the first climate neutral continent. TenneT's service areas in the Netherlands and Germany, alongside European governments are key to making this ambition a reality. In the transition to a climate neutral continent, the energy transition is an important element to make sure that society has a sustainable supply of energy. Governments in the areas we serve have formulated ambitions to support Europe's climate targets, with the German government aiming for climate neutrality in 2045 and the Dutch government in 2050.

As a key player in the energy sector, TenneT aims to help shape this future energy landscape. As a cross border TSO, we strive to share our insights to integrate and switch to more renewable energy sources to power society, whilst aiming to ensure that we are able to keep the lights on at all times. We do this by working together with stakeholders in developing new concepts and sharing these with the governments in the areas we serve. In doing so, we help meet Europe's ambition to become the first climate neutral continent and contribute to the Paris Agreement and the national agreements which support it.

In order to meet Europe's 2050 ambition, offshore wind has an important role. This year, the leaders of the European Commission, Denmark, Belgium, the Netherlands and Germany pledged to expand the combined North Sea offshore-wind capacity of the four countries to 65 GW by 2030. Of this, TenneT will be responsible for connecting around 40 GW to the onshore grid. Next to this, we are making sure that renewable energy can be integrated into the grid properly, for example by investments into the backbone of our electricity grid.

TenneT is one of Europe's largest investors in national and cross-border electricity transmission capacity on land and at sea, bringing together the Northwest European energy markets and efficiently unlocking large-scale renewable electricity sources. We collaborate with a wide range of partners in the energy market to develop and apply new, smart technologies and contribute to integration of the energy transition in the future.

To be able to deliver a greener future energy system, we are working on system integration, such as the further development of green hydrogen. Here, the combined knowledge and technologies of the electricity and gas industry come together to find an integrated solution for the energy transition.

Key developments in the environment we operate in

The urgency and complexity of tackling climate change means that TenneT operates within a challenging context that is continuously developing. With respect to various time frames, we see the following developments that affect us.

Scarcity of resources

A key development and challenge we foresee as we drive the energy transition is the availability of key resources such as raw materials, manufactured components and people. In the short term, scarcity of resources can occur due to challenges in the supply chain, for example due to the recent pandemic or the war in Ukraine. In the longer term, an increased demand related to the energy transition could lead to a shortage of critical materials, most notably aluminium, copper and steel, as well as manufactured products, such as components for HVDC (high-voltage direct current) systems. There are even some expectations that at the end of this decade, the supply of scarce resources is not able to meet demand. That is why we are working at TenneT to further integrate principles of circularity into our work practices. More information on this is included in our chapter 'Create value to transition to a climate neutral economy'.

However, it is not just materials that are becoming scarcer: we see the same trend with respect to human capital. Difficulties in the labour market are visible in many more sectors in the recent years. A shortage of technical staff has been visible for a longer time and could have an impact on TenneT, especially considering an ageing population. How we address this, can be found in the 'Create a safe and inspiring workplace' chapter.

Higher costs of materials and energy

The economies in the areas we serve and the markets where we procure our goods and services have been affected by rising costs of resources. These rising costs of goods and services have a significant effect on the cost of our investment projects. The price of energy in the EU reached record levels in 2022. This rise, linked to the increase of wholesale energy prices globally, started back in 2021 in the wake of the COVID-19 pandemic and growing international demand. On the wholesale electricity market, there was a reduction in available power supplies compared

to 2021 which, combined with higher gas prices, has caused an increase in the electricity price. Besides the war in Ukraine, a dryer summer in 2022 also had an impact on the system costs we incurred to balance the grid and secure electricity supply.

Climate change and the energy transition

One of the most urgent and complex societal challenges of our times is climate change, of which we have seen the effects more drastically in the last decennium. The UN Climate Change Conference, COP27, emphasised once again the urgent need for mitigating climate change. This will affect the energy sector, including TenneT, in every aspect and we consider its (potential) impacts with the decisions we take. Due to changing weather and climate patterns, such as storms, floods and droughts, our transmission system needs to be more resilient to a variety of different external circumstances. At the same time, to mitigate the most adverse impacts of climate change, governments are stepping up their climate ambitions to build a net-zero economy by 2050. To accommodate this, we are redesigning the current energy system and how we operate it, planning ahead and building a future-proof energy system. Through our knowledge and experience of the energy system, TenneT serves as a thought leader in the energy transition and drives it forward.

Energy crisis

The war in Ukraine and the resulting energy crisis has impacted the world and the energy sector in particular. It stressed the importance of reducing geopolitical dependency on a single energy source, and highlighted the need for a diverse, sustainable and affordable energy supply in the long term. TenneT worked hard to ensure that security of supply was not affected by energy shortages in 2022, for example by scenario planning and co-operating with national governments and other TSOs. The energy crisis also affected TenneT through rising energy prices. Higher energy prices have an effect on the costs of ancillary services such as redispatch (as we compensate producers of electricity for curtailed generation or infeed) and grid losses. Moreover, the energy crisis has led to a price surge for resources and goods in general and was one of the root causes for rising inflation.

Our purpose, strategy and value creation

Our strategy

To be able to deliver on our purpose - to connect everyone with a brighter energy future - we are guided by the TenneT strategy. This is focused on ensuring we are able to secure supply of electricity today and tomorrow by preparing our grid for a future and climate-neutral energy system, which we call our Target Grid. Our strategy helps us realise the access to clean and affordable energy for society, thereby contributing to the Sustainable Development Goals (in particular SDG 7, 9 and 13).

Our strategy steers to deliver on our purpose and create value for society. Also, in our decisions, we consider the three elements of 'the balancing act', as we aim to weigh in

Strategic goals

Secure supply today and tomorrow

By maintaining the grid to meet reliability targets and operating it effectively. We will design solutions to balance electricity supply and demand in the future, while meeting societal objectives and realising our infrastructure projects as promised.

Strategic goals 2025

Deliver **at least** EUR 8 billion per year in projects **while securing our supply chain.**
Secure healthy asset base **with sufficient transmission and connection capacity.**
Maintain 99.99% reliability.

Drive the energy transition

As a green grid operator and thought leader, developing innovative solutions and playing a key role in the energy data world.

Strategic goals 2025

Realise at least 5 significant energy system innovations.
Deliver robust design Target Grid 2045 including accepted North Sea grid design.

Energise our people and organisation

With an inclusive and safe environment where people enjoy coming to work. We will evolve our leadership model to empower, inspire and create growth opportunities, so everyone can perform at their best and work as one team.

Strategic goals 2025

Provide a great and safe place to work for up to 10,000 employees and (sub) contractors **striving for Zero Harm.**

Safeguard our financial health

By ensuring a regulatory framework to support our strategy and by delivering a return in line with what our capital providers expect, as well as by raising the necessary external financing.

Strategic goals 2025

Raise adequate amount of equity to assure our strong credit ratings of at least A3/A-.
Achieve regulatory returns.
Reduce the OPEX deficit.

on the effect on reliability, sustainability and affordability in this respect. Through our four strategic pillars, we distinguish our four main ambition areas and we have set specific targets for our first important milestone (2025) on the road towards a net-zero energy system. Secure supply today and tomorrow and Drive the energy transition explain how we turn our core tasks into strategic actions. Energise our people and organisation is critical as our employees are our most important asset and help us deliver on our tasks every day. Finally, Safeguard our financial health is important not only to guarantee financing for our extensive investment portfolio, but also in our responsibility to consider the affordability of our decisions.

Our principles and balancing act

Our purpose
To connect everyone with a brighter energy future

Our promise
Lighting the way ahead together

Our principles

The TenneT principles provide guidance to how we aim to create societal value:

- **Ownership.** We are accountable for our words, actions and decisions.
- **Connection.** The energy transition is a challenge that requires new ideas, new technologies and new behaviours that build on the strong foundations we have laid. It also requires co-operation on all different levels as we do not have all the answers ourselves. This is why we work actively with other parties.
- **Courage**. We are honest, open and clear about what we think. We dare to make bold decisions, take ambitious initiatives and are willing to learn from our mistakes.

Balancing our decisions

At TenneT we are responsible for balancing the electricity grid: to keep the grid frequency of exactly 50 hertz at all times, electricity demand and consumption need to be in balance. This requires the constant and delicate planning and balancing of the transmission needs. However, we are also guided by another balancing act. To design and build the future electricity system, we do not only consider reliability (security of supply) but also the sustainability and affordability of this system. We believe that all these three elements are necessary when planning for a future energy system that meets societal needs. As we have to carefully balance these three elements in all the decisions we take, we refer to this as 'the balancing act'.

An example of the balancing act is when we are planning and designing new projects to expand or reinforce the electricity grid to ensure a secure supply of electricity not only now, but also in the future. We make use of raw materials such as copper and mineral oil, as these are critical to the well-functioning of our assets and as such, the reliability of our grid. As these are also naturally scarce resources that come with a negative environmental impact, we aim to increase circular use of these products. We aim to make more sustainable choices by looking for alternatives, such as aluminium instead of copper. The qualities of resources differ, which does not make it clear cut to switch materials. And at the same time, we also take into account the costs associated with these choices, whereas a choice that benefits reliability or sustainability might also come with a cost. We strive to find the right balance between all three elements.

Our path towards 2050

By 2050 the European Union aims to become a climate-neutral continent and by 2030 the EU already demands 55% lower emissions. These ambitions have been translated to national policies as realising an energy system that fits this ambition is an important factor. Together with partners within and outside the energy sector, including other TSOs, regional DSOs and national governments, TenneT is committed to deliver a future-proof energy system. These milestone dates may seem far away, but for TenneT 2030 is already tomorrow. This is one of the reasons why we are developing our approach regarding a Target Grid. With this, we want to connect to plans for national grid development and provide input to accelerate them. Our goal is to build a future-proof, reliable, energy- and cost-efficient power grid in time, to meet political climate targets.

Our approach is to prepare ourselves up to 2025, by when we will be at a capacity to meet peak delivery. By 2030, we will ensure that the Target Grid is prepared, which will result in having a reliable electricity grid backbone in place that can support the increasing electrification by industry and end-users. Projects are built to be future-proof, which means that we account for extra capacity ahead of time. Up to 2045, we will build the Target Grid and make sure that all sectors of the energy system are coupled, with the North Sea established as the new powerhouse of Europe. By this date, we aim to have realised an integrated onshore and offshore grid that is carbon free.

How will we make Target Grid 2045 happen?

- Back casting as a license to plan: We begin with a 2045 fossil-free scenario and plan backwards. This additional dimension of working can help us make our investments future proof and even go a step further, for example by preparing future infrastructure way ahead of time.
- Build future-proof: When building new infrastructure, we build in a way that is future-proof. If the Target Grid shows that in the future more power is for a station or line, we prepare for that.
- Plan for more, build what is needed: By preparing for a high electricity scenario, we are ready for scenarios with less electrification by building only what is needed: no money is wasted.
- Stakeholder engagement: Working even more closely with contractors and suppliers to build the network of the future is key. We must involve stakeholders in developing robust scenarios and involve in the implementation. The Target Grid cannot be realised without collaboration: to reach each milestone, everyone has a role to play.

How we create value

TenneT plays an important role within the electricity supply chain and helps enable the lives of people working and living in the areas we serve. The way we create value is represented visually on the next pages, using the concept of value creation as described by the International Integrated Reporting Council (IIRC), which together with the Sustainability Accounting Standards Board (SASB) formed the Value Reporting Foundation. By means of the six capitals defined by this framework (financial, manufactured, intellectual, human, social & relationship and natural) we describe our input, output, outcome and impact. This model is the basis of our Integrated Annual Report. Our inputs, through which we create impact for society, are influenced by our strategy, our purpose and our principles. All of these are described in this chapter. Moreover, while conducting our core activities as a TSO our decisions are always influenced by the balancing act of reliability, affordability and sustainability. More information on the specific inputs, our related outputs, outcomes and impacts are disclosed in the sections ‘Our performance in 2022’ in each of the respective chapters. The way we aim to create long-term value is defined alongside the six outputs from our value creation model. Here we aim to:

Deliver a high security of supply

Our core task is to secure the supply of electricity, today and tomorrow. And with this, we support the daily lives and activities of people and businesses in the areas we serve. In today’s fast changing and more volatile energy system, securing supply is increasingly challenging. TenneT aims to create value to society through its decades of experience in operating our grid, together with a vision of how the future grid and electricity markets should be designed.

Ensure critical infrastructure for society

Electricity plays a vital role in the lives of our stakeholders and society as a whole. TenneT builds and maintains the high-voltage onshore and offshore grid that is needed for this secure supply of electricity. With the materials and products we use to build and maintain our grid, such as our cables, substations, pylons and interconnectors, we realise the critical infrastructure that supports today’s electricity needs as well as enabling the energy system of the future.

Create a safe and inspiring workplace

We consider our employees to be our most important asset as they enable us to deliver on our strategic ambitions and create value for society. To this end, we aim to offer a safe, sustainable and inclusive place to work for all employees. Our programmes and actions focus on creating an inclusive and energising environment where people can thrive.

Create value to transition to a climate neutral economy

As a company at the centre of the energy sector, we want to drive the energy transition and contribute to achieving the climate targets of the Netherlands, Germany and the European Union. We do this by contributing to a sustainable energy system, where we are able to connect everyone in our service area to green electricity. Simultaneously, we strive to reduce the environmental impact of our operations. This is related to our carbon emissions, our impact on the natural environment and the materials we need to build, operate and maintain our grid.

Safeguard sustainable financial performance and investor ratings

In order to create long-term value, we are focused on maintaining our financial health. Our main sources of financing are our regulatory revenue and externally raised capital, which increasingly stems from green financing. To safeguard our financial health, we aim to optimise our financing costs and deliver a return on capital that meets the expectations of our capital providers. In addition it is essential to maintain strong credit and ESG ratings.

Solve societal challenges with stakeholders and through partnerships

We are convinced that collaboration with stakeholders and strong partnerships with suppliers, customers and other parties are essential to building the future energy system and securing supply today and tomorrow. By combining experience and knowledge from different organisations within and outside the energy sector, we achieve our strategic objectives.

More information can be found in the section 'Sustainable Development Goals and TenneT' and in the chapters 'Deliver a high security of supply', 'Create value to transition to a climate neutral economy' and 'Safeguard sustainable financial performance and investor ratings'.

How we create and measure societal impact

The combination of these outputs also enables us to create outcomes and make societal impact. Our aim is to reduce our negative and increase our positive outputs, outcomes and impact, such as reducing our own carbon footprint and help to increase avoided emissions by connecting more and more renewable energy sources to our grid. With the role and scale we have as a company, we are aware that we are able to create these societal impacts, both negative and positive. We believe that these impacts are not the result of one output or capital and therefore choose to connect them to all and to the sustainable development goals we contribute the most to. We feel that these are our most material societal impacts to report on.

Disclosing an organisation's impact(s) is a relatively new area of reporting. Measuring these impacts is therefore a journey and we continue to refine our methodology on this along the road. These insights help us to see to which extent we are meeting some of our strategic goals and even enables us to see to which extent we are able to fulfill our purpose as reporting on the equivalent number of households that in theory would have been able to receive 100% green electricity provides us with information to which extent we are able to connect everyone with a brighter energy future.

Our aim is to disclose the outcomes and impacts which we create on a societal level as a European TSO. This provides insights from a broader perspective on how the people living in the areas we serve experience the positive or negative impact we create and have on them. By focussing on these impacts we believe that we provide more meaningful insights for stakeholders rather than to focus on translating a variety of our company level outputs to outcomes and impacts.

Stakeholders	Input
Employees	Extensive knowledge of and experience with operating the system and integrating energy markets
NGOs	Cables, lines, stations, offices and interconnectors
Governments and policy-makers	Our skilled and motivated employees
Customers	Energy, natural environment and materials to build, maintain and operate our grid
Suppliers	Regulatory revenue, (Green) Financing
Regulators	Strategic partnerships and our engagement with (project) stakeholders
Shareholders and capital providers	
Energy market participants	

How we create value

Strategy

- Energise our people and organisation
- Secure supply today and tomorrow
- Drive the energy transition
- Safeguard our financial health

Balancing our decisions

Reliable
Affordable
Sustainable

To connect everyone with a brighter energy future

How we operate

Enable the core activities

- Build the electricity grid
- Maintain the electricity grid
- Operate the electricity grid
- Enable the energy market
- Designing the energy system

Output

Outcome & Impact

Deliver a high security of supply, see page 32

- For our onshore grid, we were able to secure supply of electricity 99.99963% of the time. Our offshore grid was available 94.08% of the time.
- In 2022, we experienced 11 interruptions onshore that overall led to less than 2 minutes of downtime.
- We continued to contribute to an integrated European energy market through knowledge and experience, as well as with the 17 interconnectors that are operational.

Ensure critical infrastructure for society, see page 40

- This year, we invested EUR 4.5 billion in the expansion and reinforcement of our electricity grid.
- With 25,009 km of grid and over 27,600 pylons, we contributed to the critical infrastructure necessary for society's electricity needs.

Create a safe and inspiring workplace, see page 49

- Despite our efforts to secure the safety of our people, we could not prevent safety incidents from occurring and recorded a Total Recordable Incident Rate (TRIR) of 4.4. These included two fatal incidents in 2022.
- Our absentee rate was 3.7 in the Netherlands and 4.1 in Germany.
- To empower our employees, we spent EUR. 2,114 per employee on training and development in 2022.

Create value to transition to a climate neutral economy, see page 56

- As of 2022, we have installed 9.9 GW of transmission capacity to transmit renewable electricity from offshore power sources to the onshore grid. We also made progress with onshore projects that help transmit renewable electricity that is generated in remote areas to where it is consumed, for example the Wahle-Mecklar connection.
- Emissions from our own operations are reflected in our (gross) carbon footprint, which was 2,547,312 tonnes CO_2 in 2022. With a (net) carbon footprint of 1,659,344 tonnes CO_2, we have greened 35%.
- In 2022, we unfortunately also had a negative impact on nature with 101 environmental incidents and 2,866 litres of oil leaked from cables.

Safeguard sustainable financial performance and investor ratings, see page 65

- In 2022, we recorded an adjusted underlying EBIT of EUR 1,162 million and a ROIC of 4.9%. The adjusted FFO/Net debt was 9.7%.
- We maintained strong credit ratings: A- S&P and A3 Moody's. Also our ESG evaluation remained strong: in the S&P ESG evaluation, we scored an 86 out of 100 and our 'Preparedness' was classified as 'strong'.

Solve societal challenges with stakeholders and through partnerships, see page 74

- This year, we continued to work together with our stakeholders and in partnerships for example with information days on our project sites and the 2GW Program.
- We updated our reputation survey to assess how TenneT is viewed by the outside world, which has resulted in a score of 7.8.

7 AFFORDABLE AND CLEAN ENERGY

Our societal financial impact on an average household in our service area

Equivalent number of households that in theory would have been able to receive 100% green electricity

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Societal impact due to availability of our grid

13 CLIMATE ACTION

Avoided CO_2 emissions

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

How our strategy creates value

Our Integrated Annual Report 2022 has been set up alongside the outputs of our value creation model. The image below shows how this is connected to our four strategic pillars and where more information about each topic can be found.

Connectivity table

Capital	Strategic pillar	Chapter	Topics in materiality matrix	Key KPI's	Performance 2022	Performance 2021	Targets	SDG
	Overarching	Page 2	• Stakeholder engagement • Compliance	• Internal engagement index • Reputation survey	**80*** **7.8**	82* -	- -	
	Secure supply today and tomorrow	Page 32 Page 21	• Secure supply today and tomorrow • Responsible supply chain practices • (Cyber) security • Connectivity of our grid	• Grid availability • Investments	**99.99963%** **4.5 bln**	99.99999% 4.0 bln	99.99962% 4.2 bln	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Drive the energy transition	Page 40 Page 56 Page 74	• TenneT's own environmental impact • Stakeholder engagement • Strategic partnerships • Driving the energy transition	• CO_2 footprint greened • Offshore grid connection capacity	**35%** **9.9 GW**	69% 8.5 GW	- 40 GW by 2030	13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 14 LIFE BELOW WATER
	Energise our people and organisation	Page 49	• Creating a sustainable workplace • Safety	• Absentee rate • % female inflow • Total Recordable Incident Rate	**NL 3.7** **GE 4.1** **33%** **4.4**	NL 3.1 GE 2.6 31% 5.8	30% 4.5	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Safeguard our financial health	Page 65	• Financial health	• Adjusted underlying EBIT • ROIC • Adjusted FFO/Net debt	**1,162 mio** **4.9%** **9.7%**	801 mio 4.2% 10.5%	835 mio 3.9% 8.5%	7 AFFORDABLE AND CLEAN ENERGY

* The employee engagement survey was performed in 2021 and the previous survey was conducted in 2020.

Our supply chain

Our main task is to secure supply of electricity to nearly 43 million people in the areas we serve. To realise this, we transmit electricity via our high-voltage grid. To do this effectively today and tomorrow, we need to build, maintain and operate our grid. These dimensions have their own challenges and opportunities.

Electricity is either imported from other areas of the European grid or generated from conventional or renewable sources which are connected to our grid. This can be conventional power sources such as a coal-fired plant, or renewables such as from solar or wind and gas, which has been recognised for its role as a transition fuel in decarbonisation. In order to support the transition towards a decarbonised energy system, careful planning is required to integrate more renewable energy sources into our grid and to be able to secure supply of electricity at all times. When electricity is transmitted to our grid, we ensure that this is transmitted to our customers, being either large industries, the Distribution System Operators (DSOs) or being exported to other areas of the European grid. The hard work of many of our colleagues ensures this is possible. Our people do this by ensuring that we operate the grid well, by balancing supply and demand of electricity, facilitating the markets and with that ensure we are able to operate the grid in the best and most efficient way.

But also, we need to build and maintain a high quality, reliable, sustainable, and resilient grid that can support the energy system of the future. This requires the development of new technologies and causes an increase in demand for proven technology and skilled resources, next to raw materials, such as steel, copper and aluminium, which are manufactured or mined by third parties and used in our projects to build and maintain our assets. These assets are crucial to operate our grid. The use of these raw materials has a high environmental impact, with respect to the extraction and processing of these materials. Another high impact regarding these raw materials, like copper, relates to the fact that these resources, whose availability is critical to the energy transition, are becoming much more scarce. We want to be a green and responsible grid operator, taking measures to reduce our negative impacts and even creating positive impacts, wherever possible.

This means that in designing new parts of our grid, we need to consider different variables that support a greener and more sustainable energy landscape. This relates to scenarios which are more beneficial to our planet, such as enhanced circularity, biodiversity and working together with our partners to promote sustainable choices in the production and realisation of our assets. At the same time, we want to ensure that we help them do this in a way that meets our view on sustainable business conduct, such as in the area of human rights, including a safe working environment. This also applies when construction or maintenance works are executed. When our assets reach the end of their lifecycle, we aim to reuse and recycle all materials or components where possible.

Working together with our partners in the supply chain

The developments described earlier in this chapter underpin the importance of working together with partners in our supply chain to overcome these challenges together and to realise the ambitious investment portfolio TenneT has. This way, both TenneT and its contractors are able to grow jointly and meet the challenges of today and tomorrow.

A strong relationship with our contractors is therefore of utmost importance, as they bring valuable expertise and capacity to help drive the energy transition. That is why at TenneT we are working for several years now with an integrated approach on Supply Chain Management. This programme helps us to mitigate the risks of increasing scarcity of materials and services, the price increases of raw materials and the unpredictability of global logistics. The goal of this programme is to build partnerships with our most important suppliers based on trust, transparency, and mutual respect. Understanding each other's interests, wanting to learn from each other, to improve operations and to jointly work on improvement projects, all on the basis of equality. This should result in increasing the reliability of our supply chains, efficient co-operation and a good safety performance.

Examples of this include our so-called EU 303 related to substations in the Netherlands and EU 300 contracts regarding technical and spatial services, of which the latter was awarded in September 2022. Important part of these EU 30X contracts is that our suppliers gain better insights into forecasts regarding future projects. Furthermore, we will work with global partners on a long-term framework contract for our innovate 2GW offshore program to ensure that our acceleration in the energy transition is being met through renewable offshore wind integration

Working together in our supply chain on sustainability (including human rights)

As we rely on our suppliers to provide essential services, components and materials for our work, such as pylons, transformers, HVDC technology and power lines, we strive to ensure that none of them are, directly or indirectly, involved in conduct that does not meet our policies and quality standards. This can relate to product specifications and sustainability related topics, such as environmental performance or human rights, including a safe working environment. We make use of contractors and suppliers to realise our projects to build and maintain the grid. We purchase our components on world-wide markets and acknowledge that in other parts of the world different social and environmental standards may apply. Construction of our assets is being executed by local, national and international contractors.

In 2022, we took next steps with respect to human rights in our supply chain. We have gained more insights on our supplier landscape and have an updated risk assessment with salient human rights identified. With the globalisation of our supplier base, we find it essential to take responsibility and create impact through our human rights approach, This is why we have been working on our new Human Rights policy, which was introduced in 2022. We have integrated core principles of the UN Global Compact, of which we are a signatory member, the UN Guiding principles on Business and Human Rights and the OECD guidelines in our new policy. This policy will act as a working document and will continue to be updated based on our experiences. We also included these principles in the update of our Supplier Code of Conduct. This is a mandatory step for all suppliers that want to work with us. We have put more emphasis on elements related to sustainability, including human rights, in this updated document.

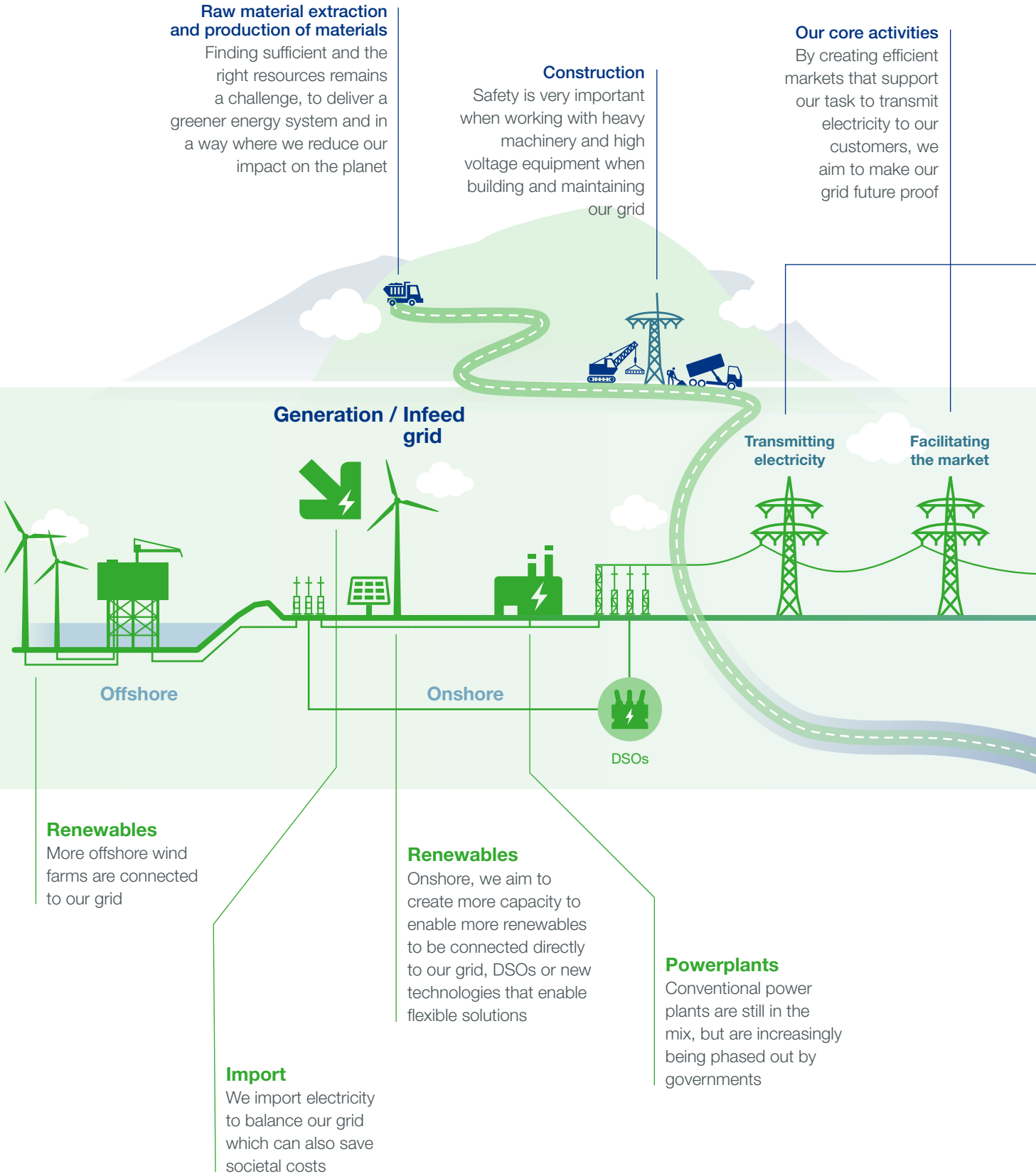
Part of our approach in supply chain is to visit suppliers and ask them detailed questions, also regarding sustainability related topics. We believe that the responsibility of care for people and the planet is not limited to our own organisational boundaries. We also have a responsibility to ensure that this is also applied in the services and goods provided to us. If improvements are necessary, we try to work together with our contractors and suppliers by discussing together how these improvements can be made. In 2022, we performed 50 supplier visits (2021: 24). It is our policy to not accept suppliers who fail to meet our standards. In 2022, 43 suppliers met our standards (2021: 20), or were given the opportunity to take corrective actions. 4 suppliers were not approved (2021:3) and 3 suppliers are awaiting the result of this visit. We aim to further enhance mechanisms such as our supplier visits to gain more insights into how we can work together on a common approach regarding sustainable business conduct in our supply chain. By working together with them, we aim to identify areas of improvement and work together so these items are followed up. The results and implementation of these areas of improvement are monitored by revisiting the supplier after follow up.

To help identify these areas of improvement, there are additional instruments, such as our Speak Up hotline, where also people working at TenneT and outside of TenneT are able to raise matters that relate to this topic. These are monitored by our Compliance and Integrity team. More information on this has been included in the 'Corporate Governance' chapter.

Working together with our suppliers to reduce our environmental impact

In 2022, we have made progress in working with our suppliers to tackle more sustainability challenges together. This has been added to the aforementioned integrated approach and jointly work on reducing emissions throughout our supply chains. More information on this has been included in the 'Create value to transition to a climate neutral economy', where we describe our progress on the indirect scope 3 emissions in our supply chain.

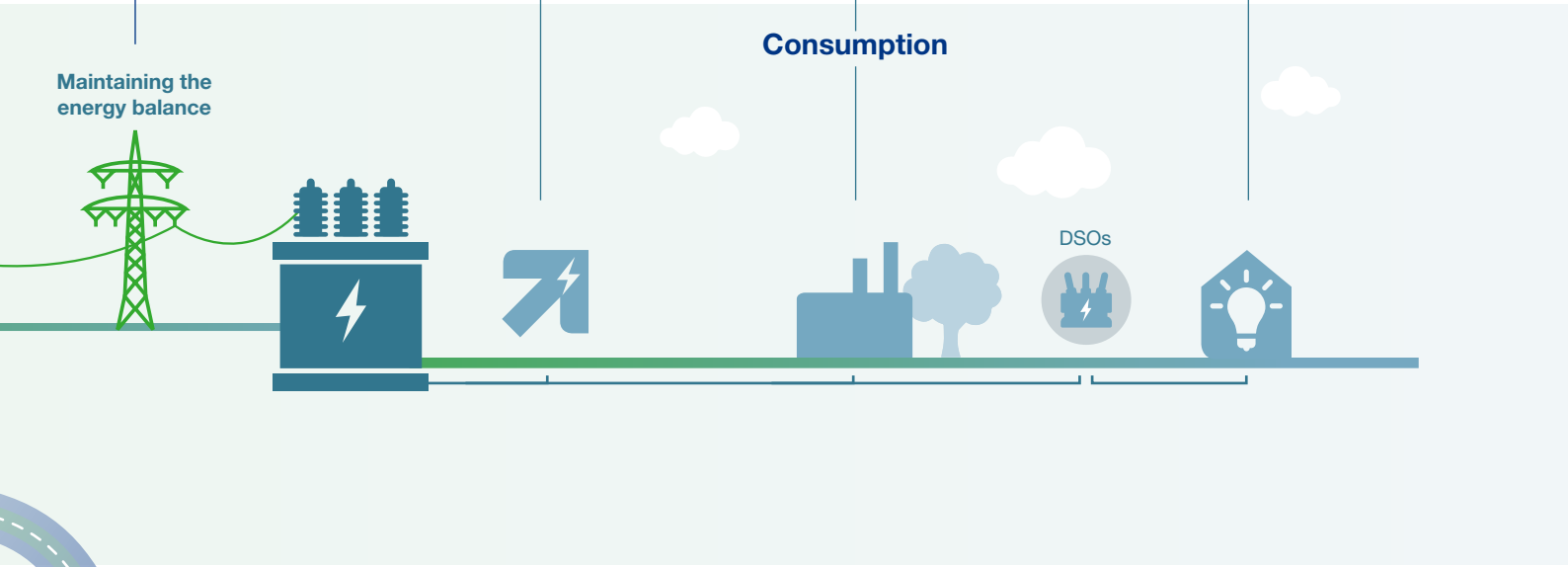
TenneT in the supply chain



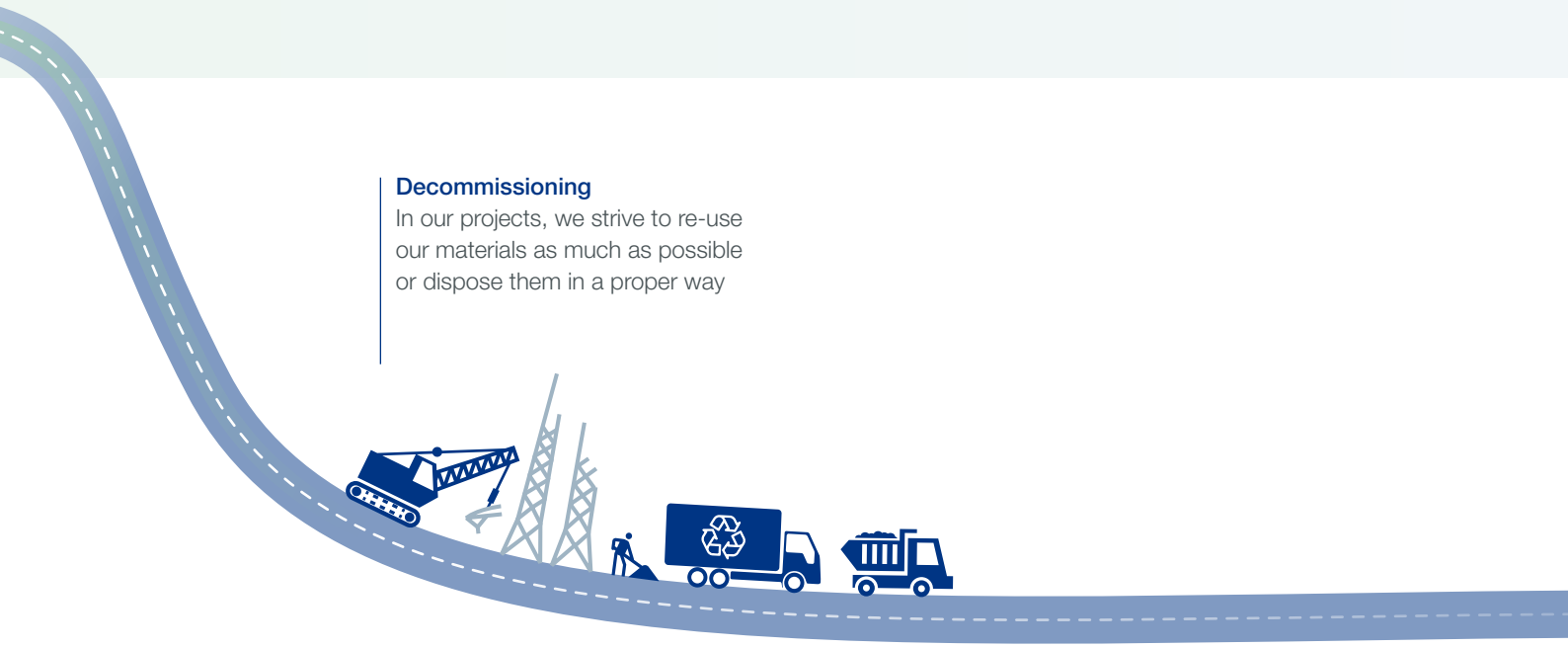
Export
We transport electricity to other areas if this helps them secure supply in a consistent or more cost-efficient way

Large industries
More and more large industries are greening their processes which results in a higher electricity demand. As a partner for industries, we therefore play an important role in the transition to a climate-neutral economy

Prosumers
In a society that is becoming more and more electrified, we supply households of electricity together with the DSOs and work with them for the system-serving and grid-serving integration of flexible prosumers



Decommissioning
In our projects, we strive to re-use our materials as much as possible or dispose them in a proper way



Our stakeholders

To deliver on our promise and ambitions, we believe that it is essential to work together with stakeholders and through partnerships. Through our activities as a TSO, we are already continuously interacting with the world around us. Our activities could not take place without the often intensive co-operation with other key players within- and outside the energy sector. We aim to build and maintain good relationships with our stakeholders and co-operate with them in partnerships to deliver on our strategic objectives.

In 2021, we reassessed our stakeholder landscape and identified the most important stakeholder groups, based on their influence on us- and our influence on them. We also engaged with these stakeholder groups to get their views on the Sustainable Development Goals (SDGs) that relate most to us as an organisation and the topics related to the impacts we as TenneT have on the world around us. Who we identified as our key stakeholder groups are represented in the visual below.

To monitor the way our stakeholders perceive us, we perform a reputation survey. Every two years, we conduct a survey to assess how well we are performing in the perception of our key stakeholders. This survey was performed among key stakeholders. The most recent survey was completed in 2022 and resulted in a score of 7.8. which was classified as 'strong' and is higher than the average of the companies included in this survey (7.4).

Engaging with our stakeholders is crucial in achieving our strategic goals and serving our role in society. We value the engagement with local communities in our service areas and specifically in the areas where our assets are (to be) located. During stakeholder dialogues (such as workshops, online talks or events) we actively engage with local stakeholders and address any concern they might have regarding our projects. Moreover, we aim to engage with communities in our service area regardless of pending or planned projects to inform them about the societal role of TenneT. By informing local stakeholders about our role to secure electricity supply and driving the energy transition, we can emphasise the importance of the work we do.

This will help us in our work to construct and maintain the critical infrastructure required to drive the energy transition. It remains crucial to engage with local communities, but also with NGOs and politicians at the earliest stage of a project to address their concerns and gain their understanding. As we expand our network, we must do so responsibly, by building a dialogue and gaining acceptance with local communities.

As a result, our work involves a delicate balance: what is desired on a national level is not always welcomed by local communities. To meet this challenge, we aim to do this in a responsible, engaged and connected way. We act responsibly in how we fulfil our role in society, engaged in how we build acceptance for our actions and connected in our dialogue with stakeholders. When we start a new project, we engage with the stakeholders affected, listen to their concerns and needs, and provide information about the project to evaluate and discuss. Although we take the opinions of stakeholders seriously, receiving new opinions after we have already followed a due process to include opinions in an earlier stage might cause additional delays.

We benefit from clear outcomes of our stakeholder engagement which enable us to plan and move ahead with certainty. The planning and licencing phases of our projects take up by far the most time in the realisation of our assets and with that, can slow the progress we need to drive the energy transition and achieve climate goals.

Podcast with stakeholders

In 2022, we also actively engaged in conversations with stakeholders in our own podcast. In it, we discussed topics around energy transition.

You can listen back via tennet.eu/podcast (Dutch) or tennet-energiedialog.eu (German).

Our stakeholders

	Stakeholder group	Examples	Method of engagement
	Governments and policy-makers	• National and regional parliaments (ministries, parliaments) • Local authorities • European Union	Meetings
	Employees	• Employees • Employee representatives • Labour unions	Close involvement; employee engagement; periodic meetings with employee representatives
	Customers	• DSOs • Large industries	Informative; close involvement in various areas and contractual agreements
	Shareholders and capital providers	• Dutch Ministry of Finance • Investors • Project shareholders • Relationship banks	Close involvement
	Suppliers	• Contractors • Suppliers • External Service Providers	Market consultations; pre-qualifications; negotiations; meetings
	Regulators	• ACER • BNetzA • ACM	Informative and close involvement
	NGOs	• Think tanks • Industry association • Other NGOs	Informative, cooperative, consulting and involvement on project level
	Energy market participants	• Energy producers • Other TSOs and DSOs • Market parties	Close involvement

Listening to our stakeholders

At TenneT, we consider a good relationship and dialogue with our stakeholders to be essential. Especially an issue like energy transition cannot be tackled alone and requires close cooperation. In our reputation survey, we explicitly ask stakeholders every two years how they view us, also to learn from them and to improve ourselves. Stakeholder statements sometimes ask for this as well. Here are a few statements stakeholders made about TenneT in 2022.

"We are dismayed by TenneT's message, as we have high ambitions for renewable energy, the sustainability of business and economic growth. This notice limits the opportunities for new companies to establish themselves and makes expansion opportunities for established companies almost impossible."

- Deputy after TenneT made public that parts of the grid are congested -

Our response:

In 2022, TenneT had to announce in a number of provinces in the Netherlands that the maximum capacity of the grid there had been reached. This was a hard message for entrepreneurs in the provinces in particular. Several deputies were dissatisfied with the sudden announcement and the lack of perspective. TenneT learned from the approach last year. There is now also more structural cooperation on the file and governments, grid operators and companies are working together more.

→ **More information in our chapter 'Deliver a high security of supply'.**

"There is no need for dinosaur pipelines if the energy transition is implemented decentrally and locally. In the end, this serves not only security of supply, but also a citizen-friendly, environmentally friendly and economically sensible energy supply and creates added value in the region. That's why we don't need SuedLink as an electricity superhighway either."

- Representative of German "Bürgerinitiative" -

Our response:
When building new infrastructure, we deal with many stakeholders in the area where new infrastructure is to be built. This often raises questions about whether the link is necessary and why it should be built here. We understand these questions. We carefully prepare the expansion of infrastructure. TenneT spends a lot of time and attention in the usefulness and necessity of new connections and also the spatial integration, which we aim to do in dialogue with the surrounding area.

More information in our chapter 'Ensure critical infrastructure for society'.

"TenneT is insufficiently prepared for the future. One of the challenges is the shortage of technical staff, which is where TenneT can do more (alliances with MBO/HBO courses) "

- Stakeholder in our Reputation Survey -

Our response:
The energy transition requires a major rebuilding of our system. This will require many people to help build high-voltage substations and new cables in the coming years. It is a challenge for the whole sector to find people who can contribute to this. TenneT is focusing on increasing the number of employees and on partnerships with educational institutions. We are also working with partners in the sector to make engineering more attractive.

More information in our chapter 'Solve societal challenges with stakeholders & through partnerships'.

The UN Sustainable Development Goals and TenneT

The Sustainable Development Goals (SDGs) were determined by the United Nations (UN) as global goals that Member States should translate into national policy. The aim of the SDGs is to create a sustainable future for all people. The co-operation between governments and other important partners, such as businesses and NGOs, are key to achieving these important goals. TenneT is committed to the SDGs and in 2021 we re-assessed which SDGs are most applicable to us. We reached out to our key stakeholder groups and discussed their views on this.

The outcome of this assessment has led to three SDGs that we believe we have the most impact on: the global challenges related to SDG 13 and SDG 7 and SDG 9 due to the core tasks we have as a company. To measure our contribution and impact, we have determined so-called 'impact indicators', to assess how this affects society in the areas we serve.

Current predictions indicate that governments and organisations need to step up to help mitigate the effects of climate change to meet the 1.5 degrees scenario from the Paris Agreement. As a cross-border TSO and a key player in the energy transition, we can help mitigate the effects of climate change by contributing to a climate-neutral future energy system. That is why we have identified SDG 13 'Climate Action' as the main societal objective we contribute to. On the other hand, also our choices and business conduct impact the planet. This is why we measure our greenhouse gas emissions against Science Based Targets Initiative approved targets. We also report the amount of avoided emissions, which due to our activities, have been avoided on an annual basis. This is how we measure our positive and negative contribution regarding SDG target 13.2.

Target	KPI	Contribution 2022
13.2	Total greenhouse gas emissions (gross)	2,547,312 tonnes
7.2	Total avoided emissions	17.2 mio tonnes

With our core activities, we feel that SDG7 is one of the SDGs we can contribute the most to. The underlying metrics related to this SDG is target 7.1 and 7.2. For target 7.1, we have developed an impact indicator to report on the societal financial impact we have on the electricity bill of a household. For target 7.2 we measure the number of gigawatts of renewable energy that we are able to connect to our grid. For now, we start with the amount of offshore wind we have been able to connect compared to the ambitions of the governments in our service area and the onshore electricity that is directly connected to our grid. Over time, we introduce other parts that we enable by realising new infrastructure onshore.

Target	KPI	Contribution 2022
7.1	Societal financial impact on households in our serving area	**GE:** 4.8% **NL:** 9.1%
7.2	Equivalent number of households that in theory would have been able to receive 100% green electricity	14.1 million

Another goal we believe we contribute most to given our activities is SDG 9. Our role is particularly linked to target 9.1, where we focus on the availability of our infrastructure and how it supports and enables society. This is measured by the impact indicator showing the value we generate having our grid available and how this diminishes when we are unsuccessful in securing supply of electricity.

Target	KPI	Contribution 2022
9.1	Societal value of the availability of our grid	> GDP of the Netherlands

In the execution of our activities, we also have an impact on other SDGs. We contribute to SDG 5 and SDG 8 when we look at policies relating to our people (including our contractors) and SDG 12, SDG 14 and SDG 15 with respect to the choices we make that affect our planet. SDG 12 for instance, relates to our circularity ambitions, which also has an effect on climate change. Reducing the use of virgin materials, such as copper, has a positive climate effect, as it avoids emissions in the extraction phase. That is why we track several KPIs related to the targets supporting these goals, but the effect on other SDGs are less significant than the ones related to the SDGs above. Our main SDGs relate to our core tasks, the others we see our responsibility to act upon.

Target	KPI	Contribution 2022
5.5	% of females in board positions	55.6%
8.8	Total Recordable Injury Rate	4.4
12.2	Reduction of non recyclable waste and copper use	estimated: 14% and 38%
14.2/ 15.4	Net zero impact on nature	TBD