



# 20 23

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**Encevo S.A.**  
Annual Report





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Encevo S.A.

Annual Report







**We are the leading partner for the sustainable energy transition in the Greater Region.**

Competitive.  
Customer-centric.  
Collaborative.

Encevo S.A. registered as a société anonyme (public limited company) under Luxembourg law with a capital of EUR 90,962,900 (31.12.2023).

Registered office: Esch-sur-Alzette  
Luxembourg Trade and Companies' Register B11723. Annual General Meeting of 14<sup>th</sup> May 2024.



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# Promising developments

Our group's business model proved to be robust in 2023. Although the effects of the energy crisis are still being experienced, owing to unpredictable geopolitical situations and uncertain markets, the Encevo Group was able to play its role as expected.

Customers were protected from the excessive price hikes prevalent on the wholesale markets, while security of supply was always guaranteed. In parallel, important developments in the area of the energy transition could be pushed ahead, contributing to overcoming the ever present climate crisis.

The operational result for 2023 is evidence of a good performance across the group, bearing in mind that the multiple crises and their consequences have not disappeared yet. Indeed, energy sales have fallen as a consequence of efforts in energy savings but also due to a slowing down in industry activity. Enovos' long-term purchasing strategy helped to stabilize customer prices during the crisis and thwart price hikes. On the other hand, with wholesale market prices tending to fall, the effect will not be felt immediately and is reflected as a cost factor. In terms of security of supply, however,

this strategy has proven to be the right one. The ongoing expansion of renewable energy production has continued unabated, with new products and models having been developed to support our customers in the sustainable energy transition.

Grid operations continue to take the customers towards the centre stage to accommodate them in the energy transition. Numerous innovations, pilot projects and digitalisation processes ensure that the energy transition can progress more easily and quickly. This progress will bring more renewable energy into the grid in a progressively decentralised way. It will require appropriate investment in infrastructure and flexibility means to continue to ensure security of supply. The low breakdown rate in the Creos grid, which is one of the best in Europe in this respect, is proof that these investments are paying off. Beside grid activities in electricity and gas, hydrogen

is becoming more prominent. Evidence of this is Creos Germany's mosaHYc project nearing the realisation phase, and Creos Luxembourg looking into interconnections and projects on hydrogen transport networks at European level.

Technical Services under the leadership of Teseos have developed to a certain level of maturity and have shown increasingly good operational performance, be it in Luxembourg or more recently also in Germany. They are steadily becoming more broad based: offers in photovoltaics, electromobility or heat pumps aimed at the B2C sector, as well as services in energy efficiency, self-consumption based on PV production or mobility services offered to SMEs and industry. All these activities are part of the effort to support the business community in their contribution to the energy transition.

New impetus and ideas to tackle the current and future challenges will also be provided by the partially renewed and expanded Executive Committee, in which the Technical Services pillar is now also firmly represented by its new member Jean-Luc Santinelli and Laurence Zenner is the new member responsible for the group's

grid activities. The group is now appropriately positioned to grow and support the expectations and demands of our customers.

2024 will unfortunately continue to be marked by geopolitical instability. And the challenges which the climate crisis poses will nonetheless have to be faced. But I am

confident that I can count on the commitment of our employees who bring all their expertise and passion to the developments that help us drive the energy transition forward. Without them, our good performance in the past year would not have been possible, and I would like to thank them for their continued dedication.

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The operational result for 2023 is evidence of a good performance across the group.

**Marco Hoffmann**

Chairman of the Board  
of Directors









# 01

## Management Reflections



# Pushing the energy transition

Energy price levels over the course of the year 2023, while still very volatile, gradually dropped from their 2022 peaks and a certain degree of “calm” returned to the markets. The Encevo Group has successfully weathered the energy crisis and is now increasingly looking ahead to the energy landscape of tomorrow.

## How do you rate the past year?

The group's overall operational performance was good, as we managed to improve our results in an environment that remains very challenging. In some respects, we left behind the short-termism of the crisis response mode, or rather we have become used to working in the “new normal” mode. But of course, we are still seeing the impact of the crisis in certain areas of our activity.

## What impact has there been and what will we have to do differently going forward?

Sales volumes, for example, are lower than expected. While some of this is also due to the relatively mild winter, the energy crisis has had a big impact on the figures: people are still feeling the effects of the high energy prices and are trying to save energy. In addition, in part due to the energy prices, the economy has slowed down, and this was especially evident in the second half of

the year. Overall, demand was therefore not very high. The crisis also gave rise to new tendencies, such as the production of energy for self-consumption. We must react and offer other products. In parallel, we have to adapt our forecasting models to better reflect new customer behaviours.

Our prudent long-term sourcing strategy helped us throughout the crisis and protected our clients. But in an environment of falling prices this has a cost that we need to control.

## So are we leaving the crisis behind us?

We've become accustomed to the crisis, but we're not quite out of it yet, and I assume that this will remain the case for some time to come. Prices on the wholesale market have fallen, but volatility remains very high. The system has somewhat stabilised, although at a high level. Nevertheless, the geopolitical

situation remains extremely unstable, and we can't tell what impact this will have on the energy markets.

## It doesn't sound as if the energy context we were familiar with before the crisis will be seen again.

I don't think anyone expects a return to the pre-crisis energy context. However, I believe that the experience of the past years has made us smarter in the sense that the overall European energy system has become more robust, making these extreme price peaks we saw in 2022 unlikely. The recent European directives and national measures that have been decided on and implemented are stabilising factors.

On the cost side of things, there are still a lot of investments to be made in order to establish the new energy system: grids, the development of renewable energies, batteries, hydrogen, etc. And this is also reflected in our group expenses.

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We managed to improve our results in an environment that remains very challenging.

**Claude Seywert**

CEO Encevo  
Chairman of the Executive Committee



**This brings us to investments. Where do we stand there?**

2023 was a very solid year for investments and we hit a new record. These investments, while accelerated by the energy crisis, still follow the path towards a different and better energy situation – i.e. that of the sustainable energy transition. We strongly believe that there is no way around it.

**What were the most important steps, investments and realisations in terms of the sustainable energy transition?**

One of the pillars is obviously the production of renewable energies. Enovos' Südeifel project, with its over 200 MW of PV capacity, is one of the largest projects in the Greater Region. In parallel, Enovos has commissioned several

plants in Luxembourg and in the Netherlands. Then there are the new developments in the agri-PV sector in Luxembourg. Enovos is also making good progress in developing projects in France. As far as wind power in Luxembourg is concerned, Enovos' joint venture with Soler was instrumental in bringing many wind turbines into operation towards the end of 2023.

Overall, if we look at the installed capacity, we added over 100 MW in 2023 and will almost triple that amount in 2024.

Enovos' development of its PPA offer has also been a success, particularly in Germany, as well as in Luxembourg. Building plants without state subsidies or feed-in tariffs not only provides relief to the burden on the state coffers but is also an opportunity for customers to secure energy for the long term at competitive prices.

#### **What we will also need is investment in the energy grids. Where do we stand on this?**

The biggest project we're planning on at the moment is Creos' 380 project, where we hope to finally obtain the authorisations this year. But Creos has also achieved a lot on the lower voltage levels, upgrading and automating the grids.

Our group has also acted a lot in the field of hydrogen. Primarily with Creos Germany's mosaHYc project, which we also want to connect to the German hydrogen core network. Creos Luxembourg is involved in ongoing discussions with Belgium and France concerning interconnections and additional links to the hydrogen transport networks at European level.

Less conspicuous but just as important are investments in

grid innovation. For example, together with Datathings, Creos developed an AI solution to simulate load scenarios and predict where grid bottlenecks may arise at the low voltage level. This is really pioneering work that serves to ensure security of supply and reduce investment costs. Plus, it is a further step towards the sustainable energy transition.

Heating networks will certainly gain in importance going forward. Our group is developing this market sector primarily via LuxEnergie. A good example is the Roud Lëns project, where innovative energy networks incorporating new concepts are being created. Such investments will increase because alternatives to fuel and natural gas are needed. This is an area where all our group expertise, from infrastructure planning to Technical Services, comes together.

#### **Technical Services: how has this activity developed?**

Development here has been very good. Indeed, the political support schemes aimed at incentivising individuals and companies to participate in the energy transition have created a strong demand for technical services.

In the area of photovoltaics for example, our Technical Services companies under the supervision of Teseos have installed a number of PV systems for small and

medium businesses' self-consumption. Similarly, diego has successfully introduced a PV offer in the B2C sector.

In the area of electromobility, many charging stations have been installed, both via diego and other companies such as PWF (in particular the extension of the Supercharge network). In 2023 the group also took over the e-mobility platform on which our services run. This takeover – under difficult conditions linked to the bankruptcy of the original supplier – was a success for our group as it also demonstrated our ability to handle such situations while protecting our customers.

In operational terms, all of this was obviously quite challenging, but the Technical Services activity has definitely established itself as a key pillar.

#### **This is also evident in the reorganisation at management level.**

In Jean-Luc Santinelli, we brought in a ComEx member dedicated to Technical Services, and this shows how important this pillar is. Together with Laurence Zenner, who joined our group in the grid activities, ComEx is benefiting from new ideas and fresh impetus. The new composition reflects how we envisage the business in the future with the grid, energy sales and production and Technical Services pillars – each with its own business model but with the



group behind it, providing support and endeavouring to combine the skills and know-how transversally as far as is legally possible.

#### **What are the immediate challenges facing the group?**

As mentioned, the market per se is uncertain and the geopolitical situation remains unpredictable. The challenge is therefore to be prepared for all eventualities.

But amidst all these crises, it is extremely important that we do not lose sight of the climate emergency. We have stepped up our efforts in recent years and will continue to do so. The climate crisis remains the biggest challenge we are facing as a society.

In terms of regulation, the framework conditions are now in place, and we know what to expect. Now it's time to focus on implementing them.

It is a challenge for energy groups throughout Europe to offer competitive products for both industry and household customers. For the latter, it is important to maintain a certain level of social justice, and at the same time finance the required investments without overburdening people and the economy. All energy market participants need to come up with ideas.

#### **What is the group doing in the area of "ideas"?**

I have already mentioned some initiatives in the grid activity area, and there is much more. Together with energieage, we have launched pilot projects to investigate the question of how energy sharing can be set up and optimised in industrial zones. We are also running projects with the university of Luxembourg, SnT and LIST, where we are primarily looking at how we can best estimate energy

flows. This covers technical aspects relating to data flow, AI and so on, and also the more social aspect: which devices do people use, how do they use them, and how can their behaviour be influenced to reduce the overall stress on the system. These are questions that we want to tackle and understand scientifically.

#### **A look ahead to 2024?**

I strongly believe that our group will continue to enjoy similar success in 2024. But this will only be possible thanks to the excellent contribution of all our people, as was the case in 2023. Our group is growing in line with the requirements of the energy sector, and this is why we expect a lot from our people. They have answered the call in recent months and years, showing commitment and that they are up to the task.

We are continuing to encourage and support our people in their own personal development and growth. So, here's a special thank you to all of them.

# Strength and resilience

In 2023, the Encevo Group delivered a strong and resilient operational performance in line with expectations in a year marked by increased geopolitical tensions resulting in high volatility and risk levels in energy markets.

## **Record financial results against a backdrop of high volatility and risk levels in energy markets.**

While total sales volumes of power and gas increased by 3% between 2022 and 2023, group turnover increased by EUR 1,676 million (+49%) from EUR 3,413 million in 2022 to EUR 5,088 million in 2023, driven by high energy prices.

Consequently, EBITDA/turnover decreased from 7.8% in 2022 to 6.2% in 2023.

In absolute terms, however, the group's operational result (EBITDA of EUR 316 million) is in line with expectations and is EUR 47 million higher than in 2022.

Despite decreasing price levels for gas, power and EUAs over the course of 2023, volatility and market risks remained high.

The improved EBITDA stems mainly from the strong performance of Grid Luxembourg and the group's activities in Germany.

In this still very challenging environment, the group's stringent market and credit risk management showed its resilience, supported by an excellent performance by the Energy Management & Trading teams.

Encevo's overall investment activity reached a new record at EUR 336 million – EUR 64 million above 2022 – of which EUR 231 million was invested in grids and EUR 54 million in renewables.

The group's net profit for the year 2023 stands at EUR 171 million – EUR 64 million higher than in 2022 including an impairment reversal on the group's B2B activities in Germany of + EUR 32 million.

## **Robust operating cash flow not entirely covering record Capex levels and increasing working capital.**

In 2023, record Capex levels to drive the energy transition forward were not entirely covered by the group operating cash flow of EUR 250 million, reduced by EUR 33 million compared to 2022.

This reduction in operating cash flow, despite increased net results, is largely driven by increased working capital requirements compared to very low levels at the end of 2022.

Free cash flow of EUR -55 million decreased by EUR -36 million compared to 2022, driven by record investment levels, higher working capital requirements and increased M&A activity in Technical Services.

Faced with potential liquidity requirements resulting from the geopolitical situation leading to high volatility and risks in energy markets, the Encevo Group, with the support of its shareholders and banks, increased its revolving credit facility (RCF) to EUR 750 million in January 2023. As at 31 December 2023, the RCF was fully unutilised.

Net financial debt increased by EUR 78 million to EUR 589 million at the end of 2023, and gearing – the ratio of net financial debt to total equity – increased just slightly to 35%. Capital and reserves further increased to EUR 1,668 million. This represents 40% of total assets, illustrating the group's continued strong balance sheet.

**Cautiously positive outlook for 2024 against the geopolitical backdrop and its impact; investments still expected to rise from 2023 record levels.**

The geopolitical context has significantly increased the risks related to the European energy sector and the European economy in general, with increased energy prices, higher overall inflation, and rapidly rising interest rates.

This remains a continued source of uncertainty regarding the overall economic outlook as well as for market prices, counterparty risk and physical supply risk. Potential further regulatory/government intervention needs to be monitored.

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**The group will intensify and accelerate its efforts in developing renewable projects.**

**Marc Schroeder**

Chief Financial Officer  
Encevo  
Member of the Executive  
Committee



The group will continue to increase investments in power grid infrastructure and will further intensify and accelerate its efforts in developing renewable projects in its core markets of Luxembourg, Germany, Belgium, the Netherlands and France.

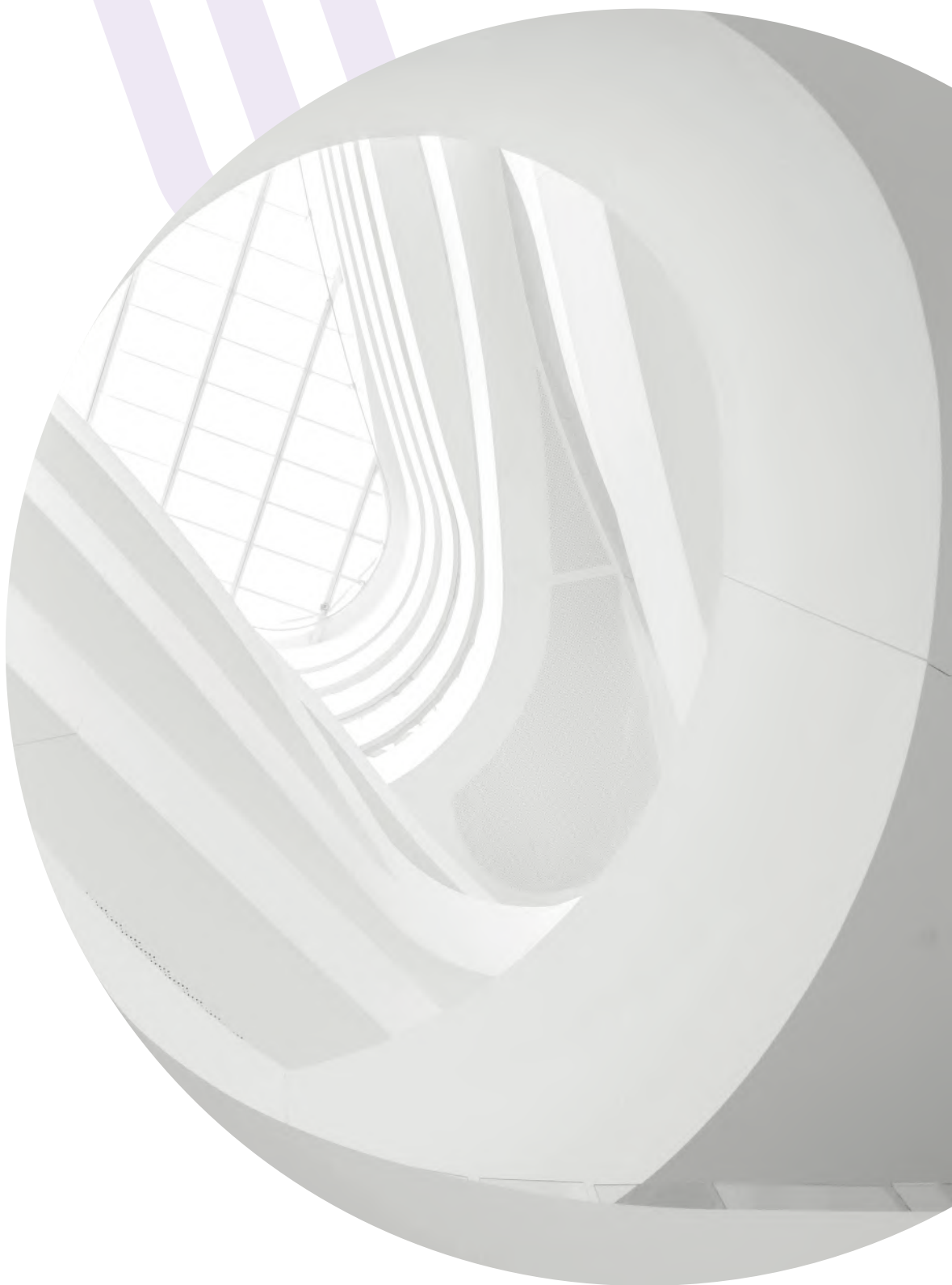
In addition, the group will continue to focus on supporting its customers on their digital journey towards more efficient and sustainable energy consumption. We will offer

additional services and increased renewable generation capabilities while ensuring overall competitive sourcing in these very challenging conditions to minimise the impact of price increases on customers.

Given the insights gained from the first months of 2024, and subject to no adverse geopolitical developments, the group expects to maintain its operational financial performance in 2024.

| KEY FIGURES CONSOLIDATED                       | 2023         | 2022         |
|--|--------------|--------------|
| Sales volume gas (TWh)                         | 15,235       | 14,515       |
| Sales volume electricity (TWh)                 | 14,625       | 14,410       |
| Sales (M€)                                     | 5,088        | 3,413        |
| <b>EBITDA (M€)</b>                             | <b>316</b>   | <b>268</b>   |
| <b>Operating cash flow (M€)</b>                | <b>250</b>   | <b>282</b>   |
| <b>Free cash flow (M€)</b>                     | <b>-55</b>   | <b>-18</b>   |
| <b>Net profit for the year (M€)</b>            | <b>171</b>   | <b>107</b>   |
| <b>Total assets (M€)</b>                       | <b>4,135</b> | <b>3,973</b> |
| Capital and reserves                           | 1,668        | 1,507        |
| Net financial debt (M€)                        | 589          | 511          |
| as a % of capital and reserves (gearing ratio) | <b>35%</b>   | <b>34%</b>   |
| Capital expenditures (M€)                      | 336          | 272          |









We will stay  
focussed on  
ensuring the  
security of  
supply.

**Laurence Zenner**

CEO Creos Luxembourg  
Member of the Executive  
Committee

# Continuity through change

The sustainable energy transition needs strong and efficient grids if it is to succeed. This aspect makes up the daily business of grid operator Creos, and is increasingly going beyond purely physical grids.

**While the year 2022 was largely dominated by the energy crisis, the focus of our group is shifting again towards the sustainable energy transition. What role has Creos played in the past months?**

Be it for security of supply or the sustainable energy transition, reliable and efficient grid operation is a *conditio sine qua non* for both. One aspect of this is of course the infrastructure itself. We have further expanded and upgraded our power grid.

We have also continued work on project 380, mainly on an administrative level.

In the context of achieving climate neutrality, or net zero emissions in Luxembourg by 2050 at the latest, natural gas will be replaced by alternatives in the years and decades to come. In Germany, Creos Deutschland has therefore started to draw up an overarching heating plan for its region in order to see where investments can be made in partnership with municipalities. Our group has also progressed in our hydrogen strategy, *mosaHYc* project giving the pace. We have ongoing discussions concerning interconnections and projects at regional and European level on hydrogen transport networks. The services for our customers as well as data management have been improved ever more.

**What are the main initiatives in these areas?**

One strategic project is *Leneda*, the national, centralized digital platform for energy data, launched in 2023. *Leneda* is a national project with the aim to collect all gas and electricity consumption and production data, make it available to the various market players and facilitate communication between them.

A flagship project in the area of digitalization is *Alva*, the digital twin of Creos. Thanks to its machine learning algorithms, we can now make better use of the huge amount of data that is transmitted to us. Energy consumption has become increasingly difficult to predict over time. Power production has become more and more decentralized, customers play an active role in the energy market and their consumption habits have also evolved. *Alva* allows us to predict network usage more accurately, which is a cornerstone of the sustainable energy transition. To further improve our customer services, Creos has launched the digitalization of its contracts with digital signature. To provide a seamless PV and electric charger connection process, we introduced *Smarty Pro*, an application designed for the installers. It provides them with digital documentation of all the connection steps and helps speed up the Creos validation process.

**What is the outlook for grid activities?**

We will remain focussed on ensuring the security of supply on both our power and gas grids, on strengthening the power grid and on continuing our digital transformation, as we have already been doing over the past months. Our investments will remain high and are planned to further increase in the future, supporting the decarbonisation of our economy. As for our flagship project 380, we hope to have the line operational by 2028. Regarding natural gas, alternatives will gradually prevail, for example in the domain of hydrogen. All this may seem far away, but in fact, we are preparing it today.

# At the customer's side

Although there was some easing in 2023 compared to the energy crisis peak of the previous year, a multitude of issues, such as energy market uncertainties and high price volatility, had to be reconciled with regulatory requirements and customer expectations.

## **How has Enovos fared after the crisis has at least eased somewhat? Are there still effects that are felt?**

We have learned working in a context of high uncertainties. Sales volumes, for example, are lower than expected. Energy saving efforts are still being made; the winter was relatively mild, and the economy slowed down in the second half of the year. Overall demand was therefore not very high. And new topics are becoming increasingly relevant, such as the production of energy for self-consumption. We have successfully developed our product offering and are continuously improving our business, with a focus on customer expectations and regulatory requirements.

Looking at our yearly customer satisfaction, we have strongly improved. After a very difficult year in 2022, we've been able to get the ship back on course. And we have further developed new products, such as our green PPAs, which are ideal instruments to tackle price instability and a sustainable energy transition at once.

## **That leads us to the energy transition: what were the main achievements?**

Enoprimes, our initiatives to promote energy efficiency, were successful this year. We see the volumes of achieved energy savings rising. This is clearly a result of effectively supporting our customers in achieving energy savings in gas and electricity. As for renewable energy production, we commissioned our projects as planned, both for wind and solar. A real success was the agri-PV pilot project, which allows for new

sustainable approaches for collaborating with local farmers to produce PV energy, simultaneously enabling agricultural production and ensuring a positive impact on biodiversity.

Outside Luxembourg, our project Südeifel with more than 200 MW of installed capacity really stands out, one of the biggest projects of the Greater Region, a tremendous success.

## **What is your general outlook on the energy world for 2024, and what challenges await?**

In the currently very difficult geopolitical and economical context, we are increasingly focusing on the challenges related to the climate crisis. A key topic within this difficult context is to ensure that the energy costs for our customers remain at a reasonable level. We still need to invest a lot to reduce our carbon footprint, and we will do so, but this comes at a certain cost. We must therefore also master the digital transformation. This is no small task, but I am confident we achieve our vision to be the leading partner for the sustainable energy transition in the Greater Region.



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Looking at our  
yearly customer  
satisfaction, we  
have strongly  
improved.

**Erik von Scholz**

CEO Enovos Luxembourg S.A.  
Member of the Executive Committee



# A firm pillar of the energy transition

The Technical Services activity is more recent than other activities of the Encevo Group, but it is increasingly becoming a mainstay.

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The next step would be a more transversal approach between the different companies.

Jean-Luc Santinelli

CEO Teseos Luxembourg  
Member of the Executive  
Committee





### **What were the most important developments in the Technical Services last year?**

One important milestone was the acquisition of Grethen in the B2C heating segment. This is a strategic piece of the puzzle for the holistic approach that we are pursuing in the Technical Services division in terms of the energy transition, as it will enable us to take part in the electrification of the heating systems.

We also have succeeded in further developing diego in the field of photovoltaics with its new self-consumption service. In the area of electromobility, we have taken over and integrated Powerdale's platform for managing and operating charging stations. This was done without having any significant impact on our customers. Currently, more than 100,000 active users with more than 400,000 active public charging points are managed via this platform.

Paul Wagner & Fils focused on enhancing the advancement of the photovoltaic division particularly for larger-scale systems, resulting in the successful implementation of several compelling PV projects. Minusines has made notable progress in the field of electromobility with its installation of charging stations and in the commercialisation of photovoltaic installations. Energieageance continued to focus on training and consulting its customers on ways to decarbonize their facilities. In Germany, we have also taken an important step with the integration of Wieland & Schultz.

All in all, developments are very satisfactory. The Technical Services division now employs around 1,000 people. That is quite impressive.

### **The importance of this newer activity is now also reflected in the fact that Technical Services has its own representation on the Executive Committee, like the other two pillars.**

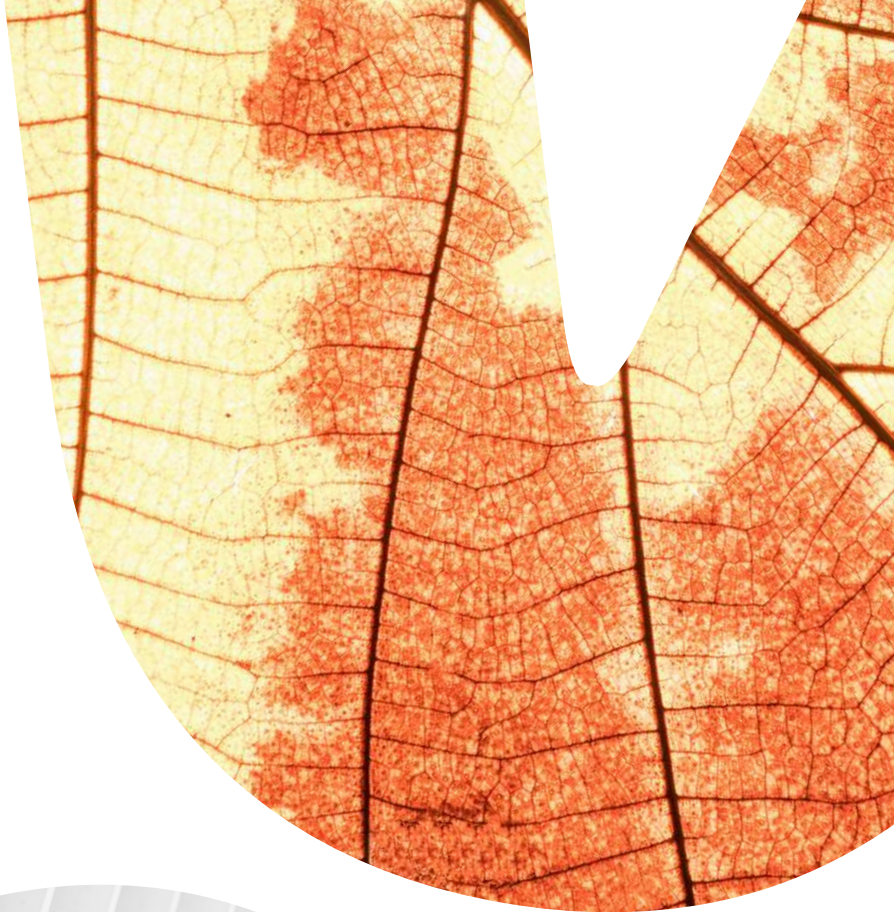
Teseos has now reached a critical mass and the phase of purely building up is now behind us. The development since we took the step of establishing this new pillar a few years ago is simply impressive. It confirms that this step was the right one and an important one. The Technical Services activity is an integral part of a holistic approach for realising the energy transition, which is our mission.

### **What are the next steps?**

The next step would be a more transversal approach between the different companies.

Teseos will certainly play a role in new services and products developments such as "energy as a service". For example, there is a project to build an entire ecosystem of technical components that includes photovoltaics, batteries, charging stations, lighting and an energy management system. This represents a crucial element in the energy transition when it comes to managing energy flows, enabling all these components to communicate with each other.

And of course, we are also facing certain challenges, such as economic fluctuations and a slump in residential construction sector, which is particularly affecting our activity. But we are continuing to work on our ideas, because one thing is clear: there is no way around the energy transition, and we want to be a determining force in it.















# 02

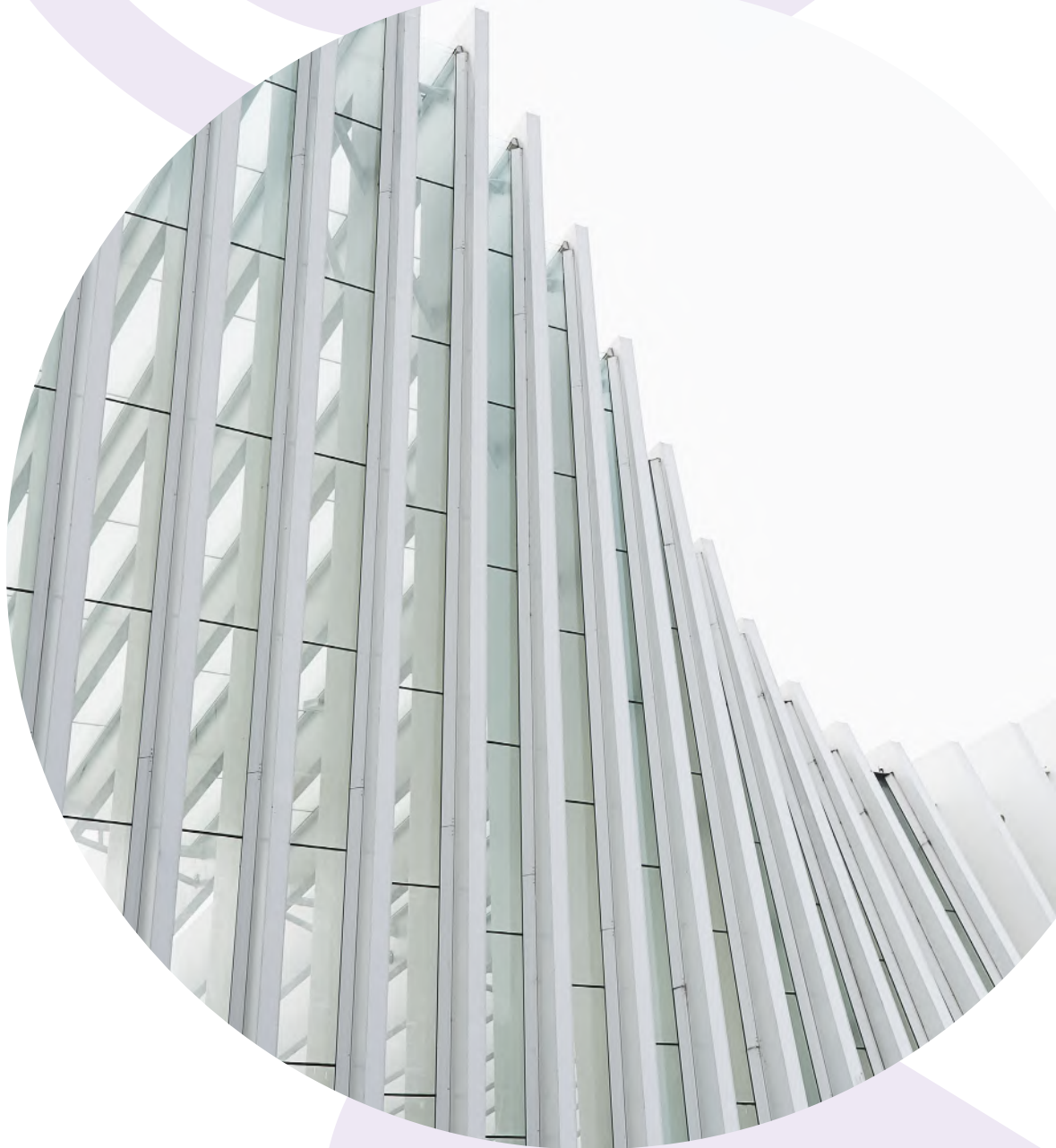
About  
the Report



# Key figures 2023

Consolidated figures of Encevo Group

|  |  |   |   |
|--|--|---|---|
| <h1>Key figures 2023</h1> <p>Consolidated figures of Encevo Group</p>  |  |   | <br><b>53,243</b><br><b>⬆️ +62%</b><br>Training Hours |
| <br><b>2,841</b><br><b>⬆️ +282</b><br>Employees   | <br><b>14,625 TWh</b><br><b>⬆️ 1.56%</b><br>Energy Sales Power          | <br><b>15,235 TWh</b><br><b>⬆️ 5.06%</b><br>Energy Sales Gas            |   |
| <br><b>14.23 minutes</b><br>SAIDI 2023<br>(avg. duration of interruptions per year per customer served) | <br><b>515.8 MW</b><br><b>⬆️ +33%</b><br>Renewable installed Capacity | <br><b>849.4 GWh</b><br><b>⬆️ +25%</b><br>Renewable Energy Production |   |
| <br><b>23g</b><br><b>⬆️ -30%</b><br>Average CO <sub>2</sub> Emissions of the Leasing Fleet              | <br><b>5,680 GWh</b><br><b>⬆️ -3%</b><br>Electric Power Transported   | <br><b>33,385 GWh</b><br><b>⬆️ -1.1%</b><br>Natural Gas Transported   |   |



# Milestones 2023

## Energy savings trending up

Distribution of several thousand energy saving kits in the context of the enoprimes programme.

## More renewable energies

Renewable capacities reach new heights. In Luxembourg, the capacity goes up by 43 % (from 174,5 MW to 249,8 MW). In the Netherlands, a record year is achieved with 30 MW of additional installed capacity.

## PV progress in Germany

Extension of PV park Leiwen and commissioning of PV park Hasborn for a total additional 16,6 MWp. Further progress in the Südeifel project with the finishing of the cable way and the connection of a transformer substation. Südeifel PV park is projected for a total capacity of more than 220 MWp.

## Jean-Luc Santinelli joins the Executive Committee

Technical Services having reached a critical mass, this newer pillar of Encevo Group is represented in the Executive Committee as of April by Jean-Luc Santinelli, CEO of Teseos.

## Innovative concepts in place

Four innovative ground mounted PV projects are ready to be implemented. These projects in the sector of agri-PV put the focus on measures for biodiversity enhancement and an agricultural production underneath the PV panels.

## Laurence Zenner becomes new CEO of Creos and joins Executive Committee

Laurence Zenner becomes CEO of Creos on 1 July and member of the Executive Committee of Encevo S.A., bringing with her many years of experience in leadership and innovation from her various positions of responsibility within the CFL Group.



### FLEXBEAN

The FlexBeAn research project, carried out jointly by Creos, LIST and SnT at the University of Luxembourg, focusing on flexibility and user behavior analysis, represents a major step forward in our quest for energy efficiency. This initiative positions Creos as a leader in the energy transition, anticipating future needs with intelligent and sustainable solutions.

### Acquisition of Hoffman Frères Energie & Bois

The group acquired Hoffmann Frères Energie & Bois S.à.r.l. in June, a grid operator in Mersch and an energy supplier under the brand Electris.

### ALVA, the digital twin

The ALVA project, the result of collaboration between Creos and DataThings, was officially unveiled in September 2023. As a digital twin, ALVA is a symbol of the company's commitment to technological innovation. This solution enables advanced analysis of network usage and load, optimizing Creos' operational efficiency.

### R8 tech joins portfolio companies

Encevo acquires a stake in R8 tech, a human-centric Artificial Intelligence (AI) technology company, using AI to reduce building operational expenses, CO<sub>2</sub> emissions, and achieve sustainability compliance.

### Extension of technical services portfolio

The addition of Grethen allows Teseos to expand its service offerings across the value chain, particularly in the electrification of heating systems for residential customers. The acquisition of the Powerdale mobility platform by diego enables the latter to effectively manage and operate charging stations, which now total up to 400,000 active public charging stations.

### Innovative energy concepts

Through the newly created joint venture Callisto, the group is participating in the development of the new residential neighbourhood of Roud Lens, where innovative energy concepts are being implemented, including Luxembourg's first energy network.

### Hydrogen picking up pace

The mosaHYc project takes another important step and is granted IPCEI (Important Project of Common European Interest) status.





# About the report

This report is the official publication for Encevo's financial and sustainable development achievements and performance in 2023. This report follows the most recent Global Reporting Initiative (GRI) requirements, which were issued on 24 November 2021. According to a GRI release, the European Sustainability Reporting Standards (ESRS) are a significant step in implementing the Corporate Sustainability Reporting Directive (CSRD) and holding EU companies accountable for their impact. GRI contributed to the development of the ESRS, including engagement with the European Financial Reporting Advisory Group (EFRAG), Sustainability Reporting Board (SRB), and Technical Expert Group. The initiative aimed to optimise interoperability between the global GRI Standards (impact materiality) and the European ESRS (double materiality).

Most significant corporations in the EU and globally already use the GRI Standards for impact reporting. This report covers Encevo S.A.'s activities and entities from 1 January to 31 December 2023, which is the company's fiscal year. All fully consolidated companies have been included, resulting in an annual reporting cycle. The preceding report, produced in 2023, focused on Encevo's sustainable development achievements and performance for 2022. The following publication, due in 2025, will focus on Encevo's 2024 sustainable development achievements and performance.

Encevo finalised in 2023 a materiality analysis update and relies now on the double materiality principle which considers risks and opportunities from both financial and non-financial perspectives (page 244).

A restatement of Encevo Group Scope 1 and Scope 2 GHG emissions in 2021 has occurred in the 2023 Annual Report, due to optimised data collection, improved calculation methods and covering the full scope of Encevo Group fully consolidated companies. In addition to this, a restatement of energy consumption within the organisation in 2021 and 2022 has occurred in the 2023 Annual Report, where the calculation method was revised.

The report's content index includes general and topic-specific disclosures from GRI standards.

Please find GRI index on page 233.

All of our publications are available on our website: **[www.encevo.eu](http://www.encevo.eu)**. Encevo S.A. with its registered offices at **2, Domaine du Schlossgoard, L-4327 Esch-sur-Alzette**, is at your disposal to provide any other information on our sustainability approach.

To this end, we are providing a dedicated e-mail address to our stakeholders, who we encourage to give feedback on their expectations and concerns: **[CSR@encevo.eu](mailto:CSR@encevo.eu)**





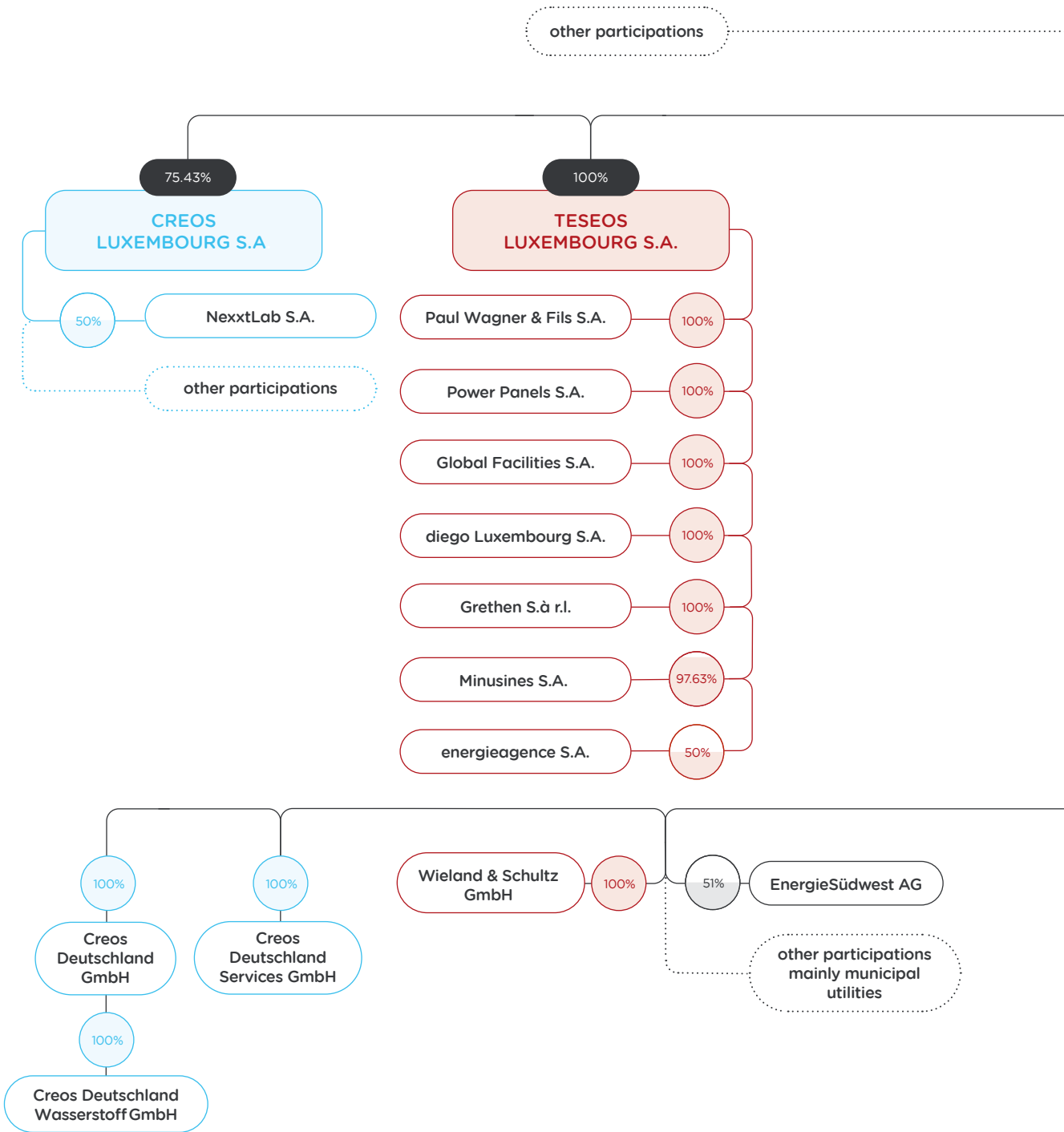


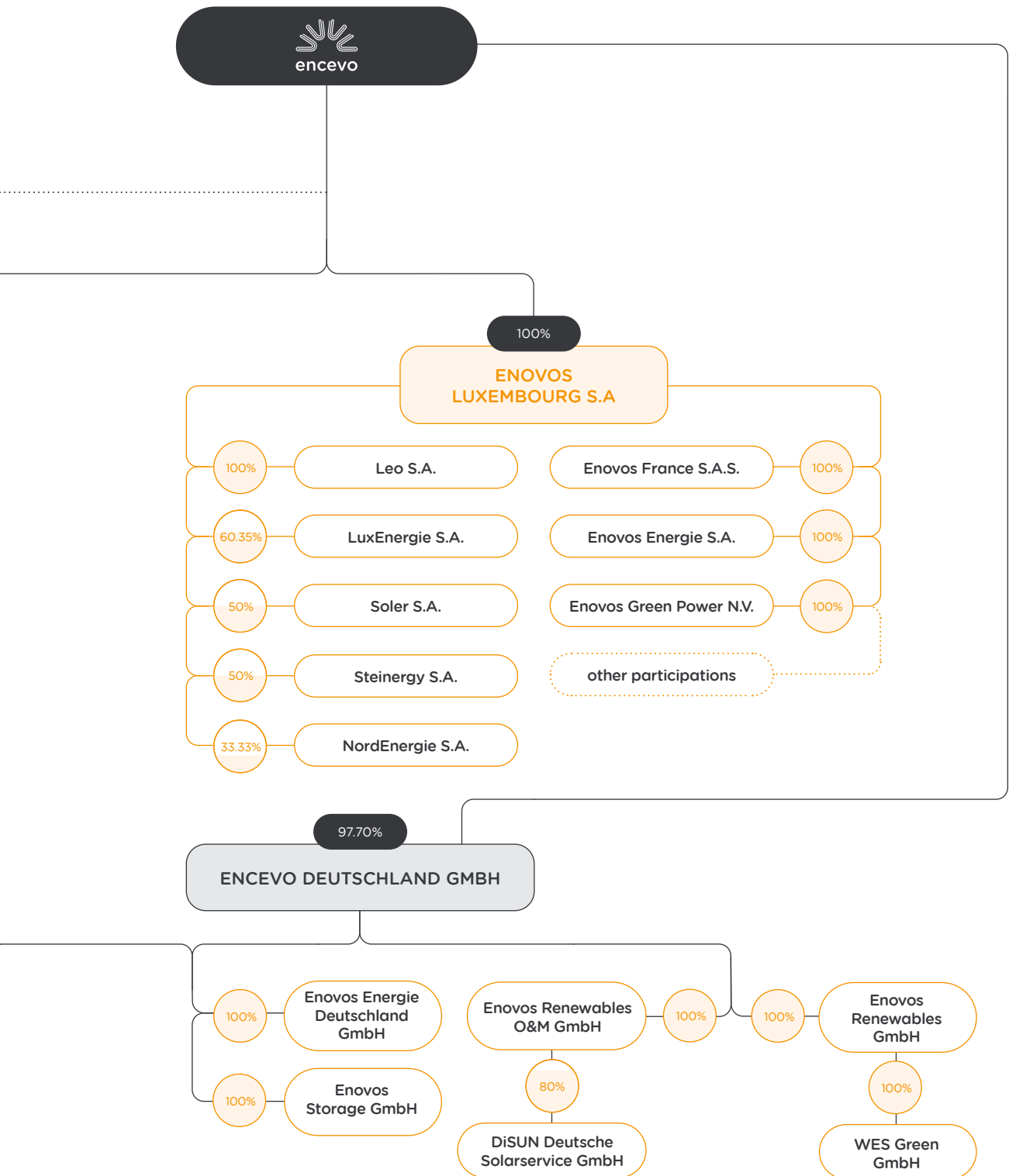
# 03

## Encevo's Profile



# Group Structure



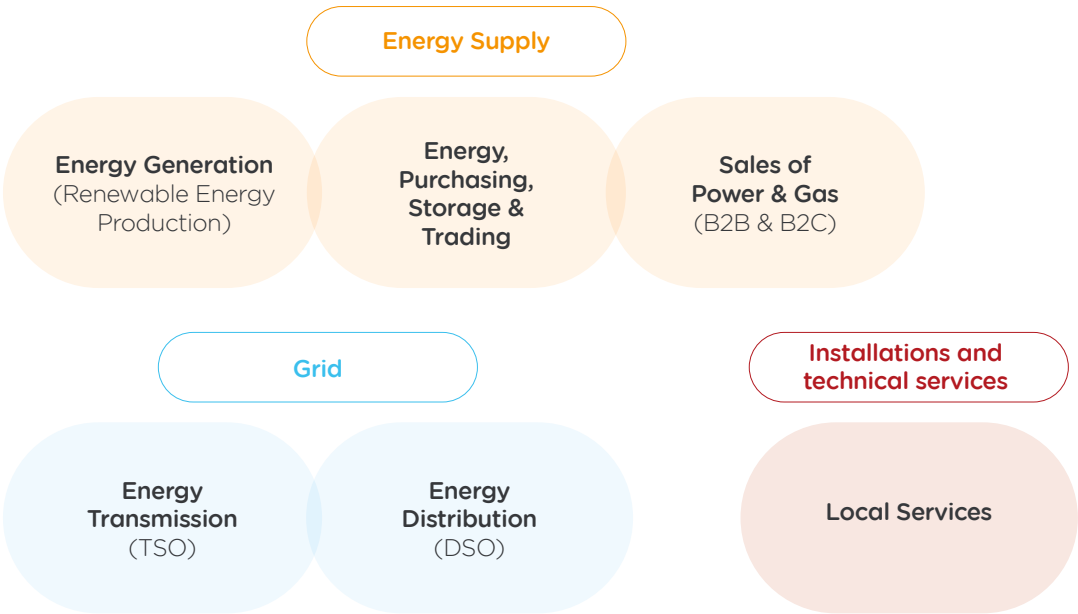




# Encevo Group Value Chain

| Energy Supply  | Grid   | Installations and technical services  |
|--|--|---|
| <p>Enovos is Luxembourg's main energy supplier. Its mission consists of two main pillars. On the one hand, Enovos provides electricity, natural gas and renewable energies to a wide range of customers. On the other hand, Enovos is active in the development of renewable energy projects. In this way, Enovos continuously invests in renewable energy production, especially in the fields of photovoltaic electricity and wind power. By doing so, Enovos ensures a sustainable and competitive energy supply for all its customers.</p> | <p>Creos' mission is to viably ensure energy transportation and distribution via electricity and natural gas networks at transparent rates in the Grand Duchy of Luxembourg and also in the respective regions in Saarland and Rhineland Palatinate in Germany. This role is executed with equal respect to all suppliers, the company's public service responsibilities and environmental protection obligations.</p> | <p>Teseos handles the group's presence and activities regarding installations and technical services in the field of building equipment, distributed energy production, e-mobility and energy efficiency. Teseos aims to be a catalyst for the energy transition in Luxembourg and within the Encevo Group; handling the group's presence and activities in installations and technical services.</p> |

## Energy value chain



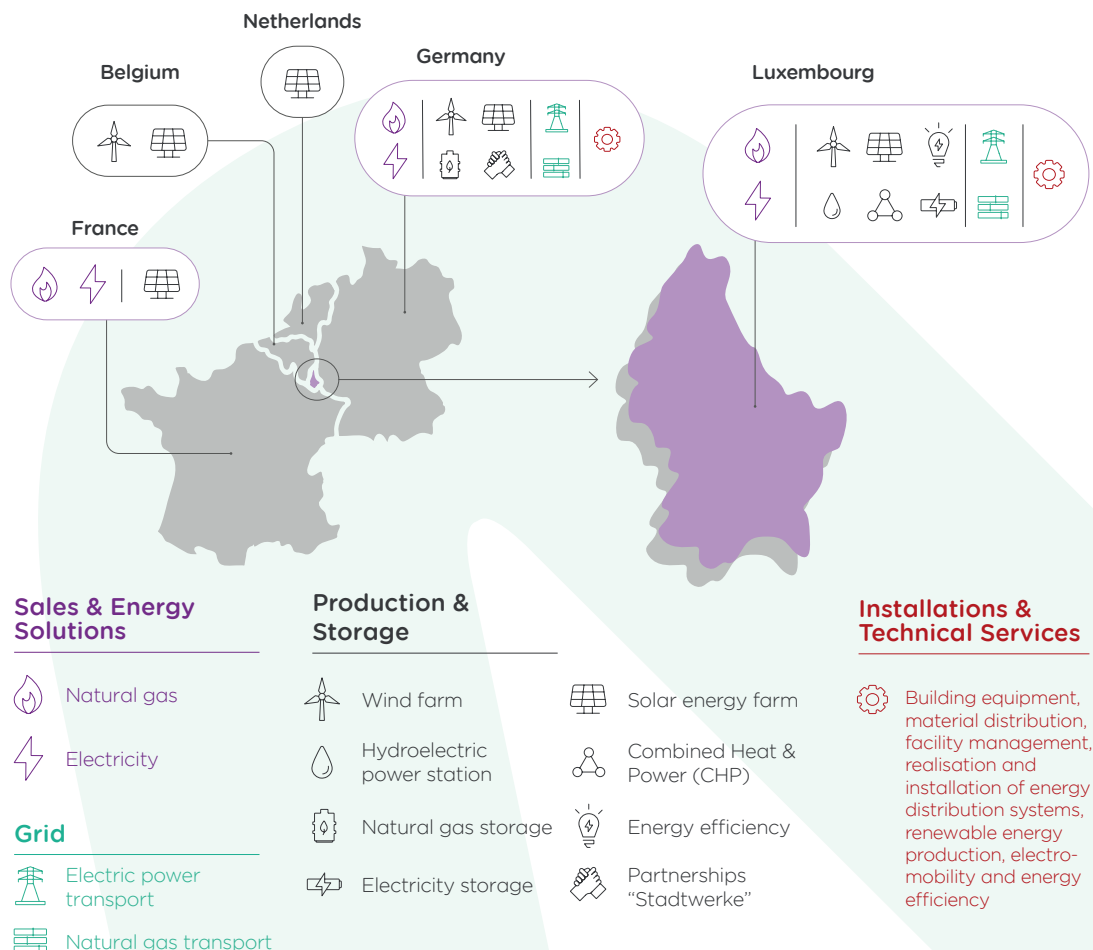
# Presence in the Greater Region

Encevo Group targets a leading market presence to address energy-related needs in the Greater Region intending to offer a complete portfolio of full-fledged energy solutions.

Via Creos Luxembourg, the group operates electricity and natural gas networks in Luxembourg and pursues the mission to ensure reliable transmission and distribution of electricity and natural gas. Creos Deutschland acts as a regional distribution network operator in electricity and natural gas in the Saarland and Rhineland-Palatinate region in Germany.

Enovos acts as energy supplier of Encevo Group and is also active in the development of renewable energy projects and continuously invests in renewable energy production. By doing so, Enovos ensures a sustainable and competitive energy supply for all its customers. Enovos is active in Luxembourg, Germany, France, Belgium and the Netherlands..

Finally, the group is active, via Teseos and its subsidiaries, in the field of technical installation and technical services covering building equipment, material distribution, facility management, realisation and installation of energy distribution systems, renewable energy production, electromobility and energy efficiency.



# Value Creation Model

Times of crisis and even poly-crisis refocus value creation around resilience in operations through the value chain. For the sustainable energy transition, resilience in security of supply and critical infrastructure management are particularly important. Creating value for stakeholders by leading the energy transition and ensuring strong financial performance is essential for a sound and robust long-term business model. These objectives are mutually beneficial and to guarantee that the company continues to add value, it must target business prospects that fully harness components of sustainability, such as market risk and return.

Encevo Group's approach revolves around creating value as an integrated energy group. Diversification decreases total risks, and harnessing synergies allows Encevo to develop competitive advantages. The Encevo Group also becomes a desirable partner due to its extensive expertise and delivery capabilities across the energy value chain. At Encevo it is believed that this places the company in good position to create value for the group's stakeholders. On page 45, the sustainability management plan objectives demonstrate concretely how the company engages in various segments of the value chain and the organisation. The group is investing in renewables and promoting the energy transition by modernising and expanding the power distribution grid, improving market services, and assisting its customers in their decarbonisation activities. Encevo's value creation model highlights the inputs used and the additional value provided to stakeholders through the group's primary business activities. Furthermore, each aspect in the value creation model is connected to the relevant sections of this report, which provide additional information.

## Inputs

- Strong balance sheet to further develop sustainable and CO<sub>2</sub>-free wind and solar power
- Unique portfolio to drive growth investments in renewables, investments

in energy transition and smart grids, as well as maintenance investments.

- Innovation capabilities including skills in engineering, services, market analysis, trading, market knowledge, digital competence and technical innovation
- Stakeholder relations ensuring credibility and trust as a partner and driver of the energy transition with customers, suppliers, government and local communities
- High-performing organisation with unique workforce and intellectual capital
- Responsible resource use within the CSR Sustainability Framework

## Where we create value:

The following value creation is expressed in % related to the adjusted EBIT KPI:

**Energy Supply:** 45.0% contribution

**Grid:** 52.4% contribution

**Installations and Technical Services:** 2.3% contribution

Encevo seeks to make the best use of resources. It fully integrates sustainability into its decision-making process to provide more solid value to stakeholders. Encevo's business model is based on three growth drivers:

1. Energy supply and renewable energy production.
2. Smart and reliable grid system ensuring security of supply.
3. Installations and technical services.

With these strong businesses along the value chain, Encevo ensures:

- A responsible and inclusive corporation.
- More sustainable operation.
- The sharing of value with communities.

Encevo's sustainable development strategy is to promote long-term value creation. This is accomplished by engaging in activities that are specific to Encevo's corporate objectives, taking into account stakeholder needs based on their commercial interests and present

institutional realities. The chapter on materiality analysis contains a full list of stakeholders.

## Output

Encevo is carrying out its plans to accelerate the energy transition in accordance with its corporate strategy. Encevo is committed to creating long-term value for

all stakeholders, employing environmentally responsible energy sources to provide high-quality service, and remaining vigilant to opportunities presented by the information economy and the SDGs, particularly objectives 7, 8, 9, 12, and 13. The utility sector is a major economic driver. It continues to support the economy by making

significant investments and producing high-quality jobs, both directly and indirectly. Its goal is to ensure a reliable, competitive, and sustainable energy supply. The Encevo Group focuses its efforts on the key Sustainable Development Goals, where the company makes the most active and direct contributions.



# Materiality Analysis & Sustainability Strategic Priorities

The materiality analysis of Encevo Group uses an inclusive approach towards its stakeholders. The conduction of the first double-materiality analysis lasted from July 2022 to December 2023, and is an upcoming requirement of the Corporate Sustainability Reporting Directive (CSRD) for the group's annual report 2025 to be published in 2026. The method integrates an "impact materiality" or "inside-out" view, which identifies and assesses the most significant actual and potential impacts of the company on the economy, the environment and society, including human rights. The "financial materiality" or "outside-in" view highlights issues that generate risks or opportunities for the company, influencing its future cash flows and therefore the value of the company in the short, medium or long term.

Finally, a "stakeholder engagement process", which identifies the key issues and concerns that are most important to the company's key stakeholders. For more information, please refer to the GRI content's main notes on page 233.

The double materiality analysis assessed the significance of the economic, social and environmental impacts of Encevo's activities and their influence on stakeholders. Based on this analysis, nine priority topics were identified, which are structured into the dimensions (environmental, social, governance and economic):

## The primary material topics are as follows (environmental, social, governance/economic):

### ENV.01 Energy use efficiency & demand-side management

Energy efficiency is a low-lifecycle-cost method to reduce energy consumption and related greenhouse gas (GHG) emissions, as less energy needs to be generated to provide the same end-use energy services. The promotion of energy efficiency and conservation includes notably the offering of rebates for energy-efficient appliances, the education of customers on energy-saving methods, the offering of incentives to customers to curb electricity use during times of peak demand ("demand response"), and investing in technology, such as smart meters, that allows customers to track their energy usage.

### ENV.02 Renewable and clean Energy

Renewable energy refers to power derived from natural resources, including solar, wind, biomass-based and geothermal energy, while clean energy encompasses energy sources and production methods that emit minimal pollutants while reducing the environmental impact. Renewable and clean energy include the development of renewable power generation capacity and/or the enabling of renewable power development through network expansion and "green power" offerings, promoting energy security, reducing dependency on fossil fuels and combatting climate change.

### ENV.04 Circular economy and responsible products across all the lifecycle (emerging topic)

Circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended. In practice, it implies reducing waste to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible thanks to recycling. These can be productively used again and again, thereby creating further value.

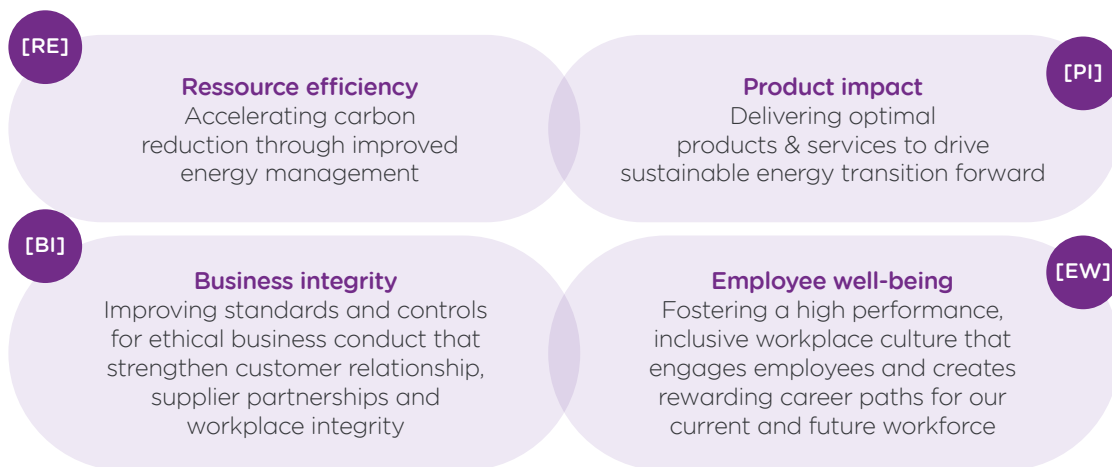
|   |  |
|---|--|
| <b>ENV.09</b><br><b>Material sourcing<br/>&amp; environmental<br/>impacts</b>               | <p>Material sourcing and environmental impacts refers to the processes through which the company acquires the raw materials needed for its operations, including the associated environmental consequences of extracting, producing, and utilizing those materials. It is, amongst others, an important lever for reduction or elimination of carbon emissions to contribute to climate change objectives.</p>   |
| <b>SOC.09</b><br><b>Employment<br/>practices</b>  | <p>Employment practices include a company's approach to employment or job creation, addressing notably hiring, recruitment, retention and related practices, and the working conditions it provides. This also covers the employment and working conditions in a company's supply chain. Developing talent and enhancing employees' competencies are key elements to motivate and unify the workforce.</p>   |
| <b>GOV.01</b><br><b>Sustainable<br/>economic<br/>performance<br/>and growth</b>             | <p>Economic performance is key for a company's development and includes the generation and distribution of economic value by a company, its defined benefit plan obligations, the financial assistance it receives from any government and the financial implications of climate change.</p>   |
| <b>GOV.04</b><br><b>Reliable, safe and<br/>smart energy supply<br/>(security of supply)</b> | <p>A reliable, safe and smart energy supply refers to the assurance of meeting consistently and efficiently the energy needs of connected and/or supplied customers, while minimizing risks and ensuring the safety and sustainability of the energy provision. It involves maintaining a stable and resilient energy infrastructure that can withstand potential disruptions and provide continuous access to energy resources, while relying on the ongoing digitalisation of the energy sector.</p>   |
| <b>GOV.06</b><br><b>Compliance,<br/>anti corruption</b>                                     | <p>The implementation of compliance and anti-corruption approaches via policies, standards, procedures and behaviours like anti bribery, anti-money laundering, anti-corruption and integrity are key for a company and help to ensure ethical business conduct while protecting a company's reputation and guaranteeing its long-term sustainability business activity.</p>   |
| <b>GOV.07</b><br><b>Data protection,<br/>privacy and<br/>cybersecurity</b>                  | <p>Data protection refers to the process of safeguarding sensitive and personal data from unauthorized access, use, disclosure, modification, or destruction. The goal of data protection is to ensure that data is handled securely and in compliance with relevant laws and regulations to prevent data breaches, identity theft, or misuse of personal information. Data protection involves the implementation of technical, organizational, and procedural measures to maintain the confidentiality, integrity, and availability of data. Privacy relates to an individual's right to control the collection, use, and disclosure of their personal information. Respecting privacy involves obtaining consent for data collection, providing clear information about data processing practices, and ensuring that personal data is handled in a way that aligns with applicable privacy laws and individuals' expectations. Cybersecurity is the practice of protecting computer systems, networks, devices, and data from unauthorized access, attacks, and damage. It involves the use of various technologies, processes, and practices to safeguard information technology (IT) assets and infrastructure from cyber threats, such as hacking, malware, ransomware, phishing, and other cyberattacks. The primary focus of cybersecurity is to maintain the confidentiality, integrity, and availability of data and IT resources while mitigating the risks posed by cyber threats.</p> |



## Secondary topics (ESG)

|        |   |
|--------|---|
| ENV.03 | Biodiversity, land use and ecological impact of project development                 |
| ENV.08 | Greenhouse gas emissions (emerging topic)   |
| SOC.01 | Stakeholder dialogue and advocacy, freedom of association and collective bargaining |
| SOC.02 | Local community empowerment and relations   |
| SOC.03 | Human capital and training & skills development                                     |
| SOC.04 | Customer orientation & partnerships   |
| SOC.05 | Diversity, equal opportunity and inclusion  |
| SOC.06 | Occupational health & safety and working conditions                                 |
| SOC.07 | Human rights across the supply chain (emerging topic)                               |
| SOC.08 | Product safety and customer health  |
| GOV.03 | Research & development, innovation and STEM development                             |
| GOV.02 | Sustainable governance (emerging topic)   |
| GOV.05 | Operational safety of infrastructure, emergency preparedness & response             |
| GOV.08 | Management of the legal & regulatory environment                                    |
| GOV.09 | Materials efficiency and energy affordability (emerging topic)                      |

Encevo's sustainability strategy is structured around its materiality topics with identified sustainability issues and objectives. Each material topic and how it is managed is detailed in the corresponding chapters of this report. Encevo has defined its core challenges as follows:



# Sustainability Management Plan

Details on progress towards goal completion are in the related chapters of this report.

|                                | Material Topics (Mat) & Secondary Topics         | ID  | Sustainability Management Plan as communicated in Annual Report 2023  | Target Date (Year) | Progress |
|--------------------------------|--|-----|---|--------------------|----------|
| PRODUCT & SERVICES IMPACT (PI) | Reliable and Smart Energy Supply (Mat)           | PI1 | Build-up of Public electric vehicle loading points (=800) and high speed loading points (=88)   | 2023               |          |
|                                |  | PI2 | Develop self-consumption and smart district concepts to guarantee low carbon or zero carbon energy supply via Encevo subsidiaries   | 2025               |          |
|                                |  | PI3 | Build and implement National Data Platform for Luxembourg   | 2022               |          |
|                                | Renewable and Clean Energy (Mat)                 | PI4 | Target renewable production (PV/WIND/Biomass via District Heating) to support governmental objective of 35-37% Green Power  | 2030               |          |
|                                | Infrastructure Safety (Mat)                      | PI5 | Building of new interconnection of infrastructures with Germany to secure supply & demand challenges  | 2026               |          |
|                                |  | PI6 | Invest 200M EUR Green Bond Capital into group Infrastructure  | 2024               |          |
|                                | Energy use efficiency & demand-side mgt. (Mat)   | PI7 | Increase Energy Efficiency Services Sales to increase energy savings (compared to 132GWh in 2019)   | 2022               |          |
|                                |  | PI8 | Increase the number of services delivered in the field of decarbonization to the different economic sectors of Luxembourg compared to 2022, in particular increase the number of energy audits, carbon assessments, decarbonization studies, trainings. | 2025               |          |
| EMPLOYEE WELL-BEING (EW)       | Employee Development & Engagement (Mat)          | EW1 | Pursue efforts in increasing time spent on e-learning and create learning communities for knowledge sharing   | 2026               |          |
|                                | Employment Training (Mat)                        | EW2 | Perform regular employee satisfaction survey in 4-5 -years cycle and implement validated action plan  | 2024               |          |
|                                | STEM Talents and Local Communities (Mat)         | EW3 | Social impact - Pursue effort in coaching and being a reliable partner for ministries, local entities, students and jobseekers  | 2023               |          |
|                                | Occupational Health & Safety                     | EW4 | Re-certify SGS (Sicher Gesund mat System) for Encevo and re-certify VISION ZERO (Creos)   | 2023               |          |
|                                |  | EW5 | Evaluate and prepare for ISO 45001 Certification Lux Grid and Encevo  | 2023               |          |
|                                | Diversity and Equal Opportunity                  | EW6 | Adhere to national "Business and Human Rights Pact" charter in Luxembourg and implement human rights roadmap  | 2025               |          |
|                                |  | EW7 | Raise awareness to our general management on interpersonal skills/emotional intelligence through dedicated sessions/conferences   | 2024               |          |
|                                |  | EW8 | Train our leaders on our managerial competencies (including diversity & inclusion mindset/approach) through a dedicated leadership programme  | 2026               |          |
|                                |  | EW9 | Include Diversity & Inclusion in employer branding to attract more women or other minorities  | 2025               |          |
| BUSINESS INTEGRITY (BI)        | Data protection, privacy and cybersecurity (Mat) | BI1 | GDPR: Implementation of Continuous Improvement Program 2021-2023  | 2023               |          |
|                                |  | BI2 | Perform due diligence of human rights related to our procurement and HR practices   | 2023               |          |
|                                |  | BI3 | Updating ISMS (Information Security Mg. System) certifications to the new ISO/IEC 27001:2022 norms and standards  | 2025               |          |
|                                |  | BI4 | Information Security Improvement Plan: Implementation of 2 years Cyber Security Plan (2022-2024)  | 2024               |          |
| RESOURCE EFFICIENCY (RE)       | Material Sourcing & Environmental Impact (Mat)   | RE1 | Draft sustainable procurement policy and definition/implementation of sustainable purchasing criteria into procurement practices  | 2025               |          |
|                                | Emissions Mgt.                                   | RE2 | Define emissions trajectory for Encevo Group  | 2023               |          |
|                                |  | RE3 | Measure emissions Scope 2 (by 2022) and scope 3 (by 2023)   | 2022/<br>2023      |          |
|                                |  | RE4 | Reduce CO <sub>2</sub> emissions for Leasing fleet in Luxembourg (Encevo/Creos/Enovos/Teseos) to ZERO emission  | 2025               |          |

Objective met

Objective in progress

This sustainability management plan summarises Encevo's core sustainability topics, goals, target dates and progress, which are reviewed and updated on a yearly basis. This section includes a brief explanation on the achievement of objectives due for 2023 or newly defined objectives. The status of ongoing objectives is further detailed in the specific chapters:

#### Product & Services Impact (PI)

##### **PI1 (update): Build-up of public electric vehicle loading points (=800) and high-speed loading points (=88)**

In 2023, the Chargy network comprised 699 (+93) charging stations compared to 606 in 2022, and the SuperChargy network comprised 60 (+28) charging stations compared to 32 the previous year. Please find further information in the Creos Luxembourg Annual Report.

##### **PI2 (ongoing): Develop self-consumption and smart district concepts to guarantee low carbon or zero carbon energy supply via Encevo subsidiaries**

At the end of 2023, Encevo and its subsidiary LuxEnergie entered into a partnership with Iko Real Estate via the joint venture Callisto, a newly created company that will develop the first anergy network in Luxembourg in the Rout Lëns district in Esch-sur-Alzette. The smart district concept will be composed of an anergy grid fed by geothermal probes supplying heat pumps in the buildings of the district. Additionally, the buildings will be equipped with photovoltaic electricity installations that will supply the district. Please find further information in section Product and services impact: clean energy development, page 157.

##### **PI3 (update): Build and implement national data platform for Luxembourg**

In autumn 2023, Creos, in its role



as Transport System Operator (TSO) for electricity in Luxembourg, successfully deployed its first version of LENEDA (Luxembourg ENERgy Data Platform), the new national energy data platform. This version that covers mainly the synchronisation of all technical master data between the Distribution System Operator's (DSO's) backend system and LENEDA, sets the basis for all future services. As a first main service, all the handling and calculations related to sharing groups have been migrated to LENEDA where they have been managed on a daily basis since autumn 2023. In parallel, a lot of alignments and data cleaning activities have been realised during the year among the different market actors concerning how business partner data should be structured and handled in the future. Integrations with third party tools like Luxtrust and ID Now have been realised to ensure high quality business partner data and to secure the connection to the platform. The project will continue in 2024 with the integration of the customer onboarding solutions into the different market actors' systems and the design of a new harmonised Market Communication for the Luxembourgish market. The system will be opened in the first half of 2024 to a broader public and additional services around data access and data management will be developed. Please find further information in the Creos Luxembourg Annual Report.

**PI7 (objective met/recurrent):****Increase energy efficiency services sales to increase energy savings.**

As in the previous year, considerable efforts were made by Enovos Luxembourg in the Energy Efficiency Obligation Scheme (EEOS) in all sectors. The Market Business Unit generated, in the context of the enoprimes programme, more than 6,509 offers for new energy efficiency measures and at the same time finalised more than 2,725 initiatives, which led to a 100% achievement of the annual objectives with energy efficiency savings of 169,70 GWh. Please find further information in section> Resource efficiency: energy use efficiency and demand-side management, page 168.

**Employee Wellbeing (EW)****EW2 (objective met): Perform regular employee satisfaction surveys in four to five year cycles and implement validated action plans.**

Encevo conducted the regular satisfaction survey in 2023 and achieved a very high participation rate of 65%. Compared to the results of the same survey in 2019, we observe a significant improvement in the results for almost all the key indicators was observed. Overall, the results are (very) good for most indicators and higher than the benchmarks. Employees generally feel good about their work, whether on a personal level, with colleagues, superiors or within the organisation. The four values are well lived within the organisation for 75% of respondents. The level of resilience is good. The level of commitment is very good overall, and the rate of motivators is higher than the benchmarks. Most employees feel they are performing well, both individually and collectively, and there is still room for improvement at the collective level.

**EW3 (objective met): Social impact – Pursue effort in coaching and being a reliable partner for ministries, local entities, students and jobseekers.**

Encevo Group aims to dedicate valuable time to social initiatives especially in local education and among vulnerable people. In 2023 Encevo Group and its subsidiaries in Luxembourg and in Germany participated in several initiatives to show students the activities of Encevo Group via visits on several sites, job open days on sites, professional presence in schools, notably with an educational objective to motivate students to embrace technical studies. In Luxembourg, several subsidiaries of Encevo Group volunteer to ADEM and FEDIL initiatives by supporting and coaching job seekers to find jobs. Additionally, Encevo Group recently started supporting the local “Girls in Tech” organisation in Luxembourg to boost diversity and inclusion initiatives and bring further diversity within the group.

**EW4 (objective met/recurrent): Re-certify SGS (Sécher & Gesondmat System) for Encevo and re-certify VISION ZERO (Creos).**

The recertification of SGS at Encevo Luxembourg and VISION zero at Creos Luxembourg was successfully achieved. Please find further information in section > Employee wellbeing > occupational health and safety, page 197.

**EW5 (ongoing): Evaluate and prepare for ISO 45001 Certification Creos Luxembourg and Encevo**

The gap assessment and evaluation for the ISO 45001 standard is ongoing for Creos Luxembourg, Enovos Luxembourg, Encevo Luxembourg and Global Facilities. As further companies were introduced into the scope of the analysis,

the assessment and evaluation took longer than expected. The work is to be continued on the created basis. Please find further information in section > Employee wellbeing > occupational health and safety, page 197.

#### Business Integrity (BI)

##### **BI1 (Objective met): GDPR: Implementation of continuous improvement program 2021-2023**

The continuous improvement cycle of the General Data Protection Regulation (GDPR) programme was successfully closed at the end of 2023. Maturity related to GDPR Governance was significantly improved, with strengthened policies valid for all fully consolidated entities within Encevo Group. DPOs from new entities joining Encevo Group have been successfully onboarded and the annual DPO conference to exchange between DPOs and discuss upcoming challenges was successfully concluded. Specifically thematic topics were addressed e.g. Network and Information System (NIS)-related requirements, updates of information notices or emerging topics on how to protect smart meter data. Furthermore, it was demonstrated that the implemented GDPR processes were effective (e.g. managing data breach, data access request, privacy by design). The new Roadmap 2024-2026 strives to ensure that GDPR efforts are maintained adequately. Please find further information in the section Integrity>GDPR on page 187.

##### **BI5 (Objective met): Perform due diligence of Human Rights related to our procurement and HR practices**

Encevo has set up a first exercise to assess the risks and opportunities in terms of human rights in three of the riskiest processes: Purchasing, Health & Safety and Human Resources.



The identified risks were formalised and an improvement plan for 2023 was executed through the CSR Governance process. The scaling of the human rights due diligence process on all fully consolidated entities has been prepared with the concerned teams during 2023 and will be implemented in a 2nd phase during 2024-2025 to comply with upcoming requirements of the Corporate Social Responsibility Directive and the future Corporate Sustainability Due Diligence Directive (CS3D) for the Annual Report 2025 of Encevo Group. Please find further information in the section Business Integrity>Human Rights on page 189.

#### Resource Efficiency (RE)

##### **RE1 (NEW objective): Draft sustainable procurement policy and define and implement sustainable purchasing criteria into procurement practices by 2025**

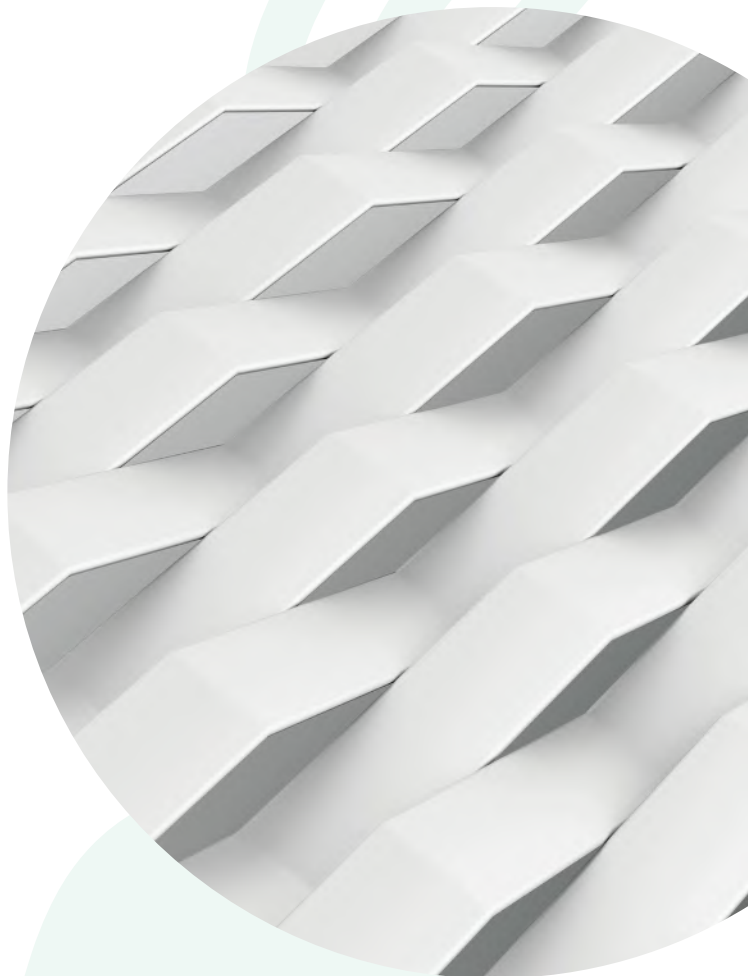
Encevo Group distinguishes itself by offering comprehensive services across the entire energy value chain, spanning production, storage, supply, transport, trading, distribution, and services. Encevo Group's commitment to sustainability and innovation is reflected in its diverse initiatives and good practices, positioning the group at the forefront of the rapidly evolving energy sector. Recognizing the importance of aligning its practices with industry best standards, Encevo Group is poised to take a significant step forward by drafting and implementing a comprehensive procurement policy by 2025. This strategic move reflects their commitment to transparent and ethical business practices, fostering a procurement framework that prioritizes environmental responsibility, social impact, and financial prudence.

**RE2 (objective met): Define Emissions Trajectory for Encevo Group by 2023**

During 2023, a substantial project was conducted including fully consolidated entities to achieve a complete Corporate Carbon Footprint (CCF) emission inventory including all three scopes (Scope 1 – direct emissions, Scope 2 – indirect emissions and Scope 3 – value chain emissions), in accordance with the framework defined by the Greenhouse Gas Protocol and the regulatory framework of the European Union. The base year was defined and detailed analysis of the CCF provided decarbonisation potentials, which were discussed and aligned with the concerned business entities. The Encevo Group decarbonisation trajectory was developed in parallel to the group strategy review to ensure full alignment with strategic considerations. At the same time, a CSR Mgt. System was implemented to master the Carbon inventory complexity. The details related to the CCF and the decarbonisation trajectory can be found in the chapter > Resource Efficiency > Carbon Emissions, page 172.

**RE3 (objective met): Measure emissions scope 2 (by 2022) and scope 3 (by 2023)**

We have achieved the objective to measure emissions scope 3 for all our fully consolidated entities by 2023. Scope 3 is well-known as the most complex scope as value chain information needs to be collected. For detailed information to our carbon inventories, please refer to > Resource Efficiency > Carbon Emissions, page 172.







# Integrated Approach to Sustainable Development

## Encevo's sustainability context

The pandemic crisis is over, but the different geopolitical crisis also impacted the energy markets in Europe. Even though an increasingly turbulent energy market with volatile prices has been observed in 2022, the extremes came down to lower levels in 2023 but impacts of high prices leading into soaring electricity and heating costs and other inflation effects were still very present.

The European Union, notably via the Green Deal and its related directives and regulations, is pushing sustainability from a "voluntary" best practice to a "must" follow standard. On the other hand, we see more and more sustainability becoming a competitive advantage and business necessity. This is driven by commitments as well as requirements from corporations, investors, customers and governments and encompasses all aspects of sustainability (Environmental, Social and Governance - in short ESG).

As electrification is progressing at speed, be it in the transport, the heating or the industrial sector, the demand for fossil-free electricity will increase. As a result, the generation of electricity, preferably from renewable sources, must increase. This will pose a challenge to the overall energy system, which will have to deal with significant swings in electricity supply and demand. Capacity that is sufficiently flexible to meet periods when weather-dependent sources are unable to produce (no wind or sun), as well as the required grid infrastructure, will be critical to ensuring security of supply. To reach climate targets in the long run, fossil-free power demand must climb even more, necessitating rapid expansion of generation capacity and infrastructure. Strong public and regulatory

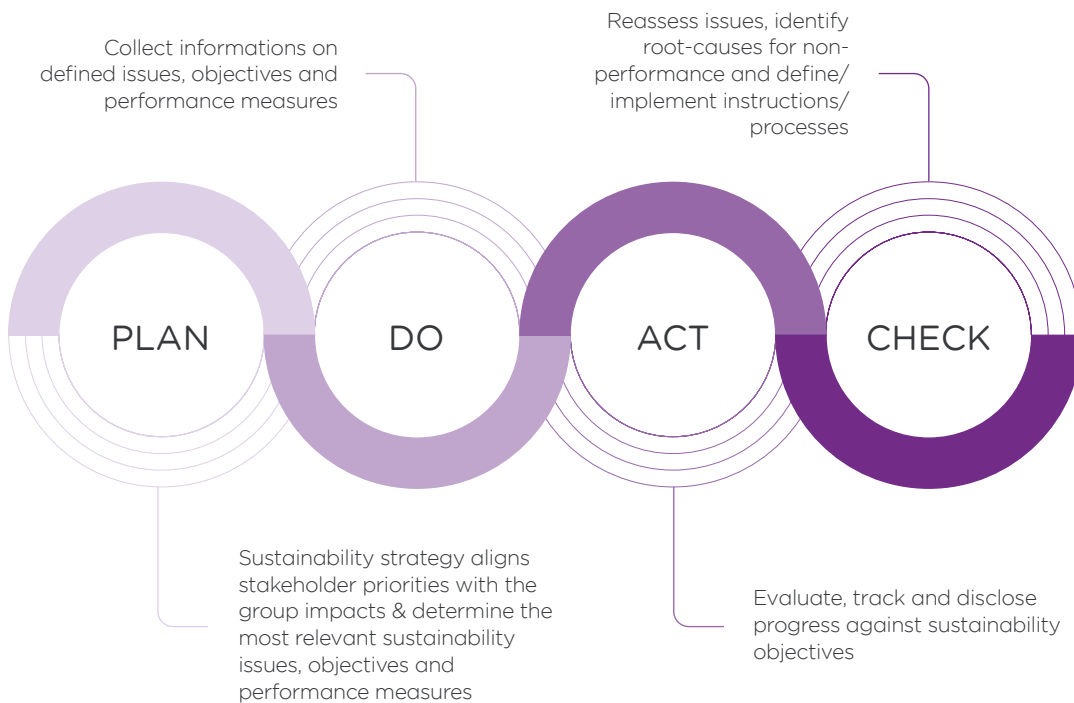
support is required for all fossil-free energy sources, as well as investments in generation, grids, flexibility, and the transition of industrial processes to fossil-free alternatives.

Bridging the skills gap will be important for success in the energy transition. Changing demographics and an accelerating energy transition are already causing a labour shortage, leading to intense competition for skills. Furthermore, a competency shift is envisaged, necessitating the acquisition of new skills in analytics and digitalisation, business growth, and cross-functional collaboration. To attract talent, organisations must provide creative and competitive perks as well as new, more flexible working arrangements. Companies must also retain and re-train current personnel to ensure the necessary competencies and maximise the workforce's potential.

Integrated utilities must incorporate resilience to unforeseen change. Geopolitical instability, growing digitalisation, and new dangers such as cyberattacks and disruptive events are driving companies to develop the ability to secure assets and maintain business continuity in the face of these challenges.

# Continuous Improvement Framework

During 2023, Encevo Group achieved a major increase in maturity by implementing a structured best practice CSR management tool that allows a consistent way of reporting quantitative data and qualitative inputs for all fully consolidated companies. The tool is critical to ensure continuous improvement in non-financial reporting, especially when it comes to carbon emissions reporting. Encevo is now better equipped to track and report progress towards its goals and to reassess upcoming challenges.



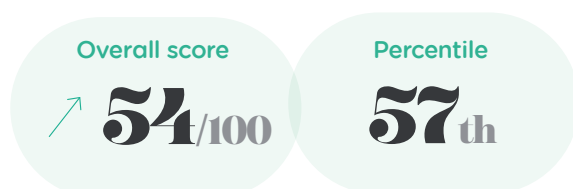
The CSR Continuous Improvement Cycle is embedded in Encevo Group's CSR Framework, which is used to ensure a well-structured management approach.



The ESR - Entreprise Responsable label certification process includes the verification of main CSR policies and practices, realised through a three-year cycle, which is due in 2024 for Encevo Group.

During 2023, Encevo updated its EcoVadis scoring based on the maturity increase of the past two years in a significant way. EcoVadis is one of the leading ESG/Sustainability scoring platforms which assesses, evaluates and scores Encevo Group maturity along 51 detailed questions including Environment, Labor & Human Rights, Sustainable Procurement and Ethics. For each topic, the questions are grouped by sustainability management indicators including policies, endorsements, measures, certifications, coverage and reporting.

Encevo Group achieved in 2021 a sustainability rating of 47/100 which was improved in 2023 by 7 points to 54/100. This demonstrates the success of the continuous improvement path. The percentile rank shows how Encevo Group score compares to other companies' scores. Encevo ranks at the 57<sup>th</sup> percentile, which means that Encevo's rating is higher than or equal to the score of 57 percent of all companies rated by EcoVadis. The improvement of the score on the environment dimension is related to a substantial progress in the Corporate Carbon Footprint (CCF) and the decarbonisation path with quantified objectives for 2030 for all 3 scopes of greenhouse gas emissions. Please find more details in the "Emissions section" of this report.





# Overview of Encevo Group Employees

Encevo Group employee headcount:

2021

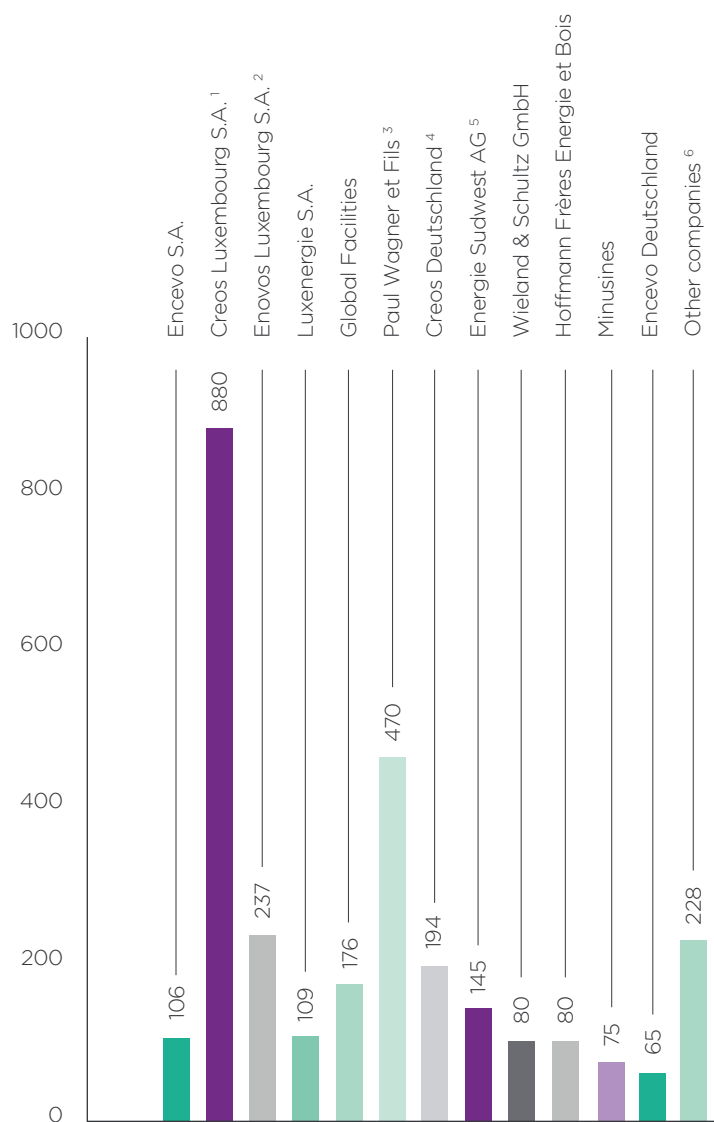
2,362

2022

2,559

2023

2,841



1 Ville de Luxembourg included

2 Leo S.A. incl.

3 Paul Wagner et Fils, Hoffmann S.A.S., Electricité Wagner S.A., Blitzschutzbau Rhein-Main, Arctic Cooling Systems S.à r.l. incl.

4 Creos Deutschland Services, net4energy GmbH incl.

5 EnergieSüdwest AG, EnergieSüdwest Netz GmbH, EnergieSüdwest Projektges. GmbH, EnergieSüdpfalz Shared Service GmbH.

6 Teseos S.A., diego Luxembourg S.A., Power Panels S.A., Enovos Energie Deutschland GmbH, Enovos Renewables O&M GmbH, Enovos Renewables GmbH, Enovos Storage GmbH, DISUN Deutsche Solarservice GmbH, WES Green GmbH, Enovos France, Enovos Green Power incl.

In addition to the total number of employees, the group has 44 employee apprenticeships, from which 39 work at the group companies in Germany.

### Workers who are not employees and whose work is controlled by the organisation.

GRI 2-8, ESRS S1-7

In order to develop its activities, Encevo Group, through some of its subsidiary companies, hires workers who are not employees and whose work is controlled by the organisation.

All workers are treated by the different entities under the same conditions as their employees and respecting European and

country specific laws and regulations.

In particular, they are covered by a health and safety management system.

### Collective work agreements

GRI 2-30, ESRS 2 SBM-2, ESRS S1-8

The majority of Encevo Group entities have established collective work agreements, reaching 65.3% of employees covered by a collective work agreement at Encevo Group.

## New Employee Hires 2023 GRI 401-1, 405-1, ESRS S1-9





# Introduction to EU Taxonomy Reporting

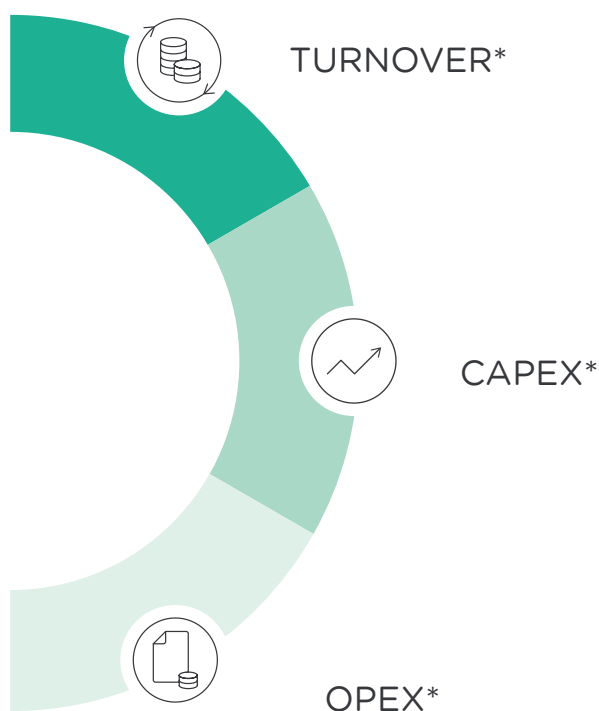
The sustainability reporting landscape in Europe is moving from voluntary to mandatory, in line with the European Green Deal and the Paris Agreement, and with the aim to make Europe the first climate-neutral continent by 2050.

In this context, the European Commission has adopted an action plan to finance sustainable growth and has adopted the EU Taxonomy Regulation EU 2020/852 which entered into force in July 2020.

**The EU Taxonomy is a classification system for sustainable economic activities that aims to scale up sustainable investment.**

In particular, it helps companies understand to what extent they are generating revenues from sustainable, taxonomy-aligned activities, manage their portfolio of activities with the aim of gradually increasing the share of green activities, and identify and define investment plans according to the improvement potential of economic activities that are taxonomy-eligible but not yet aligned.

**The EU Taxonomy requires companies to report on three main KPIs: Turnover, capital expenditure (CapEx) and operational expenditures (OpEx), as illustrated in the figure below.**



\* %-rate that is aligned & eligible with EU Taxonomy

The Turnover KPI aims to give a clear picture of the company's current situation relative to the EU Taxonomy and provides an understanding to what extent the company is generating revenues from sustainable, Taxonomy-aligned activities.

The CapEx and OpEx KPIs give an indication of a company's strategy for improving environmental performance and resilience. They are future-oriented, as they provide an understanding of how the company is implementing its sustainability strategy and its direction of travel.

Encevo has already started to prepare to report on the EU Taxonomy, as it will be mandatory for the group to report as of the financial year 2025 with the first publication in 2026, in line with the Corporate Sustainability Reporting Directive (CSRD).









# 04

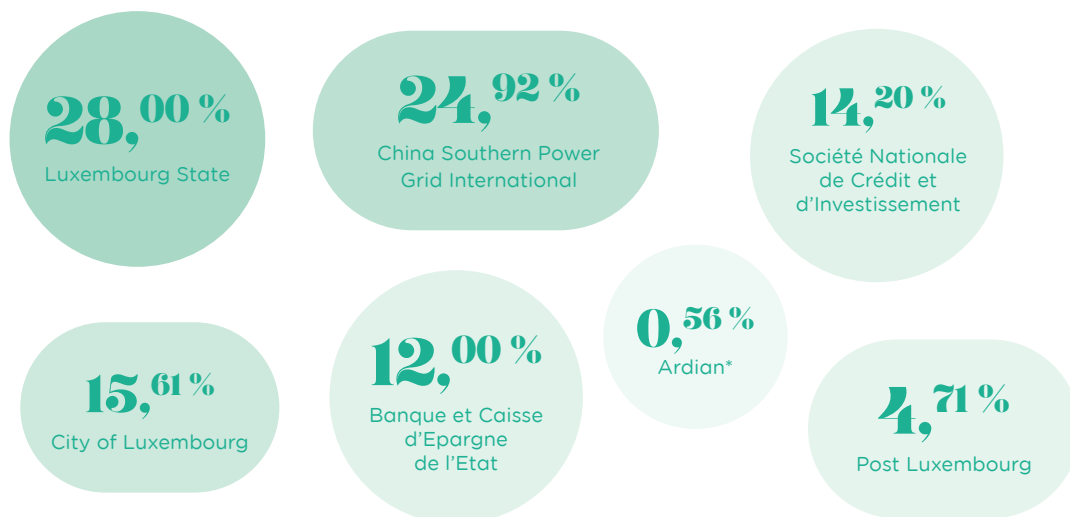
## Governance



# Transparent Governance <sup>[1]</sup>

## The Shareholders ESRS 2 SBM-2

As of 31 December 2023, Encevo S.A.'s share capital was distributed between the various shareholders as follows:



\*AXA Redilion ManagementCo S.C.A. (ARDIAN) 0,52%

\*ARDIAN Redilion ManagementCo S.C.A. (ARDIAN) 0,04%

According to the by-laws, the general meeting of shareholders is vested with the powers expressly reserved for it by law and by the articles of association. It is in particular responsible for the approval of the annual accounts, for the allocation of profit as well as the appointment of the directors and of the external auditor.

In accordance with its by-laws, the annual general meeting of shareholders ("AGM") took place on 10 May 2023. Having acknowledged the management's report and the independent statutory auditor's reports, the shareholders unanimously approved the

statutory accounts of Encevo S.A. as well as the consolidated accounts of Encevo Group with respect to the year 2022.

In addition, the AGM decided not to distribute any dividend, and granted full and unrestricted discharge to all directors having held a mandate in 2022.

Finally, the AGM appointed one new director following a resignation, and appointed a new external auditor for the years 2023 and 2024.

[1] More details on the overall governance of Encevo, in particular on the role of the various corporate bodies, can be found in the Corporate Governance Charter, which is accessible at [www.encevo.eu](http://www.encevo.eu)

# Other Corporate Bodies – role and composition

## Role of the Board and Board Committees

### The Board of Directors

The Board is in charge of the management of the company and is vested with the broadest powers to take any actions necessary or useful to fulfil the company's corporate objective, except those reserved for the general assembly of shareholders.

### Board committees

Board committees are committees set up by the Board of Directors in different areas with the aim of assisting the Board in the preparation or supervision of items for which it is competent and/or in relation to which it is required to take a decision.

### Audit Committee ("AC")

The AC has been set up primarily for the purpose of overseeing the following areas: financial statements, legal and regulatory compliance, external and internal auditor-related topics, system of internal controls and risk

management. The Audit Committee is also the committee at which level governance and integrity issues are discussed, at least on an annual basis. Risk management topics are followed up on a quarterly basis.

### Group Strategy Committee ("GSC")

The GSC has been set up primarily to assist the Board in defining, developing and implementing a business strategy. The GSC also validates the group CSR approach and materiality analysis. Executive Board members are also members of the GSC.

### Investment Committee ("IC")

The IC has been established primarily for the purpose of assisting the Board in reviewing and providing advice or recommendations on significant investments before investment decisions are actually taken, as well as of periodically reviewing the performance of investments

already made. The CEO and the CFO of Encevo S.A. are members of the IC.

### Nomination and Remuneration Committee ("RemCo")

The RemCo was established to assist the Board in matters relating to the appointment and/or dismissal of members of the Executive Board and non-executive directors. As well, this committee reviews the remuneration conditions of the members of the Executive Board, non-executive directors, and executive directors other than the members of the Executive Board. It is also in charge of reviewing the global remuneration policy within the Encevo Group.

### Executive Board

The Executive Board, which is composed of members appointed by the Board of Directors, is in charge of the daily management.



## Composition of the Board and Board Committees GRI 2-9

| Board member<br>Gender, nationality          | Since   | Term<br>expires | Main occupation and mandates<br>within Encevo Group  | Other main occupations and<br>mandates  |
|--|---|-----------------|--|---|
| <b>Marco Hoffmann</b><br>M, Luxembourgish    | re-elected<br>on 12 May<br>2020   | AGM 2026        | Chair of the Board of Encevo S.A.<br>Chair of the Board and Managing<br>director of Enovos Luxembourg S.A.<br>Board Committee member (AC,<br>GSC, IC, RemCo)<br>Chair of the supervisory board of<br>Encevo Deutschland GmbH | Head of Energy Markets<br>Directorate at the Luxembourg<br>Ministry of the Economy  |
| <b>Danielle Castagna</b><br>F, Luxembourgish | elected on<br>12 May<br>2020  | AGM 2026        | Board member of Encevo S.A.<br>Board Committee member (IC)   | Head of Finance and Organisation<br>at the City of Luxembourg<br>Board member of the Luxembourg<br>Agency for Cultural Action asbl<br>Board member of the Luxembourg<br>Urban Garden asbl<br>Board member of the Luxembourg<br>Convention Bureau  |
| <b>Luc Decker</b><br>M, Luxembourgish        | coopted<br>on 1 April<br>2022 and<br>confirmed<br>on 11 May<br>2022         | AGM 2026        | 2 <sup>nd</sup> Vice-Chair of the BoD<br>of Encevo S.A.<br>Board Committee member (IC)   | Senior Advisor at the Ministry of<br>the Economy  |
| <b>Jeff Feller</b><br>M, Luxembourgish       | coopted<br>on 20<br>September<br>2021 and<br>confirmed<br>on 11 May<br>2022 | AGM 2026        | Board member of Encevo S.A.  | Economic Policy Coordinator<br>withing the Minister of Economy's<br>cabinet   |
| <b>Stefan Grützmacher</b><br>M, German       | re-elected<br>on 12 May<br>2020   | AGM 2026        | Board member of Encevo S.A.<br>Board member of Enovos<br>Luxembourg S.A.<br>Board Committee member (GSC)   | Owner and Managing Director of<br>SGBB GmbH, Berlin<br>Member of the Supervisory Board<br>of Gas Netz Hamburg GmbH,<br>Hamburg<br>Member of the SET Advisory<br>Board of SET Ventures, Amsterdam  |
| <b>Mike Kirsch</b><br>M, Luxembourgish       | elected on<br>12 May<br>2020  | AGM 2026        | Board member of Encevo S.A.<br>(Employee representative)<br>Employee of Creos Luxembourg S.A.  | Member of the national committee<br>of the trade union LCGB   |
| <b>Aloyse Kohl</b><br>M, Luxembourgish       | re-elected<br>on 12 May<br>2020   | AGM 2026        | Board member of Encevo S.A.<br>Board member of Enovos<br>Luxembourg S.A.<br>Board Committee member<br>(AC, GSC, IC, RemCo)   | Deputy CEO of Banque et Caisse<br>d'Epargne de l'Etat, Luxembourg<br>Board member of<br>La Luxembourgeoise Group,<br>La Luxembourgeoise S.A.<br>d'Assurances &<br>La Luxembourgeoise-Vie S.A.<br>d'Assurances<br>Board member of Bourse de<br>Luxembourg S.A.<br>Board member of Paul Würth Real<br>Estate S.A. |
| <b>Romain Lanners</b><br>M, Luxembourgish    | elected on<br>12 May<br>2020  | AGM 2026        | Board member of Encevo S.A.<br>Board member of Enovos<br>Luxembourg S.A.<br>Board Committee member (AC,<br>GSC)  | Secretary General of POST<br>Luxembourg<br>Daily Manager of POST Capital S.A.<br>Member of the Board of Directors<br>of LuxTrust S.A.<br>i-Hub S.A. and ITTM S.A.   |
| <b>Uwe Leprich</b><br>M, German              | re-elected<br>on 12 May<br>2020   | AGM 2026        | Board member of Encevo S.A.<br>Board Committee member<br>(AC, GSC)<br>Board member of Encevo<br>Deutschland GmbH   | Honorary member of the<br>"Bürgerenergiegenossenschaft<br>Köllertal"<br>Professor at the Hochschule für<br>Technik und Wirtschaft (HTW) in<br>Saarbrücken   |

| Board member<br>Gender, nationality           | Since  | Term<br>expires | Main occupation and mandates<br>within Encevo Group   | Other main occupations and<br>mandates  |
|---|--|-----------------|---|---|
| <b>Olaf Münichsdorfer</b><br>M, Luxembourgish | elected on<br>12 May<br>2020   | AGM 2026        | Board member of Encevo S.A.<br>Board Committee member<br>(RemCo)<br>Board member of Encevo<br>Deutschland GmbH  | Director-General, Directorate<br>General for Energy, Ministry of<br>Economy   |
| <b>Georges Reuter</b><br>M, Luxembourgish     | re-elected<br>on 12 May<br>2020  | AGM 2026        | Board member of Encevo S.A.<br>(Employee representative)<br>Board Committee member (AC)<br>Employee of Encevo S.A.<br>Chair of the joint staff<br>committee of Encevo S.A.,<br>Enovos Luxembourg S.A., Creos<br>Luxembourg S.A., LEO S.A. and<br>Teseos Luxembourg S.A. | Member of the national committee<br>of the trade union OGBL   |
| <b>Geneviève Schlink</b><br>F, Luxembourgish  | re-elected<br>on 12 May<br>2020  | AGM 2026        | Board member of Encevo S.A.<br>Board member of Enovos<br>Luxembourg S.A.<br>Board Committee member<br>(AC, GSC, IC)   | Head of the participations<br>department at the Société<br>Nationale de Crédit et<br>d'Investissement   |
| <b>Monika Scholz</b><br>F, German             | designated<br>on 1 April<br>2022 and<br>confirmed<br>on 11 May<br>2022 | AGM 2026        | Board member of Encevo S.A.<br>(Employee representative)<br>Board member of Encevo<br>Deutschland GmbH<br>Employee of Encevo Deutschland<br>GmbH  | N/A   |
| <b>Min Shen</b><br>F, Chinese                 | elected<br>on 11 May<br>2021   | AGM 2026        | 3 <sup>rd</sup> Vice-Chair of the Board of<br>Encevo S.A.<br>Vice-Chair of the Board Enovos<br>Luxembourg S.A.<br>Board Committee member<br>(GSC, RemCo)  | Fourth-grade staff member of<br>Project development department,<br>China Southern Power Grid<br>International Co. Ltd   |
| <b>Jingqiang Sun</b><br>M, Chinese            | elected<br>on 10 May<br>2023   | AGM 2026        | 1 <sup>st</sup> Vice-Chair of the BoD of<br>Encevo S.A.<br>Board Committee member (AC)<br>Vice-Chair of Creos Luxembourg<br>S.A.  | Director of subsidiary companies,<br>China Southern Power Grid<br>International Co., Ltd.   |
| <b>Christian Tock</b><br>M, Luxembourgish     | coopted<br>on 1 April<br>2022 and<br>confirmed<br>on 11 May<br>2022    | AGM 2026        | Board member of Encevo S.A.   | Deputy Head of the Directorate<br>General Industry, New Technologies<br>and Research at the Ministry of<br>the Economy<br>Board Member of Fonds Belval<br>établissement public<br>Board Member of Conseil National<br>de la Construction Durable asbl<br>Chairman of the Board Neobuild GIE<br>Chair of the Board Terra Matters GIE |

## Board Committee members who are not Board members of Encevo S.A.

| Board member<br>Gender, nationality          | Since                           | Term<br>expires | Main occupation and mandates<br>within Encevo Group                              | Other main occupations and<br>mandates  |
|--|---------------------------------|-----------------|--|---|
| <b>Vafa Moayed</b><br>M, Luxembourgish       | re-elected<br>on 12 May<br>2020 | AGM 2026        | Board Committee member<br>(AC, RemCo)<br>Board member Enovos<br>Luxembourg S.A.  | Board member of Fondation<br>Bahaie du Luxembourg<br>Board member of Duferco<br>International Holding Luxembourg  |
| <b>Georges Reding</b><br>M, Luxembourgish    | elected on<br>12 May<br>2020    | AGM 2026        | Board Committee member (GSC)<br>Member of the Board of<br>Enovos Luxembourg S.A. | Head of Renewables Energies<br>Directorate at the Luxembourg<br>Ministry of Energy<br>Chair of the Board and Managing<br>director of Société électrique de<br>l'Our S.A.<br>Board member of CeFralux Sàrl -<br>director (subsidiary of SEO S.A.)<br>Board member of Cedecel France<br>S.A. - director (subsidiary of SEO S.A.)<br>Observer of the State of<br>Luxembourg at the Board of<br>Soler S.A.<br>Board member of Klima-Agence G.I.E. |
| <b>Yingpeng Shi</b><br>M, Chinese            | elected<br>on 11 May<br>2021    | AGM 2026        | Board Committee member (IC)<br>Board member of Creos<br>Luxembourg S.A.          | General Manager of Investment &<br>Financing Department of China<br>Southern Power Grid Co., Ltd  |
| <b>Christiane Schaul</b><br>F, Luxembourgish | re-elected<br>on 12 May<br>2020 | AGM 2026        | Board Committee member<br>(RemCo)<br>Board member of Creos<br>Luxembourg S.A.    | Head of Human Resources and<br>Safety at the City of Luxembourg   |
| <b>Yu Wu</b><br>M, Chinese                   | elected on<br>10 May<br>2022    | AGM 2026        | Board Committee member (IC)<br>Board member of Creos<br>Luxembourg S.A.          | General Representative of China<br>Southern Power Grid Co., Ltd<br>Luxembourg Branch Office   |

The main governance principles for appointing Board members to Encevo S.A.'s Board and Board Committees are as follows:

- All directors are non-executive, three of them are employee representatives and they are appointed in principle for a period of six years.
- All directors are appointed amongst the candidates submitted by the shareholders in accordance with the shareholders agreement the latter have entered into.
- The file of each person who has been nominated by a shareholder is examined by the RemCo before the candidacy of a person for Board membership is submitted to the general assembly of shareholders (for final appointment) or, as the case may be, to the Board of Directors (for provisional appointment).

- The Chair of the Board is appointed among the candidates submitted by the shareholder holding the highest number of shares <sup>[2]</sup>.
- The Chair of the Audit Committee is appointed at the request of the second largest shareholder (after the three aforementioned ones considered together).
- Board Committee members are chosen among Board members of Encevo S.A., Enovos Luxembourg S.A. and/or Creos Luxembourg S.A.

In 2023, the Nomination and Remuneration Committee started to review guidelines describing the selection and appointment process of Encevo Board of Directors. The intention is to finalise the review of these guidelines and propose them to the Board for approval in the course of 2024.

[2] The State of Luxembourg, SNCI and BCEE are counted as one shareholder for this purpose.



None of the directors are considered independent. The independence assessment was carried out in line with the independence criteria set out in the ten governance principles of the Luxembourg stock exchange and inspired by the Recommendation of the European Commission of 15 February 2005 regarding the role of non-executive directors. Regarding possible conflicts of interest, see the dedicated section below.

The gender diversity ratio was 4/16 in the year 2023 at Encevo Board level.

### **Biographical note on Marco Hoffmann, Chairman of the Board**

Marco Hoffmann was born on 11 January 1966 in Luxembourg.

He graduated in electrotechnical engineering from the University of Kaiserslautern (Germany). In 1992, Marco Hoffmann started his career at General Motors Luxembourg before entering the Ministry of Energy in 1996, where he currently acts as Senior Advisor to the Luxembourg government. In 1999, he was appointed Chairman and Executive Director of SOTEG S.A. and, in 2002, he was appointed to the same positions at Luxgaz Distribution S.A. Subsequent to the constitution of Enovos Group (now Encevo Group), Marco Hoffmann was appointed Chairman and Executive Director of Enovos Luxembourg S.A. and Vice-Chairman of the Board of Enovos International S.A. (now Encevo S.A.).

With effect from 2 February 2012, Marco Hoffmann was appointed Chairman of the Board of Directors of Enovos Luxembourg S.A. and Chairman of the Board of Directors of Encevo S.A. (Enovos International S.A. at the time of his appointment).

You can contact Marco Hoffmann at [marco.hoffmann@energie.etat.lu](mailto:marco.hoffmann@energie.etat.lu)

### **Biographical note on Vafa Moayed, Chairman of the Audit Committee**

Vafa Moayed was born to Iranian parents in Casablanca (Morocco) on 7 August 1958.

He is a graduate in management and engineering from the University of Mons (Belgium) and a certified public accountant since 1987. Vafa Moayed began his career with Deloitte in Luxembourg in 1983. His professional experience spanning 33 years focused on statutory audit, risk

management and forensic assignments for the banking and financial services industry.

He was appointed partner in 1993 and served in various capacities within the company: audit partner, Deloitte Group Risk & Reputation Managing Partner (2005-2017), leader of "Risk & Attest" department of Deloitte Consulting (2007-2015), member of the Executive Committee (2005-2017). He also served as Deloitte Luxembourg Chief Ethics Officer (2005-2010) and created and led Deloitte Luxembourg Russia & CIS desk (1998-2015).

In addition to serving as a director of Enovos Luxembourg S.A. and the Chairman of the Audit Committee, Vafa Moayed currently serves as an independent director with another company and a not-for-profit organisation.

## Number of meetings and attendance rates in 2023 – additional information

### Board of Directors

The Board met four times in 2023.

The average attendance rate for all meetings, either physically or by phone conference, reached 97% on average.

Board meetings are in principle attended by the members of the Executive Board.

The secretary of the Board is the Secretary General of Encevo S.A.

### Board committees

Several board committees assisted the Board in its supervisory role, in the preparation of the information it receives and in its decision-making process.

### Audit Committee

The Audit Committee met six times in 2023. The average attendance rate for all meetings, either physically or by phone conference, reached 90% on average.

Executive Board members are invited to the Audit Committee and at least the Chair of the Executive Board (Group CEO) and the Chief Financial Officer (Group CFO) of Encevo S.A. systematically attend the meetings.

The secretary of the Audit Committee is the Head of Group Internal Audit.

### Group Strategy Committee (“GSC”)

The GSC met four times in 2023. The average attendance rate for all meetings, either physically or by phone conference, reached 97% on average.

Executive Board members are also members of the GSC and invited to attend the meetings but are not computed for the calculation of the attendance rates.

The secretary of the GSC is the Secretary of the Board.

### Investment Committee (“IC”)

The IC met four times in 2023.

The average attendance rate for all meetings, either physically or by phone conference, reached 89% on average.

The Chair of the Executive Board (Group CEO) and the Group CFO are also members of the IC and invited to attend the meetings. They are not computed for the calculation of the attendance rates.

The secretary of the IC is the secretary of the Board of Encevo S.A.

### Nomination and Remuneration Committee (“RemCo”)

The RemCo met six times in 2023.

The average attendance rate for all meetings, either physically or by phone conference, reached 97% on average.

The secretary of the RemCo is an external adviser who supports the committee’s work based on his expertise in this area.



## Encevo Board

| Members as of<br>31 December 2023 | Number of attended meetings /<br>total number of meetings |
|-----------------------------------|---|
| Marco Hoffmann                    | 4/4   |
| Danielle Castagna                 | 4/4   |
| Luc Decker                        | 4/4   |
| Jeff Feller                       | 4/4   |
| Stefan Grützmacher                | 4/4   |
| Aloyse Kohll                      | 4/4   |
| Mike Kirsch                       | 3/4   |
| Romain Lanners                    | 4/4   |
| Uwe Leprich                       | 4/4   |
| Olaf Münichsdorfer                | 4/4   |
| Georges Reuter                    | 4/4   |
| Geneviève Schlink                 | 4/4   |
| Monika Scholz                     | 4/4   |
| Min Shen                          | 4/4   |
| Christian Tock                    | 4/4   |
| Jingqiang Sun                     | 3/4   |
| former members in 2023*           |   |
| Yue Xue                           | 0/1   |
| <b>Total average rate**</b>       | <b>97%</b>  |

## Audit Committee

| Members as of<br>31 December 2023 | Number of attended meetings /<br>total number of meetings |
|-----------------------------------|---|
| Marco Hoffmann                    | 6/6   |
| Aloyse Kohll                      | 4/6   |
| Romain Lanners                    | 6/6   |
| Uwe Leprich                       | 6/6   |
| Vafa Moayed                       | 6/6   |
| Georges Reuter                    | 6/6   |
| Geneviève Schlink                 | 6/6   |
| Jingqiang Sun                     | 2/6   |
| former members in 2023*           |   |
| Yue Xue                           | 1/6   |
| <b>Total average rate**</b>       | <b>90%</b>  |

## Group Strategy Committee

| Members as of<br>31 December 2023 | Number of attended meetings /<br>total number of meetings |
|-----------------------------------|---|
| Marco Hoffmann                    | 4/4   |
| Stefan Grützmacher                | 4/4   |
| Aloyse Kohll                      | 4/4   |
| Romain Lanners                    | 4/4   |
| Uwe Leprich                       | 4/4   |
| Georges Reding                    | 4/4   |
| Geneviève Schlink                 | 3/4   |
| Min Shen                          | 4/4   |
| <b>Total average rate**</b>       | <b>97%</b>  |

## Investment Committee

| Members as of<br>31 December 2023 | Number of attended meetings /<br>total number of meetings |
|-----------------------------------|---|
| Marco Hoffmann                    | 4/4   |
| Danielle Castagna                 | 3/4   |
| Luc Decker                        | 4/4   |
| Aloyse Kohll                      | 4/4   |
| Geneviève Schlink                 | 3/4   |
| Yingpeng Shi                      | 3/4   |
| Yu Wu                             | 4/4   |
| <b>Total average rate**</b>       | <b>89%</b>  |

## Nomination and Remuneration Committee

| Members as of<br>31 December 2023 | Number of attended meetings /<br>total number of meetings |
|-----------------------------------|---|
| Marco Hoffmann                    | 6/6   |
| Aloyse Kohll                      | 6/6   |
| Vafa Moayed                       | 6/6   |
| Olaf Münichsdorfer                | 6/6   |
| Christiane Schaul                 | 6/6   |
| Min Shen                          | 5/6   |
| <b>Total average rate**</b>       | <b>97%</b>  |

\* these members left before 31 December 2023.

\*\* total average rate is based on total of average attendance rate per meeting.



# Executive Board and Group Governance

In accordance with Article 20.8 of the Articles of Association, the daily management of Encevo S.A. is delegated to an Executive Board.

The Executive Board held 48 meetings in 2023. It is composed of five members<sup>3</sup>, it being understood that a quorum of three members (amongst which either the Group CEO or the Group CFO who both hold specific veto rights) is required for the Executive Board to take decisions.

As at 31 December 2023, the Executive Board comprised the following persons:

## **Claude SEYWERT | Group CEO and CEO of Encevo S.A.**

Claude Seywert was born on 13 July 1971 in Luxembourg.

He graduated with a degree in physics from the Eidgenössische Technische Hochschule Zürich (ETHZ) in Switzerland. He continued his studies in the United States and holds an MSc and PhD in aeronautics from the California Institute of Technology (CalTech).

He started his professional career as a strategy consultant with McKinsey in Germany. In 2002, he joined the Group Controlling Department of Arcelor (now ArcelorMittal) at its Luxembourg headquarters and subsequently held several senior positions within the ArcelorMittal Group before being appointed COO (Chief Operating Officer) Finishing of ArcelorMittal Florange (France).

In 2012, he joined Creos Luxembourg S.A. (having previously served on various boards of directors in the Enovos International – now Encevo Group) and at the beginning of 2014, he was appointed Deputy CEO of Creos.

As of 1 August 2015, Claude Seywert was appointed CEO and member of the Board of Directors of Creos Luxembourg S.A. He has also been a member of the Executive Board of Encevo S.A. since that date and exercised this responsibility until 15 September 2018, when he assumed the position of Chairman of the Executive Board of Encevo S.A. and Group CEO.

Claude Seywert can be reached at [claud.seywert@encevo.eu](mailto:claud.seywert@encevo.eu)

<sup>3</sup> As of 1 July 2023.





**Jean-Luc SANTINELLI**

**Group Lead  
Technical Services and CEO of  
Teseos Luxembourg S.A.<sup>4</sup>**

Jean-Luc Santinelli was born in Luxembourg on February 24<sup>th</sup>, 1969.

He holds a master's degree in electrical engineering with a specialisation in Business Management from the University of Karlsruhe (Germany).

After having been the Sales Director of the energy supplier Cegedel between 2005 and 2009, Jean-Luc Santinelli continued in the Sales function after the creation of Enovos in 2009 holding different executive functions in Luxembourg, France, Belgium, and Germany. In addition to his in-depth knowledge of the energy sector, he had gained valuable experience in the technical services sector at Alstom Cegelec AEG where he was the Head of the Industry department from 1996 to 2001.

Jean-Luc was the Chief Commercial Officer at Enovos and the CEO of the Luxembourg Energy Office - LEO until 2018.

Since 2019, Jean-Luc Santinelli has been the CEO of Enovos Services Luxembourg S.A, a company which was renamed as Teseos Luxembourg S.A. in 2022 and which heads the technical services pillar of the Encevo Group.

He has been a member of the Executive Board of Encevo S.A. since April 3<sup>rd</sup>, 2023. He is also a member of the Board of directors of Teseos Luxembourg S.A. and the Chairman of the boards of directors of the major subsidiaries of the same entity.

Jean-Luc Santinelli can be reached at [jean-luc.santinelli@teseos.lu](mailto:jean-luc.santinelli@teseos.lu)

**Erik VON SCHOLZ**

**Group Lead  
Markets & Renewables and CEO of  
Enovos Luxembourg S.A.**

Erik von Scholz was born on 26 June 1969 in Brussels, graduated in Civil Engineering and Economics at the Technische Universität Berlin and has an MBA from Heriot-Watt University in Edinburgh.

From 1995-1998, Erik von Scholz worked for PWC in the Audit and Corporate Finance Services departments.

From 1998 to 2015, he held several senior management positions in the Engie Group in Brussels and Berlin. Between 2003 and 2015 he was CEO of Engie in Germany and from 2009, Executive Committee member of the Energy Europe Division.

After joining Encevo in 2016, he was appointed Member of the Executive Board of Encevo S.A. in September of that year, in charge of Corporate Development and Strategy. He has also been in charge of Renewables since 1 March 2017.

He took over the responsibility of CEO and member of the Board of Directors of Enovos Luxembourg S.A. on 15 September 2018. He is a Member of the Executive Board of Encevo S.A. in this capacity. He is in charge of energy supply and production within the Encevo Group.

Erik von Scholz can be reached at [erik.vonscholz@enovos.eu](mailto:erik.vonscholz@enovos.eu)

<sup>4</sup> Mr Santinelli joined the Executive Board on 3 April 2023.

## Marc SCHROEDER

### Group CFO & CRO<sup>5</sup>

Marc Schroeder was born on 23 April 1964 in Luxembourg.

He graduated with a master's in economics from the University Louis Pasteur in Strasbourg (France).

Marc Schroeder started his professional career in 1989 in the Treasury department of the steel industry Group ARBED (now ArcelorMittal) in Luxembourg.

Between 1989 and 2014, he held various executive positions in the ARBED, Arcelor & ArcelorMittal Group including nine years as General Manager Finance and Legal at ArcelorMittal WireSolutions (2005-2014), six years as Vice President Strategy of TrefilArbed Arkansas (USA) (1995-2001) and four years as Treasurer of ARBED (1991-1995).

In May 2014, Marc Schroeder joined the aviation Group Luxair as Executive Vice President Finance and member of the Executive Board of the Luxair Group.

Finally in February 2021, he joined the Encevo Group as deputy CFO before being appointed to his current position as CFO and member of the Executive Board in October 2021.

Marc Schroeder can be reached at [marc.schroeder@encevo.eu](mailto:marc.schroeder@encevo.eu)

## Laurence ZENNER

### Group Lead Grids and CEO of Creos Luxembourg S.A.<sup>6</sup>

Laurence Zenner was born on 3 July 1971 in Luxembourg.

She holds a master's degree in civil construction engineering from the University of Liège (Belgium).

She began her professional career in 1995 as a research engineer with a manufacturer of metal halls and joined the CFL Group in 1999, where she held various positions within the infrastructure management department of CFL before taking up the position of Secretary General from 2014 to 2017 and Quality Manager from 2016 to 2017 for the CFL Group. Since 2018 she had been CEO of CFL Cargo.

From 2008 to 2017, she also assumed the position of Associate Teacher at the Faculty of Sciences, Technology and Communication at the University of Luxembourg.

Laurence Zenner joined the electricity and gas network operator Creos Luxembourg S.A. on 1 July 2023 and was appointed CEO and member of the Board of Directors. She has also been a member of the Executive Board of Encevo S.A. since that date.

Laurence Zenner can be reached at [laurence.zenner@creos.net](mailto:laurence.zenner@creos.net)

<sup>5</sup> CRO (Chief Risk Officer)

<sup>6</sup> Ms Zenner joined the Executive Board on 1 July 2023.



## Conflicts of interest reported in corporate bodies

In accordance with applicable law, the by-laws and the Board of Directors' internal procedure of Encevo S.A., members of the Board as well as members of the Executive Committee are obliged to report possible conflicts of interest using a declaration of conflict form.

No conflict which would require reporting to the Executive to the Executive Board, the Board of Directors and/or, as the case may be, the general meeting of shareholders under applicable law was reported in 2023.

The Board of directors strengthened its processes in relation to conflict-of-interest declarations and introduced in an updated procedure an annual confirmatory process in 2023, which was launched in 2024.

For further information in relation to conflicts of interest, please see the section "Business Integrity: General Compliance"<sup>7</sup>.

## Risk Management, Compliance, Audit & Information Security

### Group Risk Committee (GRC)

The GRC, which is composed of the Executive Board members and of the heads of each of the main governance functions, i.e. Risk Management, Internal Audit, Compliance and Information Security, meets twice a year to review and decide on risk-related topics, which are also reviewed by the Audit Committee at a later stage.

### Risk Management

Encevo's Executive Board established a dedicated Group Risk Policy and assigned specific responsibilities and resources to risk management. The CFO acts as Chief Risk Officer; he reports to the Executive Board and has the ultimate responsibility for effective risk management operations. Under his lead, the Group Risk Manager coordinates the implementation of the policy, the methodology and tools as well as the meetings of the local risk committees.

Based on the Enterprise Risk Management (ERM) model of Encevo Group, risk management deals with operational risks, specific energy market risks, regulatory risks and strategic risks. Appropriate risk management requires the establishment and promotion of a lively risk culture in the various departments of all group companies and the realisation of formal assessments as well as reporting of potential risks.

Group risks were reported each quarter to the Audit Committee and to the Executive Board, whose members meet with the representatives of governance functions in a Group Risk Management Committee twice a year. The main risks presented in the Audit Committee are included in the presentation of the Chairman of the Audit Committee to the Encevo Board of Directors.

### Compliance

See details under Business integrity: General compliance on page 184.

<sup>7</sup> This section only deals with conflicts of interest of members of corporate bodies. The Encevo Group has also implemented an annual confirmatory process with respect to senior management and other categories of employees deemed more exposed to conflicts of interest.

### Information Security

Encevo's Executive Board mandated the Group Information Security Committee, chaired by the Group CFO acting as Chief Risk Officer, with the responsibility for definition and coherence of security governance. It is also in charge of annually defining improvement plan priorities. Under his lead, the Head of Group Information Security coordinates the coherent definition and implementation of the policies, improvements and methodologies as well as the meetings of the local organisations managing information security.

He reports to the Executive Board and the Audit Committee annually on the overall implementation of governance and policies.

### Internal Audit

The activities of the Internal Audit function were exercised in accordance with the annual audit plan, derived from the four-year audit plan which was reviewed and approved by the Audit Committee. The four-year audit plan is based on a risk assessment.

The Internal Audit function also monitored the implementation of its internal control recommendations and reported the status to the Executive Board and the Audit Committee.

At the end of the year, the Group Internal Audit function was staffed with a team of six people: the Head of Group Internal Audit, two senior auditors, two auditors and one administrative assistant.

### External Audit

KPMG Audit S.à r.l. was appointed statutory auditor for the years 2023 and 2024, following the resolution of the annual general meeting of shareholders held in 2023. The statutory auditor regularly reported on its work to the Executive Board and to the Audit Committee.



# Driving Sustainability: CSR Organisation and Governance

## The Board of Directors

Once a year the Board is informed about, and reviews, CSR achievements and KPIs of the previous year, upcoming challenges and priorities as well as how these can best be addressed.

Furthermore, the main strategic CSR-related priorities are approved by the Board as part of the Group Strategy after a review at Group Strategy Committee level.

The Board approved an updated CSR governance framework in 2022, the description of which is reflected in this section.

Executive Board members are systematically invited to and attend Board of Directors meetings.

The company engages with Board members in stakeholder surveys on a regular basis. The Board members of Encevo S.A., Enovos Luxembourg S.A. and Creos Luxembourg S.A. were invited to attend a training session on corporate social responsibility at the end of 2022. A catch-up session was organised in 2023 for those who were unable to attend the training provided in 2022.

## Audit Committee

The Audit Committee is the committee at which governance and integrity issues are discussed, at least on an annual basis.

## Group Strategy Committee (“GSC”)

The GSC is consulted once a year on CSR topics before a CSR item is put on the agenda of a Board meeting. Executive Board members are members of the GSC and attend the meetings. The CSR dimension is systematically embedded into the overall

strategy of the group during the strategy reviews in respect of which the GSC provides recommendations to the Board.

## Nomination and Remuneration Committee (“RemCo”)

RemCo is responsible for advising the Board on the assessment of the performance of the Executive Board members and on the definition of their remuneration conditions. It also determines every year the qualitative and quantitative objectives of the members of the Executive Board. In this context, the performance assessment methodology has been reviewed under the oversight of RemCo (see below). This new model, based on which the variable remuneration of Executive Board members is determined, will enter into force in 2024 and be used for the assessment of the objectives set for 2024.

## Executive Board

The Executive Board defines the CSR policy and validates all related topics (strategy, materiality, sustainability plans, certifications, etc.). A CSR item is on the Executive Board's agenda at least twice a year.

The performance assessment model for Executive Board members, which will be applicable as from 2024, is based on a scoring of criteria, which are common to all Executive Board members and include three financial objectives and four business objectives. ESG has been identified as one of the business objectives. In addition, the result obtained based on the assessment of the various performance criteria is subsequently multiplied by two adjustment factors which relate to the individual performance of each Executive Board member: one of these factors is in relation to management skills and the other one to business conduct and ethics.

### Corporate Social Responsibility Committee ("CSR")

Encevo S.A. has set up a CSR Committee, the mission of which is to develop the group CSR policy and supervise its implementation. The CSR Committee's composition was reviewed and extended in 2022 to cover additional

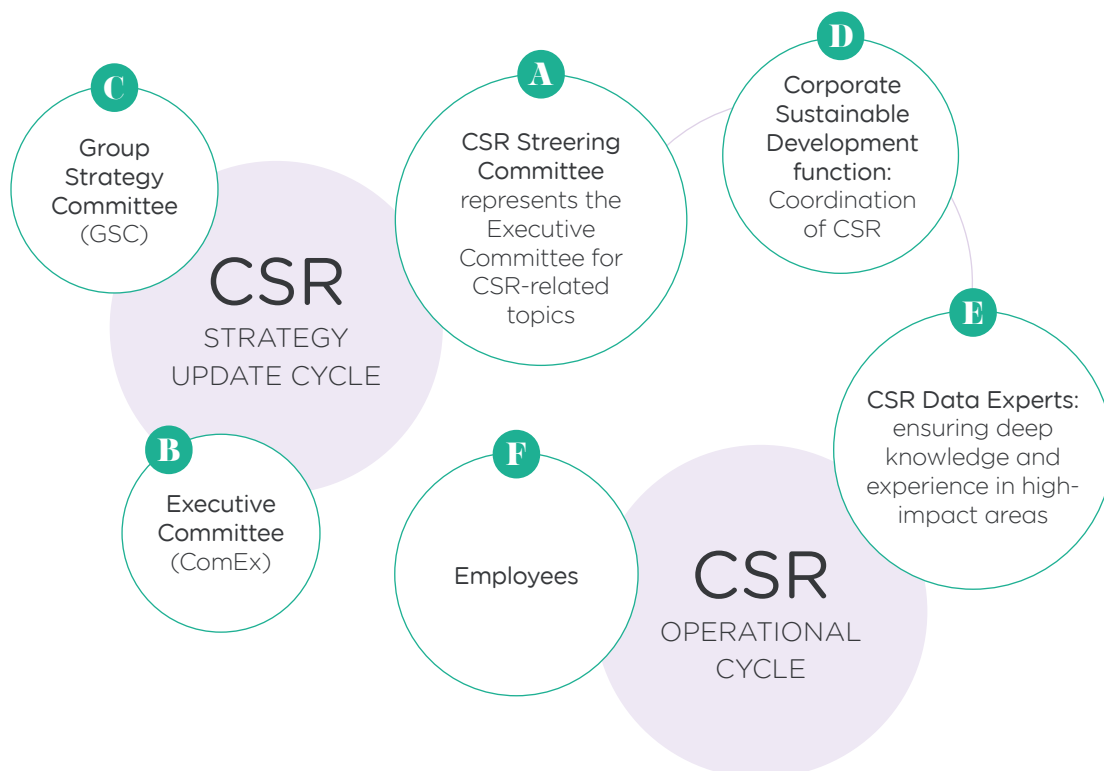
key functions such as HR and Procurement. It is composed of the CEO of Encevo S.A., the Head of Group Organisation and Process Excellence in charge of the CSR programme, the Secretary General of Encevo S.A., in charge of governance, ethics and compliance as well as Group

communication, the Head of Group Human Resources, the Head of Group Strategic Procurement, the Head of Group Health & Safety and the Head of Marketing of Enovos Luxembourg, who supports CSR activities at the level of the energy supplier Enovos Luxembourg S.A.



Sustainability is a key asset for the group, driving the success of Encevo's strategy and performance, and a top priority for our leadership and all our people.

It is firmly embedded in our strategy and our decisions every day. This puts us in a strong position to seize new opportunities that arise as the move towards a more sustainable economy continues.



#### **A** CSR Steering Committee

- selecting and evaluating CSR projects and initiatives to be undertaken
- providing senior expertise and contributing to the materiality analysis approach
- reviewing and validating the proposed CSR approach
- driving and enhancing the Encevo Group CSR Framework
- providing management attention by Group CEO acting as Chair

#### **B** Executive Committee

- acting final authority over launch of CSR initiatives and projects, as well as the validation of the CSR approach and materiality analysis

#### **C** Group Strategy Committee

- acting final authority over launch of CSR initiatives and projects, as well as the validation of the CSR approach and materiality analysis

### **D** Corporate Sustainable Development function

- reviewing and proposing updates to the group's CSR approach and materiality analysis
- coordinating the execution of the group's CSR approach with appropriate stakeholders
- delivering the CSR report part of integrated Annual Report for the group
- acting as a point of contact and facilitator for CSR exchanges between stakeholders and the organisation.
- presenting the results to the Group Strategy Committee and the Executive Committee
- supporting the business with CSR requests from customers related to sustainability
- ensuring enough organisational weight as hierarchical direct reporting line to Group CEO

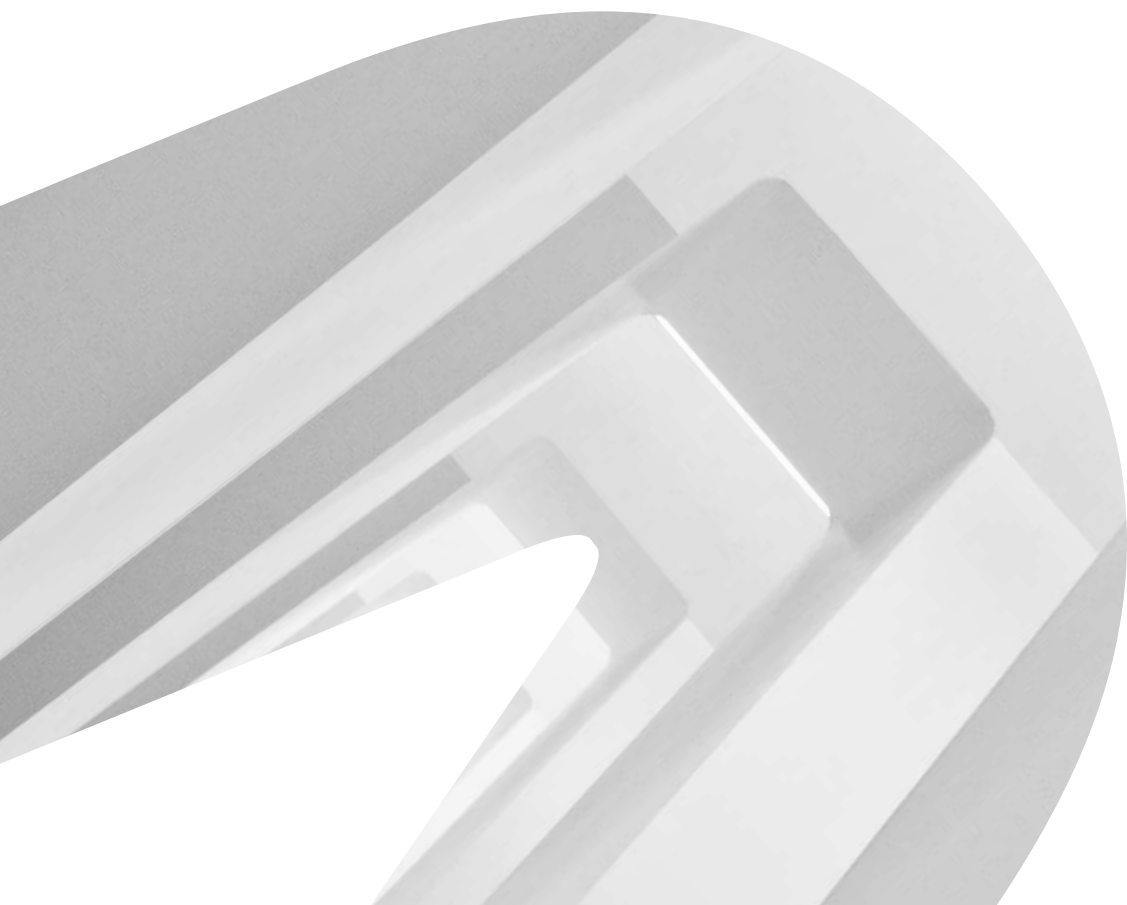
### **E** CSR Data Champions

- raising specific CSR-related issues
- participating in materiality assessments
- providing data and information on current activities within their field of expertise
- analysing complex data used to determine the level of achievement in various areas

### **E** Employees

- contributing to CSR projects & actions
- integrating sustainability
- in day-to-day operations in their business entities







# 05

## Performance review

- Financial performance
- Environmental performance
- Social performance
- Community empowerment



# Direct Economic Impact

2023 has been a pivotal year for Encevo Group, navigating through the complexities of a rapidly changing energy landscape. The energy sector in 2023 has again been characterized by high volatility, primarily driven by fluctuations in global energy prices. In response to these market dynamics, Encevo Group has demonstrated resilience and agility in its operations.

Financially speaking, despite significant macroeconomic shifts and considerable volatility on wholesale market prices, the core companies of the Encevo Group overall managed to maintain/improve their performance compared to previous year.

## Progress 2023

PI6: Invest EUR 200 million Green Bond Capital into group infrastructure by 2024.

In this context, Encevo is obliged to report to its investors on a yearly basis about the progress of the allocation of the funds and the resulting positive impact on the environment. The Green Report issued in Q1 2023 is the first and only report related to the MEUR 200 Green Schuldschein issued in 2021 and covers the investments made in eligible projects from 2020 until 2021 and the investments done in 2022 for the finalization of Creos headquarters (Merl building). By the end of 2022, 100% of the total funds of 200 M EUR have been used.

For further details, please consult our Green Schuldschein Framework and detailed reporting by [scanning following QR-Code](#):



On 20<sup>th</sup> of January 2023, Encevo S.A successfully completed the replacement of the two existing Revolving Credit Facilities (RCFs) with a new RCF with ten banks. The new agreement has one Revolving Credit Facility with a committed amount of EUR 350 million for a tenor of 5+1+1 (months) and a Revolving Credit Liquidity Facility with a committed amount of EUR 400 million for a tenor of 24+6+6 (months).

The EUR 350 million RCF provides for an ESG mechanism foreseeing the conversion of this Facility into a Sustainability-Linked Loan by July 2024.

### Economic performance - encevo Group

ESRS 2 MDR-M

| DATA IN EUR MILLIONS              | 2021  | 2022  | 2023  |
|-----------------------------------|-------|-------|-------|
| <b>Economic value generated</b>   | 2,526 | 3,434 | 5,099 |
| <b>Economic value distributed</b> | 2,403 | 3,266 | 4,858 |
| Operating costs                   | 2,125 | 2,993 | 4,528 |
| Employee wages and benefits       | 225   | 240   | 277   |
| Payments to providers of capital  | 28    | 20    | 30    |
| Payments to governments           | 25    | 13    | 22    |
| Community investments             | 0     | 0     | 0     |
| <b>Economic value retained</b>    | 123   | 168   | 242   |

Note: Payments to providers of capital include dividend payments from all fully consolidated companies and interest payments made to banks by the companies Encevo S.A. and Enovos Luxembourg S.A., that represent approximately 90% of interest payments done by the entire group.

#### References:

Economic value generated: revenues: sum of net sales plus revenues from financial investments and sales of assets.

Economic Value Retained: Direct economic value generated less economic value distributed.

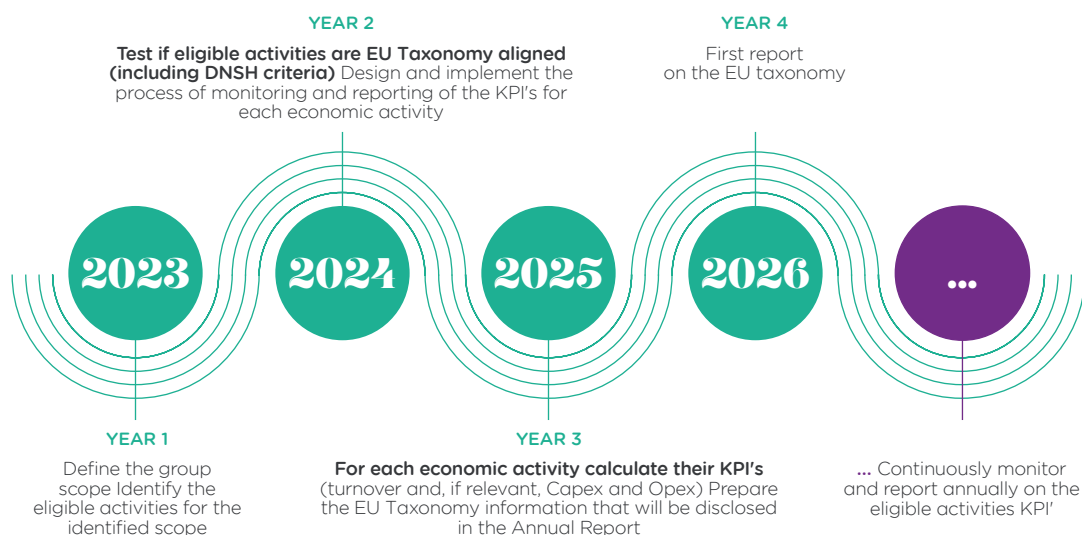
Further details on our economic performance 2023 can be found in our Management Report and related Consolidated Annual Accounts Sections.

# EU Taxonomy Plan

The vision of Encevo Group is to be a leading partner for the sustainable energy transition in the Greater Region.

In line with these ambitions, a roadmap concerning the reporting on the EU Taxonomy was published in Encevo Group's Annual Report of 2022.

## Our EU Taxonomy Roadmap



In 2023 Encevo Group started out with the EU Taxonomy workstream, successfully meeting and even exceeding the roadmap targets for the year 2023.

In particular, the scope of activities as well as the linked eligible activities for the entire group have been defined. Additionally, a proof of concept (PoC) model was developed and applied to the group's wind and photovoltaic activities in Luxembourg and the Greater Region. For these activities, the Turnover, CapEx and OpEx KPIs have been calculated and aligned with Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria to ensure that the activities are environmentally sustainable and aligned with the EU Taxonomy.

In relation to the minimum safeguards from the EU Taxonomy, Encevo Group already complies with these requirements. Additional information on the approach to Human Rights and our Human Rights due diligence process can be found in the Human Rights section of this report in page 189.

In 2024 it is planned to advance in line with the EU Taxonomy roadmap and apply the PoC model to other group activities within the scope, such as grid or heat production activities. In this way, Encevo Group will be prepared to start reporting on the EU Taxonomy in the financial year 2025 with the first publication in 2026, as required by the EU Taxonomy regulation and the CSRD.



# Consolidated Management Report

Encevo S.A. is the parent company of the Encevo Group (referred to hereafter as “the Group”). Its main subsidiaries in Luxembourg are the energy supplier Enovos Luxembourg S.A. and the technical service provider Teseos Luxembourg S.A. which are both not regulated, and the grid operator Creos Luxembourg S.A. which is a regulated entity. In addition, it holds the German subsidiaries of the Group via Encevo Deutschland GmbH.

The consolidated accounts include those of Encevo S.A. and those of its affiliates (the “Group”), including 89 companies (2022: 86), of which 67 are fully consolidated (2022: 64)<sup>1</sup> and 22 are consolidated under the equity method (2022: 22). Considering the legal and governance rules to be complied with by the companies of the Encevo Group, the main principle of these rules is the strict separation between the energy grid infrastructure operation and other activities such as the production, sale and purchase of energy as well as technical sales services.

## Group evolution in 2023

2023 was a pivotal year for the Group, navigating through the complexities of a rapidly changing energy landscape. This report aims to provide a comprehensive overview of our operations, financial performance, and strategic initiatives in response to these changes. Our customer base remains the key success factor and we have further invested in this relationship, as well as into the energy transition in the Greater Region. As we reflect on another year marked by significant challenges in the energy sector in the aftermath of the peak of the energy price crisis, which was observed in September 2022, our enduring mission has been to deliver reliable and sustainable energy solutions to our customers. In a year characterised by significant fluctuations in energy prices, our commitment to this mission has been more crucial than ever. Amidst an overall uncertain geopolitical context, the Russia/Ukraine conflict

continues to strongly influence European gas and power prices. This unpredictable geopolitical context remains a continued source of uncertainty in terms of the overall economic outlook and energy market prices, counterparty credit risk as well as physical supply risk. In this challenging environment, the Group continues to focus on serving its customers, energy efficiency and renewable energy production. It will continue to develop its risk management capabilities and invest in operational excellence and digitalisation.

In this context, we clearly observed and supported - via our incentive programmes - energy savings of our customers. We offered special training in energy efficiency measures for the customer service centre team and further extended the service range of the enoprimes programme. The focus was on the electrification of heat production, distributing energy saving kits in cooperation with municipalities, encouraging the

<sup>1</sup> Fully consolidated entities include sub-consolidated entities in the Paul Wagner & Fils Group and the Enovos Green Power Group



replacement of fluorescent tubes, incentivising insulation activities and the purchase of high-performance household appliances and providing project management assistance for energy efficiency projects. Hence, about 6,507 files (2022: 4,900) with energy savings of 169.7 GWh were introduced, confirming the trend of the previous years.

In the same view, we consider that a safe and reliable energy transmission and distribution infrastructure is a key element in ensuring the well-being of citizens and the sustainable development of an economy. Our Luxembourg grid operator, Creos Luxembourg S.A. therefore continues to invest heavily primarily in its electricity network to be able to meet future energy needs, and security of supply remains its top priority. In addition to these primary tasks as a network operator, Creos Luxembourg S.A. has continued to develop functionalities, particularly digital ones, to facilitate the development of renewable energies and to pave the way for new trends such as electric mobility, electric heating and decentralised electricity production and batteries or other means of storing electricity. Furthermore, a draft national law on hydrogen was submitted to the Chamber of Deputies in July 2023. This first legislative proposal is an important step to allow Creos Luxembourg S.A. to develop a hydrogen infrastructure in Luxembourg.

Furthermore, in the context of its development, the Group, through its parent company Encevo S.A., acquired Hoffmann Frères Energie & Bois S.à.r.l. on 29 June 2023, a grid operator in Mersch and an energy supplier under the brand Electris. The Grid business was integrated into Creos Luxembourg S.A. in January 2024 while the Group intends to sell the wood business.

The Group also continued to expand its activities in Technical Services through the acquisition of B2C oriented companies, specifically Grethen S.à.r.l. and Grethen Renovation S.à.r.l., along with the purchase of the Powerdale emobility platform. In view of the strong development of the Technical

Services activity in the past years, management decided to transfer the corresponding personnel employed in departments of Encevo S.A. in 2022 to Teseos Luxembourg S.A. as of 1 January 2023.

This reorganization also led to a strengthening of the Executive Committee of Encevo S.A. to 5 members by adding the CEO of Teseos Luxembourg S.A., Jean-Luc Santinelli, as a new member as of 1 April 2023. Laurence Zenner took on the role of CEO of Creos Luxembourg S.A. and member of the Encevo executive committee as of 1 July 2023.

In the context of its venture capital activities, the Group remained very supportive of its portfolio companies whilst actively looking for opportunities across the market. During the year, the following transactions were carried out:

- In March 2023, Encevo S.A. entered into a binding agreement to divest its shares in Energiency S.A. over a couple of years, with a first tranche completed shortly after the signing date in 2023.
- In August 2023, Creos Luxembourg S.A., together with other existing investors Korys, Noshag and Gesval, took part in the Series C round of Ampacimon, led by Junction Growth Investors. Creos Luxembourg S.A. has been a shareholder of Ampacimon since 2015.
- In September 2023, Encevo S.A., among other investors, re-invested in Ezzingsolar ahead of further funding round or M&A opportunities in 2024.

In November 2023, Encevo S.A. complemented its portfolio by acquiring a stake in R8 Technologies OÜ, an entity active in optimization and flexibility of commercial real estate.

Finally, in the context of the energy crisis, the Group strived to strengthen its credit lines and Encevo S.A. successfully completed the replacement/increase of the agreements linked to the revolving credit facility (RCF) with ten banks.



## Operational activities in 2023

### Market activities

The energy sector was again characterised by high volatility in 2023, primarily driven by fluctuations in global energy prices. The crisis has shown the added value of a rigorous risk management and the necessity to further mitigate and manage potential market and credit risks of the Group's sales and asset portfolio including the emerging Power Purchase Agreement (PPA) business. While managing the risks, our trading activity combines the development of our Sales activities and the development of our renewable asset base in the Greater Region. Despite the decreasing market prices, the volatility in the markets remained clearly above pre-crisis levels leading to good results of assets with embedded optionality, such as gas storages and the pumped-storage power plant.

In this context, PPAs with renewable energy producers on one hand and customers, who want to be less dependent on market prices and improve their own CO<sub>2</sub> footprint, on the other hand have gained importance and already positively contributed to Enovos results in 2023.

While market prices were decreasing in 2023 – although remaining above pre-crisis levels –, many customers received higher energy invoices because prices are usually fixed before delivery which led to a further increasing turnover. State subsidy programmes in the different countries for households partly buffered the price increases for B2C customers.

Enovos Luxembourg S.A. electricity sales have remained at robust levels totalling 3.9 TWh in gas (2022: 4.6 TWh) and 4.0 TWh in electricity (2022: 4.5 TWh).

French sales activities for delivery in future years, remained solid despite the continuation of a prudent risk approach in the offering process. Results in the year 2023 however were impacted by higher flexibility costs due

to lower customer consumption which triggered the sell-off of volumes at lower market prices.

Following the Group decision to stop acquiring new B2B sales contracts in 2022, the strategy of Enovos Energie Deutschland GmbH was reviewed and aligned with Group activities in 2023. Sales were restarted with a stronger focus on PPA's and spot & future contracts, reducing the risk profile and lowering liquidity needs. In addition, it was decided to gradually reduce gas sales for future years in line with ESG ambitions of the Group.

With regard to the municipal utilities in the Group's participation portfolio, the market environment has continued to be challenging in 2023. The main driver has been the high operational complexity due to new governmental requirements and their implementation on the customer side, namely the price breaks for power and gas as well as the temporary adjustments in VAT gas. In addition to that, the re-activation of the sales activities from third-party suppliers, often combined with aggressive pricing policies, in a context of decreasing prices has been challenging for the municipal utilities especially in the second half of 2023 and lead to increasing customer churn rates in their B2C-activities. Besides that, the CAPEX need in electricity grids has noticeably increased to prepare the grid infrastructure for the energy transition. Despite the challenges the municipal utilities faced in 2023, the operational results remained strong and resilient, mainly due to the diversified activity fields of our participations.

With regard to EnergieSüdwest AG in particular, development of a new, local heating area grid in Landau as an alternative to 'classic' gas supplies is ongoing and ESW has initiated a detailed feasibility study for a broader heating rollout in Landau.

### Renewable Energies

As a forward-looking Group, Encevo has continued its investments in renewable energy in the Greater Region, recognizing the dual benefits of long-term sustainability and alignment with global energy transition

trends. These investments not only reinforce the Group's commitment to a greener future but also position Encevo well in an increasingly eco-conscious market and are one of the Group's key objectives.

In our core market Luxembourg, we again made significant progress with the volume of the renewable asset portfolio continuing to grow at a fast pace. At year-end, the operational assets comprised 151.6 MW onshore wind (2022: 84.4 MW), 43.3 MW PV (2022: 35.6 MW), 32.6 MW hydro power (2022: 32.6 MW) and 22.3 MW combined heat and power (CHP) (2022: 21.9 MW). The total installed capacity amounts to 249.8 MWe<sub>l</sub> (2022: 174.5 MWe<sub>l</sub>, +43%) and 267.3 MW<sub>th</sub> (2022: 252.4 MW<sub>th</sub>) with a total electrical production in 2023 reaching 554 GWh (2022: 391 GWh). The main driver for the increase in production were new wind capacities added during the year further supported by excellent wind conditions, increasing wind production by 150 GWh compared to 2022. For 2024, six projects (15.3 MW) are due for construction, all of them were successfully granted a Feed-in Premium in the national calls for large photovoltaic installations. Four of these projects (13.6 MW) will be innovative ground mounted projects with measures for biodiversity enhancement and an agricultural production underneath. Furthermore, Enovos Luxembourg S.A. is developing two hydrogen pilot projects. Having secured several biomass projects, Luxenergie S.A. continues to achieve its objective to replace fossil fuel sources with wood energy in heating and CHP installations. In addition, heat pump projects in combination with geothermal energy are being implemented.

PV development activities of WES Green GmbH in Germany were extended in 2023 by opening a new site in Waldlaubersheim supported by additional personnel (+8 employees). In addition, the Group progressed further in the Südeifel project (221 MWp in 14 locations). Technical commissioning of the cable way and transformer substation was finalised, commissioning of two PV parks (16.8 Wp+20 MWp) in December 2023, with a further 6 PV parks to be commissioned in

Q1 2024 (+111 MWp). In addition, the second phase of the PV project Leiwen (11.3 MWp+3.4 MWp) was finalised in December 2023 and the Hasborn PV project (12.5 MWp) has been constructed (commissioning expected in April 2024.) Other PV and Wind projects in earlier stages as part of the current German pipelines have further progressed.

In the Netherlands, Enovos Green Power had a "record year" in terms of development and commissioning of parks, with a total of 30 MW new capacity operational in 2023 and early 2024. In Belgium, some new opportunities have been studied and the Group intends to be more active on this geographical market. The operational performance of the existing assets ended above target due to excellent wind conditions for the park in Sankt Vith, combined with good sun levels in both Belgium and the Netherlands. The Condreole wind project (15 MW) was commissioned mid-2023 and is expected to be operational in early 2024 after potential obtention of the updated permit.

Enovos also continued the development of PV activities in France, focusing on the "Grand Est" and the "Hauts de France" regions. Opportunities have been studied aiming at potential project realisation in the coming years.

The market for the technical management of large solar installations is characterised by intense competition and margin pressure, despite rising demand and volume growth. Efforts by the Group to strengthen its competitiveness include strategic acquisitions and initiatives to improve quality and digitalisation, such as the successfully implementation of ISO 9001 quality management in November 2023. As of December 31, 2023, an existing contract portfolio of around 787 MWp has been directly managed.

### Technical services

In Luxembourg, the technical services activity was further expanded in 2023 with the acquisitions of Grethen S.à.r.l. and Grethen Renovation S.à.r.l. by Teseos Luxembourg S.A., as well as

with the purchase of the Powerdale e-mobility platform by diego Luxembourg S.A. With the addition of Grethen, Teseos Luxembourg S.A. is poised to expand its service offerings across the value chain, particularly in the electrification of heating systems for residential clients.

The Powerdale platform enabled diego Luxembourg S.A. to effectively manage and operate charging stations, which now total up to 400,000 active public charging stations. diego Luxembourg S.A. has successfully introduced photovoltaic (PV) systems with a focus on self-consumption and has evolved into a comprehensive electromobility services provider. Future product launches include heat pumps, followed by storage batteries.

Minusines S.A. has completed its digitalisation project, facilitating a digital business transformation process while enhancing its e-shop product range, web presence and operational efficiency. The organisation has been restructured to offer optimized solutions and a streamlined supply chain. Minusines S.A. is also expanding its "Luxproof" brand to encompass solar panels.

Paul Wagner & Fils has emerged as a significant player in large-scale photovoltaic and charging station installations. Sales in the Greater Region have seen continuous growth through its four affiliates.

The extensive knowledge and skillset possessed by Power Panels S.A. in constructing customized power panels have propelled the latter to unprecedented levels of sales, not only locally but also internationally, as their expertise is acknowledged beyond borders.

Teseos Luxembourg S.A. and the Luxembourg state carried out a capital increase to allow faster growth of Agence de L'Energie S.A. and help it become an important player in decarbonisation in Luxembourg. Several projects were initiated (major internal reorganization and digitalisation of processes) and continued its organic growth with particularly strong activity in energy audits and training.

Despite facing ongoing challenges in the market, Teseos Luxembourg S.A. persists in developing innovative concepts with the objective of driving forward the energy transition.

In Germany the integration of Wieland & Schultz GmbH was successfully completed with regard to legal, controlling and HR requirements. Wieland & Schultz GmbH itself experienced further growth and reached its targets based on its strong reputation and portfolio of public and industrial clients in the southwest of Germany.

The Group also acquired a 35% share of Libertas Energy GmbH to expand its product offering on PV installations and battery storage systems in the B2C and B2B market in southwest Germany.

### Grid operations (regulated activity)

During 2023, Creos Luxembourg S.A. invested a total of EUR 190.1 million (excluding investments in participations), significantly above the record year of 2021 (2021: EUR 169.2 million, while total investments in 2022 amounted to EUR 152.2 million), which included the completion of the "Bové" project with the delivery of the new head office and administrative headquarters and the technical centre in Luxembourg city. This major investment programme mainly concerns the electricity sector (EUR 147.5 million in 2023, compared to EUR 105.4 million in 2022), with a focus on the medium-voltage sector. Investments have increased by around 40% compared to 2022, with an increase of EUR 17.2 million for 65/110kV projects and the realisation of numerous low- and medium-voltage projects. As for gas, replacement of network components remains important, while network areas are not extended.

With a total of EUR 15.3 million, gas investments have decreased by around 17% compared to 2022. With investments of EUR 12.2 million in 2023, compared to EUR 9.5 million in 2022, the digitisation of the electricity network remains an important area of investment and includes equipment

for communication and remote control of the infrastructure. The development of a national energy data platform was launched in 2022 at a cost of EUR 2.4 million and continued in 2023 with a cost of EUR 4.4 million. At the same time, investment in the various software packages and IT infrastructure was maintained at the multiannual rate described in the Information Technology chapter below, with a total investment of EUR 7.9 million (2022: EUR 7.9 million).

On the power side in Luxembourg, by the end of 2023, the number of electricity meters installed in the Creos network has reached 305,775 standard load profile and smart meters (2022: 296,583 meters), an increase of 3.1% compared to 2022, and 11,405 load-profile meters (2022: 11,743 meters), a decrease of 2.9% compared to 2022. This decrease is due to the replacement of 579 load-profile meters by smart meters. The deployment of smart meters exceeds 99%. A total of 4,719 GWh was transported in the network (2022: 4,999 GWh), which represents a decrease in consumption of 2% compared to the average of the previous five years, with the decrease coming from industrial customers, while medium- and low-voltage customers continue to maintain a stable average consumption in 2023. The volume of national electricity production, mainly renewable, was 1,178 GWh in 2023 (2022: 1,141 GWh). Hydro, wind, photovoltaic and biogas producers injected a total of 993 GWh into the Creos grids. As part of our ongoing efforts to improve data quality, the length of the electrical network is now recorded via our GIS database. Connection cables are also included in the statistics. Using this refined calculation methodology, the electrical network extended over 12,279 km by 31 December 2023.

On the gas side in Luxembourg, the number of gas meters in the Creos network has reached 49,646 at the end of 2023 (2022: 49,384 meters) an increase of 0.5% compared to 2022. A total of 6,369 GWh were transported on the network, a decrease of 6% compared to the consumption of

6,797 GWh in 2022. The decrease in consumption by high-pressure industrial consumers of 6% was similar to the one in the distribution networks (-7%). Compared to previous years, the size of the natural gas network remains almost unchanged at 2,204 km (2022: 2,193 km). In the broader context of decarbonisation, Creos no longer plans to expand its network, except for security of supply, replacement or at the request of third parties at their own expense. There were no particular peaks in demand for gas services and no major operational incidents. Compared to 2022, investments for the replacement of existing networks and customer connections decreased by approximately 17%, in particular in the low and medium pressure network for the territory of the city of Luxembourg.

In Germany, investments in gas and power grids networks continued and amounted to EUR 32.1 million in 2023 (2022: EUR 30.4 million). The forecasts for future energy demand in the Saarland and Rhineland-Palatinate regions anticipate increasing transport volumes in the coming years. This is manifesting in increased grid connection requests in gas and power, and indeed grid connection requests from biogas plants for gas and from large battery storage systems for electricity were received.

In 2023, Creos Deutschland GmbH commissioned a study on basic heat planning in the region. The results serve as input for future network development and investment planning in the context of the energy transformation.

The preparation of the future conversion and transport of hydrogen is ongoing. Creos Deutschland GmbH intends to become part of the German hydrogen core network. The exact financing model of the “Kern-netz” is currently being discussed and has not yet been determined. The MosaHYc project as part of the “Grande Region” Initiative has been granted IPCEI (Important Project of Common European Interest) status, the concrete funding commitment from German

government for MosaHykis still pending. Creos Luxembourg S.A. has introduced a hydrogen transport project linking Belgium to France through Luxembourg in the TYNDP (ten year network development plan) of the European grid operators

## Regulation and risk management

The Encevo Group (and all its subsidiaries) continuously implement active risk management processes through a reporting tool to assess, record, review and monitor mitigation measures for identified operational, financial, legal, regulatory, or strategic risks. The executive committee reviews the risk reports at least twice a year (or more often if needed). The most difficult challenges to assess are those related to the energy transition processes that require additional innovative digital technologies, cyber risks, as well as those related to political developments (e.g. the pace of decarbonisation and electrification of the economy and civil society; geopolitical developments) and administrative decisions (e.g. permits for the construction of new network infrastructures).

On the legal and regulatory front, structural reforms of the energy regulatory landscape have returned to the forefront in 2023 after a strong focus on crisis measures in 2022. Encevo Group is keeping a close watch on the upcoming implementation and transposition of the Fit for 55 package, the Hydrogen and Decarbonised Gas Package and the Electricity Market Design reforms recently agreed at European level. A centralised regulatory team supports all internal stakeholders in analysing the impacts of these pieces of legislation on Encevo Group's activities. In Luxembourg, the regulatory team is particularly attentive to the adaptations resulting from the changes in the electricity law adopted last June. Furthermore, the team has been following the upcoming, planned, and proposed changes regarding wholesale market regulations

(EMIR, REMIT, MiFID, MAR), and reflected the corresponding changes in the rules, e.g., the new version of ACER transaction reporting format. In both Luxembourg and Germany, the Group is closely monitoring the upcoming regulation period for electricity and gas grids.

The operational focus in 2023 was clearly the high risk related to customer flexibility. While market prices were declining rapidly, the sales prices were at their highest level. This incentivised customers to consume less energy, however, made it difficult to forecast the actual consumption. Excess quantities had to be sold for lower prices back to the market and losses materialised in 2023. The corresponding risk indicators for the future risk clearly dropped driven by the lower price level but also linked to the mitigation and limitation of such risks on a contractual level. The outlook for this risk for the upcoming years has significantly improved along with other market and credit risk indicators.

While renewable energies and PPAs linked to them gain importance, new valuation, pricing, and risk models have been introduced to support all internal stakeholders in their decision-making processes and in designing effective hedging approaches in these still volatile market conditions.

Driven by the extraordinary high price levels in 2022, Enovos Luxembourg S.A. signed state-guaranteed loans for a total amount of EUR 180 million with three counterparties in December 2022. The respective loans to manage the liquidity risk were fully drawn on 28 December 2022 and have a tenor of 6 years (bullet). They are linked to a programme issued by the Luxembourg government to support companies affected by the war in Ukraine. This additional liquidity counterbalances increasing working capital needs which have - due to the sharply falling prices in 2023 - materialised in a far lower-than-expected order of magnitude.

On the financial side, the Group Finance & Tax department is monitoring the evolution

of short- and long-term interest rates on a continuous basis to evaluate the need to hedge the interest rate risk. It should be noted that for the German certificates of indebtedness ("Schuldschein's" or "SSD") existing before 2021 (for an amount of EUR 347,000,000), the interest rate risk has been mitigated as the interest rates on the various maturities are all at fixed rates.

Out of the EUR 200,000,000 of the 2021 SSD, three tranches of 7-, 10- and 15- years respectively for an amount of EUR 108,500,000 bear fixed interest rates. The remaining tranches for an amount of EUR 91,500,000 bear variable interest rates.

Overall litigation risks remain low, but the main litigation in Italy (concerning renewable activities) continues after a Cassation judgement rendered in October 2021, part of the case was referred for a re-examination by another section of the Court of Appeal of Milan. Its decision is expected on 16 May 2024, or later.

Regarding Enovos Solar Investments II S.r.l. Unipersonale (ESI II), the criminal acquittal became definitive in June 2021. The request filed by EAM Solar ASA for private criminal proceedings against Enovos Luxembourg S.A. in May 2021 in Norway was dismissed successively by the Oslo District Court on 1 July 2022 and the Oslo Court of Appeal on 21 October 2022, in both cases for absence of sufficient grounds. Regarding the remaining claims of the EAM Group against Encevo and/or Enovos Luxembourg S.A. filed in Italy and Luxembourg, management continues to deem the associated risks to be remote.

The Group's grid activities are subject to a regulatory risk, as both the Luxembourg regulator (Institut Luxembourgeois de la Régulation) and its German counterpart (Bundesnetzagentur) are reviewing their methodologies and parameters for the next upcoming regulatory period (the next regulatory period in Luxembourg – where the Group is most exposed – starts on 1 January 2025 and the applicable framework will be

defined during the year 2024). Otherwise, the main operational risks faced by Creos are accidents to people (employees and third parties) and damages to the network caused by certain meteorological events.

## Innovation and Research & Development

Some research and development activities have been performed within affiliated undertakings.

As part of the partnership agreement signed in 2022 between Encevo S.A., the Luxembourg Institute of Science & Technology (LIST) and the Interdisciplinary Center for Security, Reliability & Trust (SnT) at the University of Luxembourg, a set of four new projects were initiated. Under this collaborative initiative, Enovos Luxembourg S.A. and SnT have initiated two new innovation projects (one on consumption forecasting and one relating to artificial intelligence usage in process automation and knowledge management) in addition to two ongoing research projects in the field of flexibility and price forecasting. Similarly Creos Luxembourg S.A. has ongoing projects with the university.

Furthermore, activities and pilot projects are ongoing in the area of eco districts solutions (CO<sub>2</sub> free heat and electricity supply concepts in new districts) and energy communities / collective self-consumption together with several subsidiaries. Another pilot at Agence de L'Energie S.A. involves a solution of a start-up and addresses advanced energy efficiency services for existing industrial zones and buildings and by that supports the build-up of core capabilities for the future development, analysis and evaluation of energy systems in a holistic and dynamic way. Creos also announced in 2023 the deployment of ALVA, a state-of-the-art smart grid AI Twin, developed in collaboration with DataThings (a member of the Group's startup portfolio).



## Financials

The consolidated operating profit (EBITDA<sup>2</sup>) of EUR 316 million exceeds the 2022 value of EUR 268 million by EUR 47 million mainly related to excellent performance of Creos Luxembourg S.A. and improved performance of Enovos Energie Deutschland GmbH. "Net turnover" and "Raw materials and consumables" of respectively EUR 5.1 billion and EUR 4.4 billion both increase significantly compared with 2022 (2022 respectively EUR 3.4 billion and EUR 2.8 billion) mainly as a result of price effect.

Value adjustments in respect of current assets increased by EUR 51 million as the decreasing gas prices at the end of 2023 led to a devaluation of the gas storage (EUR 80 million) at Enovos Luxembourg S.A. level, corresponding to the difference between the weighted average cost of goods in stock and the fallen market prices following the prudence principle. This negative impact is partly compensated by the reversal of value adjustments on receivables, as management decided to revert to an assessment of the recoverability of the receivables on a case-by-case basis as this was deemed a more reliable and accurate method (impact of EUR 12 million, see note 13.1).

Furthermore, regular depreciations are EUR 9 million higher than in 2022 from the continuously increasing investment plan.

In previous years (2020 and 2021), following the engagement in an exit strategy from the B2B German business, a provision for losses on sale of EUR 32 million was booked in the consolidated accounts. Following the latest business developments, and the strategy shift for B2B German activities, the provision has been deemed unnecessary, leading to its full reversal in 2023.

Finally, contribution of participations including dividends and share in companies consolidated under the equity method decreased by EUR -1 million to EUR 30 million

(2022: EUR 31 million), while taxes increased by EUR 4 million to EUR 27 million (2022: EUR 23 million).

Total consolidated profit for the financial year increased by EUR 64 million to EUR 171 million (2022: EUR 107 million).

The total assets position is above EUR 4 billion in 2023 as the Group is following its ambitious investment programme with total (tangible and intangible assets) investments of EUR 289 million (2022: EUR 233 million). The debtors balance of EUR 1,023 million increased by EUR 89 million compared with 2022 due to prices effect mainly (2022: EUR 934 million), while the "creditors" balance of EUR 1,931 million remains overall stable compared with 2022 (2022: EUR 1,930 million).

## Personnel

The average number of employees of the Encevo Group further increased from 2,521 people in 2022 to 2,765 people in 2023. The increase compared to 2022 is mainly related to the acquisitions of Hoffmann Frères Energie & Bois S.à r.l., Grethen S.à r.l. and Grethen Renovation S.à r.l. as well as Grid entities which reinforced their workforce to meet their ambitious investment plan.

The Board of Directors and the Management of Encevo S.A. would like to thank all employees for the fulfilment of their duties, for their contribution throughout the year, and for their full support in providing reliable and strong operational support for the Group's core activities in a challenging environment.

## Outlook

Energy prices decreased during 2023 as feared shortages and outages after the Russian supply cut did not materialise thanks to extended LNG supply and reduced consumption linked to energy savings but also linked to an economic slowdown in Europe. However, volatility remains high. Therefore, the market evolution must be carefully

<sup>2</sup> EBITDA corresponds to the sum of the following financial line items: Net turnover, Work performed by the undertaking for its own purposes and capitalised, Other operating income, Raw materials and consumables and other external expenses, Staff costs, Other operating expenses, and value adjustments in respect of current assets.

monitored going forward. The liquidity risk of the Group is appropriately covered by the increase of short- and medium-term credit lines to EUR 750,000,000

Our continued focus will be a best-in-class customer experience including the introduction of new energy supply and supply related products and services. Easy and fast solutions for customers in an increasingly complex energy world driven by an increasingly complex regulatory framework are key. Digitalisation and continuous improvement of processes will play an important role while opportunities regarding the development of artificial intelligence tools are assessed.

The overall financial outlook for 2024 for the Group is positive driven by a very ambitious investment plan in Grid and Renewables that are driving the energy transition forward at an accelerated pace.

## Other information

Encevo S.A. does not hold own shares.

## Encevo S.A. Board of Directors

No changes occurred in 2023 in the shareholding structure of Encevo S.A.

Regarding board members, the following changes occurred in 2023:

As of 10 May 2023, Mr Jingqiang Sun was appointed as new board member following the resignation of Mr Yu Xue.

The board members are:

**Marco Hoffmann**, Chairman

**Jingqiang Sun**, 1<sup>st</sup> Vice-Chairman<sup>3</sup>

**Luc Decker**, 2<sup>nd</sup> Vice-Chairman

**Min Shen**, 3<sup>rd</sup> Vice-Chairman

**Danielle Castagna**, Director

**Christian Tock**, Director

**Jeff Feller**, Director

**Stefan Grützmacher**, Director

**Aloyse Kohll**, Director

**Mike Kirsch**, Director

**Romain Lanners**, Director

**Uwe Leprich**, Director

**Olaf Münichsdorfer**, Director

**Georges Reuter**, Director

**Monika Scholz**, Director

**Geneviève Schlink**, Director

The Board of Directors  
Esch-sur-Alzette, 29 March 2024

<sup>3</sup> Mr Jingqiang was appointed as new board member as of 10 May 2023 following the resignation of Mr Yu Xue.

# Consolidated Accounts

## 2.1 Consolidated balance sheet as of 31<sup>st</sup> December 2023

Denominated in EUR

| ASSETS  | NOTES            | 31/12/2023           | 31/12/2022           |
|---|------------------|----------------------|----------------------|
|   |                  | €                    | €                    |
| <b>A. Goodwill on first consolidation</b>   | <b>Note 6</b>    | <b>63,096,156</b>    | <b>56,603,415</b>    |
| <b>B. Formation expenses</b>  | <b>Note 8</b>    | <b>1,183</b>         | <b>1,078</b>         |
| <b>C. Fixed assets</b>  |                  | <b>2,528,415,227</b> | <b>2,375,346,071</b> |
| I. Intangible assets  | <b>Note 9</b>    | <b>165,097,735</b>   | <b>70,120,227</b>    |
| 2. Concessions, patents, licences, trademarks and similar rights and assets, if they were                 |                  |                      |                      |
| a) acquired for valuable consideration and need not be shown under C.I.3.                                 |                  | 142,907,615          | 34,277,548           |
| 3. Goodwill, to the extent that it was acquired for valuable consideration                                |                  | 798,229              | 8,249,806            |
| 4. Payments on account and intangible assets under development  |                  | 21,391,891           | 27,592,873           |
| II. Tangible assets   | <b>Note 10</b>   | <b>2,061,058,499</b> | <b>1,997,337,698</b> |
| 1. Land and buildings   |                  | 249,198,214          | 247,361,279          |
| 2. Plant and machinery  |                  | 1,450,681,504        | 1,462,041,836        |
| 3. Other fixtures and fittings, tools and equipment   |                  | 83,780,345           | 87,400,942           |
| 4. Payments on account and tangible assets in the course of construction                                  |                  | 277,398,436          | 200,533,640          |
| III. Financial assets   |                  | <b>302,258,993</b>   | <b>307,888,146</b>   |
| 1. Companies consolidated under the equity method   | <b>Note 11.1</b> | 158,813,874          | 132,031,849          |
| 2. Investments carried at cost  | <b>Note 11.2</b> | 96,076,388           | 104,938,092          |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests        |                  | 46,891,249           | 70,343,495           |
| 5. Investments held as fixed assets   |                  | 20,302               | 6,462                |
| 6. Other loans  |                  | 457,181              | 568,249              |
| <b>D. Current assets</b>  |                  | <b>1,431,060,536</b> | <b>1,468,680,057</b> |
| I. Stocks   | <b>Note 12</b>   | <b>115,265,434</b>   | <b>150,046,711</b>   |
| 1. Raw materials and consumables  |                  | 21,380,350           | 24,491,162           |
| 2. Work in progress   |                  | 39,020,841           | 30,964,781           |
| 3. Finished goods and goods for resale  |                  | 54,864,243           | 94,590,769           |
| II. Debtors   |                  | <b>1,022,618,631</b> | <b>933,663,881</b>   |
| 1. Trade debtors  | <b>Note 13.1</b> | 914,589,062          | 833,624,854          |
| a) becoming due and payable within one year   |                  | 914,525,425          | 833,561,313          |
| b) becoming due and payable after more than one year  |                  | 63,637               | 63,540               |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | <b>Note 13.2</b> | 11,788,854           | 7,833,313            |
| a) becoming due and payable within one year   |                  | 11,762,854           | 7,807,313            |
| b) becoming due and payable after more than one year  |                  | 26,000               | 26,000               |
| 4. Other debtors  | <b>Note 13.3</b> | 96,098,842           | 92,083,594           |
| a) becoming due and payable within one year   |                  | 92,852,772           | 88,654,687           |
| b) becoming due and payable after more than one year  |                  | 3,246,070            | 3,428,907            |
| 5. Deferred tax assets  | <b>Note 13.4</b> | 141,874              | 122,121              |
| III. Investments  | <b>Note 14</b>   | <b>415,675</b>       | <b>287,635</b>       |
| 4. Other investments  |                  | 415,675              | 287,635              |
| IV. Cash at bank and in hand  | <b>Note 15</b>   | <b>292,760,796</b>   | <b>384,681,830</b>   |
| <b>E. Prepayments</b>   | <b>Note 16</b>   | <b>112,249,700</b>   | <b>72,438,968</b>    |
| <b>TOTAL ASSETS</b>   |                  | <b>4,134,822,802</b> | <b>3,973,069,590</b> |

The notes in the annex form an integral part of the consolidated annual accounts.

## 2.1 Consolidated balance sheet as of 31<sup>st</sup> December 2023

Denominated in EUR

| CAPITAL, RESERVES AND LIABILITIES  | NOTES            | 31/12/2023           | 31/12/2022           |
|--|------------------|----------------------|----------------------|
|  |                  | €                    | €                    |
| <b>A. Capital and reserves, group share</b>  | <b>Note 17</b>   | <b>1,379,629,742</b> | <b>1,236,489,132</b> |
| I. Subscribed capital  |                  | 90,962,900           | 90,962,900           |
| II. Share premium account  |                  | 387,028,449          | 387,028,449          |
| IV. Consolidated reserves  |                  | 633,668,144          | 570,865,737          |
| IV.b Other non available reserves  |                  | 23,159,669           | 23,615,758           |
| V. Profit or loss brought forward  |                  | 91,522,410           | 70,952,095           |
| VIII. Capital investment subsidies   |                  | 7,958,033            | 7,898,345            |
| <b>Consolidated Profit or loss for the financial year, group share</b>                                     |                  | <b>145,330,137</b>   | <b>85,165,848</b>    |
| <b>A.1. Minority interests</b>   |                  | <b>288,180,067</b>   | <b>270,557,575</b>   |
| <b>A.2. Capital and reserves, total</b>  |                  | <b>1,667,809,809</b> | <b>1,507,046,706</b> |
| <b>B. Provisions</b>   |                  | <b>280,929,016</b>   | <b>304,271,180</b>   |
| 1. Provisions for pensions and similar obligations   | <b>Note 18.1</b> | 143,352,718          | 135,607,323          |
| 3. Other provisions  | <b>Note 18.2</b> | 137,576,298          | 168,663,858          |
| <b>C. Creditors</b>  |                  | <b>1,931,483,301</b> | <b>1,929,553,546</b> |
| 1. Debenture loans   |                  |                      |                      |
| b) Non convertible loans   | <b>Note 19</b>   | <b>549,437,678</b>   | <b>569,556,161</b>   |
| i) becoming due and payable within one year  |                  | 22,437,678           | 22,556,161           |
| ii) becoming due and payable after more than one year  |                  | 527,000,000          | 547,000,000          |
| 2. Amounts owed to credit institutions   | <b>Note 20</b>   | <b>278,972,170</b>   | <b>267,794,260</b>   |
| a) becoming due and payable within one year  |                  | 16,821,615           | 17,636,148           |
| b) becoming due and payable after more than one year   |                  | 262,150,556          | 250,158,111          |
| 3. Payments received on account of orders in so far as they are shown separately as deductions from stocks | <b>Note 21</b>   | <b>52,343,558</b>    | <b>42,676,674</b>    |
| a) becoming due and payable within one year  |                  | 52,343,558           | 42,676,674           |
| b) becoming due and payable after more than one year   |                  | 0                    | 0                    |
| 4. Trade creditors   | <b>Note 22</b>   | <b>751,578,148</b>   | <b>718,880,609</b>   |
| a) becoming due and payable within one year  |                  | 702,380,321          | 718,834,481          |
| b) becoming due and payable after more than one year   |                  | 49,197,827           | 46,128               |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests  | <b>Note 23</b>   | <b>9,872,125</b>     | <b>9,129,697</b>     |
| a) becoming due and payable within one year  |                  | 7,833,973            | 6,904,621            |
| b) becoming due and payable after more than one year   |                  | 2,038,152            | 2,225,075            |
| 8. Other creditors   | <b>Note 24</b>   | <b>175,334,029</b>   | <b>212,258,289</b>   |
| a) Tax authorities   |                  | 86,518,683           | 54,170,755           |
| b) Social security authorities   |                  | 10,095,423           | 6,024,378            |
| c) Other creditors   |                  | 78,719,924           | 152,063,156          |
| i) becoming due and payable within one year  | <b>Note 25</b>   | 72,774,914           | 91,140,350           |
| ii) becoming due and payable after more than one year  |                  | 5,945,009            | 60,922,806           |
| 9. Deferred income tax   | <b>Note 26</b>   | <b>113,945,592</b>   | <b>109,257,857</b>   |
| <b>D. Deferred income</b>  | <b>Note 27</b>   | <b>254,600,676</b>   | <b>232,198,157</b>   |
| <b>TOTAL CAPITAL, RESERVES AND LIABILITIES</b>   |                  | <b>4,134,822,802</b> | <b>3,973,069,590</b> |

The notes in the annex form an integral part of the consolidated annual accounts.

## 2.1 Consolidated profit and loss account for the year ended 31<sup>st</sup> December 2023

Denominated in EUR

| PROFIT AND LOSS ACCOUNT   | NOTES                    | 31/12/2023             | 31/12/2022             |
|---|--------------------------|------------------------|------------------------|
|   |                          | €                      | €                      |
| <b>1. Net turnover</b>  | <b>Note 28</b>           | <b>5,088,237,667</b>   | <b>3,412,564,184</b>   |
| <b>3. Work performed by the undertaking for its own purposes and capitalised</b>                      |                          | <b>67,357,522</b>      | <b>59,120,523</b>      |
| <b>4. Other operating income</b>  | <b>Note 29</b>           | <b>31,610,618</b>      | <b>32,744,886</b>      |
| <b>5. Raw materials and consumables and other external expenses</b>                                   | <b>Note 30</b>           | <b>(4,523,846,323)</b> | <b>(2,962,451,090)</b> |
| a) Raw materials and consumables  |                          | (4,358,449,181)        | (2,846,470,436)        |
| b) Other external expenses  |                          | (165,397,142)          | (115,980,653)          |
| <b>6. Staff costs</b>   | <b>Note 31</b>           | <b>(277,376,607)</b>   | <b>(240,045,903)</b>   |
| a) Wages and salaries   |                          | (225,184,269)          | (193,855,816)          |
| b) Social security costs  |                          |                        |                        |
| i) relating to pensions   |                          | (17,541,712)           | (15,753,946)           |
| ii) other social security costs   |                          | (25,619,626)           | (22,177,999)           |
| c) Other personnel costs  |                          | (9,031,000)            | (8,258,142)            |
| <b>7. Value adjustments</b>   |                          | <b>(229,371,004)</b>   | <b>(168,792,345)</b>   |
| a) in respect of formation expenses and of tangible and intangible fixed assets                       | <b>Notes 6, 8, 9, 10</b> | (163,180,540)          | (153,845,182)          |
| b) in respect of current assets   | <b>Note 12, 13</b>       | (66,190,464)           | (14,947,163)           |
| <b>8. Other operating expenses</b>  | <b>Note 32</b>           | <b>(4,241,720)</b>     | <b>(18,542,743)</b>    |
| <b>9. Income from participating interests</b>   |                          | <b>11,074,444</b>      | <b>9,745,174</b>       |
| b) other income from participating interests  | <b>Note 33</b>           | 11,074,444             | 9,745,174              |
| <b>11. Other interest receivable and similar income</b>   |                          | <b>17,525,118</b>      | <b>3,269,853</b>       |
| b) other interest and similar income  | <b>Note 34</b>           | 17,525,118             | 3,269,853              |
| <b>12. Share of profit or loss undertakings accounted for under the equity method</b>                 | <b>Note 35</b>           | <b>18,982,278</b>      | <b>21,309,924</b>      |
| <b>13. Value adjustments in respect of financial assets and of investments held as current assets</b> | <b>Note 36</b>           | <b>31,975,004</b>      | <b>(1,427,196)</b>     |
| <b>14. Interest payable and similar expenses</b>  |                          | <b>(33,928,627)</b>    | <b>(17,182,806)</b>    |
| b) other interest and similar expenses  | <b>Note 37</b>           | (33,928,627)           | (17,182,806)           |
| <b>15. Tax on profit or loss</b>  | <b>Note 38</b>           | <b>(25,694,274)</b>    | <b>(20,916,535)</b>    |
| <b>Consolidated Profit or loss after taxation</b>   |                          | <b>172,304,097</b>     | <b>109,395,927</b>     |
| <b>17. Other taxes not shown under items 1 to 15</b>  |                          | <b>(1,218,600)</b>     | <b>(2,051,571)</b>     |
| <b>Consolidated Profit or loss for the financial year</b>   |                          | <b>171,085,497</b>     | <b>107,344,356</b>     |
| <b>Minority interests</b>   |                          | <b>(25,755,359)</b>    | <b>(22,178,508)</b>    |
| <b>Consolidated Profit or loss for the financial year, group share</b>                                |                          | <b>145,330,137</b>     | <b>85,165,848</b>      |

The notes in the annex form an integral part of the consolidated annual accounts.

## 2.3 Notes to the consolidated accounts

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## Note 1 – Summary of significant accounting principles

### Basis of preparation

The consolidated accounts of Encevo S.A. (the “Company”), together with its subsidiaries, (the “Group”) have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Commercial Law dated 10 August 1915 as amended and the amended Law of 19 December 2002, determined and applied by the Board of Directors. The annual accounts are prepared under the going concern basis of accounting. The amounts are rounded to the nearest EUR.

Amidst an overall uncertain geopolitical context, the Russia/Ukraine conflict continues to strongly influence European Gas and Power prices. This unpredictable geopolitical context remains a continued source of uncertainty regarding the overall economic outlook and regarding energy market prices, counterparty credit risk as well as physical supply risk. In this challenging environment, the Group continues focusing on serving its customers, energy efficiency and renewable energy production. It will continue to develop its risk management capabilities and invest in operational excellence and digitalisation. The preparation of consolidated accounts requires the use of certain critical accounting judgements and estimates. More particularly, Management continuously evaluates underlying judgements and estimates for impairment testing and for the evaluation of long-term contracts, based on experience, available facts and expected future events and evolutions. Changes in assumptions may have a significant impact on the consolidated accounts in the period in which the assumptions changed as well as in the following years.

The Board of Directors believes that the underlying judgements and estimates are appropriate and that the consolidated accounts fairly present the financial position

and the results of the year. The financial year starts on 1 January and ends on 31 December of each year.

### Scope of consolidation

The consolidated accounts include those of Encevo S.A. and those of its affiliates, including jointly controlled entities, and its associated companies. Together they form the group (the “Group”). The consolidated companies are listed in note 7, “Scope of consolidation and list of consolidated companies”.

All consolidated companies prepare their statutory annual accounts as of 31 December.

### Significant accounting policies

The main valuation rules applied by the Group are the following:

### Consolidation methods

The methods used are:

- Full consolidation in the case of those companies that the Encevo Group directly or indirectly controls (generally with more than 50% of the voting rights). With this method, the assets and liabilities of the consolidated companies are incorporated into the consolidated accounts, rather than the book value of the equity interests held by the Group in the companies concerned. Use of this method can lead to goodwill on consolidation and minority interests being reported. Similarly, the income and expenses of these subsidiaries are consolidated with those of the parent company and their results for the financial year are apportioned between the Group and the minority interests. Intercompany accounts and transactions are eliminated.
- The equity method in the case of those companies over which the Encevo Group exercises either joint control with a limited number of associates or

significant influence where it has between 20 percent and 50 percent of the shareholders' or members' voting rights in that undertaking. With this method, the parent company's share of its affiliate's equity, based on its equity interest, is entered in its balance sheet, rather than the acquisition cost of the equity holding itself. The difference thus generated is posted to Group capital and reserves. The dividends received by the respective parent company are eliminated from the profit and loss accounts. The other balance sheet and income statement items are not affected, and intercompany accounts and transactions are not eliminated.

- Goodwill on consolidation is calculated at the time of acquisition or consolidation of an equity interest. Goodwill on first consolidation represents the difference between the price paid for the acquired shares in an affiliate, and the value of identifiable tangible, intangible assets and liabilities of the acquired affiliate. Positive goodwill is recorded as an asset and depreciated over the expected economic life of the underlying assets. The positive and negative goodwills resulting from the restructuring process

in 2009 have been by exception recorded in 2009 against the consolidated reserves in the shareholder's equity.

### **Foreign currency translation**

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date, exchange losses and realised gains are recorded in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and

a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account, and net unrealised exchange gains are not recognised.

All Group companies use EUR as their functional currency.

### **Formation expenses**

Formation expenses are written off on a straight-line basis over a period of 5 years.

### Intangible assets

Intangible assets are valued at purchase price, including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments.

The depreciation rates and methods applied are as follows:

|  | DEPRECIATION RATE | DEPRECIATION METHOD |
|--|-------------------|---------------------|
| Concessions, patents, licences, trademarks and similar rights and assets | 2% - 33.33%       | Straight-line       |
| Goodwill, to extent that it was acquired for valuable consideration      | 5% - 20%          | Straight-line       |
| Customer contracts   | 6.67% - 20%       | Straight-line       |

Where the Group considers that an intangible asset has suffered a long-term depreciation in value, an additional write-down is recorded to reflect this loss. Except for goodwill, these value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Intangible assets under development are valued at cost, based on the direct costs of the Group, and are reviewed annually for impairment.

### Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost.

The acquisition price is made up of the purchase price, including customs due and non-refundable taxes, after deduction of commercial discounts and rebates, and any cost directly attributable to the asset's transfer to its place of operation and any adaptation needed for its operation.

Depreciation is recorded on the basis of an asset's useful life under the straight-line method. The estimated useful lives of the main components of tangible assets are as follows:

|  | DEPRECIATION RATE | DEPRECIATION METHOD |
|--|-------------------|---------------------|
| Buildings  | 2% - 10%          | Straight-line       |
| Plant and machinery                              | 6.6% - 16.6%      | Straight-line       |
| Other fixtures and fittings, tools and equipment | 10% - 33.33%      | Straight-line       |

For the grid assets in Luxembourg, when a part of grid assets is to be replaced and cannot be separately identified, no disposal of assets is accounted for and the replaced assets continue to be depreciated with normal rates. This accounting principle has been agreed with the Regulator for the determination of grid tariffs.

Where the Group considers that a tangible asset has suffered a long-term depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible assets under development are valued at cost, based on the direct and indirect costs of the Group and are reviewed for impairment annually.

### Work performed by the undertaking for its own purposes and capitalised

The costs incurred on fixed assets under development created by the Group itself are recorded in the profit and loss account. At year-end the amount of own work capitalised is transferred to the respective balance sheet line items and disclosed in the profit and loss account under financial statement line item "Work performed by the undertaking for its own purposes and capitalised".

### **Investments carried at cost and investments held as fixed assets**

Investments carried at cost and not consolidated in these accounts are recorded in the balance sheet at their acquisition costs including the expenses incidental thereto. In the case of an impairment that the Board of Directors considers permanent in nature, value adjustments are made in respect of these long-term investments to apply the lower value to be assigned to them at the balance sheet date. These value adjustments are not maintained when the reasons for making them have ceased to exist. Investments held as fixed assets are classified as long-term financial assets if they are not available for sale. A value adjustment is recorded where the market value is lower than the purchase price.

### **Raw materials and consumables**

Raw materials and consumables are valued at the lower of purchase price calculated on the basis of weighted average cost and market value. Value adjustments are recorded when the estimated realisable value of stocks is lower than the weighted average cost. Their value adjustments are not maintained if the reasons for recording them have ceased to exist.

### **Finished goods and work in progress**

Inventories of finished goods and work and contracts in progress are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and a proportion of the costs indirectly attributable to the product/contract in question, and realisable value. A value adjustment is recorded where the market value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

### **Debtors**

Debtors are recorded at their nominal value. Value adjustments are recorded when there is a risk that all or part of the amounts concerned may not be recovered. These value

adjustments are not maintained if the reasons for recording them have ceased to exist.

### **Derivative financial instruments**

The Group may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The Group initially records derivative financial instruments at cost.

At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the event of hedging of an asset or a liability, unrealised gains or losses on the hedge as well as the underlying asset/liability are deferred until the recognition of the realised gains or losses on the hedged item.

### **Cash at bank and in hand**

Cash at bank and in hand are recorded at their nominal value.

### **Prepayments**

This asset item includes expenditure laid out during the financial year but relating to a subsequent financial year.

### **Temporarily tax exempted capital gains**

Temporarily tax exempted capital gains include gains for which the taxation is deferred by virtue of Article 54 LIR (Income tax law). Such gains, which are rolled over, are recorded at their initial value. Reinvested gains are written off using the same method and over the same period as the assets to which they relate. This financial statement line item is disclosed under "Other non-available reserves" on the balance sheet.

### **Provisions**

The aim of provisions is to cover clearly defined charges and liabilities, which, on the balance sheet date, are either probable or certain but for which the amount or date of occurrence cannot be determined with certainty. A review is carried out at year-end to determine the provisions to be recorded for the Group's liabilities and charges. Provisions recorded in previous years are reviewed annually and those no longer needed are released.

Provisions may be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

### **Provisions for pensions and similar obligations**

Different Group companies offer their employees a defined benefit plan and a defined contribution plan. These plans are provided for based on acceptable principles in the different countries of the Group companies.

### **Defined benefit plan**

A defined benefit plan specifies an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to historical evolution of long-term interest rates. Actuarial gains and losses

are charged or credited in the profit and loss account in the period in which they arise.

Past-service costs are recognised immediately in the profit and loss account.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and previous periods. Contributions paid are directly registered in the profit and loss account during the year in which they are paid. The commitment of the Group is limited to the contributions that the Group agreed to pay into the fund on behalf of its employees.

### **Provisions for contractual agreements**

Enovos Luxembourg S.A. (through the Energy Management and Trading department ("EMT")) is the entity in charge of purchasing electricity and gas for all Encevo Group companies. EMT purchases on behalf of the sales entities in Luxembourg, Germany and France. Within a consistent risk framework, EMT provides sales entities with electricity and gas sourced via bilateral procurement contracts with large energy producers (with maturities ranging from 2025 to 2037), via the European

Federation of Energy Traders (EFET) agreements, long-term contracts (LTCs) and via energy exchanges mainly in Germany, France, Belgium and the Netherlands.

Additionally, it is EMT's role to balance the physical and financial exposure on the sales side with the overall sourcing commitments across the Group. The procurement side is managed based on the expected total consumption of all sales contracts. There is no direct link between a specific sourcing contract and a specific customer or Group of customers. Accordingly, the Group brings together all contracts related to a commodity portfolio when assessing onerous contract requirements.

The power and gas supply contracts are tested within a global portfolio approach based on the overall gross profit margin (GPM) expectation to be achieved for Enovos Luxembourg S.A. sales contracts based on the mid-term planning extrapolated until the end of the maturity of the long-term contracts (LTC's). The GPM is determined by comparing the total sales and the total purchases for a given commodity (i.e., power, gas), irrespective of the contract type and duration.

If the overall GPM for each commodity portfolio is expected to remain positive for the duration of the commitment in the LTC,

no provision for onerous contracts is recorded. If the overall GPM for each commodity portfolio is expected to be negative, then a provision for onerous contracts is recorded for the amount of the negative margin.

GPM is computed based on the expected commodity sales prices (using contracted quantities and prices and extrapolated volume and price assumptions) net of any taxes/grid fees minus contracted or expected purchase prices for the equivalent sales volumes.

In the event that a long-term supply contract can be linked directly to a sale contract in a one-to-one relationship, the GPM is then computed for such relationship and if negative, a provision for onerous contract is recorded.

#### **Creditors**

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method. All fixed costs related to setting up the facilities are depreciated over the duration of the loan.

#### **Deferred income**

This item includes income received during the financial year or preceding years but relating to a subsequent financial year.

#### **Current and deferred income tax**

Provisions for current income tax include the current taxes charged. Deferred taxes are recorded on the temporary differences existing between the tax rules and those used for preparing the consolidated accounts. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Deferred tax assets are recorded only if it is likely that future taxable profits will be available.

#### **Net turnover**

Net turnover relates to transportation and distribution of electricity and gas, sales of gas and electricity, cogeneration provided as well as related services as part of the Group's ordinary activities, net of discounts, value-added tax and other taxes directly linked to sales.

#### **Other operating income**

Other operating income comprises all income only indirectly linked to usual business activities.

#### **Cost of sales**

The EMT (Energy Management and Trading) department within Enovos Luxembourg S.A. provides sales entities with gas and electricity sourced via bilateral procurement contracts. As both the procurement side as well as the sales sides are managed

as interdependent portfolios, there is no precise link possible between a specific sourcing contract and a specific customer or Group of customers. It is EMT's role to balance the physical and financial exposure on the sales side with the overall sourcing commitments on the upstream side.

#### **Income from participating interests**

Dividend income is recorded when dividends are paid.



## Note 2 – Creation of the Encevo Group (formerly Enovos Group)

Encevo S.A. (formerly Enovos International S.A.) was incorporated under the name of Soteg S.A. in Luxembourg on 5 February 1974. The Company is registered under R.C.S. nr. B11723. In the context of the below-described operations, the Company was renamed Enovos International S.A. in 2009. The registered office of the Company is established in Esch-sur-Alzette.

As of 23 January 2009, the shareholders of Cegedel S.A. and Saar Ferngas AG contributed their respective shares into Soteg S.A., Soteg S.A. then launched a mandatory public offer on all Cegedel S.A. shares not yet in its possession and Cegedel S.A. was delisted after a successful squeeze-out process. A process of restructuring took place thereafter and resulted in a new energy group named Enovos comprising the parent company, Enovos International S.A. (formerly Soteg S.A.) and its two main subsidiaries, Creos Luxembourg S.A. (formerly Cegedel S.A.) in charge of grid activities and Enovos Luxembourg S.A. (formerly Cegedel Participations S.A.) dealing with energy generation, sales and trading activities. This restructuring was made with retroactive effect as of 1 January 2009. Enovos Luxembourg S.A. has a subsidiary, Enovos Deutschland SE, (former

Enovos Deutschland AG), for the German market and Creos Luxembourg S.A. has a subsidiary, Creos Deutschland Holding GmbH (former Creos Deutschland GmbH), for the German grid.

In the context of this restructuring, former Cegedel S.A. and Soteg S.A. sales activities were contributed to Enovos Luxembourg S.A. against issuing new shares. Enovos Luxembourg S.A. acquired 86.2% of Enovos Deutschland SE (former Enovos Deutschland AG). Cegedel Participations S.A. was sold to Soteg S.A. and the former Cegedel S.A. sales activity was contributed to Enovos Luxembourg S.A. in exchange for shares. Former Soteg S.A. grid activities were contributed to Creos Luxembourg S.A. in exchange for shares.

In October 2016, Enovos International S.A. was renamed Encevo S.A., the parent company of the Encevo Group.

In early 2019, the Group reorganised its energy-related service activities by integrating all of the affiliated undertakings that are active in this field under the newly founded company Teseos Luxembourg S.A. (formerly Enovos Services Luxembourg S.A.), a 100% subsidiary of Encevo S.A. As of 31 December 2023, Teseos Luxembourg S.A. thus

manages the participations held in Global Facilities S.A., Paul Wagner & Fils S.A., Power Panels S.A., Minusines S.A., diego Luxembourg S.A., Grethen S.à.r.l., Grethen Renovations S.à.r.l. and Agence de l'Energie S.A.

In 2021, in the framework of project Gamos, the Group reorganised the structure of its activities in Germany to have a holding company on top of all the German subsidiaries. All the German activities are now coordinated under the ownership of Encevo Deutschland GmbH (merged entity of the former Enovos Deutschland SE and Creos Deutschland Holding GmbH) which is owned at 97.7% by Encevo S.A.

The object of the Group is to supply electricity, gas and energy-related services to customers in Luxembourg and abroad. The Group is active all along the energy value chain: production, storage, supply, transport, trading, distribution and grid operations.

## Note 3 – Authorisations

Following the two European Directives 2003/54 and 55, of 26 June 2003, concerning common rules for the internal markets in electricity and natural gas, and the laws that transposed these directives into national law, namely the laws of 1 August 2007, as amended by the Laws of 18 December 2009, 17 October 2010 and 7 August 2012, regarding the organisation of the electricity and natural gas markets, transportation and distribution grid-management activities have been legally separated from the other activities of electric or gas power generation and sale.

## Note 4 – Correction of errors identified during the financial year

The annual accounts as of 31 December 2023, include the correction of an errors made during the current financial year and relating to the financial year 2022, and prior financial years. Additional information regarding these items is available in the detail below and in the notes related to the respective financial line-items:

- Machine 11: the Company participated in the construction of the 11th turbine at the Vianden pumping station of SEO S.A.. Since its initial recognition in 2012, the contract was assessed as a financial lease and classified as a “tangible fixed asset”, while all corresponding payables to SEO S.A. were recognised under the financial line item “Other Creditors”. In 2023, after a thorough review of the nature of the asset, and in compliance with the latest guidance issued by the Luxembourg Commission des Normes Comptables (Q&A 20/O21), clarifying the principles of substance over form enacted in article 29(3) of the law of 19 December 2002, and considering that the contract offers virtual rights to the turbine’s output rather than operational control over the tangible

asset itself, we concluded that Machine 11 qualifies as an intangible asset and should be reclassified as such in the books of the Company. Accordingly, the corresponding debt qualifies as “Trade creditors becoming due and payable after more than one year” and “Trade creditors becoming due and payable within one year” instead of “Other creditors becoming due and payable after more than one year” and “Other creditors becoming due and payable within one year”. As a consequence, and in line with CNC Q&A 21/O25 the following corrections were done:

- **EUR 94,352,121** from “C.II.2 Tangible fixed assets” to “C.I.2 Intangible fixed assets”
- **EUR 54,067,050** from “C.8.c)ii) Other creditors becoming due and payable after more than one year” to “C.4.b) Trade creditors becoming due and payable after more than one year”.
- **EUR 4,915,050** from “C.8.c)i) Other creditors becoming due and payable within one year” to “C.4.a) Trade creditors becoming due and payable within one year”.

Please refer to notes 9, 10, 22 and 25.

## Note 5 – Presentation of the comparative Financial Data

The figures for the year that has ended on 31 December 2022 relating to the items listed below have been reclassified to ensure comparability with the figures for the year ended 31 December 2023:

- 1. Net turnover (EUR 11,632,692 to 5.a)) (please refer to note 28)
- 5.a) Raw material and consumables (EUR 11,632,692 from 1.) (please refer to note 30)

## Note 6 – Goodwill on first consolidation

Goodwill on acquisitions is recognised on the asset side and is depreciated over the expected economic life of the underlying assets. As of 31 December 2023, the Group recognised goodwill on the following acquisitions (see also note 7):

|  | 31/12/2023<br>GOODWILL<br>GROSS VALUE | 31/12/2023<br>GOODWILL<br>NET VALUE | 31/12/2022<br>GOODWILL<br>GROSS VALUE | 31/12/2022<br>GOODWILL<br>NET VALUE |
|--|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| Leo S.A.                                       | 21,157,085                            | 2,820,945                           | 21,157,085                            | 4,231,417                           |
| Minusines S.A.                                 | 22,166,644                            | 16,419,926                          | 15,072,295                            | 11,922,378                          |
| Enovos Luxembourg S.A. (Luxgas S.à r.l.)       | 14,871,586                            | 1,321,921                           | 14,871,586                            | 2,313,358                           |
| Paul Wagner & Fils S.A.                        | 13,123,167                            | 5,461,674                           | 13,123,167                            | 6,647,444                           |
| Wieland & Schultz GmbH                         | 10,000,171                            | 9,457,778                           | 5,423,935                             | 5,423,935                           |
| Creos Deutschland GmbH                         | 9,721,789                             | 5,014,611                           | 9,721,789                             | 5,662,730                           |
| Creos Luxembourg S.A.                          | 9,285,305                             | 825,360                             | 9,285,305                             | 1,444,381                           |
| Enovos Energie Deutschland GmbH                | 7,296,109                             | 0                                   | 7,296,109                             | 0                                   |
| Power Panels S.A.                              | 7,090,421                             | 4,339,253                           | 7,090,421                             | 5,062,462                           |
| Global Facilities S.A.                         | 6,077,451                             | 3,646,470                           | 6,077,451                             | 4,254,215                           |
| NPG Energy Group                               | 5,767,968                             | 419,115                             | 5,767,968                             | 506,847                             |
| Hoffmann Frères Energie et Bois S.à.r.l.       | 4,319,783                             | 4,319,783                           | 0                                     | 0                                   |
| Enovos Renewables O&M GmbH                     | 3,243,786                             | 2,977,075                           | 3,243,786                             | 2,977,075                           |
| Enovos Solar Investment II S.r.l. Unipersonale | 3,035,199                             | 0                                   | 3,035,199                             | 0                                   |
| WES Green GmbH                                 | 2,819,970                             | 2,255,976                           | 2,819,970                             | 2,537,973                           |
| ESW Energie Südwest AG                         | 2,205,965                             | 477,959                             | 2,205,965                             | 625,023                             |
| Encevo Deutschland GmbH                        | 1,992,075                             | 531,220                             | 1,992,075                             | 664,025                             |
| Artic Cooling Systems S.à.r.l.                 | 1,649,122                             | 1,482,994                           | 1,499,122                             | 1,499,122                           |
| DiSUN Deutsche Solarservice GmbH               | 1,106,662                             | 516,442                             | 1,106,662                             | 590,220                             |
| Luxenergie S.A.                                | 989,661                               | 0                                   | 989,661                               | 0                                   |
| Enovos Solar Investment I S.r.l. Unipersonale  | 805,849                               | 0                                   | 805,849                               | 0                                   |
| Encevo Deutschland GmbH (CDH GmbH share)       | 689,966                               | 194,810                             | 689,966                               | 240,808                             |
| Grethen S.à.r.l.                               | 541,767                               | 487,590                             | 0                                     | 0                                   |
| Grethen Renovation S.à.r.l.                    | 139,167                               | 125,250                             | 0                                     | 0                                   |
|  | <b>150,096,670</b>                    | <b>63,096,156</b>                   | <b>133,275,368</b>                    | <b>56,603,415</b>                   |

Value adjustments have been recorded using a straight-line depreciation method:

|   | 31/12/2023<br>€     | 31/12/2022<br>€     |
|---|---------------------|---------------------|
| <b>Gross book value - opening balance</b>             | <b>133,275,368</b>  | <b>123,480,694</b>  |
| Additions for the year                                | 16,821,302          | 9,794,673           |
| Disposals for the year                                | (0)                 | (0)                 |
| Transfers for the year                                | 0                   | 0                   |
| <b>Gross book value - closing balance</b>             | <b>150,096,670</b>  | <b>133,275,368</b>  |
| <b>Accumulated value adjustment - opening balance</b> | <b>(76,671,953)</b> | <b>(68,068,955)</b> |
| Allocations for the year                              | (10,328,561)        | (8,602,998)         |
| Opening balance correction                            | 0                   | 0                   |
| Disposals for the year                                | 0                   | 0                   |
| Exceptional depreciation for the year                 | 0                   | 0                   |
| <b>Accumulated value adjustment - closing balance</b> | <b>(87,000,514)</b> | <b>(76,671,953)</b> |
| <b>Net book value - closing balance</b>               | <b>63,096,156</b>   | <b>56,603,415</b>   |

The additions of the year concern:

- the acquisition of 100% of the shares in Hoffmann Frères Energie et Bois S.à.r.l. for a purchase price of EUR 11,786,533 generating a goodwill amount of EUR 4,319,783.
- the additional 527 shares in Minusines S.A. for a purchase price of EUR 11,616,438 generating a goodwill of EUR 7,094,349.
- an earn-out of EUR 4,576,236 in Wieland

& Schultz GmbH fully booked as goodwill.

- the acquisition of 100% of the shares in Grethen S.à.r.l. and Grethen Renovation S.à.r.l. for a purchase price of EUR 1,241,000 generating a goodwill amount of EUR 680,934
- an earn-out of EUR 150,000 in Arctic Cooling Systems S.à.r.l. fully booked as goodwill.

## Note 7 – Scope of consolidation and list of consolidated companies

The consolidation scope as of 31 December 2023 is as follows:

### Fully consolidated Group companies:

| Name                                     | Country    | Registered Office | Pourcentage of control 2023 | Pourcentage of interest 2023 | Pourcentage of control 2022 | Pourcentage of interest 2022 | Main activity                               |
|--|------------|-------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|---|
| Encevo S.A.                              | Luxembourg | Esch-sur-Alzette  | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Holding company and shared service provider |
| Enovos Luxembourg S.A.                   | Luxembourg | Esch-sur-Alzette  | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Supply of power and gas                     |
| Creos Luxembourg S.A.                    | Luxembourg | Luxembourg        | 75.47%                      | 75.47%                       | 75.47%                      | 75.47%                       | Transport and distribution of gas and power |
| Encevo Re S.A.                           | Luxembourg | Luxembourg        | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Reinsurance                                 |
| Enovos Energie S.A.                      | Luxembourg | Esch-sur-Alzette  | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Supply of power and gas                     |
| Luxenergie S.A.                          | Luxembourg | Luxembourg        | 60.35%                      | 60.35%                       | 60.35%                      | 60.35%                       | Production of heat and power                |
| Panhelios S.A.                           | Luxembourg | Esch-sur-Alzette  | 51.00%                      | 51.00%                       | 51.00%                      | 51.00%                       | Production of power                         |
| Voltranovos S.A.                         | Luxembourg | Esch-sur-Alzette  | 51.00%                      | 51.00%                       | 51.00%                      | 51.00%                       | Production of power                         |
| Heliovos S.A.                            | Luxembourg | Esch-sur-Alzette  | 51.00%                      | 51.00%                       | 51.00%                      | 51.00%                       | Production of power                         |
| Leo S.A.                                 | Luxembourg | Luxembourg        | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Supply of power and gas                     |
| Real Estate Enovos Esch S.A.             | Luxembourg | Esch-sur-Alzette  | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Real estate                                 |
| Enovos Real Estate Luxembourg S.A.       | Luxembourg | Esch-sur-Alzette  | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Holding company in Real estate              |
| Conosolar S.A.                           | Luxembourg | Esch-sur-Alzette  | 51.00%                      | 51.00%                       | 51.00%                      | 51.00%                       | Production of power                         |
| Solarpark Bartreng S.A.                  | Luxembourg | Esch-sur-Alzette  | 51.00%                      | 51.00%                       | 0.00%                       | 0.00%                        | Production of power                         |
| Hoffmann Frères Energie et Bois S.à r.l. | Luxembourg | Mersch            | 100.00%                     | 100.00%                      | 0.00%                       | 0.00%                        | Grid and supply of electricity              |
| Windpark Mosberg GmbH & Co KG            | Germany    | Saarbrücken       | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power                         |
| Encevo Deutschland GmbH                  | Germany    | Saarbrücken       | 97.70%                      | 97.70%                       | 98.83%                      | 98.83%                       | Holding company and shared service provider |

| Name   | Country    | Registered Office   | Pourcentage of control 2023 | Pourcentage of interest 2023 | Pourcentage of control 2022 | Pourcentage of interest 2022 | Main activity  |
|--|------------|---------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|--|
| Enovos Energie Deutschland GmbH                | Germany    | Wiesbaden           | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Supply of power and gas                                  |
| Enovos Renewables O&M GmbH                     | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Operation & maintenance of solar- and windparks          |
| Enovos Storage GmbH                            | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Gas Storage  |
| Enovos Renewables GmbH                         | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Holding company for power producers                      |
| Enovos Power GmbH                              | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Supply of power  |
| Energie Südpfalz Shared Service GmbH           | Germany    | Landau in der Pfalz | 64.00%                      | 31.89%                       | 64.00%                      | 32.26%                       | Service provider   |
| Creos Deutschland GmbH                         | Germany    | Homburg             | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Transport and distribution of gas                        |
| Creos Deutschland Services GmbH                | Germany    | Homburg             | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Service provider   |
| Energie Südwest AG                             | Germany    | Landau in der Pfalz | 51.00%                      | 49.83%                       | 51.00%                      | 50.40%                       | Supply of power, gas and heat                            |
| Energie Südwest Netz GmbH                      | Germany    | Landau in der Pfalz | 100.00%                     | 49.83%                       | 100.00%                     | 50.40%                       | Transport and distribution of gas, power, water and heat |
| Energie Südwest Projektentwicklung GmbH        | Germany    | Landau in der Pfalz | 100.00%                     | 49.83%                       | 100.00%                     | 50.40%                       | Supply of heat / Provider of services in gas and power   |
| Solkraftwerk Frauental GmbH                    | Germany    | Saarbrücken         | 90.40%                      | 52.51%                       | 90.40%                      | 53.12%                       | Production of power                                      |
| DiSUN Deutsche Solarservice GmbH               | Germany    | Werder (Havel)      | 80.00%                      | 78.16%                       | 80.00%                      | 79.06%                       | Operation & maintenance of solar- and windparks          |
| Neustromland Energieprojekt 1 GmbH & Co. KG    | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Production of power                                      |
| Neustromland Energieprojekt 2 GmbH & Co. KG    | Germany    | Saarbrücken         | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Production of power                                      |
| Queichtal Energie Offenbach Netz GmbH          | Germany    | Landau in der Pfalz | 100.00%                     | 49.83%                       | 100.00%                     | 50.40%                       | Transport and distribution of gas, power, water and heat |
| WES Green GmbH                                 | Germany    | Föhren              | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Production of power                                      |
| Creos Deutschland Wasserstoff GmbH             | Germany    | Homburg             | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Promotion of of hydrogen development                     |
| Net4Energy GmbH                                | Germany    | Homburg             | 0.00%                       | 0.00%                        | 100.00%                     | 98.83%                       | Operation of digital infrastructures                     |
| Enovos Solar Investment I S.r.l. Unipersonale  | Italy      | Brescia             | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power                                      |
| Enovos Solar Investment II S.r.l. Unipersonale | Italy      | Brescia             | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power                                      |
| Enovos France SAS                              | France     | Metz                | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Supply of power and gas                                  |
| Teseos Luxembourg S.A.                         | Luxembourg | Esch-sur-Alzette    | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Holding company in technical services                    |
| Power Panels S.A.                              | Luxembourg | Luxembourg          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider                              |
| Minusines S.A.                                 | Luxembourg | Luxembourg          | 97.63%                      | 97.63%                       | 75.67%                      | 75.67%                       | Technical services provider                              |
| Diego Luxembourg S.A.                          | Luxembourg | Luxembourg          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider                              |
| Global Facilities S.A.                         | Luxembourg | Esch-sur-Alzette    | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Facility management                                      |
| Paul Wagner & Fils S.A.                        | Luxembourg | Luxembourg          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider                              |
| Electricité Wagner S.A.                        | Luxembourg | Fischbach           | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider                              |
| Arctic Cooling Systems S.à.r.l.                | Luxembourg | Wecker              | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider                              |
| Grethen S.à.r.l.                               | Luxembourg | Sandweiler          | 100.00%                     | 100.00%                      | 0.00%                       | 0.00%                        | Technical services provider                              |

| Name                           | Country     | Registered Office | Pourcentage of control 2023 | Pourcentage of interest 2023 | Pourcentage of control 2022 | Pourcentage of interest 2022 | Main activity               |
|--------------------------------|-------------|-------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Grethen Renovation S.à.r.l.    | Luxembourg  | Sandweiler        | 100.00%                     | 100.00%                      | 0.00%                       | 0.00%                        | Technical services provider |
| Hoffmann SAS                   | France      | Thionville        | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider |
| Blitzschutzbau Rhein-Main GmbH | Germany     | Trier             | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Technical services provider |
| Wieland & Schultz GmbH & CO KG | Germany     | Wachenheim        | 100.00%                     | 97.70%                       | 100.00%                     | 98.83%                       | Technical services provider |
| Enovos Green Power n.v.        | Belgium     | Tongeren          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| NPG Green n.v.                 | Belgium     | Tongeren          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| NPG Green II n.v.              | Belgium     | Tongeren          | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| Wind Farm Sankt-Vith n.v.      | Belgium     | Sankt-Vith        | 51.84%                      | 51.84%                       | 51.84%                      | 51.84%                       | Production of power         |
| Enovos Green Power NL n.v.     | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| NPG Solar Dedemsvaart b.v.     | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| NPG Solar Boekel b.v.          | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| Solar Rijssen b.v.             | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| Solar Bocholtz b.v.            | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| Zon op NL-Snelwegen b.v.       | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| EGP solar Brakel I b.v.        | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| EGP Solar Brakel II b.v.       | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| EGP Solar Laarbeek b.v.        | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| Solar EGP NL South b.v.        | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| EGP Solar De Vlaas b.v.        | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |
| EGP Solar Reuver b.v.          | Netherlands | Herten            | 100.00%                     | 100.00%                      | 100.00%                     | 100.00%                      | Production of power         |

In 2023, the scope of fully consolidated companies changed following the acquisition of additional shares in already consolidated companies and the acquisition of shares on new companies as follows:

- Purchase of 100% of the shares in Grethen S.à.r.l. and Grethen Renovation S.à.r.l. for purchase prices of respectively EUR 1,074,000 and EUR 167,000
- Acquisition of 100% of the shares in Hoffmann Frères Energie et Bois S.à r.l. by Encevo S.A. for a purchase price of EUR 11,786,533.
- Purchase of additional 527 shares in Minusines S.A. by Teseos Luxembourg S.A. for a purchase price of EUR 11,616,438 changing the percentage of ownership and interest from 75.67% in 2022 to 97.63% in 2023.

- Sale of 1.1332% shares in Encevo Deutschland GmbH by Encevo S.A. to the minority shareholders Stadtwerke Zweibrücken GmbH, Stadtwerke St.Ingbert GmbH and SKW Stadtwerke Kaiserslautern Versorgung AG for a sale price of EUR 5,790,030, lowering the ownership from 98.83% to 97.7%.

Furthermore, in 2023, Solarpark Bartreng S.A., an affiliate of Enovos Luxembourg S.A., was fully consolidated for the first time following the development of its activity; and Net4Energy GmbH has been merged into Creos Deutschland Services GmbH. The entity thus exited the consolidated scope.



## Companies consolidated under the equity method:

| Name                                | Country    | Registered Office   | Percentage of control | Percentage of interest | Percentage of control | Percentage of interest |
|-------------------------------------|------------|---------------------|-----------------------|------------------------|-----------------------|------------------------|
|                                     |            |                     | 2023                  | 2023                   | 2022                  | 2022                   |
| Steinergy S.A.                      | Luxembourg | Steinfort           | 50.00%                | 50.00%                 | 50.00%                | 50.00%                 |
| Soler S.A.                          | Luxembourg | Luxembourg          | 50.00%                | 50.00%                 | 50.00%                | 50.00%                 |
| Cegyco S.A.                         | Luxembourg | Colmar-Berg         | 50.00%                | 50.00%                 | 50.00%                | 50.00%                 |
| Nordenergie S.A.                    | Luxembourg | Ettelbruck          | 33.33%                | 33.33%                 | 33.33%                | 33.33%                 |
| Airportenergie S.A.                 | Luxembourg | Senningerberg       | 50.00%                | 30.18%                 | 50.00%                | 30.18%                 |
| Datacenterenergie S.A.              | Luxembourg | Bettembourg         | 50.00%                | 30.18%                 | 50.00%                | 30.18%                 |
| Kiowatt S.A.                        | Luxembourg | Bissen              | 50.00%                | 30.18%                 | 50.00%                | 30.18%                 |
| Aveleos S.A.                        | Luxembourg | Luxembourg          | 59.02%                | 59.02%                 | 59.02%                | 59.02%                 |
| Solkraftwerk Südeifel GmbH & Co. KG | Germany    | Saarbrücken         | 68.90%                | 67.32%                 | 0.00%                 | 0.00%                  |
| Pfalzgas GmbH                       | Germany    | Frankenthal         | 50.00%                | 48.85%                 | 50.00%                | 49.42%                 |
| Projecta 14 GmbH                    | Germany    | Saarbrücken         | 50.00%                | 48.85%                 | 50.00%                | 49.42%                 |
| Energis GmbH                        | Germany    | Saarbrücken         | 28.06%                | 27.41%                 | 28.06%                | 27.73%                 |
| Windpark Wremen GmbH & Co. KG       | Germany    | Bremerhaven         | 40.00%                | 29.51%                 | 40.00%                | 29.85%                 |
| SK Ahorn GmbH & Co. KG              | Germany    | Ahorn               | 49.10%                | 47.97%                 | 49.10%                | 48.53%                 |
| NSL Projekt 2 GmbH                  | Germany    | Saarbrücken         | 75.00%                | 61.31%                 | 75.00%                | 62.02%                 |
| Bioenergie Merzig GmbH              | Germany    | Essen               | 0.00%                 | 0.00%                  | 39.00%                | 38.54%                 |
| ESW Grune Energie GmbH              | Germany    | Landau in der Pfalz | 84.90%                | 42.30%                 | 84.90%                | 42.79%                 |
| Energie Sudpfalz GmbH & Co KG       | Germany    | Landau in der Pfalz | 50.00%                | 24.91%                 | 50.00%                | 25.20%                 |
| Solarpark Lauperath GmbH&Co.KG      | Germany    | Saarbrücken         | 59.95%                | 58.57%                 | 59.95%                | 59.25%                 |
| Solkraftwerk Bardenup GmbH & Co. KG | Germany    | Oeversee            | 32.50%                | 19.22%                 | 32.50%                | 19.45%                 |
| SP Leiwen-Sonnenberg KG             | Germany    | Saarbrücken         | 59.95%                | 58.57%                 | 59.95%                | 59.25%                 |
| NPG Willebroek NV                   | Belgium    | Tongeren            | 50.00%                | 50.00%                 | 50.00%                | 50.00%                 |
| Condre'Eole S.A.                    | Belgium    | Neupré              | 40.00%                | 40.00%                 | 40.00%                | 40.00%                 |

In 2023, Enovos Renewables GmbH sold 39% of the shares in Bioenergie Merzig GmbH for a price of EUR 1,350,000, thereby changing the consolidation scope for this company from being consolidated under the equity method to not consolidated. Furthermore, Solkraftwerk Südeifel GmbH & Co. KG was consolidated for the first time under the equity method in 2023 following the launch of its activities. The participation is held in joint control with counterparts outside of the Encevo Group (see note 11.1).

No other changes occurred in the scope of consolidation under the equity method in 2023.

## Note 8 – Formation expenses and similar expenses

Formation expenses comprise costs incurred during the creation of the Group.

Movements of the year are as follows:

|  | 31/12/2023<br>€ | 31/12/2022<br>€ |
|--|-----------------|-----------------|
| Gross book value - opening balance             | 318,574         | 318,574         |
| Additions for the year                         | 0               | 0               |
| Disposals for the year                         | 0               | 0               |
| Transfers for the year                         | 0               | 0               |
| Change in consolidation scope                  | 1,070           | 0               |
| <b>Gross book value - closing balance</b>      | <b>319,644</b>  | <b>318,574</b>  |
| Accumulated value adjustment - opening balance | (317,496)       | (316,647)       |
| Allocations for the year                       | (805)           | (849)           |
| Reversals for the year                         | 0               | 0               |
| Transfers for the year                         | 0               | 0               |
| Change in consolidation scope                  | (160)           | 0               |
| Accumulated value adjustment - closing balance | (318,461)       | (317,496)       |
| <b>Net book value - closing balance</b>        | <b>1,183</b>    | <b>1,078</b>    |

The Board of Directors considers that no value adjustments are needed as of 31 December 2023.

## Note 9 – Intangible assets

Movements for the year are as follows:

|   | Concessions,<br>patents, licences,<br>trademarks and<br>similar rights<br>and assets | Goodwill<br>acquired for<br>valuable<br>consideration | Payments on<br>account and<br>intangible fixed<br>assets under<br>development | Total<br>31/12/2023<br>€ | Total<br>31/12/2022<br>€ |
|---|--|---|---|--------------------------|--------------------------|
| <b>Gross book value - closing balance 2022</b>              | <b>272,434,348</b>   | <b>126,167,750</b>                                    | <b>29,371,867</b>   | <b>427,973,964</b>       | <b>404,789,868</b>       |
| Correction of error as per note 4                           | 111,346,944  | 0   | 0   | 111,346,944              | 0                        |
| <b>Gross book value - opening balance 2023</b>              | <b>383,781,291</b>   | <b>126,167,750</b>                                    | <b>29,371,867</b>   | <b>539,320,908</b>       | <b>404,789,868</b>       |
| Additions for the year                                      | 6,320,820  | 0   | 16,882,397  | 23,203,216               | 23,034,140               |
| Disposals for the year                                      | 37,667   | 0   | (113,884)   | (76,216)                 | (72,841)                 |
| Transfers for the year                                      | 22,948,628   | 0   | (23,058,075)  | (109,447)                | 190,343                  |
| Change in consolidation scope                               | 3,958,248  | 0   | 88,580  | 4,046,828                | 32,455                   |
| <b>Gross book value - closing balance</b>                   | <b>417,046,654</b>   | <b>126,167,750</b>                                    | <b>23,170,884</b>   | <b>566,385,289</b>       | <b>427,973,964</b>       |
| <b>Accumulated value adjustments - closing balance 2022</b> | <b>(238,156,801)</b>   | <b>(117,917,944)</b>                                  | <b>(1,778,993)</b>  | <b>(357,853,738)</b>     | <b>(334,896,899)</b>     |
| Correction of error as per note 4                           | (16,994,822)   | 0   | 0   | (16,994,822)             | 0                        |
| <b>Accumulated value adjustments - opening balance 2023</b> | <b>(255,151,623)</b>   | <b>(117,917,944)</b>                                  | <b>(1,778,993)</b>  | <b>(374,848,560)</b>     | <b>(334,896,899)</b>     |
| Allocations for the year                                    | (16,466,822)   | (7,451,577)   | 0   | (23,918,399)             | (22,967,042)             |
| Exceptional depreciation for the year                       | 0  | 0   | 0   | 0                        | 0                        |
| Reversals for the year                                      | 0  | 0   | 0   | 0                        | 32,581                   |
| Transfers for the year                                      | 0  | 0   | 0   | 0                        | (4,356)                  |
| Change in consolidation scope                               | (2,520,596)  | 0   | 0   | (2,520,596)              | (18,022)                 |
| Accumulated value adjustment - closing balance              | (274,139,040)  | (125,369,521)   | (1,778,993)   | (401,287,554)            | (357,853,738)            |
| <b>Net book value - closing balance 2022</b>                | <b>34,277,548</b>  | <b>8,249,806</b>                                      | <b>27,592,873</b>   | <b>70,120,227</b>        | <b>69,892,970</b>        |
| <b>Net book value - closing balance 2023</b>                | <b>142,907,615</b>   | <b>798,229</b>  | <b>21,391,891</b>   | <b>165,097,735</b>       | <b>70,120,227</b>        |

Enovos Luxembourg S.A. participated in the construction of the 11th turbine at the Vianden pumping station of SEO S.A. This investment offers virtual rights to the turbine's output and thus qualifies as an intangible asset in the Group's books. This item was recognised as a tangible fixed asset in the financial year ended 31 December 2022 and was reclassified as intangible fixed asset in the current financial year (see note 4).

Production at the pumping station started on 1 August 2015. The depreciation period mirrors the duration of the contract between the Enovos Luxembourg S.A. and SEO S.A. which ends in 2063. The total gross value for that project amounts to EUR 111,346,944 (2022: EUR 111,346,944) and the cumulated depreciation amounts to EUR 19,296,093 (2022: EUR 16,994,822).

The remaining balance of the amount payable towards SEO S.A. of EUR 49,152,000 (2022: EUR 54,067,050) is posted under the financial statement line item "Trade creditors becoming due and payable after more than one

year" and EUR 4,915,050 (2022: EUR 4,915,050) is posted under the financial statement line item "Trade creditors becoming due and payable within one year" (see also note 22).

The goodwill acquired for valuable consideration relates to the customers of LEO S.A. for an amount of EUR 120,000,000 and Enovos Luxembourg S.A. for EUR 5,280,000. The remaining amount of EUR 887,750 is related to LuxEnergie S.A. in the context of the absorption of its affiliate SURRE S.A. in 2022. These amounts are fully amortised as of 31 December 2023.

The total additions of the year of EUR 23,203,216 relate mainly to software required for operations, standardised electronic market communication, smart meter systems and software investments in support of the sales business.

The transfers from "Payments on account and intangible fixed assets under construction" to "Concessions, patents, licences, trademarks and similar rights and assets"

for the year of EUR 22,948,628 relate mainly to Creos Luxembourg S.A.'s software developments required for operations, standardised electronic market communication and smart meter systems, and to Enovos Luxembourg S.A.'s investments into support of the sales business amongst other things.

The Board of Directors is of the opinion that no additional value adjustments on intangible assets are necessary.



## Note 10 – Tangible assets

Movements for the year are as follows:

|   | Land and buildings   | Plant and machinery    | Other fixtures and fittings, tools and equipment | Payments on account and tangible fixed assets in the course of construction | Total 31/12/2023       | Total 31/12/2022       |
|---|----------------------|------------------------|--|---|------------------------|------------------------|
| <b>Gross book value - closing balance 2022</b>              | <b>351,513,979</b>   | <b>3,124,559,387</b>   | <b>226,679,872</b>                               | <b>200,533,640</b>  | <b>3,903,286,878</b>   | <b>3,705,800,220</b>   |
| Correction of error as per note 4                           | 0                    | (111,346,944)          | 0  | 0   | (111,346,944)          | 0                      |
| <b>Gross book value - opening balance 2023</b>              | <b>351,513,979</b>   | <b>3,013,212,444</b>   | <b>226,679,872</b>                               | <b>200,533,640</b>  | <b>3,791,939,934</b>   | <b>3,705,800,220</b>   |
| Additions for the year                                      | 2,319,690            | 31,586,292             | 5,341,655  | 226,392,850   | 265,640,488            | 209,785,938            |
| Disposals for the year                                      | (136,965)            | (1,223,027)            | (1,569,194)                                      | (180,567)   | (3,109,753)            | (12,784,928)           |
| Transfer of fairvalue from conso to local (merger)          | 0                    | 0                      | 0  | 0   | 0                      | 0                      |
| Transfers for the year                                      | 8,742,419            | 134,252,178            | 6,817,100  | (149,701,254)   | 110,442                | (176,164)              |
| Change in consolidation scope                               | 216,158              | 26,150,314             | 1,550,058  | 353,767   | 28,270,297             | 661,812                |
| <b>Gross book value - closing balance</b>                   | <b>362,655,281</b>   | <b>3,203,978,202</b>   | <b>238,819,491</b>                               | <b>277,398,436</b>  | <b>4,082,851,409</b>   | <b>3,903,286,878</b>   |
| <b>Accumulated value adjustments - closing balance 2022</b> | <b>(104,152,701)</b> | <b>(1,662,517,550)</b> | <b>(139,278,929)</b>                             | <b>0</b>  | <b>(1,905,949,181)</b> | <b>(1,795,047,951)</b> |
| Correction of error as per note 4                           | 0                    | 16,994,822             | 0  | 0   | 16,994,822             | 0                      |
| <b>Accumulated value adjustment - opening balance 2023</b>  | <b>(104,152,701)</b> | <b>(1,645,522,728)</b> | <b>(139,278,929)</b>                             | <b>0</b>  | <b>(1,888,954,359)</b> | <b>(1,795,047,951)</b> |
| Allocations for the year                                    | (9,133,208)          | (102,890,488)          | (16,043,683)                                     | 0   | (128,067,379)          | (122,347,268)          |
| Exceptional depreciation for the year                       | 0                    | 0                      | 0  | 0   | 0                      | 0                      |
| Reversals for the year                                      | 7,000                | 823,500                | 1,513,237  | 0   | 2,343,736              | 11,411,078             |
| Transfers for the year                                      | 0                    | (0)                    | (995)  | 0   | (995)                  | (30)                   |
| Change in consolidation scope                               | (178,158)            | (5,706,982)            | (1,228,775)                                      | 0   | (7,113,915)            | 34,991                 |
| <b>Accumulated value adjustment - closing balance</b>       | <b>(113,457,067)</b> | <b>(1,753,296,698)</b> | <b>(155,039,146)</b>                             | <b>0</b>  | <b>(2,021,792,912)</b> | <b>(1,905,949,181)</b> |
| <b>Net book value - closing balance 2022</b>                | <b>247,361,279</b>   | <b>1,462,041,836</b>   | <b>87,400,942</b>                                | <b>200,533,640</b>  | <b>1,997,337,698</b>   | <b>1,910,752,269</b>   |
| <b>Net book value - closing balance 2023</b>                | <b>249,198,214</b>   | <b>1,450,681,504</b>   | <b>83,780,345</b>                                | <b>277,398,436</b>  | <b>2,061,058,498</b>   | <b>1,997,337,698</b>   |

A reclassification was done from this financial line item to intangible fixed assets relating to financial year 2022 for a net amount of EUR 94,352,121 (see note 4).

The item “Transfers for the year” are mainly linked to Creos Luxembourg S.A. and Creos Deutschland GmbH transfers from “Payments on account and tangible assets in course of construction” to “Plant and machinery” for the electricity and gas grid.

In 2023, Creos Luxembourg S.A. invested EUR 147,493,424 (2022: EUR 105,047,231) in the electricity grid and EUR 15,311,896 (2022: EUR

18,943,763) in the gas grid and EUR 15,551,707 (2022: EUR 18,115,467) in other assets. As of 31 December 2023, investment projects by Creos Luxembourg S.A. of EUR 129,636,675 (2022: EUR 138,798,335) have been definitively closed and transferred to their respective asset class.

Creos Deutschland GmbH also invested EUR 32,081,444 (2022: EUR 30,371,893) in its electricity and gas grid. As of 31 December 2023, investment projects of EUR 16,281,563 (2022: EUR 11,892,542) were definitively closed and transferred to their respective asset class.

The disposals of the year of EUR 3,109,753 (2022: EUR 12,784,928) and the reversals of adjustments for the year amounting to EUR 2,343,736 (2022: EUR 11,411,078) are mainly related to reversal of the gross value and amortisation of assets disposed during the year in Creos Luxembourg S.A. for an amount of EUR 1,814,131 for disposed transformers, cars, and meters.

The item “Change in consolidation scope” concerns the first full consolidation of Hoffmann Frères Energie & Bois S.à.r.l., Grethen S.à.r.l. and Grethen Renovation S.à.r.l.

The Board of Directors is of the opinion that no additional value adjustments on tangible assets are necessary.

## Note 11 – Financial assets

### 11.1. Companies consolidated under the equity method

Companies consolidated under the equity method are companies in which the Group has a significant influence (see note 7). The undertakings consolidated accordingly are broken down as follows:

Please note that Aveleos S.A. is a company consolidated under the equity method. Aveleos S.A. had been fully impaired in year 2014.

Furthermore, following the sale of the shares in Bioenergie Merzig GmbH by Enovos Renewables GmbH, the company exited the consolidation scope in 2023. Finally, Solarkraftwerk Südeifel GmbH & Co. KG was consolidated for the first time under the equity method in 2023 following the launch of its activities (see notes 7 and 11.2).

|                                       | 31/12/2023<br>€    | 31/12/2022<br>€    |
|---------------------------------------|--------------------|--------------------|
| Energis GmbH                          | 40,106,261         | 37,404,704         |
| Soler S.A.                            | 26,523,862         | 25,003,435         |
| Pfalzgas GmbH                         | 23,394,286         | 22,830,084         |
| Solarkraftwerk Südeifel GmbH & Co. KG | 21,100,324         | 0                  |
| Projecta 14 GmbH                      | 14,902,662         | 14,498,917         |
| Datacenterenergie S.A.                | 7,299,370          | 6,790,360          |
| Kiowatt S.A.                          | 5,068,022          | 4,921,491          |
| Cegyco S.A.                           | 3,157,567          | 3,091,579          |
| ESW - Grüne Energie GmbH              | 2,418,349          | 1,586,909          |
| SP Leiwen-Sonnenberg KG               | 2,249,855          | 1,539,368          |
| SK Ahorn GmbH & Co. KG                | 2,122,655          | 2,181,575          |
| EnergieSüdpfalz GmbH & Co. KG         | 1,803,187          | 1,317,265          |
| NSL Projekt 2 GmbH                    | 1,774,455          | 2,192,004          |
| Enovos Green Power AE entities        | 1,531,871          | 1,543,563          |
| Solarpark Lauperath GmbH&Co.KG        | 1,441,861          | 1,741,635          |
| SKW Barderup GmbH&CoKG                | 1,203,350          | 1,543,166          |
| Windpark Wremen GmbH & Co. KG         | 1,051,637          | 798,406            |
| Nordenergie S.A.                      | 975,239            | 889,535            |
| Steinergy S.A.                        | 409,561            | 350,452            |
| Airportenergy S.A.                    | 279,501            | 285,169            |
| Bioenergie Merzig GmbH                | 0                  | 1,522,234          |
| Aveleos S.A.                          | 0                  | 0                  |
|                                       | <b>158,813,874</b> | <b>132,031,849</b> |

## 11.2. Investments carried at cost

| Name   | Location   | 2023             |             | 2022             |             |
|--|------------|------------------|-------------|------------------|-------------|
|  |            | Percentage owned | Net value € | Percentage owned | Net value € |
| Stadtwerke GmbH Bad Kreuznach                  | Germany    | 24.52%           | 15,122,600  | 24.52%           | 15,122,600  |
| Vialis S.A.                                    | France     | 10.00%           | 11,100,000  | 10.00%           | 11,100,000  |
| Stadtwerke Pirmasens GmbH                      | Germany    | 12.99%           | 7,423,000   | 12.99%           | 7,423,000   |
| Stadtwerke Trier Versorgungs GmbH              | Germany    | 24.90%           | 5,925,516   | 24.90%           | 5,736,677   |
| GasLINE GmbH & Co. KG                          | Germany    | 5.00%            | 5,787,519   | 5.00%            | 4,887,519   |
| Enavos Pfalzwerke BG St Ingbert GmbH           | Germany    | 50.00%           | 5,000,000   | 50.00%           | 5,000,000   |
| AMPACIMON S.A.                                 | Belgium    | 19.79%           | 4,198,610   | 21.48%           | 2,509,212   |
| Enrotec  | Germany    | 10.00%           | 3,703,228   | 0.00%            | 0           |
| SW Völklingen Netz                             | Belgium    | 17.60%           | 3,584,274   | 17.60%           | 4,345,274   |
| Pfalzwerke AG                                  | Germany    | 1.86%            | 3,549,000   | 1.86%            | 3,549,000   |
| Stadtwerke Sulzbach GmbH                       | Germany    | 15.00%           | 2,389,062   | 15.00%           | 2,389,062   |
| SEO S.A.                                       | Luxembourg | 4.46%            | 1,971,596   | 4.46%            | 1,971,596   |
| Stadtwerke Bliestal GmbH                       | Germany    | 23.50%           | 1,855,804   | 23.50%           | 1,855,804   |
| Solar Kraftwerk Kenn GmbH                      | Germany    | 49.00%           | 1,749,526   | 49.00%           | 1,749,526   |
| R8 Technologies OÜ                             | Estonia    | 4.02%            | 1,599,977   | 0.00%            | 0           |
| Ezzing Renewable Energies S.L.                 | Luxembourg | 7.23%            | 1,499,946   | 7.23%            | 1,499,946   |
| Energency S.A.                                 | Luxembourg | 19.10%           | 1,494,930   | 22.86%           | 1,695,086   |
| SWT Erneuerbare energie Co&KG                  | Germany    | 49.00%           | 1,225,000   | 49.00%           | 1,225,000   |
| QueichtalEnerg.Offenbach GmbH&Co.KG            | Germany    | 49.00%           | 1,173,650   | 49.00%           | 1,173,650   |
| Stadtwerke Völklingen Vertrieb GmbH            | Germany    | 17.60%           | 1,100,000   | 17.60%           | 1,100,000   |
| EWATTCH SAS                                    | Luxembourg | 12.00%           | 999,984     | 12.00%           | 999,984     |
| Regab GmbH                                     | Germany    | 49.50%           | 976,235     | 49.50%           | 976,235     |
| NEXXTLAB S.A.                                  | Luxembourg | 50.00%           | 950,000     | 50.00%           | 500,000     |
| Windaprk Saarwellingen GmbH & Co               | Germany    | 100.00%          | 921,000     | 100.00%          | 121,000     |
| Stadtwerke Lambrecht GmbH                      | Germany    | 15.00%           | 766,608     | 15.00%           | 259,608     |
| TSCNET Services GmbH                           | Germany    | 6.25%            | 756,250     | 6.25%            | 756,250     |
| Datathings S.A.                                | Luxembourg | 10.31%           | 695,455     | 10.31%           | 695,455     |
| Anteile Versorger Allianz 450 MHz              | Germany    | 1.63%            | 598,500     | 1.63%            | 503,500     |
| Windp. Meckel/Gilzem GmbH&Co.KG                | Germany    | 34.00%           | 560,340     | 34.00%           | 560,340     |
| Agence de L'Energie S.A.                       | Luxembourg | 50.00%           | 547,236     | 50.00%           | 233,736     |
| WIL Solarprojekt GmbH & Co. KG                 | Germany    | 15.00%           | 538,880     | 0.00%            | 0           |
| Solarix 1 S.A.                                 | Luxembourg | 100.00%          | 530,000     | 0.00%            | 0           |
| Solarpark Hasborn-Rosenberg GmbH               | Germany    | 100.00%          | 525,736     | 100.00%          | 25,736      |
| Solkraftwerke Speicherer Land GmbH & Co. KG    | Germany    | 100.00%          | 521,000     | 100.00%          | 21,000      |
| Solkraftwerk Niersbach GmbH                    | Germany    | 37.50%           | 510,809     | 37.50%           | 551,309     |
| Trifels Gas GmbH                               | Germany    | 49.00%           | 492,250     | 49.00%           | 492,250     |
| Solarpark Geisfeld GmbH Co. KG                 | Germany    | 100.00%          | 453,000     | 100.00%          | 3,000       |
| Werner Rübsam Elektrotechnik GmbH              | Germany    | 40.00%           | 440,000     | 40.00%           | 440,000     |
| Solkraftwerke Trier-Land GmbH & Co. KG         | Germany    | 100.00%          | 321,000     | 100.00%          | 21,000      |
| Encasol S.A.                                   | Luxembourg | 50.00%           | 320,000     | 50.00%           | 320,000     |
| CALLISTO S.A.                                  | Luxembourg | 50.00%           | 300,000     | 0.00%            | 0           |
| Solarpark Nordband                             | Germany    | 49.00%           | 289,590     | 49.00%           | 338,590     |
| Stadtwerke Homburg GmbH                        | Germany    | 10.67%           | 233,452     | 10.67%           | 233,452     |
| JAO S.A.                                       | Luxembourg | 4.00%            | 209,809     | 5.00%            | 209,809     |
| Neustromland GmbH & Co. KG                     | Germany    | 5.56%            | 145,215     | 5.56%            | 145,215     |
| Enavos Renewables Verwaltungsgesellschaft GmbH | Germany    | 100.00%          | 130,000     | 100.00%          | 130,000     |
| ESP PV-Anl. Leinefelde-Worbis GmbH&Co.KG       | Germany    | 10.00%           | 127,500     | 10.00%           | 127,500     |
| Solarpark St. Wendel GmbH                      | Germany    | 15.00%           | 112,500     | 15.00%           | 112,500     |
| IZES GmbH                                      | Germany    | 8.26%            | 67,700      | 8.26%            | 67,700      |
| BALANSYS S.A.                                  | Luxembourg | 50.00%           | 50,000      | 50.00%           | 50,000      |
| Solarpark Ritzelt S.A.                         | Luxembourg | 100.00%          | 30,000      | 0.00%            | 0           |
| Haus zum Maulbeerbaum eG                       | Germany    | 15.00%           | 30,000      | 15.00%           | 30,000      |
| PW Solar S.A.                                  | Luxembourg | 100.00%          | 30,000      | 0.00%            | 0           |
| Enavos Projekt 3 GmbH                          | Germany    | 100.00%          | 25,736      | 100.00%          | 25,736      |



| Name   | Location   | 2023             |                   | 2022               |             |
|--|------------|------------------|-------------------|--------------------|-------------|
|  |            | Percentage owned | Net value €       | Percentage owned   | Net value € |
| Enovos Projekt 4 GmbH (Solarpark Waldlaubersheim GmbH) | Germany    | 100.00%          | 25,293            | 0.00%              | 0           |
| Enovos Projekt 5 GmbH                                  | Germany    | 100.00%          | 25,293            | 0.00%              | 0           |
| Solarpark Leiwen-Sonnenberg Verwaltung GmbH            | Germany    | 59.95%           | 14,988            | 59.95%             | 14,988      |
| Expert GmbH & Co KG                                    | Germany    | 0.50%            | 13,000            | 0.50%              | 13,000      |
| EnergieSüdpfalz Verwaltung GmbH                        | Germany    | 50.00%           | 12,500            | 50.00%             | 12,500      |
| Concorde Gestion                                       | Germany    | 100.00%          | 12,395            | 100.00%            | 12,395      |
| My green e Beteiligungsgesellschaft GmbH               | Germany    | 49.00%           | 12,250            | 49.00%             | 12,250      |
| WES Green 11. Projektgesellschaft GmbH & Co. KG        | Germany    | 100.00%          | 11,000            | 100.00%            | 7,000       |
| Libertas Grundstücksgesellschaft GmbH                  | Germany    | 35.00%           | 9,800             | 0.00%              | 0           |
| WES 15. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 7,000             | 100.00%            | 5,000       |
| WES 16. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 7,000             | 100.00%            | 5,000       |
| WES 13. Projektgesellschaft GmbH & Co. KG              | Luxembourg | 100.00%          | 6,000             | 100.00%            | 5,000       |
| WES 17. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 6,000             | 100.00%            | 4,000       |
| WES 18. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 6,000             | 100.00%            | 4,000       |
| WES 19. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 4,000             | 100.00%            | 4,000       |
| WES 20. Projektgesellschaft GmbH & Co. KG              | Luxembourg | 100.00%          | 4,000             | 100.00%            | 4,000       |
| GasLINE Geschäftsführungs-GmbH                         | Germany    | 5.00%            | 1,278             | 5.00%              | 1,278       |
| Solarkraftwerk Oberscheidweiler GmbH & Co. KG          | Germany    | 100.00%          | 1,000             | 0.00%              | 0           |
| Solarkraftwerk Südeifel GmbH & Co. KG                  | Germany    | 68.90%           | 0                 | 68.90%             | 21,406,741  |
| Solarpark Bartreng S.A.                                | Germany    | 51.00%           | 0                 | 51.00%             | 53,550      |
| WES 16. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 7,000             | 100.00%            | 5,000       |
| WES 13. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 6,000             | 100.00%            | 5,000       |
| WES 17. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 6,000             | 100.00%            | 4,000       |
| WES 18. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 6,000             | 100.00%            | 4,000       |
| WES 19. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 4,000             | 100.00%            | 4,000       |
| WES 20. Projektgesellschaft GmbH & Co. KG              | Germany    | 100.00%          | 4,000             | 100.00%            | 4,000       |
| GasLINE GmbH   | Germany    | 5.00%            | 1,278             | 5.00%              | 1,278       |
| Solarkraftwerk Oberscheidweiler GmbH & Co. KG          | Germany    | 100.00%          | 1,000             | 0.00%              | 0           |
| Solarkraftwerk Südeifel GmbH & Co. KG                  | Germany    | 68.90%           | 0                 | 68.90%             | 21,406,741  |
| Solarpark Bartreng S.A.                                | Luxembourg | 51.00%           | 0                 | 51.00%             | 53,550      |
|  |            |                  | <b>96,076,389</b> | <b>104,938,092</b> |             |

This financial statement line item also includes companies which are not consolidated because of minor significance of these entities for the Group.

In 2023, Solarkraftwerk Südeifel GmbH & Co. KG was consolidated for the first time under the equity method and Solarpark Bartreng S.A. was fully consolidated following the launch of their respective activities, they are thus no longer held at cost.

In 2023, the Group increased the capital in some of its participations that are not consolidated to further finance the development of their activities as follows:

- Enovos Renewables GmbH proceeded to increases of capital in several participations for a total amount of EUR 2,550,000 (while keeping the same ownership)
- WES Green GmbH proceeded to increases of capital in several participations for a total amount of EUR 13,000 (while keeping the same ownership)
- Encevo Deutschland GmbH proceeded to increases of capital in several participations for a total amount of EUR 1,690,839 (while keeping the same ownership)
- Creos Luxembourg S.A. proceeded to increases of capital in two participations for a total amount of EUR 2,139,398

- Teseos Luxembourg S.A. proceeded to capital increases in Agence de l'énergie S.A. for an amount of EUR 313,500.
- Furthermore, with same aim of developing its activities, the Group incorporated the following companies in 2023:
  - Solarix 1 S.A. and Solarpark Ritzelt S.A. were incorporated by Enovos Luxembourg S.A. as sole shareholder, with capital of EUR 530,000 and EUR 30,000 respectively.
  - PW Solar S.A. was incorporated by Paul Wagner & Fils S.A. as sole shareholder with a capital of EUR 30,000.
  - CALLISTO S.A. was incorporated as joint Venture by Encevo S.A. that owns 50% of the capital with an amount of EUR 300,000.
  - Enovos Renewables GmbH incorporated the following companies as sole shareholder:
    - Solarpark Waldlaubersheim GmbH with a capital of EUR 25,293
    - Enovos Projekt 5 GmbH with a capital of EUR 25,293.
    - Enovos Projekt 6 GmbH with a capital of EUR 25,200.
    - Enovos Projekt 7 GmbH with a capital of EUR 25,200.
    - Enovos Projekt 8 GmbH with a capital of EUR 25,200.
    - Enovos Projekt 9 GmbH with a capital of EUR 25,200.
    - Enovos Projekt 10 GmbH with a capital of EUR 25,200.
    - Solarkraftwerk Südeifel Verwaltung GmbH with a capital of EUR 25,000.
    - Solarkraftwerk Oberscheidweiler GmbH&Co. KG with a capital of EUR 1,000.
- A 15% participation in WIL Solarprojekt GmbH & Co. KG by Enovos Renewables GmbH for EUR 538,880.
- A 35% participation in Libertas Grundstücksgesellschaft GmbH by Encevo Deutschland GmbH for EUR 9,800.
- In 2023, the Group proceeded to redeem capital in some of the participations as follows:
  - Redemption of EUR 761,000 in the capital of SW Völklingen Netz by Encevo Deutschland GmbH.
  - Redemption of EUR 49,000 in the capital of Solarpark Nordband by Enovos Renewables GmbH.
  - Redemption of EUR 40,500 in the capital of Solarkraftwerk Niersbach GmbH by Enovos Renewables GmbH.
  - Redemption of EUR 1,964 in the capital of Windpark Gimweiler GbR by Windpark Mosberg GmbH & Co. KG.

In 2023, Encevo S.A. disposed a part of the participation owned in Energiency S.A. with a book value of EUR 200,156, decreasing the ownership to 19.1%, at a sale price of EUR 399,480 generating a gain on disposal of EUR 199,324 (see note 34).

Finally, in the framework of the impairment testing performed at Group level on all of the participations owned, impairment of EUR 761,000 was booked on the participation in SW Völklingen Netz and reversal of impairment of EUR 507,000 was booked on the participation in Stadtwerke Lambrecht GmbH (see note 36).

These companies are not significant as of 31 December 2023 and therefore not consolidated.

The Group proceeded to acquire new participations in 2023 as follows:

- A 10% participation in Enrotec GmbH by Encevo Deutschland GmbH for EUR 3,703,228.
- A 4.02 % participation in R8 Technologies OÜ by Encevo S.A. for EUR 1,599,977.

The Board of Directors is of the opinion that no additional value adjustments are necessary for investments held as fixed assets.

## Note 12 – Stocks

Raw materials of EUR 21,380,350 (2022: EUR 24,491,162) comprise mainly the inventory of Creos Luxembourg S.A., LuxEnergie S.A., Minusines S.A., Hoffmann Frères Energie & Bois S.à.r.l., and Paul Wagner & Fils S.A.

Work and contracts in progress of EUR 39,020,841 (2022: EUR 30,964,781) are mainly related to grid customers of Creos Luxembourg S.A., Creos Deutschland Services GmbH and EnergieSüdwest Netz GmbH, for renewable activities for WES Green GmbH; and for technical services of Paul Wagner & Fils S.A., Power Panels S.A. and Wieland and Schultz GmbH which will be invoiced to customers once completed.

Finished goods of EUR 54,864,243 (2022: EUR 94,590,769) mainly consist of gas stocks held in France and Germany. A value adjustment of EUR 80,472,925 was recognised in 2023 under the financial statement line item “Value adjustments in respect of current assets” (2022: EUR 3,485,653).

## Note 13 – Debtors

### 13.1. Trade debtors

Trade receivables are mainly related to energy sales, transportation and distribution of electricity and gas.

|                                  | 31/12/2023<br>€    | 31/12/2022<br>€    |
|----------------------------------|--------------------|--------------------|
| Trade debtors - Gross value      | 923,587,288        | 859,261,156        |
| Value adjustment                 | (8,998,225)        | (25,636,302)       |
| <b>Trade debtors - Net value</b> | <b>914,589,062</b> | <b>833,624,854</b> |

Trade debtor's value adjustments are calculated for customers for which realisation of the outstanding receivable is not assured. In 2023, the Group decided to abandon the use of bad the debt flat rate provision of 3% and to revert to assessing the recoverability of the receivables on a case-by-case basis. In that view, a reversal of value adjustment amounting to EUR -15,954,411 was booked under the “Value adjustments in respect of current assets” as well as an expense of EUR 3,504,595 for a total amount of EUR -12,449,816 (2022: EUR 10,298,250) relating to Enovos Luxembourg S.A.

### 13.2. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests

Receivables due by undertakings with which the Group is linked by virtue of participating interests relate to commercial activities mainly due within 30 days and to shareholder loans.

### 13.3. Other debtors

This financial statement line item mainly includes taxes receivable and other amounts receivable from non-commercial counterparts.

### 13.4. Deferred tax assets

Deferred tax assets mainly relate to ESI II as a result of the partial non-deductibility of interest costs and a change in law concerning depreciation duration for photovoltaic plants.

## Note 14 – Investments

The amounts in investments relate mainly to cash for payment of pension liabilities in Germany and CO<sub>2</sub> certificates and guarantees of origin certificates in Luxembourg.

## Note 15 – Cash at bank and in hand

This financial statement line item comprises sight and term deposits for investment periods of less than three months. Cash at bank of EUR 292,760,796 (2022: EUR 384,681,830) decreased mainly from the increased need for working capital from the affiliated undertakings and from the reimbursement of a EUR 20,000,000 tranche on the “Schuldschein” issued in 2013.

## Note 16 – Prepayments

In 2018, Encevo S.A. decided to issue a new German certificate of indebtedness (“Schuldschein”) amounting to EUR 250,000,000. In order to pre-hedge this amount, five forward swaps were closed:

- one on 9 February 2018 with an amount of EUR 100,000,000 (starting on 13 July 2018 with a tenor of 10 years)
- one on 15 of February 2018 with an amount of EUR 50,000,000 (starting on 13 July 2018 with a tenor of 7 years)
- one on 20 February 2018 again with an amount of EUR 50,000,000 (starting on 20 July 2018 with a tenor of 7 years)
- Two on 6 July 2018 with an amount of EUR 25,000,000 each (starting on 27 July 2018 with a tenor of 12 years and 15 years respectively).

The average term of all five pre-hedges is 9.5 years – close to the average tenor of the new “Schuldschein”. On 27 July 2018, one day after the issuance of the new “Schuldschein”, all forward swaps were unwound and the related costs of EUR 6,341,590 were deferred,

as part of the financing fees, over the lifetime of the underlying “Schuldschein” financing. As of 31 December 2023, an amount of EUR 3,003,509 was posted under the financial statement line item “Prepayments” (2022: EUR 3,646,125) related to these forward swap contracts, EUR 642,616 having been transferred to P&L in 2023 (2022: EUR 642,616). Prepayments of EUR 3,140,703 (2022: EUR 995,146) are related to the fees for the RCF secured in January 2023 for EUR 2,418,570 (2022: EUR 0).

Derivatives which are used to hedge operations to be settled in subsequent years for an amount of EUR 20,165,520 (2022: EUR 0), French capacity guarantees with delivery year 2024 and 2025 for an amount of EUR 3,032,578 (2022: EUR 6,480,955), sales commissions for an amount of EUR 99,935 (2022: EUR 504,816), power purchase for an amount of EUR 558,294 (2022: EUR 0) relating to the subsequent year and endowments 2024 until 2025 to Fondation Enovos for an amount of EUR 660,000 (2022: EUR 990,000). The financial statement line item also includes guarantees fees paid to the Luxembourg State for an amount of EUR 2,692,582 (2022: EUR 3,234,066). These fees, related to the state- guaranteed bank loans (“Prêt Garanti par l’Etat”), will be amortised over six years (corresponding to the duration of the underlying bank loans).

Furthermore, the financial statement line item also relates to European Commodity Clearing (ECC) performed in the context of Energy Management and Trading activities, thereof, unmatured, unrealised trading transactions (net of “initial margin” and “variation margin”) for an amount of EUR 53,800,096 (2022: EUR 26,326,330). Considering the current situation on the energy markets, ECC positions are volatile and may be subject to high fluctuations. The balance sheet reflects the situation as of 31 December 2023 and may be subject to positive and/or negative fluctuations on a daily basis.

According to the regulation scheme, a cumulated difference (2023 and prior years) is calculated individually for each regulated activity and is recorded, when positive, in the financial statement line item "Prepayments" for an amount of EUR 5,658,408 (2022: EUR 9,955,897) and when negative, in the financial statement line item "Deferred income" for an amount of EUR 30,397,022 (2022: EUR 17,719,843) (see note 27). Furthermore, Creos Luxembourg S.A. participated in early 2013 together with the other grid operators in Luxembourg in the "Luxmetering GIE" to develop an IT platform dedicated to the smart metering system. The GIE has no capital and the financial stake of Creos Luxembourg S.A. in the GIE corresponds to the ratio number of meters owned by Creos Luxembourg S.A. / number of meters owned by all GIE members and is around 80%. Cash advances of EUR 4,079,088 paid to Luxmetering G.I.E. are posted under the financial statement line item "Prepayments" (2022: EUR 4,638,341).

The same financial statement line item also comprises prepaid expenses related to software licenses for an amount of EUR 2,265,707 (2022: EUR 2,926,920) and insurance premium for an amount of EUR 325,045 relating to a subsequent financial year (2022: EUR 0). The financial statement line also included prepaid charges in Enovos Energie S.A. amounting to EUR 6,980,267 (2022: EUR 7,312,437) and related to sales commissions relating to the subsequent years up until 2025.

An amount of EUR 922,230 represents advance leasing payments by Enovos Solar Investment I S.r.l. Unipersonale for the year 2023 (2022: EUR 962,002).

## Note 17 – Capital and reserves

As of 31 December 2023, the share capital of Encevo S.A. amounted to EUR 90,962,900. It was fully paid-up and was represented by 909,629 ordinary shares (2022: 909,629), with a nominal value of EUR 100 per share and with no preferential rights.

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.



## Consolidated capital and reserves, Group share

|   | 31/12/2022<br>€      | Distribution<br>of dividends<br>€ | Allocation<br>of results<br>€ | Change in<br>scope<br>€ | Other<br>€       | Profit for<br>the year<br>€ | 31/12/2023<br>€      |
|---|----------------------|-----------------------------------|-------------------------------|-------------------------|------------------|-----------------------------|----------------------|
| I. Subscribed capital                       | 90,962,900           | 0                                 | 0                             | 0                       | 0                | 0                           | 90,962,900           |
| II. Share premium account                   | 387,028,449          | 0                                 | 0                             | 0                       | 0                | 0                           | 387,028,449          |
| IV. Consolidated Reserves                   | 570,865,737          | 0                                 | 64,595,532                    | (4,238,872)             | 2,445,746        | 0                           | 633,668,144          |
| Legal Reserve                               | 9,096,290            | 0                                 | 0                             | 0                       | 0                | 0                           | 9,096,290            |
| Reserve of first consolidation              | (58,546,186)         | 0                                 | 0                             | 0                       | 0                | 0                           | (58,546,186)         |
| Consolidation reserves                      | 555,383,480          | 0                                 | 64,595,532                    | (4,238,872)             | 2,445,746        | 0                           | 618,185,887          |
| Other reserves                              | 64,932,152           | 0                                 | 0                             | 0                       | 0                | 0                           | 64,932,152           |
| IV.b Other non available reserves           | 23,615,758           | 0                                 | 0                             | 0                       | (456,089)        | 0                           | 23,159,669           |
| V. Profit or loss brought forward           | 70,952,095           | 0                                 | 20,570,315                    | 0                       | 0                | 0                           | 91,522,410           |
| VIII. Capital investment subsidies          | 7,898,345            | 0                                 | 0                             | 0                       | 59,688           | 0                           | 7,958,033            |
| Consolidated profit, group share            | 85,165,848           | 0                                 | (85,165,848)                  | 0                       | 0                | 145,330,137                 | 145,330,137          |
| <b>A. Capital and reserves, group share</b> | <b>1,236,489,132</b> | <b>0</b>                          | <b>0</b>                      | <b>(4,238,872)</b>      | <b>2,049,345</b> | <b>145,330,137</b>          | <b>1,379,629,742</b> |
| A.1. Minority interest                      | 270,557,575          | (11,670,513)                      | 0                             | 4,007,244               | (469,599)        | 25,755,359                  | 288,180,067          |
| <b>A.2. Capital and reserves, total</b>     | <b>1,507,046,706</b> | <b>(11,670,513)</b>               | <b>0</b>                      | <b>(231,627)</b>        | <b>1,579,746</b> | <b>171,085,497</b>          | <b>1,667,809,809</b> |

Note 18 –  
Provisions18.1. Provisions for pensions  
and similar obligations

This financial statement line item includes provisions relating to pension commitments. Under a supplementary pension scheme, Encevo S.A., Enovos Luxembourg S.A., Creos Luxembourg S.A., LEO S.A., Teseos S.A., Encevo Deutschland GmbH and its subsidiaries (including Creos Deutschland GmbH) have contracted defined benefit schemes. The amount reported in the balance sheet is based on the following assumptions:

- retirement age taken into account for financing: 60 years (for Luxembourg), 62 years (for Germany)
- yearly discount rate of 2.54%
- estimated salary at time of retirement based on past experience
- turnover rate of employees

All actuarial gains and losses are recorded in the provision for pensions.

## 18.2 Other provisions

The financial statement line item “Other provisions” comprises provisions to cover the following risks:

Furthermore, “Other provisions” comprise provisions to cover risks related to energy trading for an amount of EUR 715,000 (2022: EUR 175,520), representing the negative impact against

|   | 31/12/2023<br>€    | 31/12/2022<br>€    |
|---|--------------------|--------------------|
| Provisions for regulatory and environmental risks | 71,650,584         | 74,511,916         |
| Provisions for staff costs                        | 24,213,932         | 22,074,970         |
| Provisions for sales risks                        | 4,510,823          | 4,510,823          |
| Provisions for derivatives                        | 715,000            | 175,520            |
| Provisions for litigation                         | 7,026              | 833,326            |
| Other provisions                                  | 36,478,933         | 66,557,303         |
| <b>Total</b>                                      | <b>137,576,298</b> | <b>168,663,858</b> |

The caption includes a provision of EUR 9,669,880 (2022: EUR 9,794,880) related to guarantees issued in the context of the Enovos Luxembourg S.A.’s participations in Enovos Solar Investments I S.r.l. Unipersonale (“ESI I”) and Aveleos S.A. and to cover the litigation risks in relation with Enovos Solar Investments II S.r.l. Unipersonale (“ESI II”).

the market valuation of Enovos Luxembourg S.A.’s proprietary trading positions when netting by commodity type and by maturity year.

In 2022, provisions for potential losses linked to hedging transactions for a damaged run-of-river power plant of EUR 1,687,000 were included in the caption. As the risk did not materialise



and is permanently remote, the provision was reversed in 2023.

A provision for other risks for an amount of EUR 10,643,000 (2022: EUR 14,081,606) has been accounted for at the level of Creos Luxembourg S.A. to consider the risks related to:

- Defective assets (HV transformers for EUR 4,100,000 (2022: EUR 4,100,000) and cable terminal EUR 650,000 (2022: EUR 650,000))
- Other sundry risks including defective works for EUR 2,400,000 (2022: EUR 2,400,000),
- Potential legal cases for EUR 2,593,000 (2022: EUR 6,031,606)
- Sharing factor risks for EUR 900,000 (2022: EUR 900,000)

This financial statement line item also comprises under the line “Provisions for staff costs” provisions to cover untaken holidays for employees for an amount of EUR 11,036,817 (2022: EUR 9,211,063) related to Creos Luxembourg S.A., an amount of EUR 2,535,510 (2022: EUR 2,267,844) related to Enovos Luxembourg S.A., and an amount of EUR 1,949,215 (2022: EUR 1,987,708) related to Encevo S.A.

The provision in Enovos Energie Deutschland GmbH for commercial risks in the biogas supply contract with Bioenergie Merzig GmbH amounts to EUR 2,982,420 (2022: EUR 3,908,143).

In previous years (2020 and 2021), following the engagement in an exit strategy from the B2B German business, a provision for losses on sale of EUR 32,229,004 was booked in the consolidated accounts. Following the latest business developments, and the strategy shift for B2B German activities, the provision has been deemed unnecessary, leading to its full reversal in 2023. Please refer to note 36.

## Note 19 – Debenture loans

The financial line item comprises several German certificates of indebtedness (“Schuldschein”), with various issuance dates and terms as follows:

- On 26 June 2013, the Company issued a first German Certificate of Indebtedness (“Schuldschein”). The loan bore 4 tranches with tenors of 7, 10, 12 and 15 years. The tranches with tenors of 7 and 10 years respectively were reimbursed (one of which amounting to EUR 20,000,000 was reimbursed in 2023). The remaining Schuldschein amounts to EUR 47,000,000. The accrued interest payable as of 31 December 2023 amount to EUR 789,607 (2022: EUR 1,083,193).
- On 21 November 2014, the Company issued an additional Schuldschein bearing three tranches with tenors of 7, 10 and 12 years. The 7-year tranche was reimbursed in November 2021 and the remaining loan amounts to EUR 50,000,000. The accrued interests payable as of 31 December 2023 amount to EUR 110,483 (2022: EUR 110,483).
- On 26 July 2018, Encevo S.A. issued a third (green) Schuldschein of EUR 250,000,000 with tenors of 7, 10, 12 and 15 year. The accrued interest payable as of 31 December 2023 amount to EUR 1,335,920 (2022: EUR 1,194,907).
- On 16 December 2021, Encevo S.A. issued a fourth (green) Schuldschein of EUR 200,000,000 with tenors of 7, 10, and 15 years. One of the two 7-year tranches as well as one of the two 10 year tranches bear a floating interest rate. The remaining tranches bear fixed interest rates of 0.60%, 0.832%, and 1.375% for the 7, 10- and 15-year maturities respectively. The accrued interest payable as of 31 December 2023 amount to EUR 201,668 (2022: EUR 167,578).

Below are the detailed maturities of all non-convertible debenture loans:

|                                 | Within<br>one year | After one year<br>and within<br>five years | After more<br>than five<br>years | Total<br>2023      | Total<br>2022      |
|---------------------------------|--------------------|--|----------------------------------|--------------------|--------------------|
| Non-convertible debenture loans | 22,437,678         | 312,000,000                                | 215,000,000                      | 549,437,678        | 569,556,161        |
| <b>Total</b>                    | <b>22,437,678</b>  | <b>312,000,000</b>                         | <b>215,000,000</b>               | <b>549,437,678</b> | <b>569,556,161</b> |

## Note 20 – Amounts owed to credit institutions

On 20 January 2023, Encevo S.A successfully completed the replacement and increase of the agreements linked to the revolving credit facility with ten banks. The new agreement has one revolving credit facility with a committed amount of EUR 350,000,000 for a tenor of 5+1+1 (years) and a swingline with a committed amount of EUR 400,000,000 for a tenor of 24+6+6 (months). The EUR 350,000,000 revolving credit facility provides for an ESG mechanism foreseeing the conversion of this facility into a sustainability-linked loan by July 2024.

The amount drawn on the committed RCFs as of 31 December 2023 is EUR 0 (2022: EUR 0).

For the revolving credit facility, interest to be paid is based on Euribor plus a margin, which may vary depending on the consolidated gearing ratio (ratio of net financial debt to equity on a consolidated basis) as well as on the utilization rate of the credit facility.

Regarding the swingline, the interests to be paid are based on ESTR plus a margin.

### The amounts owed to credit institutions are broken down as follows:

|   | 31/12/2023<br>€    | 31/12/2022<br>€    |
|---|--------------------|--------------------|
| Current financial liabilities due to financial institutions     |                    |                    |
| due within one year   | 16,821,615         | 17,636,148         |
| Non-current financial liabilities due to financial institutions |                    |                    |
| due after one year and within five years                        | 224,920,016        | 38,495,815         |
| due in more than five years                                     | 37,230,540         | 211,662,296        |
| <b>Total</b>  | <b>278,972,170</b> | <b>267,794,260</b> |

The main outstanding current financial liabilities are loans of EUR 7,746,266 (2022: EUR 11,568,835) due by LuxEnergie S.A, EUR 1,633,470 (2022: EUR 1,554,006) due by Real Estate Enovos Esch S.A., EUR 1,763,124 (2022: EUR 1,294,672) due by NSL Energieprojekt 2 GmbH & Co.KG, EUR 1,260,000 (2022: 1,260,000) due by NSL Energieprojekt 1 GmbH & Co.KG, and EUR 1,208,603 due by Hoffmann Frères Energie & Bois S.à.r.l. and EUR 1,145,058 (2022: EUR 1,085,546) due by Energy Green Power N.V.

The main outstanding non-current financial liabilities are loans in Enovos Luxembourg S.A., which signed on 22 December 2022 with three counterparties a six-year

bullet state guaranteed bank loan ("Prêt Garanti par l'Etat") for a total amount of EUR 180,000,000 that was drawn on 28 December 2022 (2022: EUR 180,000,000),

a loan of EUR 42,413,299 (2022: EUR 24,503,043) due by LuxEnergie S.A., EUR 13,500,000 (2022: EUR 14,850,000) due by Real Estate Enovos Esch S.A., EUR 10,216,488 (2022: EUR 11,979,612) due by NSL Energieprojekt 2 GmbH & Co.KG, EUR 10,080,000 (2022: EUR 11,340,000) due by NSL Energieprojekt 1 GmbH & Co.KG, EUR 2,354,864 (2022: EUR 2,539,683) due by Conosolar S.A., and EUR 964,895 (2022: 1,039,950) due by EnergieSüdwest AG.

## Note 21 – Payments received on account of orders

Recorded under this financial statement line item are down-payments received, largely on works performed for third-party grid customers.

## Note 22 – Trade creditors

Trade creditors are mainly related to energy purchases / supplies and trading activities.

Furthermore, this financial statement line item also includes the amount payable to SEO S.A. related to the investment at the Vianden pumping station for an amount of EUR 54,067,050 (2022: EUR 58,982,100) out of which EUR 4,915,050 is due within one year (2022: EUR 4,915,050). This element was recognised under the financial line item “Other creditors” in 2022 (please refer to notes 4, 9, 10 and 25). The total amount due after one year will be fully reimbursed in 2033, resulting in the debt related to the investment being repaid prior to the end of the useful life of the asset.

## Note 23 – Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests

This financial statement line item includes mainly provisions on accrued interests related to the financing of the investment in machine 11 in the SEO pumping station in Vianden and receivables on Pfalzgas GmbH which is also a major gas supplier. Furthermore, this financial statement line includes bridge financings to new renewable participations in Germany and Luxembourg.

## Note 24 – Other creditors - Tax authorities

This financial statement line item includes corporate income taxes, value added tax (VAT) liabilities, taxes on gas and electricity sales, and social taxes on pensions and salaries.

Encevo S.A. is subject to all taxes applicable to Luxembourg companies and the tax provisions have been provided in accordance with the relevant laws. Since 2009, Encevo S.A. has been head of the fiscal unity comprising Enovos Luxembourg S.A., Teseos Luxembourg S.A. and Encevo Ré S.A.. At the beginning of 2012, LEO S.A. joined that fiscal unity. In 2014, Enovos Real Estate Luxembourg S.A. and Real Estate Enovos Esch S.A. joined the fiscal unity. On 1 January 2021, Paul Wagner et Fils S.A., Power Panels S.A. and Global Facilities S.A. joined the fiscal unity. On 1 January 2023, Arctic Cooling Systems S.A. joined the fiscal unity.

The fiscal unity is, in accordance with Article 164bis of the Luxembourg Income Tax Law (LITL), a tax consolidation regime for corporate income and municipal business tax purposes.

To benefit from the fiscal unity regime, the companies concerned have agreed to be part of the fiscal unity for a period of at least five financial years. This means that if the conditions laid down in Article 164bis LIR (Income Tax Law) are not met at any time during this five-year period, the fiscal unity ceases to apply, retroactively, as from the first year in which it was granted.

There are two other fiscal unities in Germany, one for Encevo Deutschland GmbH, bringing together Creos Deutschland GmbH, Creos Deutschland Services GmbH, Enovos Energie Deutschland GmbH, Enovos Renewables GmbH and Enovos Storage GmbH since 2021, and a second one bringing together Enovos Power GmbH and Enovos Renewables O&M GmbH since 2020. In 2023, a third fiscal unity was setup in Germany including Creos

Deutschland GmbH, heading the fiscal unity, and Creos Wasserstof GmbH.

No other change occurred in the fiscal unities of the Group in 2023.

### Deferred tax assets

On 4 August 2023, the Luxembourg government published draft law no. 8292 introducing a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups according to the Pillar II Directive (Directive 2022/2523). On 20 December 2023, the Luxembourg Parliament voted to approve the draft law transposing the "Pillar II Directive". Accordingly, the law will enter into force as of the fiscal years starting on or after 31 December 2023.

In accordance with the respective provisions of the Directive 2022/2523, deferred tax assets, attributable either to a deficit for a fiscal year or to a specific investment tax credit (ITC), are recognised at the lowest rate between the minimum tax rate and the tax rate applicable under domestic law.

According to the latest recommendation issued on 6 March 2024 by the Luxembourg "Commission des Normes Comptables" (CNC-24/032), the corresponding deferred tax asset or liability is computed according to the statutory rate the Taxpayer is subject to. However, with reference to specific tax credits (e.g. ITC),

the latter are considered at their nominal value.

During the fiscal years listed below, the Encevo Group faced the following tax losses:

### In Luxembourg

The fiscal unity headed by Encevo SA realised the following tax losses:

- in the fiscal year 2013, the fiscal unity realised a tax loss amounting to EUR 7,638
- in the fiscal year 2014, the fiscal unity realised a tax loss amounting to EUR 67,963,159(1)
- in the fiscal year 2015, the fiscal unity realised a tax profit amounting to EUR 3,853,186
- in the fiscal year 2016, the fiscal unity realised a tax loss amounting to EUR 18,582,144(1)
- in the fiscal year 2017, the fiscal unity realised a tax loss amounting to EUR 40,472,912(2)
- in the fiscal year 2018, the fiscal unity realised a tax loss amounting to EUR 12,591,060(2)
- in the fiscal year 2019, the fiscal unity realised an estimated tax loss amounting to EUR 5,846,799(2)
- in the fiscal year 2020, the fiscal unity realised an estimated tax loss amounting to EUR 21,428,371(2)
- in the fiscal year 2021, the fiscal unity realised an estimated tax loss amounting to EUR 664,391(2)
- in the fiscal year 2022,

the fiscal unity realised an estimated tax profit amounting to EUR 27,482,384

### Tax losses carried forward

After computing the consolidated estimated tax loss for the 2023 fiscal year (EUR 16,971,382), the amount of tax losses carried forward relating to the above-mentioned financial years, as of December 31, 2023 amounts to EUR 153,192,286, would generate a total deferred tax asset of EUR 40,504,040, considering the local statutory tax rate of 26.44%.

The respective tax losses are carried forward as follows:

<sup>(1)</sup> are carried forward indefinitely.

<sup>(2)</sup> are carried forward during the 17 operating years following the tax year corresponding to the financial year in which the losses occurred.

It is anticipated that Encevo S.A. will be able to use the losses carried forward within those 17 years.

### In Germany

The following German entities, Encevo Deutschland GmbH and Enovos Energie Deutschland GmbH, have as of December 31, 2023, the following tax losses carried forward:

Encevo Deutschland GmbH

- EUR 40,017,000 for corporate tax purpose, generating a deferred tax asset of EUR 12,707,378
- EUR 68,515,000 for trade tax purpose, generating

a deferred tax asset of EUR 16,258,851.

Enovos Energie Deutschland GmbH

- EUR 85,814 for corporate tax purpose, generating a deferred tax asset of EUR 13,584
- EUR 514,936 for trade tax purpose, generating a deferred tax asset of EUR 86,406,

by considering a statutory corporate income tax rate of 15.83% and a statutory trade tax rate of 16.78%.

The respective tax losses may be carried back one year and may be carried forward indefinitely.

It is anticipated that the German Group will be able to use the available tax losses carried forward.

#### In Belgium

Enovos Green Power NV has, as of 31 December 2023, a tax loss carried forward amounting to EUR 6.423.888, thus generating a total deferred tax asset of EUR 1,605,972, considering the local statutory tax rate of 25%.

The respective tax losses may be carried forward indefinitely.

It is anticipated that the Belgian entity will be able to use the available tax losses carried forward.

#### In the Netherlands

Enovos Green Power NL BV has, as of 31 December 2023, a tax loss carried forward amounting to EUR 17,801,

thus generating a total deferred tax asset of EUR 3,382, considering the local statutory tax rate of 19%. EGP Solar Reuver BV has, as of 31 December 2023, a tax loss carried forward amounting to EUR 184,109, thus generating a total deferred tax asset of EUR 34,981, considering the local statutory tax rate of 19%.

EGP Solar Laarbeek North has, as of 31 December 2023, a tax loss carried forward amounting to EUR 360,491, thus generating a total deferred tax asset of EUR 93,007, considering the local statutory tax rate of 25,80%.

EGP South has, as of 31 December 2023, a tax loss carried forward amounting to EUR 114,235, thus generating a total deferred tax asset of EUR 21,705, considering the local statutory tax rate of 19%.

Enovos Green Power Nederland NV has, as of 31 December 2023, a tax loss carried forward amounting to EUR 3,104,408, thus generating a total deferred tax asset of EUR 800,937, considering the local statutory tax rate of 25,80%.

Solar EGP NL East has, as of 31 December 2023, a tax loss carried forward amounting to EUR 685, thus generating a total deferred tax asset of EUR 130, considering the local statutory tax rate of 19%.

Solar EGP NL West has, as of 31 December 2023, a tax loss

carried forward amounting to EUR 3,384, thus generating a total deferred tax asset of EUR 643, considering the local statutory tax rate of 19%.

The respective tax losses may be carried back for one year and may be carried forward indefinitely.

It is anticipated that the Dutch entities will be able to use the available tax losses carried forward.

## Note 25 – Other creditors

This financial statement line item included the amount payable to SEO S.A. related to the investment at the Vianden pumping station in 2022. This element was reclassified under financial line-item trade creditors. Please refer to note 22 and note 4.

As of 31 December 2023, Encevo Deutschland GmbH and Creos Deutschland GmbH have a long-term liability of EUR 1,700,000 and EUR 1,500,000 respectively towards “Pensionskasse der Encevo Deutschland VVaG” (2022: EUR 1,700,000 and EUR 1,500,000).

Furthermore, in the context of the financing of renewable projects, Energie Südwest AG has a liability towards its customers of EUR 2,671,150 (2022: EUR 2,684,450), which becomes due in 2029.

In 2022, this financial statement line comprised a payable of EUR 27,046,225 in the context of the mechanism of compensation.

## Note 26 – Deferred income tax

The deferred income tax liability is mainly related to:

- the different depreciation methods used in consolidated accounts (linear) compared with the statutory accounts (degressive) of several Group companies,
- the different calculation method of the pension obligations in consolidated accounts compared with statutory accounts of several Group companies,
- a provision reversal at Encevo Ré S.A. in the consolidated accounts.

## Note 27 – Deferred income

As described in note 16, Creos Luxembourg S.A. has posted under the financial statement line item “Deferred income” an amount of EUR 30,397,022 (2022: EUR 17,719,843) related to the regulated activities (see note 16).

This financial statement line item also relates to derivatives which are used to hedge operations to be settled in subsequent years for an amount of EUR 40,810,297 (2022: EUR 27,273,697).

Furthermore, the financial statement line item also relates to European Commodity Clearing (ECC) performed in the context of Energy Management and Trading activities, thereof:

- Cleared unmatured realised trading transactions for future deliveries for an amount of EUR 168,736,755 (2022: EUR 182,753,767).

Considering the current situation on the energy markets, ECC positions are volatile and may be subject to high fluctuations. The balance sheet reflects the situation as of 31 December 2023 and may be subject to positive and/or negative fluctuations on a daily basis.

## Note 28 – Net turnover

The sales break-down is as follows:

|                          | 2023                 | 2022                 |
|--------------------------|----------------------|----------------------|
| Sales electricity        | 3,060,527,248        | 1,982,068,620        |
| Sales gas                | 1,458,131,097        | 1,027,001,005        |
| Other energy sales       | 63,583,986           | 50,428,078           |
| Grid sales electricity   | 96,575,910           | 82,903,389           |
| Grid sales gas           | 162,090,204          | 124,066,769          |
| Sales Technical Services | 189,514,303          | 122,174,435          |
| Other sales              | 98,751,583           | 62,265,656           |
| Rebates & discounts      | (40,936,663)         | (38,343,766)         |
| <b>Total sales</b>       | <b>5,088,237,667</b> | <b>3,412,564,184</b> |

Other sales include sales of services to electricity and gas customers such as metering and costs for grid connections. Sales relating to gas and electricity trading are shown net of purchases under “Raw materials and consumables”. An amount of EUR 11,632,692 related to the financial year 2022 was reclassified from the financial line-item “Net turnover” to “raw materials and consumables”, please refer to note 30 and note 5.



### Geographical sales is broken down as follows:

|                    | 2023<br>€            |                | 2022<br>€            |                |
|--------------------|----------------------|----------------|----------------------|----------------|
| Luxembourg         | 1,932,503,595        | 37.98%         | 1,432,987,113        | 41.99%         |
| Germany            | 2,936,539,961        | 57.71%         | 1,796,402,320        | 52.64%         |
| France             | 200,572,311          | 3.94%          | 170,230,686          | 4.99%          |
| Belgium            | 8,886,354            | 0.17%          | 5,064,933            | 0.15%          |
| Other countries    | 9,735,444            | 0.19%          | 7,879,131            | 0.23%          |
| <b>Total sales</b> | <b>5,088,237,667</b> | <b>100.00%</b> | <b>3,412,564,184</b> | <b>100.00%</b> |

### Note 29 – Other operating income

The financial statement line item “Other operating income” includes mainly the activities unrelated to the supply of gas and electricity, such as reversals of value adjustments, income from asset sales, renting fees, income from employees, and re-insurance fee.

expenses” includes amongst other things professional fees, subcontracting and maintenance costs, marketing and communication costs, rental costs and insurance premiums.

Other sales comprise connection revenues and other sales, as well as intracompany eliminations for grid usage fees. An amount of EUR 11,632,692 related to the financial year 2022 was reclassified from the financial line-item “Net turnover” to “raw materials and consumables” (please refer note 28 and note 5).

### Note 30 – Raw materials and consumables and other external expenses

|  | 2023<br>€            | 2022<br>€            |
|--|----------------------|----------------------|
| Electricity supplies                       | 2,301,190,258        | 1,333,488,415        |
| Gas supplies                               | 1,376,984,266        | 964,240,859          |
| Other supplies                             | 680,274,657          | 548,741,163          |
| <b>Total Raw materials and consumables</b> | <b>4,358,449,181</b> | <b>2,846,470,436</b> |

The financial statement line item “Raw material and consumables” includes energy procurement and energy trading costs.

The financial statement line item “Other external

### Note 31 – Staff costs

The Group had on average 2,765 employees (i.e. headcount) in 2023 (2022: 2,521). The figure includes the staff of the City of Luxembourg made available to Creos Luxembourg S.A., 41 employees (2022: 46 employees), whose costs are shown under wages and salaries for EUR 5,041,857 (2022: EUR 5,258,778).

### Note 32 – Other operating expenses

The financial statement line item “Other operating expenses” comprises mainly provisions for risks, attendance fees, losses on receivables, extraordinary charges and sundry taxes. The decrease in 2023 to EUR 4,241,720 (2022: EUR 18,542,743) is mainly due to the reversal of flat rate provisions on the trade creditors (see note 13).

### Note 33 – Income from participating interests

Income from participating interests relates to dividends received from entities held at acquisition costs.

## Note 34 – Other interest receivable and similar income

The amount of EUR 17,525,118 (2022: EUR 3,269,853) in the financial statement line item “Other interest receivable and similar income” comprises interest received on short-term bank deposits. The increase compared to 2022 is related to Encevo S.A. EUR 7,559,855 mainly from interest income on cash deposits (EUR 4,877,330) and gain on disposals of financial assets of EUR 694,501 (disposal of

part of shares held in Encevo Deutschland GmbH and disposal of part of participation held in Energiency S.A.) and gain on interest rates hedging of EUR 1,004,976. Furthermore, there was an increase of EUR 3,387,788 in Enovos Luxembourg S.A. from the interest received on the state-guaranteed loan (“Prêt garanti par l’Etat”) that is deposited as cash.

## Note 35 – Share of profit or loss undertakings accounted for under the equity method

The share of profit or loss undertakings accounted for under the equity method breaks down as follows:

|                                       | 2023<br>€         | 2022<br>€         |
|---------------------------------------|-------------------|-------------------|
| Pfalzgas GmbH                         | 4,784,369         | 4,225,904         |
| Energis GmbH                          | 5,019,938         | 4,044,254         |
| Soler S.A.                            | 3,776,572         | 4,434,683         |
| Datacenterenergie S.A.                | 2,108,550         | 1,573,474         |
| Projecta 14 GmbH                      | 1,604,218         | 1,465,722         |
| Kiowatt S.A.                          | 916,121           | 701,084           |
| SP Leiwen-Sonnenberg KG               | 718,851           | 975,691           |
| ESW - Grüne Energie GmbH              | 683,046           | 101,528           |
| EnergieSüdpfalz GmbH & Co. KG         | 501,081           | 59,343            |
| Solarpark Lauperath GmbH&Co.KG        | 483,034           | 777,307           |
| Windpark Wremen GmbH & Co. KG         | 436,892           | 151,834           |
| Solarkraftwerk Ahorn GmbH & Co. KG    | 413,126           | 599,461           |
| Neustromland Projekt 2 GmbH           | 371,625           | 772,500           |
| Cegyco S.A.                           | 315,989           | 323,482           |
| Enovos Green Power AE entities        | 213,307           | 183,318           |
| Nordenergie S.A.                      | 185,694           | 169,428           |
| Steinergy S.A.                        | 119,109           | 73,562            |
| Airportenergy S.A.                    | 96,944            | 141,185           |
| WES Green GmbH                        | 0                 | 0                 |
| Solarkraftwerk Barderup GmbH & Co. KG | (41,677)          | 292,763           |
| Solarkraftwerk Südeifel GmbH & Co. KG | (3,724,511)       | 0                 |
| <b>Total</b>                          | <b>18,982,278</b> | <b>21,309,924</b> |

## Note 36 – Value adjustments in respect of financial assets and of investments held as current assets

The financial line item is mostly composed of the reversal of the provision for losses on the B2B German activities of EUR 32,229,004 that was booked in the consolidated accounts in past years (2022: 0 EUR). Please refer to note 18.2.

Furthermore, in the framework of the impairment testing performed at Group level on all the owned participations, an impairment of EUR 761,000 was booked on the participation in SW Völklingen Netz and a reversal of impairment of EUR 507,000 was booked on the participation in Stadtwerke Lambrecht GmbH (see note 11.2). These bookings result in a total impact on the value adjustments in respect of financial assets amounting to EUR 254,000 (2022: 1,427,196).

## Note 37 – Interest payable and similar expenses

The financial statement line item “Interest payable and similar expenses” mostly comprises interest paid on bank loans, on the bond and on the German certificates of indebtedness, as well as of the depreciation of the hedge costs related to the 2012 bond issuance, the 2018 German certificate of indebtedness and the SSD that was issued in December 2021 for an amount of EUR 200 million (see note 19). The increase to EUR 33,928,627 in 2023 (2022: EUR 17,182,806) is mainly related to Enovos Luxembourg (variation of EUR 8,924,589) due to the interest expenses for the state-guaranteed loan (“Prêt garanti par l’Etat”) and to Encevo S.A. (variation of EUR 5,550,645) related to the tranches of the long-term debt with a variable interest rate (EUR 2,901,455) and to commitment fees related to the RCF (EUR 2,624,168).

## Note 38 – Current and deferred income tax expenses

The current tax provisions have been provided in accordance with the relevant laws applicable in Luxembourg, Germany, Belgium, France and Italy. Deferred taxes are recorded on the time differences existing between the tax rules and those used for preparing the consolidated accounts. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Deferred tax assets are recorded only if it is likely that future taxable profits will be available.

## Note 39 – Remuneration paid to members of the administration and management bodies

Remuneration paid to members of the administration and supervisory bodies totalled EUR 2,328,424 (2022: EUR 2,365,571). No advance or loan was granted to members of the administration and supervisory bodies, and no commitment was given on their behalf in respect of any form of guarantee.

## Note 40 – Auditor’s fees

|                    | 31/12/2023<br>€  | 31/12/2022<br>€ |
|--------------------|------------------|-----------------|
| Audit fees         | 979,337          | 625,314         |
| Audit-related fees | 43,500           | 54,200          |
| Tax related fees   | 0                | 0               |
| Other fees         | 147,744          | 0               |
| <b>Total</b>       | <b>1,170,581</b> | <b>679,514</b>  |

Audit and audit-related fees for the year 2023 amount to EUR 1,022,837 (2022: EUR 679,514). Non-audit related fees amount to EUR 147,744 (2022: EUR 0).

## Note 41 – Financial derivatives

The Group is further engaged in spot and forward electricity and gas trading on organised markets and by private sales. These transactions are carried out using various instruments. Among these instruments are forward contracts, which involve final delivery of electricity and gas, swap contracts, which entail promises of payment to and from counterparties in conjunction with the difference between a fixed price and a variable price indexed on underlying products, options, and other contractual agreements.

With decreasing commodity prices in 2023, unrealised losses on sell positions turned to unrealised gains (variation of + EUR 280 million) while unrealised gains on buy positions turned to losses (variation of - EUR 280 million).

### Derivative financial instruments – Unrealised gains (losses) on Sell positions:

|   | 31/12/2023<br>€    | 31/12/2022<br>€      |
|---|--------------------|----------------------|
| Financial derivatives on electricity futures                          | 105,168,795        | (162,817,413)        |
| Other financial derivatives (gas, CO <sub>2</sub> certificates, coal) | 10,703,890         | (1,717,948)          |
| <b>Total</b>  | <b>115,872,685</b> | <b>(164,535,362)</b> |

### Derivative financial instruments – Unrealised gains (losses) on – Buy positions:

|   | 31/12/2023<br>€      | 31/12/2022<br>€    |
|---|----------------------|--------------------|
| Financial derivatives on electricity futures                          | (104,997,574)        | 162,844,085        |
| Other financial derivatives (gas, CO <sub>2</sub> certificates, coal) | (10,699,440)         | 1,725,238          |
| <b>Total</b>  | <b>(115,697,014)</b> | <b>164,569,323</b> |

### The total nominal value (purchases and sales) of derivatives contracts and the net fair value breaks down as follows:

|   | 31/12/2023<br>€ |            | 31/12/2022<br>€ |            |
|---|-----------------|------------|-----------------|------------|
|   | Nominal value   | Fair value | Nominal value   | Fair value |
| Financial derivatives on electricity futures                          | 291,575,637     | 171,221    | 655,184,484     | 26,671     |
| Other financial derivatives (gas, CO <sub>2</sub> certificates, coal) | 25,506,669      | 4,450      | 115,722,965     | 7,290      |

The net fair value of the derivative contracts, comprising unrealised gains (losses) on sell and buy positions, amounts to a gain of EUR 175,671 (2022: EUR 33,961), thereof EUR -715,000 of unrealised losses. A provision of EUR 715,000 is recorded in the Group's books to account for these negative positions (see also note 13.2. – Other provisions).

## Note 42 – Off-balance sheet liabilities and commitments

### Commercial commitments

Enovos Luxembourg S.A. concluded several forward contracts on the wholesale market for the purchase and sale of electricity and gas as part of its usual operations. Enovos Luxembourg S.A. has thus contracted purchase commitments for physical delivery of electricity and gas amounting to EUR 4.59 billion, as of 31 December 2023 (2022: EUR 7.81 billion). The amount of the aforementioned forward purchase contracts includes only forward contracts signed with counterparties. Furthermore, the Enovos Luxembourg S.A. contracted sale commitments for physical delivery of electricity and gas on the wholesale market amounting to EUR 1.9 billion as of 31 December 2023 (2022: EUR 4.0 billion).

In addition, Enovos Luxembourg S.A. holds a long-term electricity-sourcing contract at a fixed price until 2025 amounting to EUR 12.8 million (2022: EUR 25 million) and a natural gas purchase commitment indexed at market price until 2025 for a volume of 9.0 TWh. The cross-border gas-transportation capacity commitments account for EUR 9.1 million and run until 2025 (2022: EUR 18.3 million).

Enovos Luxembourg S.A. furthermore has a lignite-based power-sourcing contract running until 2037 with a total volume outstanding of 6.1 TWh, with costs linked to CO<sub>2</sub> prices and fixed and variable operating costs.

On a regular basis Management performs an assessment of the impact of the above-described long-term power & gas contracts on the overall power and gas procurement costs. This assessment done with the support of external advisers is based on different scenarios depending on the assumed evolution of key parameters i.e. power and CO<sub>2</sub>.

These contracts are accounted for under the portfolio approach and therefore no provision

has been recorded.

The Enovos Luxembourg S.A. further entered into a variety of financially settled derivative contracts (mainly futures and swaps in gas, electricity and allowances) in order to hedge the procurements for customer business and assets. As of 31 December 2023, the unrealised gain of these transactions amounts to EUR 143.53 million (2022: unrealised gain of EUR 214.51 million).

### Financial commitments

Enovos Luxembourg S.A. has provided a guarantee of EUR 3,414,184 (2022: EUR 4,796,788) to ensure commitments arising from a loan agreement between SW Saarbrücken Netz AG and Encevo Deutschland GmbH.

Within the framework of the sales process of photovoltaic installations held by Aveleos S.A., Enovos Luxembourg S.A. provided parent company guarantees amounting to EUR 20,946,075 (2022: EUR 20,946,075) to hold the buyer harmless from contingent liabilities. A provision of EUR 8,600,000 was posted in 2017 to cover the remaining risks on behalf of these guarantees.

Enovos Solar Investment I S.r.l. Unipersonale has outstanding operating lease obligations for a total amount of EUR 4,961,315 (2022: EUR 5,679,375) maturing in 2029. All leasing obligations are guaranteed by a comfort letter issued by Enovos Luxembourg S.A.

In 2018 Encevo entered into two Interest Rate Swaps (IRS) for an amount of EUR 18 million and EUR 17 million, respectively, to hedge the interest rate exposure on the two floating rate tranches of the Green Schuldschein that was issued the same year. As of 31 December 2023, the fair market value of both IRS amounts to EUR 1,944,369 (2022: EUR 3,167,754).

### Bank and parent company commitments

Enovos Luxembourg S.A., a controlled subsidiary of the Group, as the sister company and former parent company of Enovos Energie Deutschland GmbH ("EED"), has entered into an adherence agreement

with one of the suppliers of EED to guarantee the financial commitments stemming from future energy deliveries for a total amount of EUR 183.4 million (2022: EUR 69 million).

By order of Enovos Luxembourg S.A., the latter's core banks have issued several bank guarantees to its suppliers, in the context of its regular business, totalling EUR 14,239,574 (2022: EUR 14,695,700). This amount includes two bank guarantees for the account of its subsidiary Enovos Energie S.A. for a total amount of EUR 3,670,828 (2022: EUR 1,859,791).

Encevo S.A. provided Enovos Luxembourg S.A. with a total amount of EUR 285,000,000 in parent company guarantees and letters of comfort, mainly as collateral under existing EFET and ISDA agreements (2022: EUR 250,000,000).

Encevo S.A. provided several parent company guarantees by order and for account of its subsidiary Paul Wagner et Fils S.A. amounting to EUR 1,250,052 (2022: EUR 1,359,895).

Total additional bank guarantees of EUR 166,634 were ordered by Encevo S.A. for the account of Teseos Luxembourg S.A. and Creos Deutschland GmbH (2022: EUR 1,500). Furthermore, Encevo S.A. took over a total of EUR 9.8 million bank guarantees for Hoffmann Frères Energie & Bois S.à.r.l. (2022: EUR 0).

In the context of the financing of the Group's new administrative building in Esch-sur-Alzette, Real Estate Enovos Esch S.A. has granted to the lending bank a mortgage on its property in Domaine Schlassgoard for a maximum amount of 50% of the outstanding debt, or EUR 7,425,000 at the end of 2023 (2022: EUR 8,100,000).

LuxEnergie S.A., together with Société de l'Aéroport de Luxembourg S.A., has provided joint and several guarantees in the context of the financing of their joint-venture Airport-Energy S.A., for an initial amount of EUR 15,800,000. The remaining balance as of 31

December 2023 amounts to EUR 4,828,039 (2022: EUR 5,527,760).

Encevo Deutschland GmbH and Enovos Renewables GmbH have granted various shareholder loans to non-consolidated participations for which the undrawn portions amount to EUR 2,500,000 in total (2022: EUR 4,543,000). Furthermore, Encevo Deutschland GmbH gave parental guarantees of EUR 0 (2022: EUR 6,410,561) to suppliers of Solarkraftwerk Südeifel GmbH & Co. KG. and EUR 0 (2022: EUR 800,000) to suppliers of Enovos Energie Deutschland GmbH.

Paul Wagner & Fils S.A. and its three subsidiaries have provided various guarantees to its customers for a total amount of EUR 12,628,170 (2022: EUR 13,052,333).

Creos Luxembourg S.A. has issued bank guarantees in the context of its regular business for a total amount of EUR 3,252,492 (2022: EUR 3,250,992).

### Other off-balance guarantees

Under the shareholder agreement to which Encevo S.A. is a signatory, and as mentioned in the Company's bylaws, the Luxembourg State (the State), and/or Société Nationale de Crédit et d'Investissement (the "SNCI"), a Luxembourg public law banking institution, and/or the Banque et Caisse d'Epargne de l'Etat (the "BCEE"), an "établissement public autonome" under the Luxembourg law, shall obtain at any time upon one or more successive requests from the State individually or the State and the SNCI jointly, or the State and the BCEE jointly, or the State, the SNCI and the BCEE jointly, if applicable each time for a portion (and regardless of the level of participation of Encevo S.A. in the subsidiaries) a direct participation and if so requested even a qualified (e.g. two thirds) majority in the share capital of Creos Luxembourg S.A. and the shareholders shall take the necessary actions, resolutions and approvals to be taken to such effect (including by Encevo S.A.) and in particular to cause the resolutions of the shareholders



and/or the subsidiaries to be taken in order to allow the State and/or the SNCI and/or the BCEE to obtain the participation(s) as set forth here above in one or more successive operations. All transactions necessary in that respect must respect the arm's length principle. The State and/or the SNCI and/or the BCEE, as applicable, agree not to transfer for commercial reasons, during a period of ten (10) years, starting from the date of the acquisition of the relevant shares in Creos Luxembourg S.A., all or part of the shares it/they has/have acquired in the share capital of Creos Luxembourg S.A., subject to certain exceptions, including transfers between the State and SNCI, or between the State and the BCEE, transfers to their affiliates or municipalities or public bodies or transfers pursuant to legal or regulatory constraints or a court order.

Subject to the same exceptions, if at any time after the above 10 year period, the State and/or the SNCI and/or the BCEE (or the affiliates, municipalities or public bodies referred to in the preceding sentence), as applicable, propose to make a transfer of all or part of such shares, Encevo S.A. has a pre-emption right over such shares.

For the electricity and gas trades, Enovos Luxembourg S.A. has received from counterparties parental support letters totalling EUR 130,000,000 (2022: EUR 120,000,000).

The Board of Directors is of the opinion that all necessary provisions have been made to cover potential losses out of the off-balance sheet liabilities and commitments.

## Note 43 – Subsequent events

In January 2024, the EUR 350,000,000 RCF facility was extended by one more year to expire on 19 January 2029 (please refer to note 20).

Following the disposal of the first tranche in Energiency S.A. on 8 February 2023, the agreement for the progressive sale of the participation in the latter to EPSA will continue being enforced in 2024. The following tranches are still subject to options and depend on the results of Energiency S.A.

There are no further subsequent events affecting the 2023 annual accounts.







**KPMG Audit S.à r.l.**  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel.: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Shareholders of  
ENCEVO S.A.  
2, Domaine du Schlassgoard  
L-4327 Esch-sur-Alzette  
Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### *Report on the audit of the consolidated accounts*

#### *Opinion*

We have audited the consolidated accounts of ENCEVO S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated profit and loss account for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated accounts give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts.

#### *Basis for opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated accounts » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Emphasis of matter***

We draw attention to Note 4 of these consolidated accounts, which indicate that the consolidated accounts include a correction of an error in relation to prior years' records made in the current year consolidated accounts as follows:

- the captions "Intangible assets", "Trade creditors becoming due and payable within one year" and "Trade creditors becoming due and payable after more than one year" in the consolidated balance sheet had been understated since virtual rights to the output of a machine had been wrongly classified as "Tangible assets", "Other creditors becoming due and payable within one year", "Other creditors becoming payable after more than one year" as described in note 4.

Consequently, a correction has been made during this financial year. Our opinion is not modified in respect of this matter.

### ***Other matter relating to comparative information***

The consolidated accounts of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated accounts on 31 March 2023.

### ***Other information***

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated report including the consolidated management report but does not include the consolidated accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### ***Responsibilities of the Board of Directors for the consolidated accounts***

The Board of Directors is responsible for the preparation and fair presentation of the consolidated accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



### ***Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated accounts***

The objectives of our audit are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on other legal and regulatory requirements***

The consolidated management report is consistent with the consolidated accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg, 29 March 2024

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Yves Thorn



# Extract of the Annual Accounts of Encevo S.A.

The main activity of Encevo S.A. (the “Company”), as the parent company of the Encevo Group, is the holding of financial interests in affiliated companies, defining the Group strategy, and providing the latter with financing and corporate services. The balance sheet and profit and loss account are therefore largely influenced by the financing needs of the Group’s subsidiaries and by the dividend income from the subsidiaries. The Company also acts as a service provider to support the activities of its affiliated undertakings. It incurs the costs associated with providing these services and realises its income from the invoicing of part of the latter to its subsidiaries. Some of these costs, when deemed as purely benefiting the corporate vision, are not invoiced, and are thus fully absorbed by the Company.

As the Company is centralising the financing for the main subsidiaries, management follows external net financial debt as one of the key performance indicators. Adequate treasury tools are implemented, and management ensures a strict cash flow follow-up, including daily reporting of consolidated cash in the Company’s cash pool system which comprises 33 subsidiaries (2022: 29 subsidiaries), in order to support the development of the Group and to always ensure sufficient liquidity. The four new subsidiaries included in the cash pool during 2023 are two renewable energy entities in the Netherlands, Minusines S.A and Hoffmann Frères Bois et Energie s.à.r.l. which was acquired by the Group on 29 June 2023.

## 2023 Highlights

In the context of the energy crisis, the Encevo Group strived to strengthen the Group’s financing, while Encevo S.A. successfully completed the replacement of the agree-

ments linked to the RCF with ten banks (see below).

In view of the strong development of the Technical Services activity over the past years, management decided to transfer the corresponding personnel employed in Encevo S.A. departments in 2022 to Teseos Luxembourg S.A. as of 1 January 2023. This reorganisation also led to the strengthening Encevo S.A.’s Executive Committee to five members by including the CEO of Teseos Luxembourg S.A., Jean-Luc Santinelli, as a new member as of 1 April 2023.

Furthermore, Laurence Zenner took on the role of CEO of Creos Luxembourg S.A. and member of the Encevo Executive Committee as of 1 July 2023.

Finally, in the context of its development, the Encevo Group, through its parent company Encevo S.A, acquired Hoffmann Frères Energie & Bois S.à.r.l. (a grid operator in Mersch and an energy supplier under the brand Electris) on 29 June 2023. The grid

business was integrated into Creos Luxembourg S.A. in January 2024 while the Company intends to sell the wood business. Furthermore, Encevo S.A. continued to manage its portfolio of start-up companies: it entered into a binding agreement to divest its shares in Energiency S.A. over a couple of years, with the first tranche completed in February; in September it re-invested in Ezzingsolar, and in November 2023 it complemented its portfolio by acquiring a stake in R8 Technologies OÜ (an entity active in optimisation and flexibility of commercial real estate).

## Financing activities

On 20 January 2023, Encevo S.A. successfully completed the replacement and increase of the agreements linked to the revolving credit facility (RCF) with ten banks. The new agreement has one RCF with a committed amount of EUR 350,000,000 for a tenor of 5+1+1 (years) and a Swingline with a committed amount of EUR 400,000,000 for a tenor of 24+6+6 (months). The EUR 350,000,000 RCF provides for an ESG mechanism foreseeing the conversion of this facility into a sustainability-linked loan by July 2024. The EUR 350,000,000 RCF facility has been extended by one more year to expire on 19 January 2029. The aggregated amount drawn on the credit line and on the RCF is EUR 0 as of 31 December 2023 (2022: EUR 0).

The Green Report issued in the first quarter of 2023 was the first and only report related to the EUR 200,000,000 Green Schuldschein issued in 2021 and covers the investments made in eligible projects from 2020 until 2021 and the investments made in 2022 for the finalisation of the Creos headquarters (Merl building). By the end of 2022, 100% of the total funds of the EUR 200,000,000 had been used.

No new long-term financing was issued by the Company since December 2021. In 2023, the Schuldschein bearing a tenor of 10 years was reimbursed at maturity (EUR

20,000,000). Non-convertible loans amount to EUR 549,437,678 at year-end 2023 (2022: EUR 569,556,161).

Loans granted to affiliated undertakings and participations increased by around EUR 26 million, from EUR 571,434,986 in 2022 to EUR 597,473,059 in 2023. On the one hand, the main cash-outs consist of a new loan granted to the newly acquired entity Hofmann Frères Energie et Bois S.à r.l. (EUR 13,000,000) coupled with the financing needs from Solarpark Hasborn-Rosenberg GmbH (EUR 10,200,000) as well as Encevo Deutschland GmbH (EUR 21,300,000) and Creos Deutschland GmbH (EUR 10,000,000). On the other hand, the main cash-ins consist of the reimbursement of the shareholder loans of Creos Luxembourg S.A. (EUR 12,745,000) and Solarkraftwerk Südeifel (EUR 12,264,000) that matured in 2023.

As of 31 December 2023, the total net cash managed on behalf of the subsidiaries with which the Company entered into a cash pooling agreement is EUR 568,272,802 (2022: EUR 500,961,544). The increase is mainly due to higher deposits from Enovos Luxembourg S.A. and LEO S.A.

As of 31 December 2023, cash and cash equivalents of the Company increased to EUR 214,810,053 (2022: EUR 185,568,693) mainly due to positive operational cashflows from subsidiaries managed within the cash pooling.

Amounts owed to credit institutions of EUR 502,031 (2022: EUR 68,639) are related to the utilization and non-utilization fees of the credit facility.

As of 31 December 2023, the net financial debt decreased to EUR 335,129,657 (2022: EUR 384,056,107), as a direct consequence of the lower needs in working capital from Encevo S.A.'s affiliates.

## Personnel

The number of employees dropped from 109 FTE at year end 2022 to 102 FTE at year end 2023 mainly as a result of the transfer of personnel to Teseos Luxembourg S.A., while other functions were strengthened.

The Board of Directors and the Management of Encevo S.A. would like to thank all employees for their contribution throughout the year, and for their crucial commitment to providing reliable and strong operational support for the Group's core activities in a very challenging environment.

## Financial results

In 2023, the net turnover amounted to EUR 23,308,902 (2022: EUR 25,342,584) and was mainly generated by the service level agreements with affiliated companies. Shared services (such as financing) are provided by Encevo S.A. to various group subsidiaries and re-invoiced through a transparent and systematic allocation key or through specific projects for which the Company has rendered these services.

The net turnover decrease of EUR -2 million is mainly due to the change of scope regarding Teseos Luxembourg S.A., wherein the employees were transferred from Encevo S.A. to Teseos Luxembourg S.A. on 1 January 2023, resulting in lower personnel costs which were charged to the subsidiaries.

Income from participating interest increased from EUR 15,000,000 in 2022 to EUR 43,391,684 in 2023 mainly due to the dividend amounting to EUR 27,697,183 and paid in May 2023 by Enovos Luxembourg S.A., whereas no dividend was received from the latter part of 2022, and the EUR 15 million dividend paid by Creos Luxembourg S.A. to Encevo S.A. in 2023 (2022: EUR 15,000,000).

Interest payable and similar expenses increased to EUR 33,776,473 in 2023 (EUR 11,471,818 in 2022). The increase is primarily related to the interest earned on

the deposits made by the entities in the internal cash pooling accounts, the new green Schuldschein interest expenses and the commitment fees for the new RCF.

Similarly, other interest receivable and similar income increased to EUR 24,847,982 in 2023 (EUR 12,470,355 in 2022) mainly due to the interest accrued from the entities overdrafts within the internal cash pooling accounts, the shareholder loans granted to the group companies which grew due to increased financing by the Company's affiliated undertakings and the remuneration from bank deposits.

## Risk management

Encevo S.A. is centralising all risk management reporting from the core Group companies and monitors the main risks identified across the Encevo Group. Its Group Risk Committee (which includes all members of the Executive Committee) reports to the Group Audit Committee.

After the start of the war between Russia and Ukraine in 2022, the year 2023 continued to be challenging due to the ongoing geopolitical tensions affecting the energy markets. As a result, the commodity prices remained volatile, and this had a substantial impact on the credit market and liquidity risks. Management of aforementioned risks will remain the focus for the year 2024.

Specific risks directly managed at Company level relate to the financial liquidity risk, the credit risk of the subsidiaries supported by financing from Encevo S.A. as well as the interest rate risk. The increased liquidity risk driven by high and volatile energy prices has been mitigated by the Group Finance & Tax department through an increase of the credit facilities to EUR 750,000,000 in January 2023 to ensure sufficient liquidity to the main Group companies.

## Outlook

In January 2024, the EUR 350,000,000 RCF facility was extended by one more year to expire on January 19 2029.

Amidst an overall uncertain geopolitical context, the Russia-Ukraine conflict continues to strongly influence European gas and power prices. This unpredictable geopolitical context remains a continued source of uncertainty regarding the overall economic outlook and energy market prices, counterparty credit risk as well as physical supply risk. In this challenging environment, the Company continues to focus on serving its customers, energy efficiency and renewable energy production. It will continue to develop its risk management capabilities and invest in operational excellence and digitalization.

## Other information

In its role as facilitator of new innovative topics for the Group, Encevo S.A. has a partnership agreement with the Luxembourg Institute of Science & Technology (LIST) and the Interdisciplinary Center for Security, Reliability & Trust (SnT) at the University of Luxembourg. Research and development activities are mainly performed directly within the affiliated undertakings, such as Creos Luxembourg S.A. or Enovos Luxembourg S.A..

The Company does not hold own shares.

The Company does not operate any branches.

## Encevo S.A. Board of Directors

There were no changes in the shareholding structure of Encevo S.A. in 2023.

There were the following changes to the board in 2023:

As of 10 May 2023, Mr Jingqiang Sun was appointed as new board member following the resignation of Mr Yu Xue. The board members are:

**Marco Hoffmann**, Chairman

**Jingqiang Sun**, 1<sup>st</sup> Vice-Chairman<sup>1</sup>

**Luc Decker**, 2<sup>nd</sup> Vice-Chairman

**Min Shen**, 3<sup>rd</sup> Vice-Chairman

**Danielle Castagna**, Director

**Christian Tock**, Director

**Jeff Feller**, Director

**Stefan Grützmacher**, Director

**Aloyse Kohll**, Director

**Mike Kirsch**, Director

**Romain Lanners**, Director

**Uwe Leprich**, Director

**Olaf Münichsdorfer**, Director

**Georges Reuter**, Director

**Monika Scholz**, Director

**Geneviève Schlink**, Director

## Auditor

The mandate of the external independent auditor, Ernst & Young, expired in 2023. KPMG was appointed as external auditor for a two-year mandate for the financial years 2023 and 2024 as per decision taken during the annual general meeting of shareholders held on 10<sup>th</sup> May 2023.

<sup>1</sup> Mr Jingqiang was appointed as new board member on May 10 2023 following the resignation of Mr Yue

## Proposed appropriation of net profit

The profit available of EUR 341,522,720 for appropriation includes the profit of EUR 20,425,283 for the year and the profit of EUR 321,097,437 brought forward.

**The Board of Directors proposes to the Annual Shareholder’s Meeting to be held on 14<sup>th</sup> May 2024 the following appropriation of net profit:**

|                                    |                    |
|------------------------------------|--------------------|
| Dividend of 79.88 Euros per share* | 72,661,165         |
| Allocation to the legal reserve    | 0                  |
| Allocation to the blocked reserve  | 0                  |
| Allocation to other reserves       | 0                  |
| Amount carried forward             | 268,861,555        |
|                                    | <b>341,522,720</b> |

\* Number of shares 909,629

The Board of Directors

Esch-sur-Alzette, 29<sup>th</sup> March 2024

Encevo S.A.  
Balance sheet as of 31<sup>st</sup> December 2023  
Denominated in EUR

| ASSETS  | NOTES         | 2023<br>€            | 2022<br>€            |
|---|---------------|----------------------|----------------------|
| <b>C. Fixed assets</b>  |               | <b>1,891,546,035</b> | <b>1,851,502,883</b> |
| I. Intangible assets  | <b>Note 4</b> | <b>6,373,444</b>     | <b>5,890,052</b>     |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were                |               | 1,826,755            | 2,141,400            |
| a) acquired for valuable consideration  |               | 1,826,755            | 2,141,400            |
| 4. Payments on account and intangible assets under development  |               | 4,546,689            | 3,748,652            |
| II. Tangible assets   | <b>Note 5</b> | <b>212,705</b>       | <b>277,519</b>       |
| 3. Other fixtures and fittings, tools and equipment   |               | 201,017              | 270,567              |
| 4. Payments on account and tangible assets in the course of construction                                  |               | 11,688               | 6,952                |
| III. Financial assets   | <b>Note 6</b> | <b>1,884,959,886</b> | <b>1,845,335,312</b> |
| 1. Shares in affiliated undertakings  |               | 1,280,636,535        | 1,269,009,854        |
| 2. Loans to affiliated undertakings   |               | 597,473,059          | 571,434,986          |
| 3. Participating interests  |               | 0                    | 1,695,086.23         |
| 5. Investments held as fixed assets   |               | 6,350,292            | 3,195,385.45         |
| 6. Other loans  |               | 500,000              | 0                    |
| <b>D. Current assets</b>  |               | <b>261,785,440</b>   | <b>264,883,999</b>   |
| II. Debtors   |               | <b>46,975,387</b>    | <b>79,315,306</b>    |
| 2. Amounts owed by affiliated undertakings  |               | 45,938,348           | 78,253,496           |
| a) becoming due and payable within one year   | <b>Note 7</b> | 45,938,348           | 78,253,496           |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests |               | 0                    | 28,973               |
| a) becoming due and payable within one year   |               | 0                    | 28,973               |
| 4. Other debtors  |               | 1,037,040            | 1,032,837            |
| a) becoming due and payable within one year   |               | 1,037,040            | 1,032,837            |
| IV. Cash at bank and in hand  |               | <b>214,810,053</b>   | <b>185,568,693</b>   |
| <b>E. Prepayments</b>   | <b>Note 8</b> | <b>6,144,212</b>     | <b>4,641,271</b>     |
| <b>TOTAL ASSETS</b>   |               | <b>2,159,475,687</b> | <b>2,121,028,153</b> |

The notes in the annex form an integral part of the annual accounts.



## Encevo S.A.

### Balance sheet as of 31<sup>st</sup> December 2023

Denominated in EUR

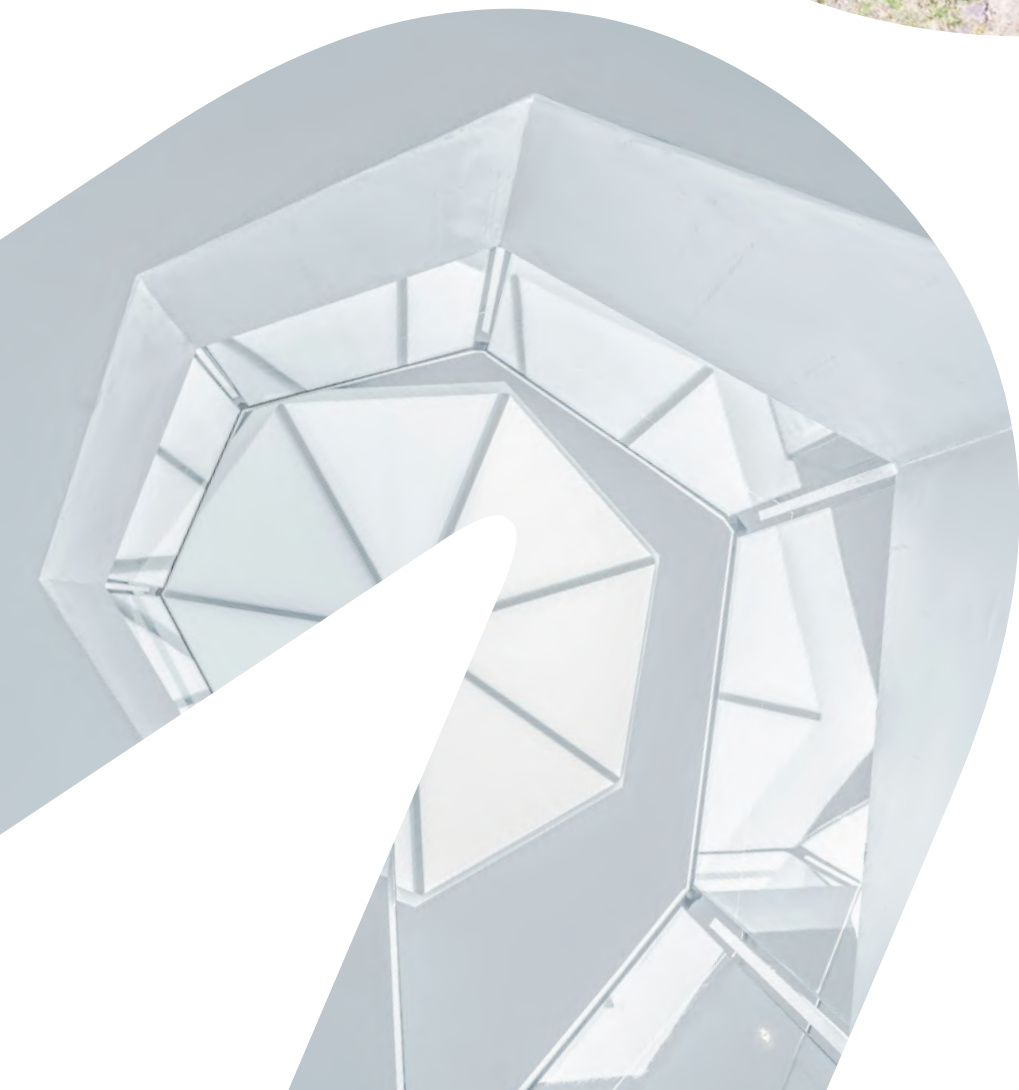
| CAPITAL, RESERVES AND LIABILITIES                     | NOTES             | 2023                 | 2022                 |
|---|-------------------|----------------------|----------------------|
|   |                   | €                    | €                    |
| <b>A. Capital and reserves</b>                        | <b>Note 9</b>     | <b>990,488,197</b>   | <b>970,062,914</b>   |
| I. Subscribed capital                                 |                   | 90,962,900           | 90,962,900           |
| II. Share premium account                             |                   | 387,028,449          | 387,028,449          |
| IV. Reserves  |                   | 170,974,128          | 170,974,128          |
| 1. Legal reserve                                      |                   | 9,096,290            | 9,096,290            |
| 4. Other reserves, including the fair value reserve   |                   | 161,877,838          | 161,877,838          |
| a) other available reserves                           |                   | 161,438,164          | 161,438,164          |
| b) other non available reserves                       |                   | 439,674              | 439,674              |
| V. Profit or loss brought forward                     |                   | 321,097,437          | 300,527,121          |
| VI. Profit or loss for the financial year             |                   | 20,425,283           | 20,570,315           |
| <b>B. Provisions</b>                                  |                   | <b>8,954,554</b>     | <b>10,692,748</b>    |
| 1. Provisions for pensions and similar obligations    | <b>Note 10.1</b>  | 7,005,338            | 7,660,040            |
| 3. Other provisions                                   | <b>Note 10.2</b>  | 1,949,215            | 3,032,708            |
| <b>C. Creditors</b>                                   |                   | <b>1,160,032,936</b> | <b>1,140,272,026</b> |
| 1. Debenture loans                                    | <b>Note 11</b>    | <b>549,437,678</b>   | <b>569,556,161</b>   |
| b) Non convertible loans                              |                   | 549,437,678          | 569,556,161          |
| i) becoming due and payable within one year           |                   | 22,437,678           | 22,556,161           |
| ii) becoming due and payable after more than one year |                   | 527,000,000          | 547,000,000          |
| 2. Amounts owed to credit institutions                | <b>Note 12</b>    | <b>502,031</b>       | <b>68,639</b>        |
| a) becoming due and payable within one year           |                   | 502,031              | 68,639               |
| 4. Trade creditors                                    |                   | <b>2,091,480</b>     | <b>2,854,723</b>     |
| a) becoming due and payable within one year           |                   | 2,091,480            | 2,854,723            |
| 6. Amounts owed to affiliated undertakings            | <b>Note 7</b>     | <b>602,865,083</b>   | <b>563,316,300</b>   |
| a) becoming due and payable within one year           |                   | 602,865,083          | 549,316,300          |
| b) becoming due and payable after more than one year  |                   | 0                    | 14,000,000           |
| 8. Other creditors                                    |                   | <b>5,136,664</b>     | <b>4,476,203</b>     |
| a) Tax authorities                                    | <b>Note 13.1.</b> | 1,369,864            | 1,247,911            |
| b) Social security authorities                        |                   | 685,596              | 435,269              |
| c) Other creditors                                    |                   | 3,081,205            | 2,793,023            |
| i) becoming due and payable within one year           | <b>Note 13.2.</b> | 3,081,205            | 2,793,023            |
| <b>D. Deferred income</b>                             |                   | <b>0</b>             | <b>464</b>           |
| <b>TOTAL CAPITAL, RESERVES AND LIABILITIES</b>        |                   | <b>2,159,475,687</b> | <b>2,121,028,153</b> |

The notes in the annex form an integral part of the annual accounts.

Encevo S.A.  
Profit & Loss account of the year ended 31<sup>st</sup> December 2023  
Denominated in EUR

| PROFIT AND LOSS ACCOUNT  | NOTES             | 2023<br>€           | 2022<br>€           |
|--|-------------------|---------------------|---------------------|
| <b>1. Net turnover</b>   | <b>Note 14</b>    | <b>23,308,902</b>   | <b>25,342,584</b>   |
| <b>3. Work performed by the undertaking for its own purposes and capitalised</b> | <b>Note 15</b>    | <b>297,589</b>      | <b>241,721</b>      |
| <b>4. Other operating income</b>   |                   | <b>1,770,167</b>    | <b>3,485,131</b>    |
| <b>5. Raw materials and consumables and other external expenses</b>              |                   | <b>(13,485,332)</b> | <b>(15,328,645)</b> |
| a) Raw materials and consumables   |                   | (530,221)           | (2,436,915)         |
| b) Other external expenses   |                   | (12,955,111)        | (12,891,730)        |
| <b>6. Staff costs</b>  | <b>Note 16</b>    | <b>(17,914,205)</b> | <b>(19,715,714)</b> |
| a) Wages and salaries  |                   | (15,665,852)        | (16,292,591)        |
| b) Social security costs   |                   | (1,584,029)         | (1,739,527)         |
| i) relating to pensions  |                   | (996,390)           | (1,008,480)         |
| ii) other social security costs  |                   | (587,639)           | (731,047)           |
| c) Other staff costs   |                   | (664,325)           | (1,683,597)         |
| <b>7. Value adjustments</b>  |                   | <b>(1,087,266)</b>  | <b>(1,008,932)</b>  |
| a) in respect of formation expenses and of tangible and intangible fixed assets  | <b>Notes 4, 5</b> | (1,087,266)         | (1,008,932)         |
| <b>8. Other operating expenses</b>   |                   | <b>(2,199,887)</b>  | <b>(3,303,180)</b>  |
| <b>9. Income from participating interests</b>                                    | <b>Note 17</b>    | <b>43,391,684</b>   | <b>15,000,000</b>   |
| a) derived from affiliated undertakings  |                   | 43,192,361          | 15,000,000          |
| b) other income from participating interest                                      |                   | 199,324             | 0                   |
| <b>11. Other interest receivable and similar income</b>                          |                   | <b>24,847,982</b>   | <b>12,470,355</b>   |
| a) derived from affiliated undertakings  | <b>Note 6</b>     | 18,353,262          | 11,857,941          |
| b) other interest and similar income   |                   | 6,494,721           | 612,414             |
| <b>14. Interest payable and similar expenses</b>                                 |                   | <b>(33,776,473)</b> | <b>(11,471,818)</b> |
| a) concerning affiliated undertakings  |                   | (16,854,945)        | (78,592)            |
| b) other interest and similar expenses   |                   | (16,921,528)        | (11,393,226)        |
| <b>15. Tax on profit or loss</b>   | <b>Note 13.1</b>  | <b>(4,647,878)</b>  | <b>15,037,332</b>   |
| <b>16. Profit or loss after taxation</b>   |                   | <b>20,505,283</b>   | <b>20,748,833</b>   |
| <b>17. Other taxes not shown under items 1 to 16</b>                             |                   | <b>(80,000)</b>     | <b>(178,518)</b>    |
| <b>18. Profit or loss for the financial year</b>                                 |                   | <b>20,425,283</b>   | <b>20,570,315</b>   |

The notes in the annex form an integral part of the annual accounts.





# 05

## Performance review

- Financial performance
- Environmental performance**
- Social performance
- Community empowerment

# Product and Services Impact: Reliable, Safe and Smart Energy Supply (material topic)

## Materiality

Encevo Group is a key player in the regional energy sector, committed to ensuring access to safe, secure, reliable, smart and competitive energy supply. The group manages critical infrastructure through its subsidiaries Creos Luxembourg and Creos Deutschland, which are responsible for planning, maintaining and operating their electricity and natural gas networks in Luxembourg and in the Saarland and Rhineland-Palatinate regions in Germany.

Creos Luxembourg and Creos Germany carefully plan their infrastructure to meet the changing demand for electricity and natural gas, ensuring security of supply and the reliability of their respective energy networks.

Investing in extension, reinforcement and digitisation of the electricity grids is essential to Creos Luxembourg and Creos Germany, as it allows to guarantee security and high-quality of energy supply while supporting the energy transition and the decarbonisation of the energy sector.

## Organisation & management

Creos Luxembourg is responsible for the planning, construction, maintenance and operation of the high, medium and low-voltage electricity grid and the high, medium and low-pressure natural gas pipelines it owns.

Creos Luxembourg is investing in the digitalisation of its energy grids, through asset digitalisation, with particular focus on smart meters, remote controls and system connectivity. It is also developing and implementing a national energy data platform for electricity and gas markets in Luxembourg and has recourse to a digital twin that allows to optimise the planning and operation of the electricity grid in the context of the energy transition. In addition, Creos is implementing, as far as concerned, the common EU-wide rules for grid operations and notably the "Network Codes".

A huge proportion of the electricity grid infrastructure operated by Creos Luxembourg are buried underground, namely low-voltage power lines (more than 99%) and medium-

voltage lines (more than 78%), which makes them less susceptible to external influences.

The electricity transport grid operated by Creos satisfies the rules imposed by national legislation as well as supplemental valid operating, planning and safety standards, notably those established by the European Network for Transmission System Operators for Electricity (ENTSO-E).

Similarly, the gas transport network operated by Creos Luxembourg complies with the rules imposed by national legislation, as well as supplemental valid operating, planning and safety standards, including those jointly established by the European Network for Transmission System Operators for Gas (ENTSO-G).

Creos Deutschland is focusing on the continuous and mutual optimisation of its gas and electricity infrastructure in order to enable modern and efficient energy distribution across all sectors. It is managing the challenges of the energy transition,

concerning the natural gas infrastructure, with special focus on decarbonised gases, including biogases, biomethane and renewable hydrogen, and concerning the electricity infrastructure, with focus on an optimal management of capacities, including the additional green electricity from wind and photovoltaic production facilities.

## Progress 2023

### Electricity Grids

2023 was a successful year at Creos Luxembourg, where some of the key achievements were:

- Heavy investments in electricity networks to meet future energy needs, with security of supply as the top priority.
- Development of digital functionalities to support renewable energy development, electric mobility, electric heating, decentralised electricity production, and energy storage.
- Analysis and partial implementation of the new framework concerning the new legally introduced concepts around self-consumption, local energy communities, and electromobility.
- Analysis and preparation of conclusions on the relevant provisions in the hydrogen draft law in Luxembourg.
- Further implementation and follow-up of energy crisis measures to limit tariff increases for residential consumers.
- Negotiation of an agreement on ancillary services costs with Amprion, resulting in a significant decrease in Creos Network tariffs for all connected customers.
- Deployment of smart meters for electricity so far completed.

In the framework of continuously reinforcing its infrastructure, Creos Luxembourg carried out several works during 2023:

**PI1 (update): Build-up of public electric vehicle charging points (=800) and high-speed charging points (=88)**

By the end of 2023, 699 charging stations

had been installed, (+93) compared to 606 in 2022. Furthermore, some 60 high-speed charging points were installed, (+28) compared to 32 in the previous year. The remaining charging stations are planned to be installed in the park and rides (P+R) that are still under construction (please refer to the Creos annual report for further details).

Additionally, Teseos subsidiaries are installing electric vehicles charging points in residential and commercial buildings with smart charging functionalities, as well as operate the recently acquired Nexxtmove Electric Vehicle Charging Platform that manages several thousand of charging stations and electric charging cards, as well as electromobility-related applications.

### PI3: Build and implement national energy data platform for Luxembourg

This project is currently ongoing (please refer to the Creos annual report for further details).

### PI5: Building of new interconnection of Infrastructure with Germany to secure supply and demand challenges

The electrification challenge is the core business of Creos Luxembourg, where the planning of a sustainable, future-proof electrical infrastructure that considers future energy needs based on economic, social and environmental developments becomes very important. Efficient, flexible and reliable transmission networks are essential for a reliable supply of electrical energy. The “380 project” represents a new, future-oriented replacement construction in the form of a 380 kV interconnector that provides a better cross-border connection between Luxembourg and Germany.

The study phase for the first part of the project, between Aach and Bofferdange as well as between Bofferdange and Bertrange has successfully started. The Environmental impact study (EIS) for the “380 project” was submitted to the relevant authorities at the end of October 2022. Following comments from stakeholders, the EIS was adapted and resubmitted to the authorities at the end of





December 2023. This interconnection will ensure the reinforcement of the energy grid and therefore contributes to Luxembourg's security of energy supply. More information about the "380 project" can be found at: [www.creos.net/380](http://www.creos.net/380)

As in previous years, investments in the networks were aimed at maintaining security of supply, as were the reinforcements implemented in response to the energy transition.

At the 65 kV and 220 kV levels, reinforcement work focused mainly on strengthening the 110-65 kV distribution network. Work on the renewal of the 110 kV substations at Bissen, Senningerberg and Colmar made good progress in 2023, with commissioning scheduled for 2024.

Work to increase the operating voltage from 65 kV to 110 kV in the north of the country is also well advanced, particularly in terms of cables, with trenches being dug for the future Bissen-Colmar and Bissen-Freckeisen underground lines. Work has also started on upgrading the overhead lines, with various lines in Lentzweiler-Troisvierges, Marnach-Troisvierges and Colmar-Ingeldorf being upgraded to 110 kV.

At the same time, Creos Deutschland was confronted with increasing industrial demand in the area of electricity supply. There are currently an increasing number of grid connection requests for the addition of battery storage systems in the high-voltage and medium-voltage grid. Furthermore, due to the stricter energy policy goals and requirements from the federal government of Germany with regards to expansion targets (carbon neutrality 2045) as well as upcoming new settlements in Saarland, a certain potential for the expansion and extension of renewable energy production installations is expected in Creos' Germany electricity grid. The investment decisions on specific grid connection projects are to be made by the plant operators in 2024.

### Gas Grids

In the field of gas transportation grids, Creos Luxembourg proceeded to the adaptation of the DN200 PN40 high pressure network (1,4 km) as part of the replacement of the Hollerich station in Merl (rue de Bouillon).

### Roost & Luxembourg City Operation Centres

Concerning the gas distribution grid, the distribution network in the city of Luxembourg continued to undergo modernisation (4 km medium pressure/low pressure) including the replacement of 548 domestic connections.

Additionally, the work continued on the extension of the medium-pressure distribution grid by 3.4 km (Merl: 0.6 km / Roost: 2.8 km) and the low-pressure distribution grid by 6,3 km, with the same workload as the previous year (Merl: 0.7 km / Roost: 5.6 km).

A total of 16.3 km of new distribution pipes were installed during 2023 (extension, replacement, repair).

Finally, continued efforts allowed the activation of several smart meters for natural gas during 2023.

Please refer to the Creos annual report for further details.

### Creos Deutschland

The methane gas emissions working group continued its work on the reduction of methane emissions. The purchase of a mobile pump-over compressor was planned for 2024 so that the first measures on the Creos Deutschland gas grid can be supported in 2024 or 2025 at the latest. At the same time, further concepts for minimizing methane emissions during planned maintenance measures (e.g. for gas pressure control and measuring systems) are continuously being examined.

### Hydrogen Grids

Creos Luxembourg is working on transitioning the target grid planning and investment strategy to a transformation plan to ensure that all investment decisions are sustainable, especially in the context of decarbonisation policies on the European and the Luxembourg level. Work was also intensified on developing a strategy for hydrogen supply in Luxembourg.

Creos Deutschland prepared the funding applications for the mosaHYc hydrogen project and was able to submit those to the relevant authorities. The regional planning procedure for the construction of the new Dillingen-Leidingen pipeline was opened and approved, and further planning is being driven forward.

### Hydrogen Development

Creos Luxembourg continued developing a strategy for hydrogen supply in Luxembourg. Together with Creos Deutschland, the French gas grid operator GRTgaz, and the Belgian gas grid operator Fluxys, developed concrete scenarios for a hydrogen infrastructure in the Greater Region. Pursuing the vision of connecting Luxembourg to the European Hydrogen Backbone, Creos submitted in December 2023 its infrastructure plans to the European Ten-Year Network Development Plan (TYNDP 2024) of ENTSOG. In a first step, an initial cross-border infrastructure will be operational by 2030 to supply large clients with clean hydrogen.



# Product and Services

## Impact: Procurement Practices for Energy

### Materiality

With the aim of meeting the country's energy needs, Luxembourg relies on local renewable energy production and on energy imports from neighbouring countries. Since Encevo is a main company in the energy industry, it plays a central role in the procurement and commercialisation of energy in Luxembourg and the Greater Region.

Encevo increasingly strives to procure and commercialise green energy through its different energy products, sourced from renewable energy production in Luxembourg and the Greater Region whenever available, and the rest by matching energy sales with guarantees of origin (GO) or by establishing power purchase agreements (PPA).

Encevo also plays an important role in ensuring energy security in Luxembourg, which is crucial to maintaining and strengthening regional cooperation to guarantee a secure supply of electricity and gas within the country.

It is important for the group to ensure a fully functioning and interconnected internal energy market where the company Creos plays a key role. Creos Luxembourg, the electricity and natural gas grids owner and operator, complies with all the European rules regarding interconnection with adjacent countries, at infrastructure level and in direct contact with adjacent transmission system operators to coordinate all the changes that might occur. An appropriate degree of harmonisation in technical, operational and communication areas is key to overcome potential barriers to the free flow of energy.

### Organisation & management

On the grid side, the Network Codes on electricity and gas enable the necessary harmonisation of interconnection agreements and a common set of rules, therefore leading to effective market functioning.

On the procurement side, the Procurement & Logistics teams ensure full compliance with professional procurement practices, e.g. by providing procurement checklists, procedures and guidelines. Procurement processes are closely monitored with process performance management software, ensuring high process performance. Compliance with the applicable procurement procedures is mandatory to Encevo Group.

The group company Enovos has a relevant role in energy procurement as it is responsible for energy purchasing, storage and trading with the aim of securing the provision of energy to its customers.

This role has a strong impact on the energy transition, from an electricity perspective, through the procurement of renewable electricity and through the commercialisation of green electricity products to its customers. In order to offer sustainable electricity products, Enovos invests in renewable electricity production, mainly photovoltaic and wind, and it also purchases Guarantees of Origin to match the additional electricity procured for these products. For industrial clients, Enovos offers the possibility to establish PPA contracts to procure green electricity.

From a gas perspective, Enovos includes in its offering biogas from local suppliers as well as

biomethane with the matching guarantees of origin. Meanwhile, Creos is involved in the development of renewable hydrogen, and it is analysing how to ensure that the natural gas grids are decarbonised ready, to manage the forthcoming arrival of decarbonised gases.

## Progress 2023

As can be observed in the chart below, most electricity injected into the grid in Luxembourg comes from imports principally from Germany (75% in 2023). It is important to note that Germany has an active policy of increasing climate protection and expanding renewable energies.

Compared to 2022, total electricity injected into Creos Luxembourg's network decreased

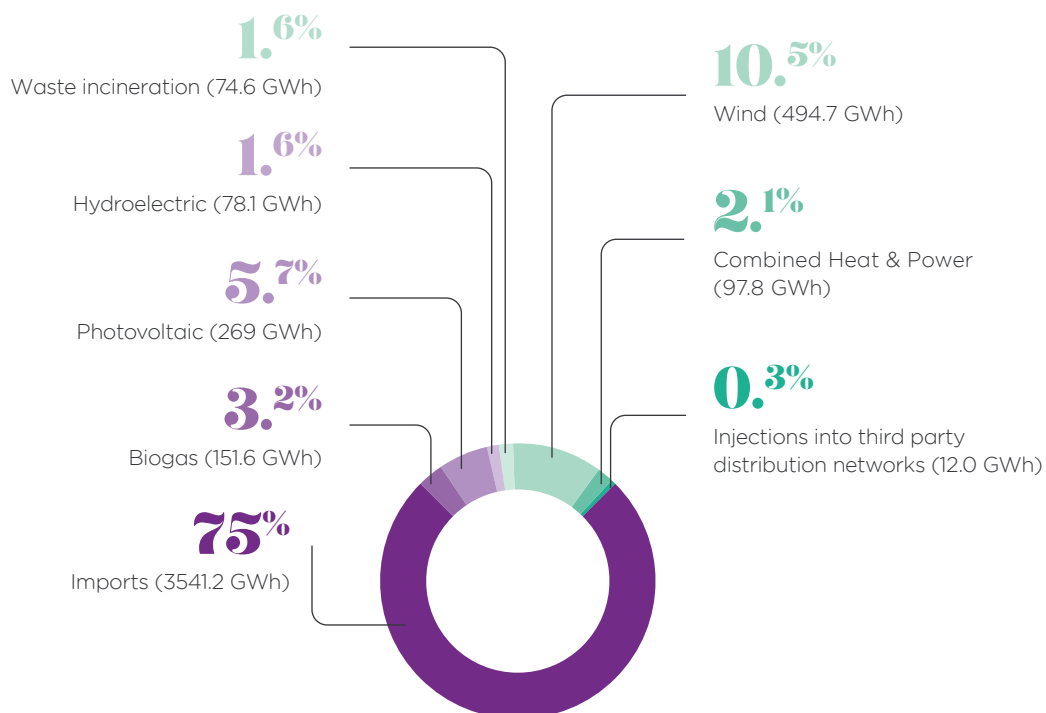
by 5.6%, where electricity imports have decreased by 8.2%.

As Luxembourg has the objective to increase its renewable energy supply, 22.6 % of renewable and partially renewable energies were injected into Creos' grid in 2023. In this year, there was a rise in the renewable electricity injected into Creos Luxembourg's grid, representing 8.7 % increase compared to 2022:

- 10.5% of wind in 2023, 60.7% increase compared to 2022,
- 5.7% of PV in 2023, 3.4% increase compared to 2022,
- 3.2% biogas in 2022, 47.4% decrease compared to 2022,
- 1.6% hydroelectric in 2022, 36.0% increase compared to 2022.

## Electricity injection into Creos' network in 2023

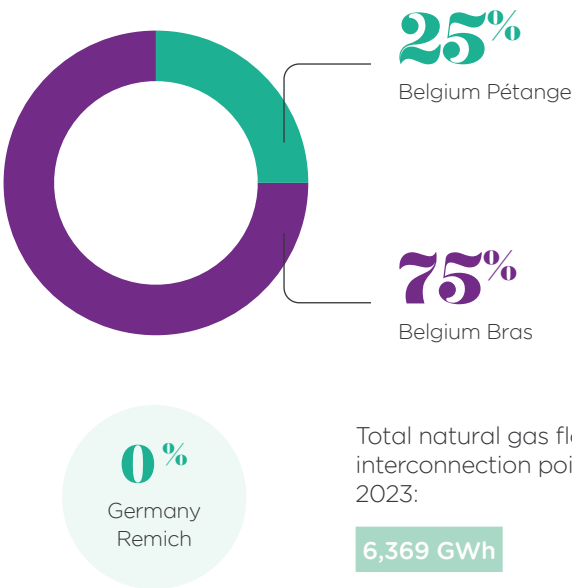
Total electricity injected into Creos' network: **4,719 GWh**



As in previous years, there was no direct nuclear electricity production at national level in 2023.

Natural gas flow distribution at interconnection points in 2023

In relation to natural gas flow injection into Creos Luxembourg transmission pipelines, the majority comes from Belgium via the interconnection points Bras (75%) and Pétange (25%), and the rest comes from Germany, via the interconnection point in Remich (0%). It is important to note that both Germany and Belgium have an active policy of switching to greener gases.



# Product and Services Impact: Clean Energy Development (material topic)

Encevo Group has a clear objective to continue developing its sustainable energy activities in Luxembourg and in the Greater Region.

The group contributes to the decarbonisation of the energy sector in Luxembourg and to the ambitions that the country has set itself in its Integrated National Climate and Energy Plan (2021-2030).

Encevo Group is an important investor in the energy transition in Luxembourg and the Greater Region. The production of sustainable energy is a key element to Encevo, and through its subsidiaries it strives to grow its renewable electricity production capacity by investing in wind and solar energies.

In the group's heating and Combined Heat and Power (CHP) installations the subsidiary companies are increasingly replacing fossil fuel sources with wood biomass for heating production.

Encevo Group is also engaged in the development of renewable hydrogen, in line with the EU and Luxembourg hydrogen strategies, supporting the advancement of renewable hydrogen to help decarbonise the gas sector in a cost-effective way.

And finally, through the technical services activities the group promotes the development and installation of renewable energy production and consumption among Luxembourg citizens and professionals to drive forward and implement the energy transition in private households as well as among private and professional users.

## Organisation & management

Encevo Group, through its companies Creos, Enovos and Teseos, strives to make meaningful contributions to Luxembourg's climate ambitions, which include the achievement of a 35-37% share of renewable energies in final energy consumption in Luxembourg by 2030, by enabling increased production and consumption of local energy from renewable sources.

In line with this, the Encevo Group has defined the objective PI4 in its Sustainability Management Plan (page 45) to target renewable production (PV/wind/biomass via district heating) to support the governmental objective of 35-37% green power by 2030.

### **Enovos is actively developing its wind, PV and CHP businesses by:**

- Engaging in collaborations with customers, strategic partners and communities to develop renewable energy projects and initiatives.
- Applying strong local market knowledge and expertise in asset development and operations.
- Focusing strongly on developing a project pipeline for renewable energy investment opportunities and sites and construction of additional assets to deliver business growth.



**The main activities involved in the development of the photovoltaic (PV) business are:**

- Following a multi-annual plan for PV tenders, including installation categories and sizes to be issued.
- Identifying addressable areas and determine inspiring, actionable business approaches to deliver additional assets.
- Ensuring excellence and competitiveness in the development, construction and operation of PV assets.

**The primary focus of the CHP business developed by LuxEnergie is to advance Luxembourg's sustainable energy plan as a leader in energy contracting:**

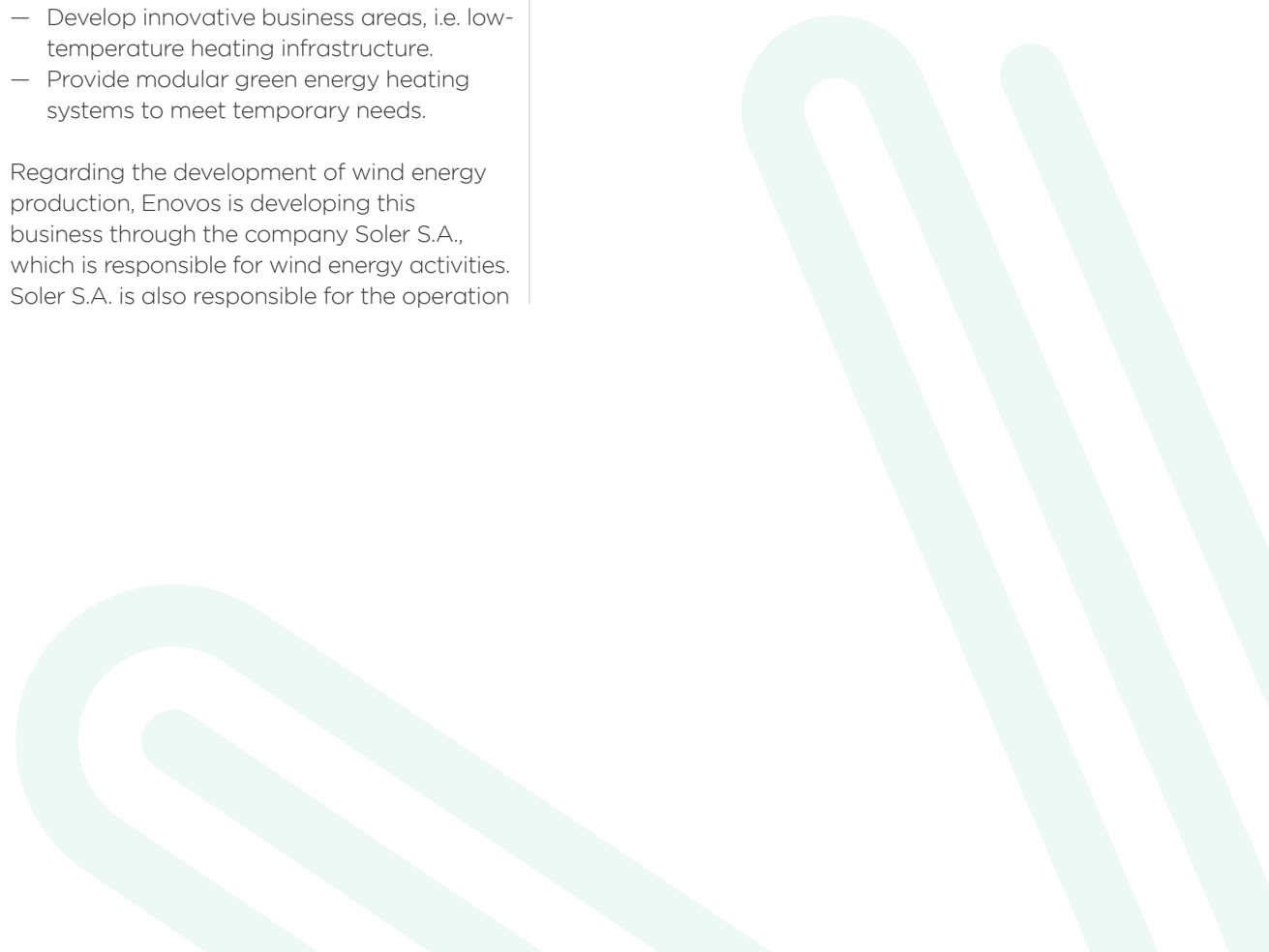
- Continue core business in LuxEnergie's energy contracting with the installation and operation of district heating and cooling infrastructure via pellet-based technology.
- Develop innovative business areas, i.e. low-temperature heating infrastructure.
- Provide modular green energy heating systems to meet temporary needs.

Regarding the development of wind energy production, Enovos is developing this business through the company Soler S.A., which is responsible for wind energy activities. Soler S.A. is also responsible for the operation

of most of Encevo's hydroelectric activities.

**Teseos Luxembourg, via its subsidiaries, is actively contributing to the energy transition by:**

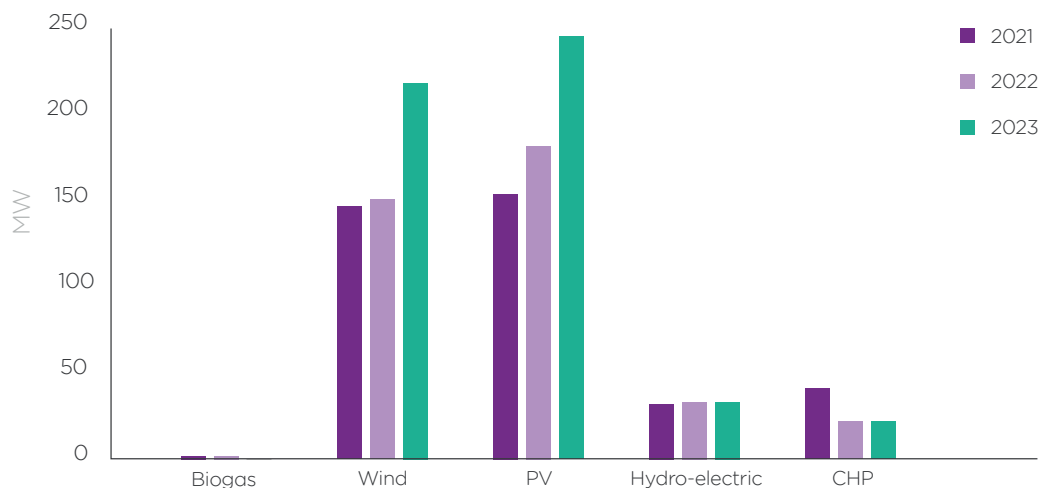
- The installation and maintenance of PV installations.
- The installation and maintenance of electric charging stations.
- Managing the operation of electric charging stations and providing access to public charging stations.
- The installation of heat pumps, contributing to the electrification of heating.
- Training and consulting customers in decarbonisation and using energy as efficiently as possible.



## Progress 2023

### Encevo Group total installed renewable energy production capacity (MW) (Luxembourg, Germany, Belgium, The Netherlands and Italy)

Total installed gross renewable energy production capacity in 2023: **515.8 MW**



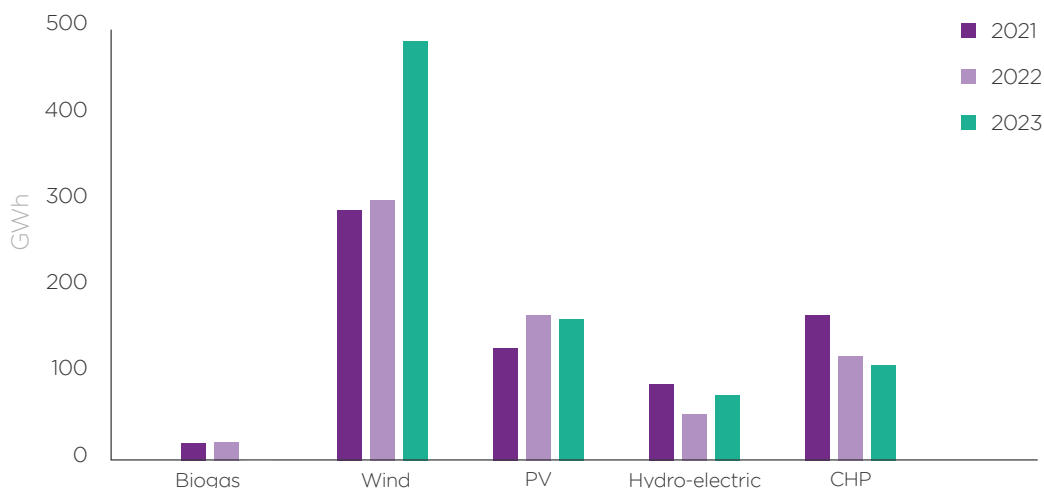
#### Encevo Group actual installed capacity (MW)

|              | 2021       | 2022       | 2023       |
|--------------|------------|------------|------------|
| PV           | 90         | 96         | 123        |
| Wind         | 71         | 72         | 97         |
| <b>Total</b> | <b>161</b> | <b>168</b> | <b>220</b> |

Note: figures in the table at the left were prepared in pro rata with Encevo's ownership, including assets from Luxembourg (87MW), Germany (74MW), Belgium (13MW), The Netherlands (35MW) and Italy (11MW).

### Encevo Group renewable energy production (GWh) (Luxembourg, Germany, Belgium, The Netherlands and Italy)

Total renewable energy production in 2023: **849,4 GWh**

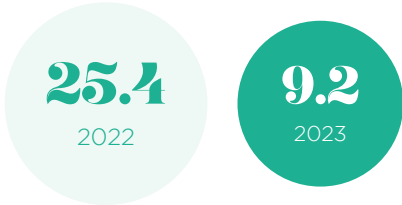


Encevo Group consolidated capital investments in renewable energies  
(EUR millions)

RES LUXEMBOURG



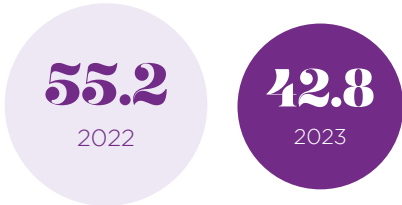
RES GERMANY



RES INTERNATIONAL



RES TOTAL



Note: as a substantial part of the Encevo group investments in renewable energies is done via subsidiaries that are only equity consolidated, the above figures reflect only the equity contribution into these subsidiaries and not the full investment expenditures.

Evolution of renewables in Luxembourg in 2023

The volume of the renewable assets portfolio in Luxembourg continued to grow at a fast pace. At year-end, the operational assets comprised 151.6 MW (2022: 84.4 MW) of onshore wind, 43.3 MW (2022: 35.6 MW) of photovoltaic (PV) installations, 32.6 MW (2022: 32.6 MW) of hydro power and 22.3 MW (2022: 21.9 MW) of combined heat and power (CHP). The total installed capacity amounts to 249.8 MWel (2022: 174.5 MWel, +43%) and 267.3 MWth (2022: 252.4 MWth).

The total electrical production for the year 2023 reached 554 GWh (2022: 391 GWh). The main driver for the increase in production were new wind capacities added during the year further supported by excellent wind conditions, increasing wind production by 150 GWh compared to 2022. Also, hydro assets benefited from favourable conditions and generated 22 GWh more than previous year. For photovoltaic electricity

production the year 2023 was average in terms of measured solar irradiation and the installations produced on budget and as such no significant increase in production could be observed compared to 2022, albeit capacities were added.

Soler S.A. successfully continued their development of new projects. In December 2022, 6 new wind turbines (25.2 MW) were put in test operations and were finally commissioned in Q1/2023. In addition to these capacities, an additional ten wind turbines were constructed and commissioned during 2023, adding a further 42 MW.

Photovoltaic installations saw another increase in capacity mainly in Q4 of 2023 though, adding 7.7 MW (2022: +5.4 MW). Altogether nine new projects were successfully commissioned, including three carports, four rooftop installations and two

ground mounted projects. Six projects (15.3 MW) are due for construction in 2024, all of them were successfully granted a Feed-in Premium in the national calls for large photovoltaic installations. Four projects (13.6 MW) will be innovative ground mounted projects with measures for biodiversity enhancement and an agricultural production underneath.

The year 2023 was another successful year for LuxEnergie S.A. and its major subsidiaries Kiowatt S.A., Airport-Energy S.A. and Datacenterenergie S.A. LuxEnergie managed to maintain a sound performance throughout the year by efficiently operating its assets. Having secured several biomass projects, LuxEnergie S.A. continues to achieve its objective to replace fossil fuel sources with wood energy in its heating and CHP installations. In addition, heat pump projects in combination with geothermal energy are being implemented. The total thermal capacity increased by about 15 MWth during 2023.

**PI2: Develop self-consumption and smart district concepts to guarantee low-carbon or zero-carbon energy supply via Encevo subsidiaries.** On October 27, 2023, Callisto, a joint venture of Encevo (10%), LuxEnergie (40%) and IKO Real Estate (50%), was

incorporated. Callisto will develop, build, operate and maintain efficient energy systems enabling generation, transportation, storage and utilization of electrical-, heating- and cooling energy in the general context of real-estate projects. The foundation stone for a first smart district project named Rout Lëns was laid in September 2023. The district covers an area of 10,5 ha and features housing for 3500 inhabitants. Energy related carbon emissions are kept minimal thanks to extensive use of locally generated renewable energy. District heating and cooling will be ensured via an innovative energy grid based on shallow depth geothermal energy. The electricity needs within the district will be partially supplied by rooftop solar installations and residual needs shall be covered with green electricity contracts. Transport related emissions are minimized thanks to the compact design of the district which eliminates the need for long commutes.

## Evolution of renewables in Germany in 2023

Photovoltaic development activities in Germany have been further developed with the reinforcement of the WES Green GmbH team, photovoltaic project developer now with 22 employees based at the headquarters in Föhren as

well as in Waldlaubersheim following the opening of a new office with four new employees.

In addition, the team progressed in the Südeifel project construction (200 MWp in 11 locations); construction of 193MWp ongoing with successful technical commissioning of the cableway and transformer substation (Umspannwerk) in November 2023, commissioning of PV parks Niederraden (16,8 MWp) and Weidingen (20 MWp) in December 2023, and a further six photovoltaic parks to be commissioned starting in January 2024 until the end of February 2024. The official inauguration will be organised in April 2024 with all local partners, stakeholders.

Moreover, the second phase of the PV project Leiwen (11.3MWp+4.2MWp) was commissioned in December 2023 as scheduled. Additionally, Hasborn PV project (12.5MWp) was constructed and the commissioning and grid connection are expected in early 2024.

Other photovoltaic and wind projects in earlier stages and which are part of the current project pipeline have progressed further.

The Enovos Renewables O&M teams based in Saarbrücken, Berlin and Waghäusel are still performing as planned

with nearly 900 MWp of PV installations managed, mainly located in Germany.

Targeted growth, both organic and inorganic, both along the value chain and in other European countries, continues to be a basic prerequisite in order to leverage synergies in this business area and counteract the decline in margins.

## Evolution of renewables internationally in 2023

The strategy centred on expanding the footprint in renewable energies further continued and progressed in 2023, again with a focus on the development of photovoltaic electricity production in the Netherlands. As a result, the Netherlands is anticipating a “record year” in terms of development and commissioning of parks, with a total of 30 MW expected to be operational mostly in 2023 and early 2024. In Belgium, some opportunities have been studied and the team is developing to be more active in this geographical market.

The operational performance of the existing assets ended above target due to excellent record wind conditions for the park in Sankt Vith, combined with good sun levels in both Belgium and the Netherlands. However,

higher energy wholesale prices have enabled an extremely good financial performance. Furthermore, the Condreole wind project (15 MW) was commissioned in mid-2023 and is expected to be operational in early 2024 after potential obtention of the updated permit.

Enovos Luxembourg S.A. also continued the development of photovoltaic activities in France, focusing on the Grand Est and the Hauts de France Regions. The biggest focus in 2023 has been on structuring the team and progressing in the scouting activity to build up a solid project pipeline. Some interesting opportunities have been studied aimed at potential project realisation in the coming years.

Regarding Enovos Solar Investments II S.r.l. Unipersonale (ESI II), one remaining park is under legal claims.

The operational performance of the ESI I and ESI II assets was slightly below expectations due to sun levels, offset by good asset management.

## Evolution of renewable hydrogen in 2023

Encevo believes that renewable and other decarbonised gases like hydrogen are to be

considered as important decarbonisation options in the energy transition to achieve climate neutrality by 2050, especially in hard to decarbonise sectors.

Encevo is a founding member of the Grand Region Hydrogen EEIG and supports its subsidiary Creos (Germany) in developing the infrastructure project mosaHYc (moselle-saarhydrogen-conversion), which aims to establish an approximately 100-kilometre-long hydrogen pipeline in the Greater Region. Both initiatives are detailed below.

### mosaHYc project

In 2023, Creos Deutschland continued consolidating the mosaHYc (Moselle-Saar-Hydrogen-Conversion) infrastructure project. An important milestone was reached at the end of 2023: the regional planning procedure for the Bouzonville-Dillingen line route as a major new construction within the framework of mosaHYc was completed; the route corridor has been finalised.

With mosaHYc, the distribution network operators Creos (Germany) and GRTgaz (France), in cooperation with the energy company Encevo (Luxembourg), want to establish an approximately 90-kilometre hydrogen pipeline in the Greater Region. About 70 kilometres of existing gas pipelines, some of which are out of

service, are to be converted into hydrogen pipelines. An additional construction of about 20 kilometres of hydrogen pipelines will create a first hydrogen island network.

mosaHYc represents the essential link to bring hydrogen producers and users together in this region: it allows potential hydrogen producers to safely feed in their volumes and hydrogen consumers to safely receive the quantities of hydrogen they need for their processes.

mosaHYc fits in with the European Commission's hydrogen strategy. The aim is to create a carbon-neutral European economy in the long term. To achieve this, a single approach is not sufficient – the coupling together of all sectors is necessary. With the mosaHYc infrastructure, hydrogen can be made available as a fuel and energy carrier for industry, mobility, reverse power generation and heat in the Greater Region.

mosaHYc is a good example of a cross-border hydrogen infrastructure project. This regionally distinguished European network is needed on a larger scale. Since it is estimated that the demand for hydrogen in the future cannot be met locally alone, it is important to ensure the future import of the required green hydrogen from more distant countries. Thus, the supply of hydrogen in the Greater Region will be secured in the long term, when new technologies based on hydrogen are increasingly introduced and the demand for hydrogen grows. For the Greater Region, mosaHYc is therefore the nucleus that enables a connection to the larger European developing network and also to the "Wasserstoff-Kernnetz" in Germany.

In 2023, Creos Deutschland Wasserstoff GmbH started with a Europe-wide tender for the general planning of the new Dillingen-Bozonville pipeline to be built. This was made possible thanks to the "early start of measures" which Creos Deutschland Wasserstoff received in 2022 from the Federal Ministry for Economic Affairs and Climate Protection (BMWK) within the

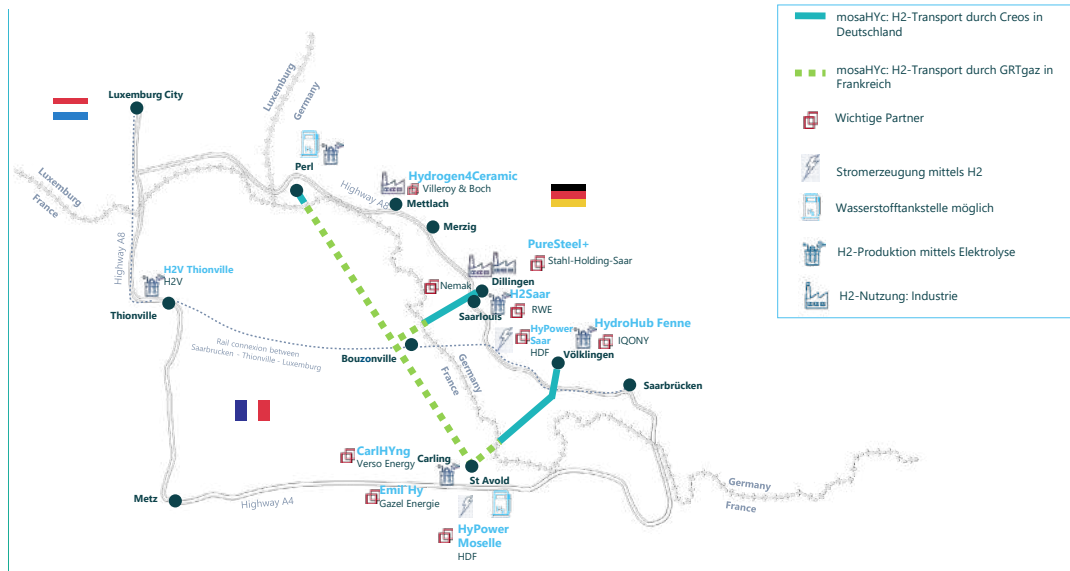
framework of the Hydrogen IPCEI ("Important Project of Common European Interest") programme.

Also in 2023, mosaHYc was included in the PCI list of the European Commission. The PCI list brings together "Projects of Common Interest". From an EU perspective, these are key projects for the development of cross-border infrastructures in the field of renewable energies. This once again emphasises the importance of the project both for a hydrogen ramp-up and for cross-border cooperation.

Together with the partners of the European Economic Interest Grouping (EEIG) Grande Region Hydrogen (GRH), mosaHYc is creating a functioning hydrogen economy across borders with the participation of the various market players. Network operators, hydrogen producers and hydrogen consumers would work together in the GRH at the right time and in the right place.







Please note that the figure represents the project status in October 2023.

## Grand Region Hydrogen (GRH) – avant-garde in European hydrogen transformation

The European economic interest grouping “Grande Region Hydrogen EEIG” (GRH) is pursuing the goal of developing a hydrogen economic system in the Greater Region of Saarland, Grand Est and Luxembourg. It represents the entire value chain of a hydrogen economy and unifies hydrogen projects by producers, consumers and infrastructure operators. In doing so, it is laying the groundwork for a sustainable hydrogen economy in the Greater Region and is actively contributing towards national and European decarbonisation targets.

GRH was founded in August 2021 and currently consists of the following partners: Creos Deutschland GmbH, Encevo S.A., GazelEnergie, GRTgaz, H2V, HDF Energy, Iqony, Nematik Dillingen, SHS – StahlHolding-

Saar, RWE, Verso Energy and Villeroy & Boch. More information on GRH, the partners, and their projects can be found at [www.grande-region-hydrogen.eu](http://www.grande-region-hydrogen.eu)

On 8 May 2023, during the launch of the new digital version of the “Hydrogen Valleys” platform, GRH was awarded an “H2.O-Valleys” certificate and is now one of the flagship projects recognized by this European Union structure.

“Hydrogen Valley” certificate © Mission Innovation



The member companies of Grande Region Hydrogen have been given a boost from the EU: the European Commission announced at the end of 2023 in a letter that the projects “mosaHYc”, “Emil’Hy”, “CarlHYng” and “H2V Thionville” are now on the list of “Projects of Common Interest”, or PCI list, a series of projects the EU considers key to the development of cross-border energy infrastructure. The addition of these projects to the current PCI list underscores the special role played by the emerging hydrogen economy in the SaarLorLux border region.

Grande Region Hydrogen (GRH) is a common economic area for hydrogen that includes Saarland (Germany), Lorraine (Grand Est, France) and the Grand Duchy of Luxembourg, and is a prime example of cross-border cooperation in the energy sector currently being called for and funded by the EU. The fact that four projects by member companies of GRH are now on the PCI list highlights the cross-border significance of both the projects and GRH.”

Moreover, since the launch in Q4 2023, the Encevo Group (along with its subsidiaries Enovos and LuxEnergie) has been participating in the development of a Hydrogen Valley call under the Horizon Europe Framework Programme, LuxHyVal. Project results are expected to address questions of system integration, system efficiency, improved security and resilience of the energy system, market creation, complementarity of hydrogen with RES, availability/affordability of clean (pollution free) energy provision, topics that are embedded in the core business and strategy of Encevo Group.

The role of Encevo and its implicated subsidiaries is mainly focused on:

- A strategic role allowing this new valley to be connected in the (near) future with the clusters/ecosystem under development by other initiatives,
- Elaboration of the business model along involving other partners, such as the hydrogen producer and consumer,
- Design, installation and operation of a 5 MW electrolyser, providing valuable experience in operational safety, economic viability and ensuring security of supply,
- Conclusion of an HPA (Hydrogen Purchase Agreement) with the hydrogen consumers considering that green hydrogen projects require predictable, consistent power supply via Power Purchase Agreement (PPA), including handling of Guarantees of Origin (GOs).

### Hydrogen interconnection studies with neighbouring countries

Creos Luxembourg, together with Creos Deutschland, GRTgaz, and Fluxys, develops concrete scenarios for a hydrogen infrastructure in the Greater Region. Pursuing the vision of connecting Luxembourg to the European Hydrogen Backbone, Creos submitted in December 2023 its infrastructure plans to the European Ten-Year Network Development Plan (TYNDP 2024) of ENTSOG. In a first step, an initial cross-border infrastructure will be operational until 2030 to supply large clients with clean hydrogen.

### Hydrogen demand in industry and transport

In order to better assess the hydrogen demand of the industrial sector in the context of their decarbonisation strategies, Creos worked closely with FEDIL and Luxembourg’s gas-intensive companies to evaluate their hydrogen needs for 2030 and beyond. This work was extended in 2023 to transport companies.

### European Clean Hydrogen Alliance

Encevo Group continued to be an active member of the European Clean Hydrogen Alliance in 2023. The purpose of the alliance is to create a facilitating platform (meetings, discussions, pipeline of projects, potential cooperation) among stakeholders (companies, MS, political experts, etc.) that support climate neutrality related to hydrogen initiatives. This alliance intends to be an important element in helping decarbonisation and supporting climate neutrality.

The European Clean Hydrogen Alliance (ECH2A), launched in July 2020, is one of the key initiatives of the EU Hydrogen Strategy for a climate-neutral Europe. It aims to support the European H2 production and deployment ambitions and to ensure the emergence of an EU hydrogen economy by 2030.

## Evolution of technical services in 2023

### Acquisitions

In 2023, Teseos continued to develop its activities within the B2C sector by acquiring Grethen Sàrl, a company specialised in heating and plumbing installations for 75 years, that offers a wide range of products and services in the following areas:

- Fuel operated heating systems (gas, oil or wood boilers)
- Heat pumps
- Ventilation systems
- Water softeners
- Solar thermal

In addition, Teseos acquired supplementary shares in Minusines S.A., now holding 97.58%. Minusines is the leading distributor and consultant in the field of electrical and professional lighting equipment in Luxembourg, representing an important partner for the sector, i.e., building owners, architects, design offices, electricians, and installers.

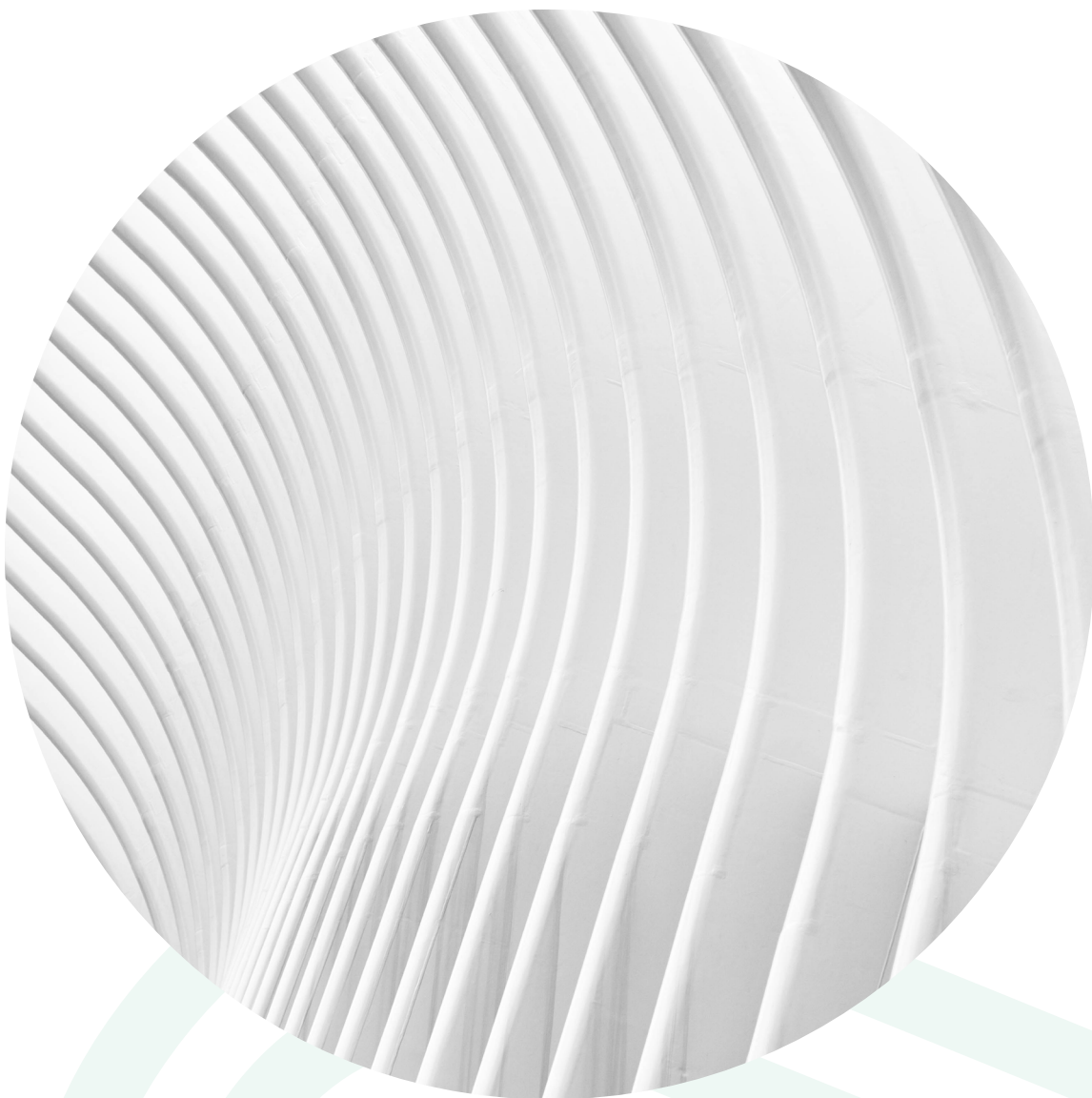
In July 2023, Encevo acquired the Nexxtmove activities of the Belgian company Powerdale S.A. These activities include the management, operation and exploitation of a platform, which manages on a daily basis some fifty thousand charging stations and as many users of electric charging cards, as well as applications linked to electromobility. This application, which is used by major groups in Belgium, the Netherlands and Luxembourg, among others, is now operated by diego Luxembourg S.A., an entity of Teseos Luxembourg.

And also, in 2023, Encevo Deutschland acquired 35% share of Libertas Energy GmbH to expand its product offering on photovoltaic installations and battery storage systems in the B2C and B2B market in southwest Germany. Its service portfolio includes photovoltaic systems, battery storage, charging stations for e-cars and repair and maintenance for its projects, being an energy transition enabler in Germany.

### Deployment of energy transition within the Grand-Duchy of Luxembourg

Besides the acquisitions in 2023, Teseos continued to drive forward the implementation of the energy transition in Luxembourg via its subsidiaries, including:

- More than 8MW PV installed
- More than 500 charging stations installed
- 18 heat pumps installed in 2023, with plans to grow this business further via Grethen S.àr.l.
- More than 30 direct current (DC) fast charging stations installed
- 100,000 users on emobility platform for different access & billing services



# Resource efficiency: Energy Use Efficiency and Demand-Side Management (material topic)

## Materiality

Energy use efficiency and demand-side management is a material topic to Encevo Group. Being centered in the supply of energy and the provision of energy services, the companies at Encevo Group strive to encourage an efficient use of energy among customers and consumers in general.

They do this through the provision of information and promotions and through the offering of solutions and technologies that help customers better manage their use of energy and therefore reduce the environmental impact of their energy consumption habits.

The group engages in the development of pioneering and innovative initiatives which contribute to the efficient use of energy in Luxembourg and the Greater Region.

Through all these activities Encevo Group contributes to Luxembourg's energy efficiency objectives defined in the energy and climate plan and to the regional objectives defined by the European Green Deal.

## Organisation & management

The energy efficiency topic is relevant to all Encevo Group companies.

For Enovos Luxembourg in particular, the company continuously provides information and develops energy efficiency campaigns to educate its customers and consumers on these subjects. Enovos supports and promotes energy efficiency improvements through the enoprimes programme, which provides grants to residential customers, companies and communes to implement energy-efficient renovations and obtain energy and costs savings.

Enovos is also involved in the development of innovative projects and collaborates with government initiatives that include an energy efficiency dimension and develops projects that adapt to specific industrial clients' needs with a focus on improving energy efficiency.

In addition to this, the group subsidiary energieageance provides a complete portfolio of services in the fields of energy efficiency and renewable energy sources with focus on training and consulting, including the calculation of corporate carbon footprint, energy audits, energy efficiency concepts, energy passes and thermal bridge calculations among others.

For Creos Luxembourg the energy efficiency concept is developed by progressing on grid flexibility and smart grid solutions to ensure the optimal use of assets and advancing the adoption of renewable energies. Smarter and more flexible electric grids help reduce energy losses and optimise energy transfer, making the grid more efficient and sustainable.

Moreover, Creos has a Facility Management service contract that is responsible for the management, tracking and improvement, whenever possible, of the company's overall energy consumption.

LuxEnergie also deals with energy efficiency. Its main goal is to provide a continuous energy supply using highly efficient installations. To reduce the environmental impact, non-renewable fuels are being increasingly replaced with renewables. Supervised 24/7, these installations guarantee a continuous supply for clients. The energy ratio as well as other parameters (water consumption, etc.) are regularly monitored by the R&D department to guarantee highly efficient and clean energy production.

Moreover, Encevo has its in-house Corporate Venture Capital capability that invests in select early-stage companies that develop innovative solutions for the energy transition, including technological innovations that enhance the efficient use of energy along our different business lines, addressing themes like smart grid and low-voltage grid optimisation, energy storage solutions, or energy efficiency for buildings, among others.

Finally, the group continuously and thoroughly monitors energy consumption across its different sites. The office building where Encevo,

Enovos and Global Facilities are based in Esch-sur-Alzette has an energy management system in place according to the ISO 50001 standard (certified). Even if the other sites are not certified the same, the companies extend the lessons learned – the actions taken for energy savings – in a cross-cutting way and apply them on all the sites where it is feasible. The Esch site also has an energy policy in place, aimed at monitoring and reducing its energy consumption in the long term. Thanks to this strategy, the group buildings are now consuming 20% less energy than the average office buildings (source IOD 2020 for France).

## Progress 2023

### Promotion of energy efficiency

Promoting energy efficiency and energy savings has always been a group priority. Therefore, several campaigns and special actions have been implemented in 2023.

Encevo Group intends to reduce individual customers' energy use through a comprehensive rollout of digital smart meters and cutting-edge digital solutions and campaigns. The different customer programs create awareness about energy consumption and encourage effective energy management practices.

The entities Global Facilities and energieagence provide

energy audit services, reinforcing energy efficiency improvements among their customers. During 2023, as part of the national energy-saving program "Zesumme Spueren, Zesummenhalen", Global Facilities drew up and submitted an action plan that included energy audits carried out on 30 buildings.

### The good resolutions campaign ("Les bonnes résolutions") by Enovos, December 2023

This year in December Enovos produced a one-and-a-half-minute long video campaign that follows on from the claim "We give you the energy, you write the story", promoted both through digital and on traditional media. The campaign develops the subjects of decarbonation and energy efficiency in line with the energy transition, informing society about Enovos' offering of sustainable products and services and encouraging people to adopt more sustainable lifestyles.



Further information on this campaign can be found in [enoblog.lu](https://enoblog.lu)

*"Ah ! Les fameuses bonnes résolutions !"*





### enoprimes

This year the enoprimes programme was implemented once again, providing financial aid for energy renovation projects that aim to reduce energy consumption among households.

The enoprimes teams generated over 6,500 offers for new energy efficiency solutions (+2,000 offers compared to 2022) while also completing over 2,725 initiatives (+691 compared to 2022). As a result, 2023 was a successful year, with 169.7 GWh (+16.4GWh compared to 2022) and 153.3 GWh of accomplished savings for the enoprimes initiative, where Enovos once again exceeded its annual targets.

### Household appliances action enoprimes

Enovos and enoprimes have helped many households save energy as part of household appliances enoprimes campaign developed during 2023. With an immediate discount of EUR 50 or EUR 100, enoprimes supported the purchase and replacement of household appliances. In total, the purchase of 4,824 electrical appliances resulted in energy savings of 747.28 MWh, with EUR 293,700 paid out in the form of enoprimes bonuses.

### Smarty PRO application

Creos Luxembourg launched the Smarty PRO application this year. Smarty PRO is a free mobile application for smartphones and tablets, dedicated to professional electricians. Its advantages are that it simplifies and digitises every step of the process to manage requests for home installation of electric car charging stations and photovoltaic panels. The process is now faster, paperless, reduces installation errors and offers greater security for both the electrical network and the end user.

### Energieageance achievements in 2023

In 2023 energieageance, with 30 employees, reached several key milestones, including the training of more than 650 persons, the provision of more than 150 certificates and studies and the completion of 60 energy counsels - Klimabonus. Moreover, 12 energy monitoring projects were developed with industrial and private building owners, and 30 public buildings were audited to measure their real energy savings. Energieageance also carried out the “Fresque du Climat” sensibilisation campaign for municipalities & their inhabitants, developed with the commune of Esch-sur-Alzette.

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**enovos**

For the upcoming years the group has defined the objective PI8 in its Sustainability Management plan (page 45) to increase the number of services delivered in the field of decarbonisation to the different economic sectors in Luxembourg compared to 2022. In particular, to increase the number of energy audits, carbon assessments, decarbonisation studies and training sessions, so the group will continue making efforts in this direction.

## Energy consumption within the organisation

| ENERGY CONSUMPTION WITHIN THE ORGANISATION ENCEVO GROUP (MWH)   | 2021           | 2022           | 2023           |
|---|----------------|----------------|----------------|
| Non-renewable fuel  | 481,974        | 283,393        | 222,516        |
| Renewable fuel  | 151,264        | 203,634        | 232,349        |
| Electricity consumption - externally purchased  | 189,777        | 185,043        | 158,357        |
| District heating consumption - externally purchased   | 1,504          | 5,338          | 11,780         |
| District cooling consumption - externally purchased   | 905            | 489            | 220            |
| Steam consumption - externally purchased  | 0              | 0              | 0              |
| Self-generated electricity (wind or solar) consumed by the company                                      | 0              | 0              | 382            |
| Electricity, heating, cooling and steam energy self-generated and sold by the organisation <sup>1</sup> | 486,524        | 382,688        | 357,134        |
| <b>Energy Consumption within the Organisation</b>   | <b>338,901</b> | <b>295,210</b> | <b>268,469</b> |

Please note that data for GRI 302 is not available for Minusines, Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.

Notes: The system has been configured to calculate energy consumption within the organisation in line with the GRI 302-1 standard. Unit measures are now expressed in MWh as required by ESRS E1. Under GRI standards, we reported in GWh in the past years. The figures from 2021 and 2022 have been reviewed and aligned with updated definitions and our enlarged group scope. With regards to self-generated district heating, district cooling and steam energy, this data was not included in the table to avoid double counting as recommended in the GRI 302-1 standard, as the table already includes the use of fuel to produce this energy.

<sup>1</sup> In relation to self-generated electricity sold, this value only includes electricity production from combined heat and power and renewable electricity production from our office sites.

# Resource efficiency:

## Emissions: Energy and Carbon Management

As Encevo Group develops its activities in the energy industry, greenhouse gas (GHG) emissions management is a topic that concerns the entire organisation and affects all the group companies and chain of activities. The accounting of GHG emissions for the whole group and the development of GHG emission reduction targets in are the main focus areas of this topic.

### Organisation & management

Encevo Group strives to place GHG emissions management at the core of all company activities, where GHG emissions becomes a relevant KPI to the different business units and entities in the group.

Encevo has a well-established Corporate Social Responsibility (CSR) function that coordinates and promotes the development of sustainable business practices within the group. The CSR team is responsible for coordinating the development and implementation of sustainability policies and practices, with a special focus on GHG emissions management and reporting.

Since 2023 the group has implemented a system tool that is used to collect the necessary data from the different business activities and calculate the GHG emissions for the whole group. The methodology used to calculate the group's GHG emissions is in line with The GHG Protocol and the European Sustainability Reporting Standards (ESRS). In this way, the Encevo Group is prepared to disclose its GHG emissions on a yearly basis and track the achievement of its decarbonisation targets.

Encevo Group has now a thorough understanding of its main GHG emission sources. The majority of its scope 1 and 2 GHG emissions arise from electricity and gas network losses from the grid activities, as well as through energy consumption for heat production and district heating. The scope 3, indirect GHG emissions, represent the largest portion of the group's total emissions, which arise from the purchased energy that it sells to its different customers, that derive from energy production and consumption along the energy value chain. The group analyses these emission sources carefully and develops its decarbonisation trajectory and emission reduction targets.

Moreover, Encevo Group is actively committed to reducing its energy consumption within the organisation and its associated GHG emissions as described in detail in the "Energy Efficiency" section of this report.

Encevo Group is particularly committed to use renewable electricity in its office sites and has invested in photovoltaic installations in some of its sites in Luxembourg and in Germany. For instance, the Creos Merl site has two photovoltaic installations for

self-consumption and for the charging of employees' electric vehicles, one over the parking roof with 179.5 kWp and another one over the roof of the main building with 64 kWp.

For LuxEnergie in particular, it is increasingly important to reduce the greenhouse gas emissions of its installations, especially in the context of rising CO<sub>2</sub> prices and increasing environmental awareness. The continuous supervision and monitoring as well as regular maintenance of the company's installations is very important to ensure the minimisation of greenhouse gas emissions. Moreover, LuxEnergie provides sustainable heating services to its customers through the use of modern technologies and renewable energies.

## Progress 2023

### Overview of Encevo Group GHG emissions

This year the company performed a complete analysis and recalculation of the group GHG emissions with the support of external carbon accounting consultants and based on the GHG Protocol methodology. A project was developed on this subject where the year 2021 was defined as the base year and the group GHG emissions were recalculated for this year with the scope of all our fully consolidated companies.

In addition to this, in 2023 the organisation set up a new tool to manage the calculation of the group's GHG emissions and other non-financial KPIs, which facilitates information gathering from the different business units and entities and ensures a homogeneous and systematic way of calculating the GHG emissions of the entire group.

The tables below present Encevo Group's total scope 1, 2 and 3 GHG emissions for all the fully consolidated companies in the reporting year 2023.

| GHG EMISSIONS - ENCEVO GROUP - LOCATION BASED | 2023<br>(t CO <sub>2</sub> e) |
|---|-------------------------------|
| Scope 1                                       | 60,312                        |
| Scope 2 - Location Based                      | 55,245                        |
| Scope 3                                       | 7,393,500                     |
| <b>Total</b>                                  | <b>7,509,057</b>              |

| GHG EMISSIONS - ENCEVO GROUP - MARKET BASED | 2023<br>(t CO <sub>2</sub> e) |
|---|-------------------------------|
| Scope 1                                     | 60,312                        |
| Scope 2 - Market Based                      | 66,319                        |
| Scope 3                                     | 7,393,500                     |
| <b>Total</b>                                | <b>7,520,131</b>              |

Please note that data for GRI 305 is not available for Minusines, Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.

The above tables present the group's GHG emissions in the location-based and market-based approaches for Scope 2 GHG emissions accounting.

Scope 2 GHG emissions refer to the indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company. The location-based approach calculates the GHG emissions from the electricity physically delivered to the company, relying on the average country specific grid emission factors.

The market-based approach calculates the emissions based on the electricity contracts that the organisation has established with its suppliers, where purchase power agreements (PPA) or guarantees of origin can be considered.

Encevo Group's scope 2 GHG emissions mainly result from the electricity losses from the group's transmission and distribution activities in Luxembourg and in Germany.

As was mentioned before, the tables above show that the group’s scope 3 GHG emissions represent the largest proportion of its total emissions, which mainly arise from the purchased energy that it sells to the different customers, and that are derived from energy production and consumption along the energy value chain.

Finally, the table presents the Encevo Group scope 1 GHG emissions, which mostly relate to energy consumption for heat production and district heating and to gas network losses from the grid activities in Luxembourg and in Germany. After the disclosure of the Encevo Group GHG emissions in 2023, the group has now achieved its objective **RE3: Measure emissions scope 2 (by 2022) and scope 3 (by 2023)** from the Sustainability Management Plan.

Emission reduction measures

As mentioned above, in 2023 the project team recalculated the group’s GHG emissions for the base year 2021, and in addition to that, it defined emission reduction measures and near-term targets for the year 2030 as presented in the graph below.

The main reduction levers in scope 1 relate to the replacement of fossil fuel energy sources with wood biomass in the heating and combined heat and power (CHP) installations at LuxEnergie. In addition to this, the levers include the electrification of fleet and management vehicles at Creos Luxembourg and Creos Germany.

In relation to natural gas network losses due to the activities as network operator in Luxembourg and in Germany, there are two main sources of GHG emissions:

- Gas preheating – consumption of heating gas necessary to balance the Joule Thomson Effect.
- Gas blow-outs – methane emissions in connection with pipeline maintenance and construction projects.

Both at Creos Luxembourg and Creos Germany, a project has been developed to determine and evaluate the possibilities for reducing methane emissions from these sources.

Encevo Group 2030 GHG emission reduction targets (t CO<sub>2</sub>e)

Total (base year 2021): 8,590,918 t CO<sub>2</sub>e



At Creos Germany an internal working group consisting of various departments has been established with the goal to monitor methane emissions and develop concepts for the reduction of methane emissions.

Regarding the scope 2 GHG emissions, the most relevant source are the electricity network losses from electricity transmission and distribution activities in Luxembourg and in Germany. Electricity losses inevitably occur when electricity is transported through the grid, which are considered indirect emissions that result from the production of this electricity. These losses can be greened by increasing the amount of green electricity that is being transported through the network.

From a location-based perspective it is foreseen that the electricity transported through the network will be increasingly green as Luxembourg increases its renewable electricity production in line with Luxembourg’s integrated National Energy and Climate Plan (PNEC) and with the greening of the electricity that is imported from Germany. Several studies and reports indicate that electricity production in Germany will be increasingly greener in the years ahead, like the “EU Reference Scenario Report” from the European Commission and the “Climate-neutral electricity system 2035” report by Agora Energiewende. Regarding the scope 3 reduction measures, the main reduction source relates to the decision to degrow the natural gas activities in Germany. At the same time, the company is developing further its offering of green energy products, mainly through Guarantees of Origin (GO) and through Power Purchase Agreements (PPA).

After these decarbonisation targets have been defined, the 2023 GHG emissions results show good progress, where a decrease in the group’s Scope 1, 2 and 3 GHG emissions can be observed when compared to the 2021 baseline. In 2024 it is planned to embed the emission reduction targets in the emissions management tool where it will be possible to monitor the improvements towards these targets.

After the disclosure of the near-term 2030 targets, Encevo has achieved its objective [RE 2: Define emissions trajectory for Encevo Group by 2023](#) from the Sustainability Management Plan.

Biogenic GHG emissions

In line with the European Sustainability Reporting Standards (ESRS E1), the table below discloses the biogenic emissions that arise from biomass combustion for heat production (scope 1) and from the purchase and sale of renewable energies (scope 3).

| BIOGENIC EMISSIONS - ENCEVO GROUP        | 2023    |
|--|---------|
| Scope 1                                  | 79,768  |
| Scope 3                                  | 23,279  |
| Total Biogenic CO <sub>2</sub> emissions | 103,047 |

Please note that data for GRI 305 is not available for Minusines, Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.

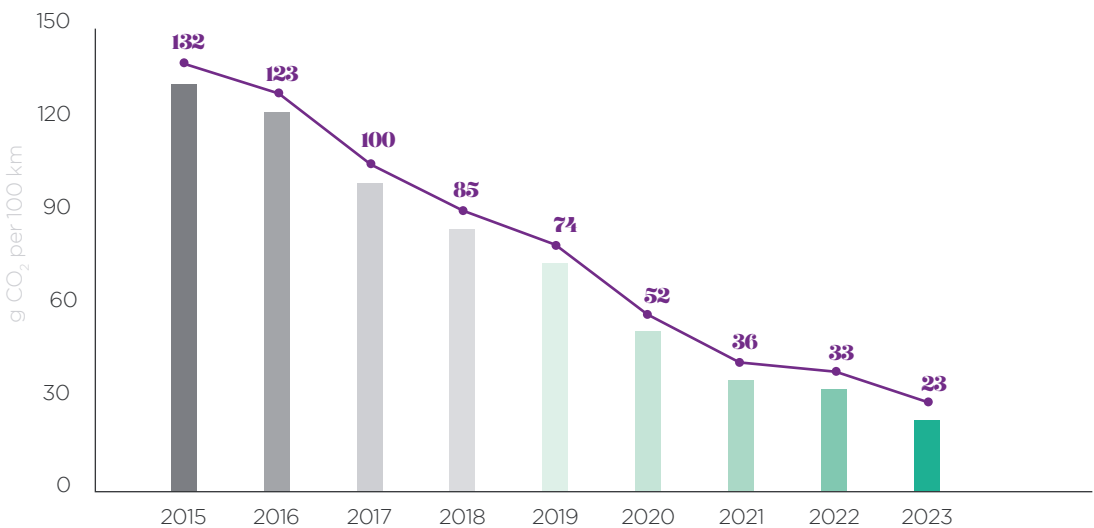


CO<sub>2</sub> emissions in our leasing fleet

RE4: Reduce CO<sub>2</sub> emissions for leasing fleet in Luxembourg (Encevo/Creos/Enovos/Teseos) to zero emissions is an ongoing objective in the Sustainability Management Plan.

Since 2015, the corporate cars from Encevo, Enovos, Creos and Teseos Luxembourg have emitted an average of 132g CO<sub>2</sub> per 100 km per car, while achieving an average of 23g CO<sub>2</sub> per 100 km per car in 2023 and improving continuously. The plan is to achieve zero emissions from the leasing fleet by 2025.

Average emissions of corporate cars from Encevo, Enovos, Creos and Teseos Luxembourg (average g CO<sub>2</sub> per 100 km)



Replacement of IT equipment for a circular cycle

During 2023, the companies Encevo, Enovos, Creos and Teseos Luxembourg continued to recycle their IT equipment and contribute to a circular cycle, having recycled 140 kg of IT equipment. In this way the companies prolong the life of their professional IT devices and are constantly trying to repair devices, exchange batteries or fix broken mobile phone screens instead of purchasing new devices. For example, it was decided to use the professional mobile phones for five years instead of three years and laptops for five years instead of four years. The concrete gains related to the material savings are currently computed and will be communicated in the next Annual Report.

New photovoltaic installations at the sites in Luxembourg and Germany

New carport at Creos Roost, Luxembourg

In 2023, Enovos successfully commissioned a significant PV carport project at Creos Regional Centre in Roost, encompassing 170 parking spaces and utilizing over 1000 bifacial solar panels with a total capacity of 470 kWp. These advanced panels harness both direct sunlight and reflected light from the bottom, maximizing energy generation and marking a substantial stride in our commitment to sustainable practices. The PV carport project was a collaborative effort, executed hand in hand by Encevo companies Enovos, Creos, and Paul Wagner & Fils.

**New photovoltaic installation at carport in Creos Homburg, Germany**

Creos Deutschland GmbH inaugurated in 2023 a photovoltaic installation at its carport in Homburg. Ideally, around 215,000 kilowatt hours of electricity per year are generated from solar energy via a carport with a roof area of 900 m<sup>2</sup> fitted with PV modules. This reduces CO<sub>2</sub> emissions by around 90 tonnes per year.

This video provides an overview of the carport:



Creos Germany uses the green electricity for its own buildings on site and for charging vehicles. With the construction of the PV carport, an additional 20 charging points were made available for employees.



Carport at Creos Homburg



New Carport at Creos Roost

# EU Taxonomy Analysis of Environmental Objectives

The EU Taxonomy regulation establishes that economic activities can be classified as sustainable based on their contribution to six environmental objectives. To be classified as sustainable, the activity must not only substantially contribute to at least one environmental objective but must not violate the remaining ones and comply with minimum safeguards.

The Encevo Group has prepared a roadmap to report on the EU Taxonomy that is explained in the section “EU Taxonomy Plan” of this report. This section develops an analysis of Encevo’s contribution to the EU Taxonomy six environmental objectives.

**The first objective, climate change mitigation, according to the EU Taxonomy definition, refers to projects or activities that contribute substantially to the avoidance or reduction of GHG emissions or the enhancement of GHG removals, in line with the Paris Agreement.**

At Encevo Group sustainability is integrated in its vision: to be the leading partner for the sustainable energy transition in the Greater Region, where emissions management and the definition of emission reduction targets and plans is a very important topic.

This topic is developed in detail in the section “Emissions: energy and carbon management” of this report, where information is presented on total GHG emissions for Encevo Group as well as 2030 emission reduction targets.

**The second objective, climate change adaptation, refers to the development of projects or activities that contribute substantially to reducing or preventing potential damage associated with climate change.**

It has now been confirmed by scientists that human-induced climate change is real and poses a significant risk to people and the planet in the decades ahead. Climate change is already affecting Luxembourg, where the main threats identified for the region by the European Environment Agency (EEA) are:

- increase in heat extremes
- decrease in summer precipitation
- increasing risks of river floods
- increasing risk of forest fire
- decrease in economic value of forests

In Luxembourg and in the Greater Region there have been some weather events that could be considered a consequence of human-induced climate change, and which have provoked damage to Encevo Group’s infrastructure, such as the floods in July 2021, which caused major damage to the hydro assets in Rosport.

Potential risks to the energy sector include the reduction in the efficiency rates of all types of power plants, the potential damage

to energy infrastructure caused by extreme weather events and the increased exposure to energy infrastructure damage by changing climate conditions.

For 2024 it is planned to enhance the understanding of the main sustainability risks and opportunities that relate to the different business activities of Encevo Group.

**The third objective, sustainable use and protection of water and marine resources, refers to the development of economic activities or projects that substantially contribute to safeguarding the good qualitative and quantitative status of all water bodies in Europe, including the protection of surface water, groundwater and marine resources against pollution and deterioration. ESRS E3**

At Encevo Group the topic of water is less material, as its activities are not water-intensive. The results of the double materiality assessment support this conclusion, where “water management” did not result as a material topic to Encevo Group, as described in the section: “GRI content principles note” in the appendix of this report.

Nevertheless, the sustainability data collection tool does account for water use in the different company sites, and it calculates the GHG emissions from wastewater, among other waste streams.

**The fourth objective is the transition to a circular economy. According to the EU Taxonomy Regulation, “an economic activity can contribute substantially to the environmental objective of transitioning to a circular economy in several ways. It can, for example, increase the durability, reparability, upgradability, and reusability of products, or can reduce the use of resources through the design and choice of materials, facilitating repurposing, disassembly, and deconstruction [...] It can also contribute [...] by developing ‘product-as-a-service’ business models and circular value chains, with the aim of keeping products, components and materials at their highest utility and value for as long as possible”. ESRS E5**

The topic “circular economy and responsible products across all the lifecycle” resulted as a material topic from the double materiality assessment completed in 2023. For this reason, in 2024 it is planned to develop deeper understanding on how to integrate further the circular economy concept in the company activities.

In 2023, the new objective RE1 has been defined: Draft sustainable procurement policy and definition/implementation of sustainable purchasing criteria into procurement practices, that contributes to this subject.

The commitment of Encevo Group to the energy transition, through the development, promotion and commercialisation of renewable energies, an emissions-free power source, is its main contribution to a circular economy.

In the upcoming years it is planned to develop further insight with regards to the use of resources and materials and their future end of life and recycling options to enhance their circularity.

**The fifth objective, pollution prevention and control, refers to the avoidance or remediation of activities that could contaminate or cause damage to water (including surface water and groundwater), air, land or natural habitats, including the ceasing or phasing out of emissions, discharges and losses of hazardous substances that could pose actual or potential risk to human health or to the environment. ESRS E2**

As “circular economy and responsible products across all the lifecycle” resulted a material topic to Encevo Group from the Double Materiality assessment, waste management becomes a more relevant topic.

Although there is a well-developed waste management system in place for the different sites and activities, the plan for the upcoming years is to deepen the understanding of the main waste streams and to measure and report on waste generation and disposal. The carbon emissions accounting tool already

records the main waste streams, to calculate the GHG emissions from the Scope 3 category 5 and in 2024 it is planned to further develop this model to increase maturity in this subject.

Waste in the electricity sector is generally derived from the installation, periodic maintenance and renovation of electrical networks. Part of the waste generated in this sector can be categorised as electrical and electronic waste (or e-waste), especially energy transmission and distribution equipment. Other waste generated in this sector is, for example, construction and demolition waste.

The development of the renewable energy industry involves new kinds of waste generation that require careful end-of-life management. For instance, for solar energy, toxic metals used in PV modules can leach into groundwater if the modules are not disposed of properly. For wind energy, as windmills are large structures composed of large components that are difficult to manage and transport, it becomes important to appropriately manage windmill components at the end of their useful lives, and especially the careful disposal of fluids and lubricants used by windmills that could leak and contaminate land and groundwater. It then becomes relevant to understand and define how to recycle or dispose waste streams from wind and solar power sources.

Regarding the company operations, the Encevo Group complies with EU and country specific legislation on waste management and disposal, and has a waste management system in place. The companies Encevo, Enovos, Creos and Teseos Luxembourg work with the 3R's waste management concept – Reduce, Re-use, Recycle – which has contributed to better waste sorting and an overall reduction in the quantity of waste on the main sites.

Encevo and Creos Luxembourg have both been awarded the SuperDrecksKëscht label. This ecological waste management initiative – certified according to DIN EN ISO 14024 – supports and trains companies on recycling,

transparent waste transaction and more sustainable waste management in general.

**Finally, the sixth objective, protection and restoration of biodiversity and ecosystems, according to the EU Taxonomy definition, refers to an activity that contributes to “protecting, conserving, or restoring biodiversity and ecosystems, and thereby enhancing ecosystem services. Such services are grouped into four categories, namely provisioning services, such as the provisioning of food and water; regulating services, such as the control of climate and disease; supporting services, such as nutrient cycles and oxygen production; and cultural services, such as providing spiritual and recreational benefits”.**

GRI 304-2, ESRS E4-3

In the last double materiality assessment, the topic “biodiversity and land use impacts” did not result as a material topic to Encevo Group.

Nevertheless, the group companies care for this topic from a regulatory perspective and through the development of renewable energy projects in agricultural environments that aim to respect and enhance their impact on biodiversity.

From a regulatory perspective, the group companies comply with all European and country specific laws and regulations in relation to biodiversity. When developing a new project on electricity transmission and distribution networks, or on renewable energies (wind or photovoltaic), the project teams perform a thorough biodiversity and environmental impact analysis in compliance with legal requirements.

With regards to Enovos Luxembourg renewable energy production activities, the company has developed some ground-mounted installation projects in the past years, that involve a combination of biodiversity enhancement and agricultural and energy production activities, and it plans to continue developing more projects like this in the future.



In particular, in October 2022, a ministerial tender for the promotion of agrivoltaics in Luxembourg has been launched and in October 2023, Enovos has been attributed four projects for a total capacity of 11 MWp. These solar plants will be built in the course of 2024/25 and will, in addition to giving a significant contribution to energy transition, also advance the improvement of biodiversity, which is a fundamental component for all agrivoltaic projects.

Moreover, on 16 and 17 September 2023 Enovos Renewables and Soler S.A. participated in the “Portes Ouvertes Luxembourg” event in Junglinster. In this event, the persons visiting Enovos’ ground-mounted installation were provided a guided tour of the site in the company of Enovos Renewables team experts, illustrated by educational videos, that enabled them to discover a ground-mounted installation project combining biodiversity, green energy production and eco-grazing. During these days there were 700 participants visiting Enovos solar park. With regards to the group’s activities in Germany, the group subsidiary WES Green, in collaboration with Enovos Renewables GmbH and other partners, have planned and realized a solar project with 11 parks and a total capacity of ca. 200 MWp in the southern Eifel region, which not only supplies clean energy, but also protects and promotes

nature. The project includes extensive measures for planting hedges and shrubs, sowing regional seeds with herbs, the building of wild bee houses and supporting the colonisation of wild bees to promote biodiversity. The combination of ground-mounted photovoltaic systems, beehives and sheep grazing creates a unique symbiosis between clean energy generation and nature conservation. In this project the aim is not only to produce environmentally friendly electricity, but also to make a positive contribution to biodiversity.

WES Green has shared a video of this project:



Portes ouvertes Luxembourg event in September 2023



Südeifel ground-mounted PV solar park with wild bee houses





# 05

## Performance review

- Financial performance
- Environmental performance
- Social performance**
- Community empowerment

# Business Integrity: General Compliance

## Organisation & Management

Encevo's compliance framework is generally composed of a Group Compliance Policy, which defines the compliance governance in the group, and of a Code of Business Conduct setting out the basic ethical and legal rules expected to be complied with by employees and directors.

The Secretary General of Encevo S.A. is the Group Compliance Officer, reporting to the Group CEO and Chairman of the Executive Board. Dedicated compliance managers are responsible for compliance in significant subsidiaries and their respective subsidiaries. Quarterly meetings are arranged by the Group Compliance Officer throughout the year with the aim of conveying key messages to the compliance community, receiving feedback on important topics, updating on specific topics and creating a dynamic of best practice exchanges. As for personal data protection compliance<sup>8</sup>, dedicated Data Protection Officers (DPOs) operate at group level and in significant subsidiaries. With respect to grid activities, compliance officers have also been appointed to ensure compliance with unbundling requirements.

In accordance with the Group Compliance Policy, the company pursued its compliance training programme launched in 2022 with the aim of covering some of its subsidiaries, especially its recently acquired technical services subsidiaries, which had not been covered so far. While this programme focused on training white-collar workers in 2022, the main focus was on training the blue-collar workforce of these subsidiaries in 2023. In parallel, a refresher training is in the process of being prepared with a view to covering the population which had already received Code of Business Conduct training. The Group Compliance Officer reported on its activities to the Executive Board, the Group Risk Committee and to the Group Audit Committee.

## Progress 2023

Compliance focused particularly on the following subjects in 2023:

- Whistleblowing: in the context of the adoption of the legislation implementing EU Directive 2019/1937 in relation to whistleblowing, existing procedures and processes were revisited and adapted. Encevo's Code of Conduct was updated, and a specific

whistleblowing procedure was developed. In addition, Encevo Group is in the process of implementing a new whistleblowing channel in the form of a secured platform across its organisation. This channel is not only open for employees but also for third parties, such as suppliers.

- Conflicts of interest: the group continued to work on the digitization of its conflict-of-interest annual declaration process. The development of the digital tool was finalised and the tool was deployed throughout the whole group at the beginning of 2024. Senior management and other categories of employees assessed to be most exposed to conflicts at holding level and in all significant subsidiaries are now part of this confirmatory annual process.
- Code of Business Conduct training continued to be provided with a focus in 2023 on the blue-collar workforce of the Technical Services business unit and of EnergieSüdWest. As a reminder, the focus had been on the white-collar workforce of these companies in 2022.

<sup>8</sup> For more details on personal data protection compliance, see the section Business integrity: data protection & cybersecurity.

- Compliance risk assessments continued to be conducted at the Encevo Group in 2023. The fraud risk assessment which had started in 2022 with respect to Encevo Deutschland including Creos Deutschland and the Enovos Renewables operations in Germany were finalised and another fraud risk assessment was conducted on Encevo S.A. In addition, a compliance risk assessment was carried out at Wieland & Schultz, a recently acquired Technical Services business in Germany. Furthermore, the intention is to cover the remaining companies of the Technical Services business unit starting in 2024.

Regarding anti-corruption compliance, the group continued to apply its zero-tolerance policy set out in its Code of Business Conduct. As a result, in line with Encevo's Code of Business Conduct, existing online Code of Business Conduct training includes modules dedicated to anti-corruption, whistleblowing and escalation of compliance issues. The group continues to deploy this training, covering newly hired employees and extending the scope to newly acquired subsidiaries. As already mentioned earlier, Encevo's whistleblowing policy and processes were also reviewed in the light of the newly adopted legislation in this

area, and the training programme has been reviewed in this respect as well. Allegations of fraud and corruption obviously continue to fall in the scope of the whistleblowing process. In addition, the aforementioned fraud risk assessments have contributed to raising the level of awareness on fraud and corruption and to further strengthening anti-fraud processes. Furthermore, the Encevo Group's conflict-of-interest procedure, which requires senior management and employees considered to be more exposed to a risk of conflict to complete a conflict-of-interest declaration on an annual basis, has be-

come applicable to the whole group as from 2024 onwards. The digital tool which had already been used for part of the group's scope is now in use for the rest of the group.

With respect to antitrust compliance, the antitrust compliance online (e-learning) module developed in line with the anti-competition section of the Code of Conduct and included in Encevo's Code of Conduct training programme continues to be deployed along with the other modules (see above). Moreover, the whistleblowing policy also explicitly covers possible violations of antitrust regulations.





# Business Integrity: Data Protection & Cybersecurity (material topic)

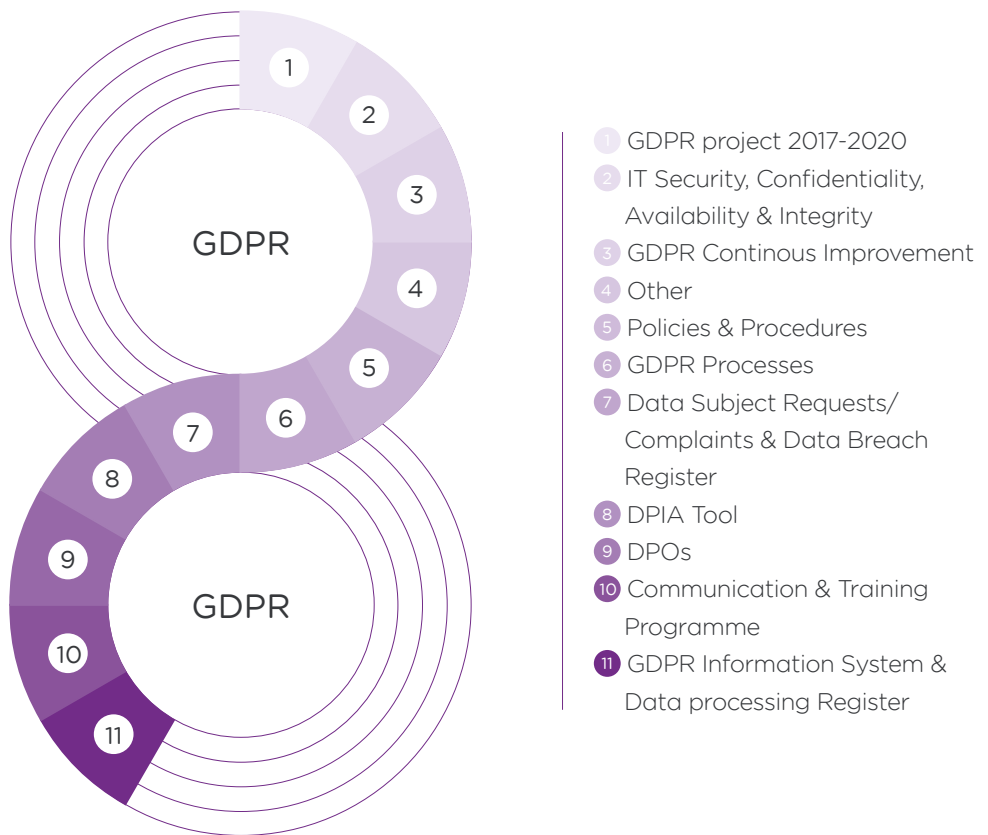
## Materiality

The geopolitical tensions and the increasing digitalisation of assets is unfortunately not reducing the risk of threat actors on the market. Since Encevo Group operates critical infrastructure, it is one such operator, and the annual number of cyberattacks has been rising sharply. The group's vital assets and infrastructures need to ensure security of supply for its customer base in Luxembourg and the Greater Region. To keep high-trust relationships with partners and customers, the Encevo Group constantly strives to raise its standards. The group takes great care in this context to handle customer, enterprise partner, and employee data in a lawful and confidential manner. GDPR, which guarantees data privacy principles for people with the right to regulate and safeguard the use of their personal data, entered into effect on 25 May 2018. Ensuring the supply of electricity is Encevo Group's primary mission, and it must be done to the best of its customers' interests by strengthening the cybersecurity defence and adhering to laws such as the EU Network and Information Security (NIS) Directive. Furthermore, new regulations, such as the "EU Data Act" or "EU AI Act" (provisional agreement on 9/12/23) for the regulation of artificial intelligence (AI), with the goal of ensuring that AI systems used in the EU are safe, transparent, traceable, non-discriminatory, and environmentally friendly, are emerging.

## Organization & Management

Encevo has had a GDPR framework in place since 2017, which has allowed to effectively complete the extensive cross-cutting GDPR programme and meet the predetermined standards. For the past six years, the group has been advancing the maturity of the GDPR framework by making improvements to its initial implementation across a range of dimensions, including governance (policies and procedures, DPO nominations, data processing registers, data privacy roadmaps, data protection impact assessments, GDPR processes), data subject rights (notices, cookie policies, data retention/anonymisation, consent management), and awareness-raising through training programmes. During the yearly DPO Group Conference, the entities carried on their conversation to share best practices and provide updates on progress. In this manner, the DPOs submit their performance metrics to Encevo Group and exchange information with one other on a regular basis.

Every DPO has a direct reporting line to the corresponding CEO and is registered with the appropriate national supervising agencies. The Encevo Group continues to uphold the highest level of companies' DPO reporting line, ensuring that GDPR compliance is treated seriously and that prompt decisions may be made in an emergency. Colleagues from other disciplines collaborate closely with DPOs, as multidisciplinary methods are necessary.



## Performance 2023

### BI1 (objective met): Implementation of continuous improvement programme 2021-2023 due for 2023

The 2021-2023 cycle was finished successfully, as working on GDPR compliance is not a one-time effort. The company took a step further by creating a GDPR continuous improvement strategy, which was overseen by the DPOs. Significant progress has been made in enhancing data privacy and maturity across multiple aspects by:

- Guideline on how to deal with smart-meter data
- Reviewing and updating privacy notices
- Definition and implementation of the data protection governance process in the Process Management System
- Awareness raising for the Customer Service Center/Front Desk employees in the operations
- Creation of new checklists and guidance for the GDPR legal basis of legitimate interest (LIA assessment)

A new GDPR continuous improvement programme 2024-2026 will be created to ensure compliance with the GDPR requirements.



**BI2 (update): Updating ISMS (Information Security Management System) certifications to the new ISO/IEC 27001:2022 norms and standards**

The Creos Grid Operations' Information Security Management System was successfully accredited to ISO/IEC 27001:2013 in January 2022. A new standard was issued in October 2022, necessitating a revision of the 2022 achievement. To preserve this crucial accreditation, the grid organisation has three years (October 2025) to update the current ISMS to the new ISO/IEC 27001:2022 standard.

**BI3: Information security improvement plan - Definition of new two-year strategic information security plan (2023-2024) and implementation of phase 1**

At Encevo Group, the teams are continually working to integrate information security objectives with business objectives in light of changes in European and national requirements. Furthermore, in a continuously evolving threat landscape, the relevant teams are always analysing the most relevant posture and technology to support a safe and secure digital transformation. One concrete move is the review of the internal organisation and processes, in the scope of the updated strategic plan. Specific projects and initiatives, both technological and organisational, focusing on information security, resilience, awareness, and continuity are currently ongoing.

**SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA**
**GRI 418-1**

|                                    |  | 2021     | 2022     | 2023     |
|------------------------------------|--|----------|----------|----------|
| <b>Total complaints</b>            | <b>Total in numbers</b>  | <b>5</b> | <b>3</b> | <b>2</b> |
| Total                              | complaints received from outside parties (eg. customers, associations, etc.) and substantiated by the organisation | 5        | 1        | 0        |
| Total                              | complaints from regulatory bodies/supervising authority  | 0        | 2        | 2        |
| <b>Total leaks, thefts, losses</b> | <b>Total number of data breaches reported to supervising authority</b>   | <b>1</b> | <b>1</b> | <b>2</b> |
| Total                              | identified leaks reported to supervising authority   | 1        | 0        | 1        |
| Total                              | identified thefts reported to supervising authority  | 0        | 1        | 0        |
| Total                              | identified losses of customer data reported to supervising authority   | 0        | 0        | 1*       |

\*Please note that identified data loss reported to supervising authority was managed by a supplier with the responsibility of data controller for the outsourced processing.

Please note that data for GRI 418 is not available for Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.



# Business Integrity: Human Rights

Encevo Group is committed to upholding globally accepted human rights across its value chain. This work is based on the UN Global Compact, the International Labour Organization's (ILO) eight fundamental agreements, the OECD's Multinational Enterprise Guidelines, and the United Nations Guiding Principles for Business and Human Rights. Based on these commitments, Encevo has a number of policies and mechanisms in place to identify, prevent, and mitigate any human rights risks.

## Organisation & Management

The Encevo Group human rights policy highlights the principles, norms, and practices that it advocates while also clearly defining its position on the importance of human rights. The Encevo Code of Conduct for Business Ethics outlines how employees must act with integrity within the company when conducting business. Next, the Supplier Code of Conduct outlines the company's basic sustainability criteria and expectations for its suppliers. As explained in the Compliance chapter, a whistleblowing function exists to allow anyone to anonymously report any infractions of business ethics or human rights. It is accessible to employees, consultants, contractors, suppliers, and other stakeholders via a private postal box or a secure e-mail

address on the Encevo website. The company has trainings and programmes to raise awareness among employees by providing e-learning and communication messages via the intranet. The group's due diligence method is intended to detect and evaluate human rights abuses, environmental and business ethical risks and their impact throughout our value chain. Finally, the group's human rights action plan 2023 describes the company's path to establishing a strong attitude to human rights.

## Progress 2023

### **B15: Perform due diligence of human rights related to procurement and HR practices for core entities of Encevo, Enovos Luxembourg and Creos Luxembourg**

The identified risks from the due diligence process were formalised and an

improvement plan 2023 executed through the CSR Governance process. A scaling of the group processes and methods was implemented for a group-wide approach, which embeds smaller fully consolidated entities in this approach. This was realised by including human rights questionnaires in the CSR Management Tool to ensure more systematic application and follow-up. The procurement process of interim workers was improved by increasing transparency between the HR, Procurement and Health & Safety functions.

### **EW6: Adhere to national "Business and Human Rights Pact" charter in Luxembourg and implement human rights roadmap**

Encevo joined the National Business and Human Rights Pact alongside 50 other Luxembourg companies during the first wave. The National Business and

Human Rights Pact is a voluntary commitment for business leaders wishing to implement the UN Guiding Principles on Business and Human Rights, which are preparing the way towards the regulatory requirements foreseen in the CSRD and CSDDD.

By subscribing to the Pact, companies commit themselves to

- raising awareness among their staff and stakeholders about the protection of human rights in business
- appointing a person responsible for human rights in the organisation
- training relevant employees on business and human rights
- developing governance tools to identify risks and prevent human rights violations
- implementing one or more remedies to address reported human rights violations
- publishing a standardised annual report on the measures implemented

The public commitment covers the whole group, including all of its fully consolidated subsidiaries. Human Rights Policy is available on the Encevo Group website.



### **A new CSR Management system**

The Encevo Group implemented a professional CSR reporting tool to cover all entities and geographical areas related to human rights reporting. Like other ESG topics, all entities can now report based on common definitions and unified processes in accordance with best practice reporting and monitoring system.

### **Grievance Mechanisms through whistleblowers platform**

The Encevo Group also defined grievance mechanisms through a whistleblower platform, which is called “ethics alert channel”. The ethics alert channel, including human rights issues, implements the corporate governance charter including details of the process to ensure full anonymisation and protection of whistleblowers. This is including employees, former employees, trainees and persons involved in a recruitment process or other pre-contractual negotiations. It is also open to self-employed persons, employees of contractors, subcontractors, or suppliers, shareholders and Board members. This whistleblowing channel is exclusively intended for reporting information obtained in a professional context dealing with the Encevo Group in relation to any acts or omissions which are unlawful, or which could

conflict with the object or purpose of applicable laws, including human rights violations and serious ethical concerns. Multiple pointers from the group internal sites refer to this platform. The process is explained in detail and transparently for the whistleblower. An information notice (GDPR) explains the process, what data is used, and the option of a complete anonymous submission. The complaints are submitted in a structured way and are treated in full confidentiality by the group compliance and internal audit teams. Human rights-related issues are discussed and analysed with the Encevo Human Rights Officer.



### **Implementation of Supplier Code of Conduct**

Encevo has embedded in its Supplier Code of Conduct extensive chapters on human rights, with which all suppliers have to comply. A questionnaire has been sent to the most important suppliers and successfully closed the first wave by the end of 2023. This first wave achieved a return rate with qualified answers of 18%. The results are monitored and evaluated, and if necessary, more in-depth checks are done following a well-defined process.

Verifications and Scoring

During 2023, the Encevo Group got the verification of an external consultant which was mandated by external official bodies in control of monitoring the human rights pact signatories and consequently analyzed the group efforts related to human rights.

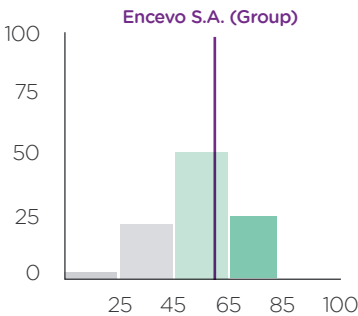
Furthermore, the group's ESG score was reassessed by EcoVadis, and the good score was confirmed. The results show that the group attained a score better than that of the peers average in the category "Labour & Human Rights":

Human Rights Roadmap 2024

For 2024, it is planned to enlarge the scope of the human rights assessment to all the fully consolidated entities. This plan will require the subsidiaries to appoint local "Human Rights Coordinators", conduct human rights training and hold human rights due diligence workshops. The Supplier code of conduct should be explained to the group's suppliers in specific supplier meetings. Next, the questionnaire analysis should be further discussed, and

findings addressed with the respective suppliers. In general, there is some room for improvement in the systematic control and follow-up in general and more specifically among some smaller fully consolidated entities. This will be addressed through the described plan in 2024.

Finally, it is planned to transition to ESRS reporting for human rights.



RECORDED INCIDENTS, SERIOUS MATERIALIZED IMPACTS, APPEALS/CLAIMS IN 2023

|   | Number |
|---|--------|
| Reported incidents (any incident in Encevos' value chain; reported internally or externally e.g. media or NGOs) | 0      |
| Serious materialized impacts associated with salient topics   | 0      |
| Appeals/Claims reported   | 0      |

# Employee Wellbeing: Employee Development & Engagement (material topic)

Employee development and engagement is a material topic for the Encevo Group. It is crucial to the organisation to continuously develop and enhance its human capital approach at group level, while respecting the local entities' programmes and procedures.

The Encevo Group companies have well-structured programmes in place that include a combination of policies and procedures, and an array of tools, activities and initiatives that address the multiple areas of employee development and engagement.

The group aims to ensure high levels of employee attraction and retention and overall wellbeing within the organisation, which leads to higher productivity and performance.

## Organisation & Management

Encevo Group has in place a broad set of programmes, initiatives and tools that reinforce employee development and engagement, with special focus on employee wellbeing. Some programmes and initiatives are managed at group level while others are managed at local level, ensuring a coordinated approach while also leaving space for independence in the implementation of local initiatives.

All the group companies strive to implement measures that ensure that employees attain work-life balance. For instance, the companies Encevo, Creos, Enovos and Teseos Luxembourg provide workplace flexibility, including a remote working programme that allows employees to work remotely up to 52 days a year. In a similar way, the companies Encevo, Creos and Enovos in Germany have a remote working programme in place that includes 52 days of remote working per year.

The organisation provides equal opportunities for parental leave and part-time work for men and women for all group companies. Every request is carefully analysed, and the human resources department always strives to support parental leave and part-time work requests to adjust to the personal needs of the employees.

Moreover, the companies Encevo, Creos, Enovos and Teseos Luxembourg provide the option of taking six months' unpaid leave for employees who would like to have some time out of work for different personal reasons.

Financial wellbeing is a central element of the proposal, where a comprehensive compensation package is provided to employees, that generally includes:

- Competitive salary
- Automatic salary increases to assure balanced purchasing power
- Remote working
- Supplementary retirement plan

- Supplementary health insurance
- Interest subsidy scheme
- Reduced price in the canteen
- Free access to parking

The companies Encevo, Creos, Enovos and Teseos Luxembourg also provide a discount in home electricity bills and reduced prices in some services from main banks in Luxembourg.

For Encevo, Enovos and Creos in Germany, the employees benefit from numerous other advantages in addition to the existing benefits, such as a canteen or home office:

- Rail Card for apprentices (Auszubildende)
- Offer of private tuition for apprentices (Auszubildende)
- Vouchers for the gym
- Company sports activities
- Regular feedback meetings with superiors
- Annual check-up during the occupational health examination
- Company health insurance

Moreover, with the aim of promoting employee development, the group companies provide a wide range of learning and development opportunities. For instance, Encevo, Enovos, Creos and Teseos Luxembourg have in place:

- Extensive internal and external training catalogue
- Access to over 16,000 e-learning modules,
- Yearly Development Talk with the line manager,
- Development Centres that gather insights and guide employees in their personal and professional growth,
- Coaching possibilities.

The other companies within the group also have employee learning and development programmes developed by their own human resources departments catering their own individual needs.

In addition to this, the organisation provides

talent mobility opportunities, as every new open position is first published internally and shared with the employees before being advertised on the external job market.

In relation to physical wellbeing, the organisation supports employees' mental and physical health. For the companies Encevo, Enovos, Creos and Teseos Luxembourg the Human Resources department works in strong collaboration with the Service de Santé au Travail de l'Industrie A.s.b.l. (STI), which provides health services to workers. Moreover, these companies provide a supplementary health insurance, and as from 2023 the Teseos entities added the supplementary health insurance benefit for their employees.

Encevo Group has a health and safety policy in place on a group wide level. In line with this, the different group companies address their health and safety concerns through different measures, including trainings and workshops to ensure safe working conditions for all employees. Additional health and safety information can be found in the Health and Safety section in this report.

The Encevo Group also supports whenever possible the employees' social and sport activity initiatives organised on a voluntary basis throughout the year such as Christmas market visits, ING marathon, Pilates lessons, ski week, tennis, etc., partially financed by the Encevo Group.

The group believes it is important to provide employees with access to good-quality lunches, so most office buildings have a canteen that offers good quality and varied food at affordable prices, respecting diverse personal choices and beliefs. The menus always include a main menu, a healthy proposal (fitness menu) and a vegetarian option. For employees who work in smaller offices with no canteen, the organisation provides financial compensation for the lunches.



Building strong communities in the workplace reinforces good employee relationships and can help with feelings of loneliness, so the organisation provides varied social experience opportunities among employees to strengthen employee connections, where some examples include:

- Strong onboarding programme
- Support on how to work remotely and keep connected
- Lounge and coffee corner in every floor

In particular, the companies in Germany strive to strengthen their team building, offering employees regular team events in which everyone can participate. These include sporting events such as hiking, company runs, solidarity runs, mountain biking together and bowling evenings. Culinary events such as barbecues are not neglected either.

In relation to young talents, the different group companies dedicate time to hiring and developing young talents and have a proactive presence in schools and support local initiatives to become an employer of choice among young graduates.

All group companies welcome and train young apprentices in various fields, including the energy sector (mechatronics, logistics, administrative, management, etc.). The group has a total of 44 employee apprenticeships, from which 39 are engaged by the group companies in Germany.

Encevo Group offers internships and student jobs and maintains contact with them for future recruiting. The different group companies' welcome student jobs in students' fields of study to enable them to gain initial experience.

For the companies Encevo, Enovos, Creos and Teseos, the programme for students includes:

- Offer of internships and student jobs
- Presence in local technical schools to promote the energy sector and propose visits to students (e.g. Arts & Métiers, Emile Metz)
- Advice and coaching for local students in

their job or internship search and advice for teachers to identify suitable content

- Prix d'Excellence – award for the best engineering master's thesis among local students
- Prix Germain Dondelinger at the University of Luxembourg – award for the best Master's thesis of a selected student
- Contact with and support for local STEM students, ANEIL – Association Nationale des Étudiants Ingénieurs Luxembourgeois (e.g. participating in their yearly "Table Ronde" meeting)

For the companies Encevo, Enovos and Creos in Germany, student jobs are well developed, and benefit from an extensive trainee programme that provides insights into all areas of the company. The trainee programme provides the best possible preparation for later employment in the company.

To attract graduates, the companies in Germany cooperate with the PH Freiburg (University of Education Freiburg) to develop an industry-specific further education programme. They also maintain close contacts with the Saarland University of Applied Sciences in Saarbrücken.

Companies in Germany are also present in local schools and training fairs in Saarbrücken and Zweibrücken (for example Abitur-what then?) to convince young people of the benefits of these trainings.

The companies in Germany have created a dedicated landing page for trainees in order to focus even more strongly on the topic of training, where they publish all the information about vacancies and the benefits of being a trainee at the company.

The different group companies also promote the energy sector in order to encourage the young generation to pursue STEM studies and further support STEM students. They aim to strengthen the relationship with the students who did an in-house internship and closely follow their academic path.

Regarding jobseekers, the group companies in Luxembourg keep regular contact with the ADEM, the local employment agency, and support local initiatives for jobseekers such as the Jobdag fair.

## Progress 2023

This year the “Energized leaders” programme was developed with the aim to refine leadership skills and foster a culture of continuous improvement. The programme included a series of workshops, focusing on essential aspects such as setting group goals and gaining a deeper understanding of individual leadership styles and behavioural preferences. It also included a module on introspection in the “Lead self”, and then progressing into team dynamics in “Lead others”, with a particular emphasis on cultivating motivation and refining coaching skills. The programme finished with a series of impactful group presentations that shared innovative ideas and strategic solutions to the group.

From a recruitment perspective, 2023 was a record year to Encevo, Enovos and Creos in Luxembourg, as these companies covered approximately 240 positions, from which 40% were covered with internal mobility, attaining a good combination of fresh talents and existing internal talents.

In 2023 the “Cercle d'excellence”, themed workshops were launched between Heads of departments of all lines of business and Human Resources to foster an environment where human resources initiatives are regularly exchanged with strategic internal partners. The purpose is to leverage on value creation in areas such as reward, learning, engagement and talent management. For 2024, it is planned to work on the identification of high potential employees and establish a plan to help them develop and grow. It is also planned to continue working at group level and develop group-wide initiatives with the aim of strengthening the group identity.

### **EW2: Perform regular employee satisfaction survey in 4-5 year cycles and implement validated action plan.**

This year a comprehensive employee satisfaction survey was performed for the whole group, including all the entities, and a high participation rate of 65% was achieved. Compared with the results of the same survey in 2019, a significant improvement was observed for almost all the key indicators. As mentioned in the Sustainability Management Plan on page 45, the results were very positive for most indicators and show that employees generally feel good about their work. The group's four company values, respect, team spirit, commitment and excellence, are well perceived and lived within the organisation for 75% of respondents.

Based on the results of this survey the Management team will propose common actions for the group to continue improving on its overall employee satisfaction, while leaving space for individual and independent actions among the different entities.

### **EW3: Pursue efforts in coaching and being a reliable partner for ministries, local entities, students and jobseekers.**

In 2023, professional support was actively provided to sustain the employee community. The organisation has dedicated valuable time to social initiatives with a special focus on local education and vulnerable people.

In 2023, the human resources team participated in several initiatives where information was shared with students about the company and its activities, through visits to several sites, “Open Jobs Days” on sites, professional presence in schools, with an educational objective to motivate students to embrace technical studies.

The human resources team in Luxembourg also volunteered to contribute with ADEM and FEDIL initiatives by supporting and coaching job seekers to find jobs. They have also supported local enterprises like “Girl in Tech” to boost diversity and inclusion initiatives and bring further diversity within the group.

Although this objective has already been attained, the HR team will continue working on this area and reinforcing its relationship with the community in the upcoming years.

In relation to parental leave, in 2023 a constant and positive trend can be observed, leading to an increasing number of employees taking parental leave, especially among male employees.

For employees that take parental leave and return to work, a 100% retention rate has been achieved in the past three years. This is to be understood as employees who returned to work after parental leave and who were still employed in the company 12 months after their return to work.

Family-related leave

| EMPLOYEES THAT TOOK PARENTAL LEAVE - ENCEVO GROUP  | 2021 | 2022 | 2023 |
|--|------|------|------|
| Male   | 46.0 | 76.0 | 77.0 |
| Female   | 25.0 | 33.0 | 35.0 |
| Total number of employees that took parental leave | 71.0 | 109  | 112  |

Please note that data for GRI 401-3 is not available for Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à r.l for 2023, while for Minusines, 2022 data was is available for the year 2023.



# Employee Wellbeing: Occupational Health and Safety

Encevo Group is committed to ensuring healthy and safe working conditions for its employees. The prevention of work-related injuries and diseases is a top priority in all our processes and decisions.

Encevo Group handles health and safety topics with the utmost care. All the companies from the group have policies and a management system in place to meet occupational health and safety requirements. All company processes and procedures must comply with European and national occupational health and safety laws.

At a local level, each group company has set up an organisation to further enhance wellbeing in the workplace. Different activities, like training sessions and information campaigns, are organised regularly to raise awareness on relevant health and safety topics.

## Organisation & Management

The goal of our Health, Safety and Environment (HSE) management is to ensure that everyone working within the Encevo Group is in a safe workplace. To achieve this, Encevo Group has based its HSE

strategy on the Vision Zero principles. This strategy reflects the willingness to mobilise all stakeholders for the prevention of work-related accidents, commuting accidents and occupational diseases. The group has an active prevention policy, offers safety and well-being trainings, encourages its workers to commit to their safety and promotes various health and safety initiatives.

### HSE at Encevo, Enovos, Creos and Teseos Luxembourg, Global Facilities

These companies in Luxembourg follow the health and safety recommendations from the "Association d'Assurance Accident" (AAA) and the Inspectorate of Labour and Mines (ITM). Some are going one step further, by obtaining a certification (e.g. ISO 45001 certification) or the label "Sécher a Gesond mat System".

Encevo, Enovos, Creos and Global Facilities are also members of the Vision Zero program, where they commit voluntarily to reduce the number and the severity

of work-related accidents, commuting accidents and occupational diseases.

These companies based in Luxembourg rely on the "Service de Santé au Travail de l'Industrie A.s.b.l." (STI) or on the "Service de Santé Multisectoriel" (STM) to provide health services to their employees, which includes the required health check-ups according to the different job profiles and the related exposure to risks, or the health examination to ensure the return after a long absence in appropriate conditions. In case of specific health needs, the health services give recommendations to carry out workplace adaptation.

Moreover, companies' HSE departments regularly organise safety conferences and training sessions on raising employees' awareness of potential risks and on the mitigations put in place to prevent accidents at work.

### HSE at Creos Luxembourg

HSE at Creos Luxembourg is a very important topic, as the infrastructure area that the company manages is



where most hazards can occur. This area of activity poses risks to workers, so electricians and gas line installers must be especially vigilant to always follow safe behaviour best practices.

Possible risks are both physical (electrical, thermal, machines and engines, work at height, traffic) as well as chemical (usage of chemical products). A list with activities, their associated risks and the prevention measures has been put in place.

The main HSE focus at Creos is to ensure that employees follow HSE rules and principles, and to improve awareness regarding behaviours required for a healthy and safe environment. Creos also strives to optimise its work processes and equips itself with the latest safety technology, with the aim of reducing accidents at work.

At Creos, regular occupational safety conferences are held to inform the +500 employees (mandatory for risk prone workers) about the latest news regarding safety. Moreover, twice a year, the Department HSE organises a "safety circle" with center managers and workforce leaders to focus on health and safety issues during construction and maintenance work on the networks. Regular awareness campaigns to make employees aware of hazards and occupational diseases are published on the intranet and on the internal TV sets located in the various buildings.

The company also promotes employee participation in sport activities such as running and cycling events and supports

different sporting events throughout the year.

### HSE at LuxEnergie

LuxEnergie has a HSE management system in place that covers all company workers and complies with all European and Luxembourg HSE laws and regulations.

For non-standard activities, the workers and/or the HSE officer perform a dedicated risk assessment, and where applicable the HSE officer gives out recommendations and sets the rules. Quality and competence are guaranteed by training and training updates compliant with AAA recommendations of all people involved.

All LuxEnergie workers must attend an introductory health and safety training performed by the HSE officer. Generic safety training such as first aid training and training on fire extinguishers are offered to all workers on a regular basis.

In the event of work-related incidents, such as accidents or near-accidents, an investigation is started by the HSE officer. Interviews are conducted with all workers involved, as well as their hierarchy. Corrective actions are determined on a common basis and improvements are made immediately with the highest priority.

### HSE at Paul Wagner et Fils

Paul Wagner et Fils has established an occupational health and safety management system that is based on the ISO 45001 standards and guidelines (certified). The management approach is regularly evaluated



via internal and external audits, and meetings of the Safety Committee (ASA) on a regular basis underline the importance of the topic.

Each incident is internally discussed and analysed. The work hazards of every workplace are analysed, the occupational safety measures are implemented, and the workers are informed. The guidelines of the ISO 45001 and AAA are used to identify work-related hazards and assess risks.

All workers are trained to use this analysis method before starting work. Work processes are continuously adapted to recent developments. Continuous training sessions remind workers to apply safe work procedures.

Regular safety audits by the safety officer and management ensure safe work processes.

In addition to this, the annual external ISO 45001 audit evaluates the occupational health and safety management system. The ASA, together with the company management, the safety officer, and workers' representatives for occupational safety, meet four times a year to review the safety items and, if necessary, decide on system modifications. The ASA's report is published on the company intranet and communicated at the safety meetings with workers.

### **HSE at Encevo, Enovos and Creos Deutschland**

For Encevo, Creos and Enovos Deutschland occupational health and safety is regulated by the principles of prevention found in the Health and Safety at Work Act. The company uses different measures to ensure safety and compliance with this legislation (e.g. member of the employers' liability insurance association, designation of safety officers, committee for occupational safety, risk assessment, trainings). All employees are subject to the regulations of the Health and Safety at Work Act.

The work must be designed in such a way that hazards are avoided as far as possible

and the remaining hazards are kept as low as possible. For this purpose, risk assessments must be prepared. Protective measures must be defined and work instructions drawn up to eliminate or reduce these risks.

Based on the Ordinance on Preventive Occupational Health Care (ArbMedVV), risk assessments determine which occupational medical examinations are necessary. A distinction is made between offer and mandatory examinations.

### **HSE with regards to workers who are not employees**

Workers who are not employees but work and/or workplace is controlled by the organisation are treated the same as the employees for all the group entities. A contract links their company with a company of the Encevo Group and the Health and Safety requirements are the same for them as for the Encevo Group employees.





## Progress 2023

In 2023, the group has published the corporate HSE policy, which defines the HSE group organisation. The policy aims to set up the HSE management system, including specific roles and responsibilities, with a better definition of HSE wording and KPI. This was due to ensure a common understanding, based on international standards instead of national ones. The HSE responsible from every group company have implemented the HSE policy and the 2023 KPIs have been reported accordingly.

### Main HSE actions developed at Encevo, Enovos and Teseos Luxembourg, during 2023

In 2023 the pandemic had already come to an end, and employees were working on regular mode. Remote work was formally introduced as a regular way of working, where employees could choose to work remotely up to 52 days per year, whenever possible. Lessons learned from the pandemic situation, the way the companies train people was reconsidered, and in 2023 an e-learning format for safety trainings related to building evacuation and emergency was introduced, as well as the safety introduction for newcomers.

Some trainings like “First aid training” or “use of fire extinguisher” have been reorganised in face-to-face mode. A dedicated occupational health physician came to visit the company premises which allowed her to make recommendations on workplace adaptation. The occupational physician has also provided, for those employees who wished to, the Flu and Tetanus vaccination.

During 2023 the activities with risks and the related risk assessments have been updated and transmitted to the health at work service (STI), and to Health Ministry. The medical examination has been updated accordingly to ensure all the risks potential impacts on health are checked by the occupational health physician. The Health Ministry provided the approval for the risk assessment which

ensures that employees have an updated medical file that is properly recorded. Finally, with the evolution of the legislation, the company has implemented the new harassment law.

### Main HSE actions developed at Creos Luxembourg, during 2023

As the jobs of electrician, gas fitter and driver involve significant risks, the HSE department at Creos Luxembourg regularly organises safety trainings with the aim of increasing risks awareness and preventing accidents at work. During 2023 the HSE department has organised trainings for Creos employees, on the subjects of first aids, gas network, electricity network and safe driving of machinery, where 212 certificates have been issued.

Moreover, to avoid risks of accidents at Creos’ high-voltage substations, the HSE department provided to employees from third-party companies working at Creos, with special trainings on hazards associated with this type of installation. Some 195 employees from 37 external companies were trained in this way in 2023.

In addition to this, all Creos Luxembourg employees have completed an online fire prevention training course during 2023, and this training is now mandatory for all new employees. Unannounced evacuation drills have been organised at all Creos sites during the year.

### New “live working” training area in operation

This year Creos opened a new training facility at the Regional Center in Luxembourg, equipped with the latest technology. This room has been designed and equipped to simulate the reality of work sites so that employees can be trained in real-life situations and high-risk manoeuvres.

In February this year the first “live working” training course on the low-voltage sector was conducted in the new training room.

Additional information about HSE at Creos Luxembourg can be found in Creos Annual Report.

**EW5 Objective 2023: prepare for ISO 45001 to be certified by Creos Luxembourg, Enovos Luxembourg, Encevo and Global Facilities**

The HSE teams from Creos, Encevo and Global Facilities have been trained to be an internal auditor for ISO 45001, the standard related to health, safety and risks at work. During 2023, the collaboration between the HSE teams has been developed to support each other in the preparation of the standards' implementation within their companies.

**Main HSE actions developed at Creos Germany, during 2023**

**The BG ETEM training bus visited Creos site in Homburg Am Zunderbaum**

Handling flammable substances and electricity is dangerous, and most people are aware that bottled alcohol is not suitable for panning. However, Mr. Präkels from the Berufsgenossenschaft Energie Textil Elektro Medienerzeugnisse (Employer's Liability Insurance Association for Energy, Textile, Electrical and Media Products) impressively demonstrated that Pattex, petrol fumes and dusts also have the potential to explode.

This was an excellent sensibilisation action to prevent work accidents, developed by BG ETEM for Creos Germany.



## Health and safety data

As mentioned above, the Health and Safety Group policy has aligned the definition and KPIs regarding the reporting to be done.

| <b>EMPLOYEES COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM</b> | <b>2023</b>      |
|---|------------------|
| Number of employees covered by OHS management system                            | 2,373            |
| Percentage of employees covered by OHS management system [%]                    | 86%              |
| Number of employees covered by internally audited OHS management system         | 1,969            |
| Percentage of employees covered by internally audited OHS management system [%] | 71%              |
| Number of employees covered by externally audited OHS management system         | 560              |
| Percentage of employees covered by externally audited OHS management system [%] | 20%              |
|   |                  |
| <b>WORK-RELATED INJURIES ENCEVO GROUP</b>                                       | <b>2023</b>      |
| Number of fatalities as a result of work-related injury                         | 0                |
| Rate of fatalities as a result of work-related injury                           | 0                |
| Number of recordable work-related injuries                                      | 74               |
| Rate of recordable work-related injuries  | 16.9             |
| Number of lost workdays as a result of work-related injury                      | 916              |
| Rate of lost workdays due to work related injury                                | 0.21             |
| <b>Total number of hours worked</b>   | <b>4,378,693</b> |

### Table definitions:

Work Accident: Accident that happens on the workplace or during the working day, while commuting from one workplace to another. The Home-workplace commuting accidents are not taken into consideration for work accident, nor for the statistics related to work-related injuries.  
 Rate of recordable work-related injuries = Frequency rate: Number of work accidents x 1,000,000 / Total number of hours worked by employees.  
 Rate of lost workdays due to work related injury = Severity rate: Number of lost workdays due to a work accident x 1000 / Total number of hours worked by employees.  
 Rates are aligned with the H&S Corporate Policy definitions.

### Table notes:

Please note that data for GRI 403 is not available for Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.  
 Please note that information is only disclosed in this table for the year 2023, as this year the group scope has changed and definitions have been reviewed and updated, including the introduction of a new KPI, lost workdays, in alignment with the new Health & Safety Corporate Policy introduced in 2023.

In 2023, Encevo Group recorded a total of 74 work related injuries for all the group companies. This statistic is aligned with international definitions where commuting accidents are not included. The frequency rate of recordable work-related injuries was 16,9 and the severity rate in number of lost days was 0.21.

# Employee Wellbeing: Diversity and Equal Opportunities

The Encevo Group proudly embraces the principles of equal opportunity, considering inclusion as the profound sense of belonging, accompanied by the space and support for employees to authentically express themselves.

The group understands that the diverse backgrounds and experiences create a vast pool of skills and perspectives, essential for comprehensively understanding and serving the various customers.

The Encevo Group firmly believes that fostering an inclusive and diverse workforce is not only essential for contributing to a positive work environment but also to ensuring long-lasting wellbeing among the people.

## Organisation & Management

In line with this commitment, the group has instituted a robust Diversity & Inclusion Policy. It envisages a workplace where both the employees and the individuals they interact with are treated with fairness, dignity, and respect. The responsibility for ensuring the seamless implementation of this policy across the organisation lies with the group's management team. In tandem with this commitment, the company managers undergo training to embrace inclusive leadership behaviours, thereby enhancing the workplace culture.

At the same time, employees are entrusted with the responsibility of embodying inclusive behaviour in their day-to-day interactions with colleagues and customers. Additionally, each new employee receives training on recognising and addressing unconscious bias in the workplace.

The Diversity & Inclusion Working Group (DIWG) remains dedicated to overseeing and integrating practices related to diversity and inclusion within the company. The DIWG is entrusted with a set of responsibilities, which includes:

- Conducting a diagnostic assessment and defining priority areas for Diversity & Inclusion.
- Developing and implementing an action plan.
- Regularly evaluating progress.
- Effectively communicating implemented actions.
- Establishing a platform for open exchange and discussion.
- Welcoming and analysing suggestions.

## Progress 2023

In May 2023, the Encevo Group proudly inaugurated the EnergizedLeaders programme, an initiative aimed at nurturing and developing the skills of the group leaders.

The tailor-made leadership programme was thoughtfully crafted, focusing on cultivating leaders through three key perspectives: leading self, leading others and leading the organisation. The programme's design is informed by insights gleaned from the Engagement Survey, aligning with the managerial competencies and the core values of the group. The programme provides a special focus on emotional intelligence, emphasizing the understanding and management of employees' own emotions, as well as recognizing the emotions of others. This emphasis facilitates effective communication and inclusion. Over the next four to five years, every leader within the organisation will have the opportunity to participate in the programme, providing an inclusive platform to implement innovative ideas that form an integral part of their developmental journey.

At local level in Luxembourg and commencing in September 2023, a Lunch and Talk Series has been introduced as an informal platform for colleagues to gather and engage in open discussions in a language they are currently learning. These regular sessions aim to facilitate conversations on the significance of diverse perspectives, encourage the sharing of personal experiences, and explore collective contributions toward a more inclusive culture.

For the upcoming years three objectives have been defined, that aim at further embedding the diversity and equal opportunities concept within the companies. These objectives form part of the Sustainability Management Plan (page 45).

### **EW7: Raise awareness among the general management on interpersonal skills/emotional intelligence through dedicated sessions / conferences.**

The ability to understand and manage own emotions, as well as recognizing the emotions of others, significantly influences the way people interact and communicate with others daily. This emotional intelligence forms a foundational layer for fostering acceptance of other people's ideas or opinions. Though the commitment to creating a more inclusive work environment, awareness was raised through dedicated courses, e-learning, and our EnergizedLeaders programme. These initiatives are instrumental in developing and honing these essential skills, contributing to a workplace culture that values diversity and inclusion.

### **EW8: Train our leaders on our managerial competencies (including diversity and inclusion mindset /approach) through a dedicated leadership programme.**

The official launch of the inaugural year of #EnergizedLeaders occurred on 12 June, with participation from the Executive Committee and approximately 80 attendees. Currently, multiple groups are progressing through the programme and are set to conclude their leadership journey. Moreover, around 150 leaders have been nominated to participate in the upcoming cohort, scheduled to commence in May/June 2024.

### **EW9: Include diversity and inclusion in employer branding to attract more women or other minorities.**

In 2023/2024, outreach programmes targeting diverse audiences have been actively initiated. The objective is to create a sense of identification with the group among individuals from various backgrounds, fostering an environment that appeals to a wide range of talents.

# Employee Wellbeing: Learning and Development

Encevo Group is dedicated to fostering the growth of every employee, irrespective of age, position, or career stage. The group's commitment to continuous learning and development is ingrained in the core competencies, as it firmly believes that these practices yield numerous advantages for the organisation. They not only enhance employee development but also contribute significantly to improve engagement and motivation within the workforce.

## Organisation & Management

The company is committed to offering a comprehensive training programme through various formats such as on-site and virtual classes, live webinars, and recordings. This caters to diverse employee profiles and their unique development needs. Specific onboarding for new hires and other training programmes focus on career development and knowledge improvement.

The training range is continually updated, with new learning modules added to the internal catalogue. Additionally, employees are encouraged to have yearly development discussions with their managers, aligning personal goals with future training needs identified during performance reviews.

## Progress 2023

The Encevo Group actively embraces digital transformation, recognizing its impact on communication, work, and learning. In 2022, the companies Encevo, Enovos, Creos and Teseos Luxembourg significantly expanded their digital learning offerings, introducing over 16,000 courses through a new e-learning platform integrated into the existing HR systems. In 2023, the focus shifted to stabilizing microlearning and knowledge sharing.

In 2023, the e-learning content was augmented, including mandatory courses on crucial topics such as fire evacuation, IT security, and job-specific subjects. Initiatives like the Learning Challenge engaged employees in integrating e-learning into their daily routines, offering incentives like job shadowing opportunities.

Anticipating the significance of mental health, the learning and development team collaborated with the Health Safety and Environment department to train employees in mental health first aid. Various sessions, conferences, and a yearly wellbeing day were organised to bolster employee resilience.

Recognising language diversity, the companies invested in individual language courses and launched the Lunch & Talk initiative in 2023 to encourage the daily use of foreign languages.

Understanding the importance of energy in driving economies, the companies have in place a training programme that provides an overview of the energy sector, ensuring all employees comprehend its basics and purpose. This programme is included in onboarding initiatives, emphasizing its optional availability to new employees from diverse backgrounds.



In 2023 the group-wide leadership initiative, #EnergizedLeaders, was launched, which successfully certified approximately 40 internal leaders aligned with the company values and leadership criteria by early 2024. The initiative aims to provide comprehensive training for the entire leadership community over the next 4-5 years.

Furthermore, the use of knowledge-sharing tools was expanded, including the Easygenerator authoring tool, across affiliated companies such as Paul Wagner et Fils, Creos Deutschland, and Enovos Deutschland. This extension has facilitated the development of employee-generated e-learning courses, promoting collaborative learning within the organisation.

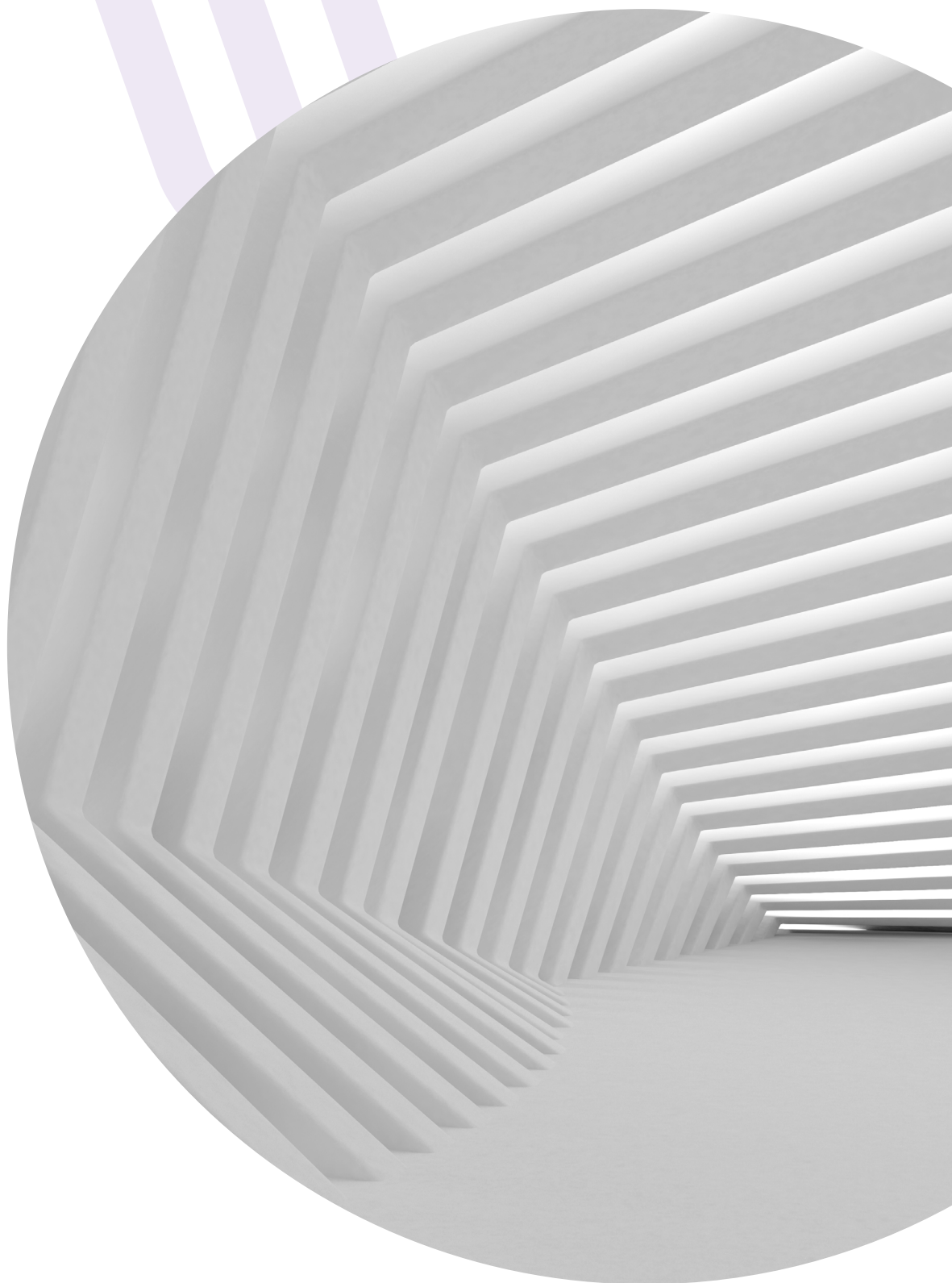
| TRAINING AND EDUCATION - ENCEVO GROUP   | 2021        | 2022        | 2023        |
|---|-------------|-------------|-------------|
| Total number training hours   | 19,507      | 32,954      | 53,243      |
| Training hours - male employees   | 15,956      | 27,670      | 43,259      |
| Training hours - female employees   | 3,552       | 5,284       | 9,984       |
|   |             |             |             |
| TRAINING HOURS BY EMPLOYEE CATEGORY   |             |             |             |
| Management ("cadre") employees training hours   | 5,851       | 6,792       | 11,409      |
| Non-management or employees under Collective Work Agreement training hours                      | 13,656      | 26,162      | 33,034      |
|   |             |             |             |
| AVERAGE TRAINING HOURS BY GENDER  |             |             |             |
| Male employees average training hours [h/Employee]  | 8.16        | 14.0        | 19.1        |
| Female employees average training hours [h/Employee]  | 8.28        | 12.3        | 20.0        |
|   |             |             |             |
| AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY   |             |             |             |
| Management employees average training hours [h/Employee]  | 10.5        | 14.9        | 22.4        |
| Non-management or employees under collective work agreement average training hours [h/Employee] | 7.97        | 13.5        | 15.6        |
| <b>Total Average training hours per employee [h/Employee]</b>                                   | <b>8.18</b> | <b>13.7</b> | <b>19.3</b> |

Please note that data for GRI 404-1 is from 2022 for PWF Luxembourg, and data is not available for Minusines, Hoffmann Frères Energie and Grethen & Grethen Rénovation S.à.r.l for 2023.

The increase in the values for 2023 can be explained in part by the addition of training hours from new companies like Wieland & Schultz, while the figures also show a positive evolution in the average training hours per employee because of the enhanced training efforts after the pandemic.

### EW1: Pursue efforts in increasing time spent on e-learning and create learning communities for knowledge sharing

In the table above we note that the average number of training hours per employee increased again in 2023, reaching 19.3 training hours per employee per year for the whole group. For the upcoming years the group companies plan to continue advancing in this direction in line with the sustainability management plan (page 45) objective (EW1) of increasing the time our employees spend on e-learning and on creating learning communities for knowledge sharing.





# 05

## Performance review

- Financial performance
- Environmental performance
- Social performance
- Community empowerment**

# Indirect Economic Impacts

## Materiality

The Encevo Group presence has an impact on people's lives, jobs, and economic conditions in Luxembourg and the Greater Region. At the different locations, the companies invest, pay taxes and levies, collaborate with local businesses and partners, and create job opportunities. It is understood that every corporate choice has indirect economic implications, which is why the group companies act responsibly at the international, national, regional, and local levels, as well as members of the communities and locations in which they operate. Furthermore, the group companies strive to be perceived as a trustworthy and trusted partner.

## Organisation & Management

The Encevo Group is committed to establishing defined principles as the foundation for its corporate and social operations. Within the context of these principles, Encevo Group actively participates, both as a company and alongside its employees, in developing the community and improving local conditions. The group companies fulfil the tax responsibilities arising from their activity. Tax payments are considered a fair contribution to the financing and development of thriving communities in all countries where the group companies operate.

Video of the event  
"Prix d'Excellence 2023"



As a result, the Encevo Group considers as part of its social responsibility to be as transparent as possible about tax actions and to share this information within the legally mandated framework. In addition to the statutory payments of taxes and levies, the group is voluntarily committed to the common good through the Fondation Enovos (annual donation of EUR 330,000) as a non-profit foundation that promotes renewable energy in Luxembourg and the Greater Region. It also conducts environmental and sustainable development research and supports social projects. The Fondation Enovos gave the Prix d'Excellence to six young engineers for the twelfth consecutive year in 2023 to encourage and strengthen their professional careers as well as recognise their graduating work.

The mission of the Fondation Enovos is the following:

- Enhancement and development of renewable energy sources in Luxembourg and the Greater Region.
- Active promotion of research in the fields of environmental studies and sustainable development by supporting scientific projects in the field of energy, particularly renewable energy.
- Social projects.





## Progress 2023

Encevo Group is part of society as a whole and is committed to the integration of the social dimension into its modus operandi. Throughout the year, Encevo Group supported various NGOs with donations.

Encevo Luxembourg SA donated 100,000 € to the Ukrainian Solidarity Foundation under

the aegis of the Fondation de Luxembourg. 4 associations were supported: CARE Luxembourg, SOS VEM, Médecins Sans Frontières, Handicap International.

This list presents the most important projects supported by Enovos and its commercial activities in Luxembourg:

### **“Festival of Migration, Cultures and Citizenship” organised by CLAE (Liaison Committee for Associations of Immigrant Origin )**

To show its solidarity with people of an immigrant background, Enovos was a partner of the 40th edition of the Festival of Migration, Cultures and Citizenship organised by CLAE from 25 to 26 February 2023.

### **Relais pour la Vie 2023 by the Cancer Foundation**

The edition 2023 of the solidarity run “Relais pour la Vie”, organised since many years by the Cancer Foundation to support the fight against cancer, took place from 25 to 26 March 2023 at the Coque on the Kirchberg. Enovos as a long-time partner of the event gave its financial support by funding the kilometres pedalled on the bikes in the arena of the Coque, participated with a team and raised money through the Trophies of Hope.

### **Trisomie21 Luxembourg asbl**

In order to support children with Down's Syndrome, in 2023 Enovos also supported the campaign “Lots Of Socks Day” by giving a donation.

### **APEMH and Parc Merveilleux de Bettembourg**

As a partner since 2019 of the APEMH Foundation (Association of Parents of Mentally Handicapped Children), Enovos also supported the “Parc Merveilleux de Bettembourg”



the hands of  
Innovation

in 2023 by sponsoring the golden-headed lion tamarin enclosure and the white-fronted lemur enclosure, the benches in the park and by distributing Enovos gadgets to the children at the Dreamnight at the zoo on 9 June 2023.

### **Luxembourg Pride Week 2023 organised by Rosa Lëtzebuerg (1<sup>st</sup>– to 9<sup>th</sup> July 2023)**

Enovos was again co-head partner of the 2023 edition of the Luxembourg Pride Week with its Street Fest and Equality March. The aim of this partnership is to underline the solidarity of Enovos with the LGBTQIA+ community, to defend and promote the rights of LGBT+ people and to fight against all forms of discrimination.

### **“Sport pour tous” and “Sport-Wochen/ Kinnekswiss” by the Sports Department of the City of Luxembourg**

For many years, Enovos has been supporting the “Sport pour tous” races throughout the year and the “Sport-Wochen” sports programmes organised by the city's Sports Department during the summer school break for young people aged 11 to 17, as well as the outdoor activities, including a number of sports, at Kinnekswiss in the municipal park from July to September, by financing clothing for specialist trainers and professional instructors.



trisomie 21



### **COSL (Comité Olympique et Sportif Luxembourgeois)**

For many years, Enovos has been supporting sport in Luxembourg through its partnership with COSL, the Luxembourg Olympic and Sports Committee, and is usually involved in activities for children at the “COSL Spillfest”.

### **The Hands of Innovation 2023 organised by the Chambre des Métiers**

The Hands of Innovation organised by the “Chambre des Métiers du Luxembourg” rewards craft businesses that stand out for their innovative approach and entrepreneurial spirit. Enovos, as a silver partner, was a member of the jury and handed over one of the awards at the awards ceremony in October.

### **Luxembourg Sustainability Forum 2023 organised by IMS (26th October 2023)**

As part of its sustainability policy, Enovos was again official partner of the 12th edition of the Luxembourg Sustainability Forum “Behind the Scenes – Acting for Real Changes” that was held on 26 October, in person at LuxExpo and via livestream.

The 2023 edition provided new perspectives as well as concrete and inspiring solutions to environmental and social challenges, thanks to a high-quality programme.

### **ICOM – Groupement d’Stater Muséeën**

As a partner since 2019 of the The 2023 edition of the “Luxembourg Museum Days” and the “Night of Museums”, great events for culture and heritage enthusiasts in Luxembourg, organised by the seven museums of the “Groupement d’stater muséeën”, was powered by Enovos. These events bring together all the



Luxembourg  
Sustainability  
Forum



Dribble d’Or  
2023 by Mental!



COSL (Comité  
Olympique et  
Sportif  
Luxembourgeois)

stories of the world. Culture knows no borders and brings people together both through events and also common emotions.

### **INFOGreen and 20<sup>th</sup> anniversary of the IFSB by Picto Communication Partner**

In 2023, Enovos again signed a partnership with Picto Communication Partner for INFOGreen, the first daily newspaper dedicated to the challenges of sustainable development in Luxembourg and its neighbours [www.infogreen.lu](http://www.infogreen.lu), and was also partner of the in4green event 4X3 “Construction/Carbon footprint” in October.

### **Fondation de l’Architecture (formerly LUCA)**

To support the foundation’s annual activities, Enovos signed a partnership agreement for one year and thus joined the foundation’s Partners’ Circle.

### **Cluster for Logistics Luxembourg (C4L)**

In 2023, Enovos supported, within the framework of enoprimes, the Lean & Green programme and incentive measures to improve energy efficiency in transport, logistics and warehouses according to the European EED directive.

### **Dribble d’Or 2023 by Mental!**

Another event sponsored by Enovos to demonstrate and strengthen its commitment to diversity and the integration of women was the event “Dribble d’Or” organised by the newspaper “Mental!”. On this occasion, Enovos presented an award to the best female football player of the 1<sup>st</sup> Women’s League in Luxembourg.

### **UNICEF**

As a long-standing partner of UNICEF Luxembourg, Enovos handed over a

cheque to the humanitarian organisation in order to support UNICEF's initiative in the Horn of Africa.

### PADEM

In 2019 Enovos signed a partnership agreement with the non-governmental development organisation PADEM (Programmes d'Aide et de Développement pour les Enfants du Monde) in order to co-finance over four years (2020-2023) a school electrification project in Senegal called ECLAT.

Enovos provided financial support to the project, passed on its expertise in electrification and promoted the project in all its forms under its motto "Energy for today. Caring for tomorrow". This project, for which Enovos raised funds through numerous internal actions, such as sales of gadgets and tickets on greenstore, Christmas initiatives and external actions, reflects the values of our company and the commitment we want to show on a daily basis.

## Enovos Foundation and its partnerships

The Foundation reflects Enovos's leitmotiv to act as a responsible company towards current and future generations, based on three different aspects.

### Social Aspect

In 2023, the Enovos Foundation supported following associations/projects:

- La Trace asbl – Projet socio-éducatif pour jeunes en difficultés psychosociales
- Fondation Caritas Luxembourg
- Fondation Solina – Projet « LINK »
- A.L.P.A.P.S. – Special Olympics Luxembourg
- Médecins du Monde
- Nestwärme Luxembourg asbl
- Päerd's Atelier asbl
- Stëmm vun der Strooss – Soutien renforcement des capacités
- Amazing Kids – Renforcement des capacités
- Fondation Kriibskrank Kanner

### Innovation & Research Aspect

- Prix d'excellence: Scholarships for young engineers
- Université de Luxembourg – LetzPower!

### Environmental Aspect

#### fonds nova naturstrom

The non-profit organisation "fonds nova naturstrom" received EUR 200,000 in 2023 from the Enovos Foundation to award bonuses for projects related to renewable energy, energy efficiency, eco-technologies or the rational use of resources in Luxembourg.

In 2023, over 500 bonuses were awarded.

### Energy efficiency

Promoting energy efficiency, energy savings and tips has been promoted in 2023 throughout content in different media, public campaigns as well as blog articles on the Enovos' website.

To do so, several campaigns and special actions have been implemented.

### Let's Save Energy campaign continuity in 2023 (after the launch in 2022)

- Radio audio material
- Out-of-home display (tips)
- Social media campaign

Details of this campaign can be found at [lets-save-energy.lu](https://lets-save-energy.lu)



### enoprimes

enoprimes programme has been very active in 2023 focusing on various target groups:

- Residential customers by promoting renovation with an impact on decarbonisation (e.g. heat pumps, thermal insulation, etc.)
- Municipalities by delivering energy saving kits to citizens

- All public benefiting from a household appliance incentive that offers subsidies for replacing household appliances with more efficient appliances

**Creos, our grid activities in Luxembourg, was also active during 2023 and the following selected projects are the most important ones:**

### **Donations**

#### **Europa Donna and the Fondatioun Kriibskrank Kanner.**

For many years, Creos has replaced the traditional end-of-year gifts with charitable donations. In 2023, a cheque was donated to Europa Donna and the Fondatioun Kriibskrank Kanner.

Europa Donna is committed to raising awareness and fighting breast cancer on a national and European level. The donation from Creos will be used for a joint project of Europa Donna Luxembourg and Fondation Cancer, in collaboration with Arcus, to provide a new service for parents with cancer. As part of this service, contracted professionals will support families by accompanying the children in their daily life, school and extra-curricular activities; they may also help the family with home maintenance and meal preparation.

For more than 30 years, the Kanner Foundation has provided daily support to families affected by cancer and other rare, life-threatening diseases. Creos' donation will go towards the family's psychotherapeutic support project. Psychotherapy is offered to different members of the family according to their needs in order to provide the best possible support for the child and/or the immediate family.

### **Sponsorships**

#### **Skoda Tour - Luxembourg**

As in previous years, Creos' sponsorship in 2023 is focused on the very popular cycling event "Skoda Tour - Luxembourg". As part of its efforts to promote young talent, Creos is a partner of the White Jersey, which is awarded

to the best young cyclist at the Tour. Creos also actively supports a number of student associations in Luxembourg, particularly in the field of science and technology. In this way, Creos contributes to promoting industrial careers among students in Luxembourg and also aims to position itself as an attractive employer for young graduates in this sector.

#### **Wëssensatelier of the Da Vinci association**

Since 2015, Creos has supported the activities of the Da Vinci association's "Wëssensatelier", which brings together engineers, architects, scientists and business representatives. Through creative, fun and innovative activities, the Wëssensatelier aims to get young people aged between 8 and 12 interested in technology and to encourage them to consider a scientific education.

#### **natur&ëmwelt**

The association natur&ëmwelt aims to preserve biodiversity in a diverse natural and cultural landscape by raising awareness, providing advice and carrying out practical, scientific and political activities at local, national and international level. As a long-term partner, Creos finances the publication of an annual pocket guide.

Encevo Germany with its subsidiaries was also very active and was demonstrating exemplary leadership with following actions (non-exhaustive):

#### **Running for a good cause - Encevo Deutschland Group supports "Wissenswerkstatt Saarbrücken"**

The Encevo Deutschland has renewed its commitment to the "Wissenswerkstatt" in Saarbrücken by once again donating a cheque. The donation was made possible through the active involvement and running activities of our dedicated workers as part of the "Running for a Good Cause" programme. With this project, we not only help the Wissenswerkstatt, but also set a good example for our company's health and social responsibility.

Wissenswerkstatt Saarbrücken e.V. is a

non-profit organisation dedicated to fostering young people's interest in mathematics, science, technology (STEM) and the environment from an early age. We hope to create interest for these important themes in young people and offer long-term career and personal opportunities through a variety of educational programs. This programme is aimed at children and young people aged 8 to 18 in the region. In free courses, they have the opportunity to try out the use of technology in a playful way in class or individually. Practical work enables them to discover their talents in the field of science and technology and to further develop their skills.

In this way, Encevo Deutschland will help to continue the vital work of the Wissenswerkstatt Saarbrücken and provide even more young people with opportunities to develop their interests and abilities in STEM fields.

#### **Santa Claus campaign at Kinderhospiz Saar e.V.!**

In December 2023, the popular Santa Claus campaign was held in cooperation with Kinderhospiz Saar e.V. The hospice's and the families' excellent responses from the past inspired us to organise another visit with Santa Claus, elves, and angels. Based on children families' preferences, our purchasing department bought the presents, which were wrapped by our trainees and their supervisors. The kids were delighted when Encevo employees handed them their presents in person.



#### **The details in donations and manpower for the entire group are as follows (GRI 203-1)**

EUR millions

**0.590**  
2021

**0.721**  
2022

**0.895**  
2023

The pandemic crisis is fortunately over, and this has again allowed the sponsorship of live-events. Therefore, the support increased from EUR 0.721m to EUR 0.895m, which represents an increase of 24,1% from 2023 compared to 2022.

Please note that data for GRI 203-1 is not available for Wieland & Schultz.

# Contribution to the 3<sup>rd</sup> “National Plan for Sustainable Development” (PNDD) of the Luxembourg Ministry of the Environment, Climate and Biodiversity

Encevo Group defines sustainability as taking responsibility for future generations by contributing to sustainable development and involving stakeholders at economic, environmental, and social levels.

Encevo Group clearly demonstrates its contribution to the UN's Global Goals and in particular to the goals for affordable and clean energy (#7), Decent work and economic growth (#8) Industry, innovation and infrastructure (#9), Responsible consumption and production (#12), Climate action (#13). Through

the sustainable energy transition strategy in Luxembourg and the Greater Region Encevo Group is delivering energy in a reliable, inclusive and sustainable manner, and in doing so, creating value for stakeholders.

The Encevo Group strives to challenge and innovate in

the way people work, incorporating sustainability into everything that they do. This is outlined in the group Sustainability policy. This year, in the context of the European Sustainable Development Week, which took place from 18 September to 8 October 2023, the CSR team raised awareness about the SDGs.



From left to right:  
Jan Ricken (Head of  
Group Organisation &  
Process Excellence),  
Marc Schroeder  
(Group CFO),  
Claude Seywert  
(Group CEO), Laurence  
Zenner (CEO Creos  
Luxembourg), Jean-Luc  
Santinelli (CEO Teseos  
Luxembourg), Erik von  
Scholz (CEO Enovos  
Luxembourg), Lucia  
Garzaron (CSR Expert)



The cubes were placed throughout the various buildings, and gamification interactions were planned to raise awareness among the personnel. QR codes on the cubes point to additional material on the intranet. The action was well received, and the staff gained a better grasp of the priority SDGs for the Encevo Group.

### **SDG 7: Sustainable and clean energy**

The group's goal is to significantly enhance renewable energy capacity and output to help the Luxembourg government meet its 25% green electricity objective by 2030. This ambition has been reviewed by the Government and Luxembourg's integrated national energy and climate plan (PNEC - <https://gouvernement.lu/en/dossiers/2023/2023-pnec.html>) published on 5 June 2023 now foresees an objective to achieve a 35-37% share of renewable energies in final energy consumption by 2030.

The volume of the renewable assets portfolio in Luxembourg continued to grow at a fast pace. At year-end the operational assets comprised 151.6 MW (2022: 84.4 MW) of onshore wind, 43.3 MW (2022: 35.6 MW) of photovoltaic (PV) installations, 32.6 MW (2022: 32.6 MW) of hydro power and 22.3 MW (2022: 21.9 MW) of combined heat and power (CHP). The total installed capacity amounts to 249.8 MWel (2022: 174.5 MWel, +43%) and 267.3 MWth (2022: 252.4 MWth).

The total electrical production for the year 2023 reached 554 GWh (2022: 391 GWh). The main driver for the increase in production were new wind capacities added during the year further supported by excellent wind conditions, increasing wind production by 150 GWh compared to 2022. Also, hydro assets benefited from favourable conditions and generated 22 GWh more than previous year.

Soler S.A. successfully continued their development of new projects. In December 2022 6 new wind turbines (25.2 MW) were put in test operations and were finally commissioned in Q1/2023. In addition to these capacities additional 10 wind turbines were

constructed and commissioned during 2023 adding further 42 MW.

PV installations saw another increase in capacity mainly in Q4 of 2023 though, adding 7.7 MW (2022: +5.4 MW). Altogether nine new projects were successfully commissioned, including three carports, four rooftop installations and two ground mounted projects. Six projects (15.3 MW) are due for construction in 2024, all of them were successfully granted a Feed-in Premium in the national calls for large photovoltaic installations. Four projects (13.6 MW) will be innovative ground mounted projects with measures for biodiversity enhancement and an agricultural production underneath.

The year 2023 was another successful year for LuxEnergie S.A. and its major subsidiaries Kiowatt S.A., Airport Energy S.A. and Datacenterenergie S.A. LuxEnergie managed to maintain a sound performance throughout the year by efficiently operating its assets. Having secured several biomass projects, LuxEnergie S.A. continues to achieve its objective to replace fossil fuel sources with wood energy in its heating and CHP installations. In addition, heat pump projects in combination with geothermal energy are being implemented. The total thermal capacity increased by about 15 MWth during 2023.

For further details, please refer to our chapter "Clean energy development".

### **SDG 8: Decent work and economic growth**

The group companies in Luxembourg met the 2023 objectives by recertifying the standards (SGS, Vision ZERO) and continuing our ISO 45001 preparation. In addition, the new Creos headquarters was operational for the second year, allowing to fine-tune energy and health & safety settings to guarantee the access to the most modern and sustainable office facilities possible. The Encevo Group is experiencing sustained growth, with an increasing number of personnel. Additionally, the employee satisfaction feedback questionnaire could provide real evidence of employee wellbeing. Aside from good work,



the Encevo Group recognises the need of safeguarding and supporting human rights. During 2023, the government's objectives for tangible action plans were implemented. It has already been outlined in this report the group progress with important achievements: the establishment of a fully-fledged CSR management system to receive responses from the entities in this regard. Next, the whistleblower channel was expanded to include human rights issues, and all processes were integrated into a new platform that is accessible to suppliers, customers, employees, and other stakeholders as of early 2024.

### **SDG 9: Industry, innovation and infrastructure**

The path of digitizing customer interactions through upgraded customer relationship management (CRM) systems has been completed and is now integrated into the group strategy. The group plans to continue to improve its customer-facing systems based on consumer needs and expectations. At the same time, the group companies are developing a new Customer Data Platform for both the grid and the market. Encevo conducts innovation and technology-based projects to deliver new capabilities to better serve our clients, run high-performing operations and lessen the environmental effect of the daily work. These projects and initiatives are integrated into strategic plans; they are being carried out in various business units across the company and are making significant progress.

Encevo Group thus supports the Luxembourg government's objective of investing 2.3-2.6% of GDP (Gross Domestic Product) on R&D projects.

In the framework of the partnership agreement signed in 2022, between Encevo S.A, the Luxembourg Institute of Science and Technology (LIST) and the Interdisciplinary Centre for Security, Reliability and Trust of the University of Luxembourg (SnT) two new innovation projects are agreed between Enovos Luxembourg S.A. and SnT and already partially started on top of two

already running research projects in the area of flexibility and price forecasting. The third research project, entitled "Data-driven electricity load prediction for households and small Industry" (DELPHI) will, by applying high performance computing to benchmark innovative clustering/modelling approaches on smart meter data, enable improvements of electricity consumption forecasting. The fourth research project named ENOSAGE will focus on the application of generative AI and Large Language Modelling (LLM) approaches and solutions to improve efficiency in process automation and knowledge management at Enovos' Business IT as pilot for other applications in the Encevo Group.

Furthermore, in its role as facilitator of new innovative topics for the group, Group Innovation Management led and supported activities and pilot projects in the area of eco districts solutions (CO2 free heat and electricity supply concepts in new districts) and energy communities / collective self-consumption together with several business units. Another pilot at EnergieAgence involves a solution of a start-up and addresses advanced energy efficiency services for existing industrial zones and buildings and by that supports the build-up of core capabilities for the future development, analysis and evaluation of energy systems in a holistic and dynamic way.

Creos S.A. worked on several innovation projects pushing the digitalisation of the grid. For example, Alva - a solution of the start-up Datathings - is used for improved forecasting (generation and consumption) and power-flow calculation, applying its machine-learning algorithms and by that allowing Creos to do day-ahead up to real-time monitoring of different voltage levels. The objective of the Creos Living Lab is to simulate the energy transition in an existing street in Luxembourg with PV installations, heat pumps, electric vehicles and home batteries. In this real-life environment, Creos will evaluate the impact of the energy transition on a horizon 2030 on the grid and

develop real-time Smart Grid capacities. Since live monitoring of the low-voltage grid becomes increasingly important as loads are increasing due to the electrification of heating and mobility and growing decentral production capacity, Creos started together with several Original Equipment Manufacturers (OEMs) and solution provider a pilot project to i) install, test and evaluate the reliability and benefits of real-time measuring devices for low-voltage feeders from four different manufacturers, ii) install Voltage Regulating Distribution Transformers and analyse how they can allow Creos to take full advantage of the existing grid infrastructure and iii) to import data from both technologies into Creos' Data Platform and further develop Data Analytics capabilities. All projects are to a large degree financially supported by external financing e.g., public funding schemes, and the Group Innovation Fund of Encevo.

Another channel of driving innovation forward at Encevo is through the Corporate Venture Capital (CVC) function, which primarily scouts for investments to provide supplementary grip to new topics, support in-house skills, develop new products and services enabling an effective digitalisation of our operations as well as offering new energy transition services to customers.

When scouting for investment, opportunities are also identified to cooperate exclusively with focused start-ups, for testing new concepts or on a one-off basis for a specific project. Hence startup scouting impacts more than just investment momentum. It also has an impact on gathering and disseminating knowledge about innovative topics. Encevo counts six portfolio companies in total. Europe is the primary scouting field, where regulatory frameworks as well as technical infrastructures may remain not too far apart from the Encevo Group.

Furthermore, Creos Luxembourg is pleased to report a very positive outcome for a grid KPI, with an average SAIDI (System Average Interruption Duration Index) of 14.23 minutes per customer. Which is a better performance than 2022 (15.34). The Creos annual report contains further information about the grid dependability and supply security.

Encevo Group is in charge of establishing a charging network for electric vehicles. With its mobility services offering, it contributes to the Luxembourg government's goal of 49% EVs or plug-in hybrids (PHEV) by 2030 and 100% full EVs by 2050. The Chargy and SuperChargy networks will continue to evolve. At the end of 2023, the Chargy network had 699 charging stations (+93), while the SuperChargy network had 60 charging stations, up from 32 the year before.

### **SDG 12: Responsible consumption and production**

Sustainable development is at the core of the Encevo Group's vision and mission. Encevo is increasing customer centricity and developing innovative, smarter and more sustainable products and services with a focus on energy efficiency. Encevo walks the walk, recertifying the Encevo Headquarters Building with ISO 50001 Energy Management Certification for the sixth year. Furthermore, as part of the national energy saving programme "Zesumme Spueren, Zesummenhalen", Encevo's subsidiaries energiegence and Global Facilities were officially appointed as Technical Support for Energy-Intensive Buildings by the Luxembourg government. At the same time, the Encevo Group aims to minimise individual customers' energy consumption based on a full roll-out of digital smart meters and state-of-the-art digital tools. The customer programmes raise awareness regarding energy use and encourage effective energy management behaviour. As in the previous year, considerable efforts were made in the Energy Efficiency Obligation Scheme (EEOS) in all sectors. The enoprimes teams generated more than 6,509 offers (+2,000 offers compared to 2022) for new energy efficiency



measures and at the same time finalised more than 2,725 initiatives (+691 compared to 2022). 2023 was a successful year as with 169.7 GWh (+16,4GWh compared to 2022) of achieved savings for our enoprimes programme again surpassed our annual objectives.

Consequently, Encevo Group is supporting the Luxembourg government's target of 40-44% of energy savings for 2030 compared to 2005.

### SDG 13: Climate action

Climate change and the dedicated SDG 13 "Climate action" is one of the most important challenges worldwide and is particularly material to Encevo Group in its dedication to the sustainable energy transition. Following to Luxembourg's integrated national energy and climate plan (PNEC), the long-term objective is to achieve climate neutrality, or zero net emissions in Luxembourg by 2050 at the latest.

As a result, the Encevo Group has been pursuing a "Dark Green" strategy since 2014, which entails developing green and carbon-free energy generation throughout the value chain. With the launch of our Teseos offerings three years ago, the group expanded its energy efficiency services to meet the demand for low-carbon energy in the fight against global warming. Climate change is becoming increasingly urgent, and efforts to cut emissions must be accelerated. During 2023, the group completed a significant effort to create a thorough Corporate Carbon Footprint (CCF) for all fully consolidated companies. The group also devised a decarbonisation strategy until 2030. For further information, please refer to our carbon management chapter.

The Encevo Group supports the disclosure of climate-related risks and opportunities under the impending CSR Directive and is planning to highlight the risks and opportunities that climate change brings to the different processes. Hydrogen is definitely one of several options for decarbonizing the

energy system. The German grid-led project mosaHYc made significant progress in 2023; for further information, please read page 163.

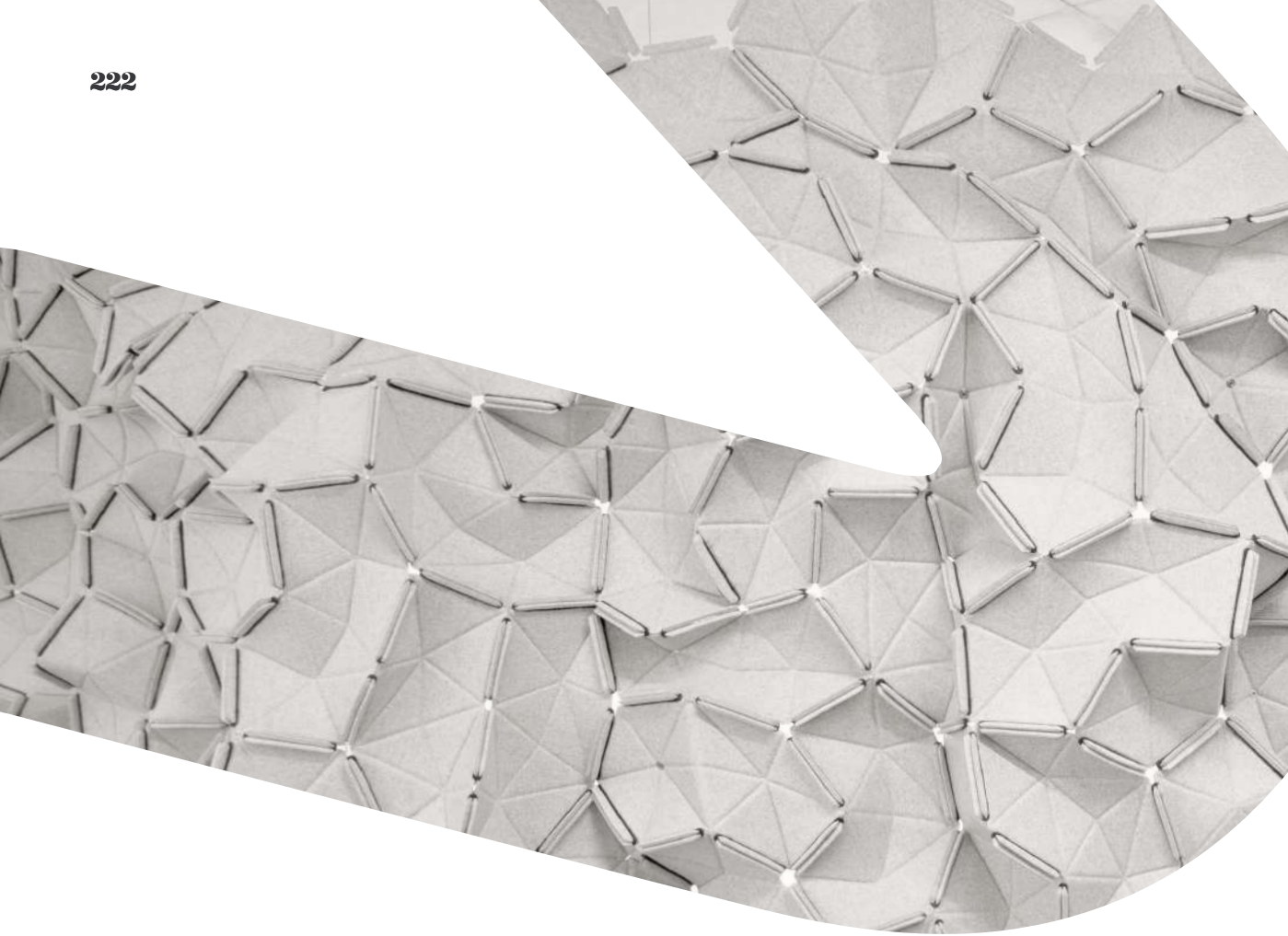
Encevo Group is currently on track to help the Luxembourg government meet its goal of reducing emissions (GHG) by 55% by 2030 compared to 2005 levels. The Luxembourg government has set a goal of achieving net zero emissions by 2050 at the latest.

These concrete examples of contributions as well as the alignments with government objectives ensure a deep link to the 3<sup>rd</sup> National Plan (PNDD) and concretely illustrate the Encevo Group sustainable energy transition strategy.











# 06

## Appendices





# Stakeholder Engagement

Encevo Group considers that its relationships with stakeholders who may influence or be affected by actions or the value of the firm and group are important. The value chain of Encevo's companies involves a significant number of stakeholders. The company has recognized 17 different stakeholder categories:



Encevo's stakeholders include all of the people and organizations with whom we have contacts and engage in communication as part of our sustainable business model, which prioritizes stakeholders in its strategy. The company's goal is to foster trusting connections with its stakeholders while also increasing their participation, engagement, and sense of belonging to Encevo.

We therefore apply the following principles in our daily decisions, large and small:

- Two-way communication
- Active listening
- Equal treatment
- Transparency

We engage in our day-to-day business with our stakeholders in the following way (method and topics):

#### Shareholders

##### Methods of engagement:

Board of Directors Meetings, questionnaires

**Topics:** strategy updates, compliance, regulations, governance

#### Management

##### Methods of engagement:

workshops, interviews, meetings, Audit & Risk Committee, Strategy Committee, CSR Committee, IC, Security Committee

**Topics:** strategy updates, sustainability plan and objectives, risk evaluation and

strategy, data protection, IT/cyber security

#### Employees

##### Methods of engagement:

surveys, interviews, workshops, group intranet messages, TV/screen channel, face-to-face meetings, training, knowledge exchange sessions

**Topics:** wellbeing, personal development, annual evaluation, diversity and inclusion, strategy update communication, awareness raising on health & safety topics (anti-flu vaccination, ergonomic office, burnout, etc.), access to information and transparency (working conditions, social benefits, policies & procedures, whistleblowing, training catalogues, etc.)

#### Staff committees

##### Methods of engagement:

workshops, e-mails

**Topics:** collective work agreements, CSR materiality, social elections, other social and economic topics

#### Suppliers

##### Methods of engagement:

meetings, e-mails, phone calls

**Topics:** supplier code of conduct, negotiations, skills development, innovation

#### Customers

##### Methods of engagement:

feedback through meetings, e-mails, phone calls, site visits, fairs and events, due diligence processes (B2B)

**Topics:** grid connection, supply of power & gas, technical

services, sustainability questionnaires, innovation

#### Government bodies, EU:

##### Methods of Engagement:

Attendance of public conferences and events, participation in public consultations

**Topics:** impact of European and national measures on Encevo's activities in all areas related to energy supply, renewables production, e-mobility, grid infrastructures, etc.

#### Industry trade groups:

##### Methods of engagement:

membership in federations and associations representing sectoral interests at national and European levels (i.a. FEDIL, Eurelectric, Eurogas)

**Topics:** decarbonisation pathways, developments of renewable energies, e-mobility, grid fee structure, etc.

#### Researchers

##### Methods of engagement:

open innovation method to address the identified innovation concerns through signed MoUs with well-known regional R&D institutes such as LIST and SnT.

**Topics:** innovative energy transition research

#### Financial Institutions

##### Methods of engagement:

workshops with advisors, e-mails, phone calls

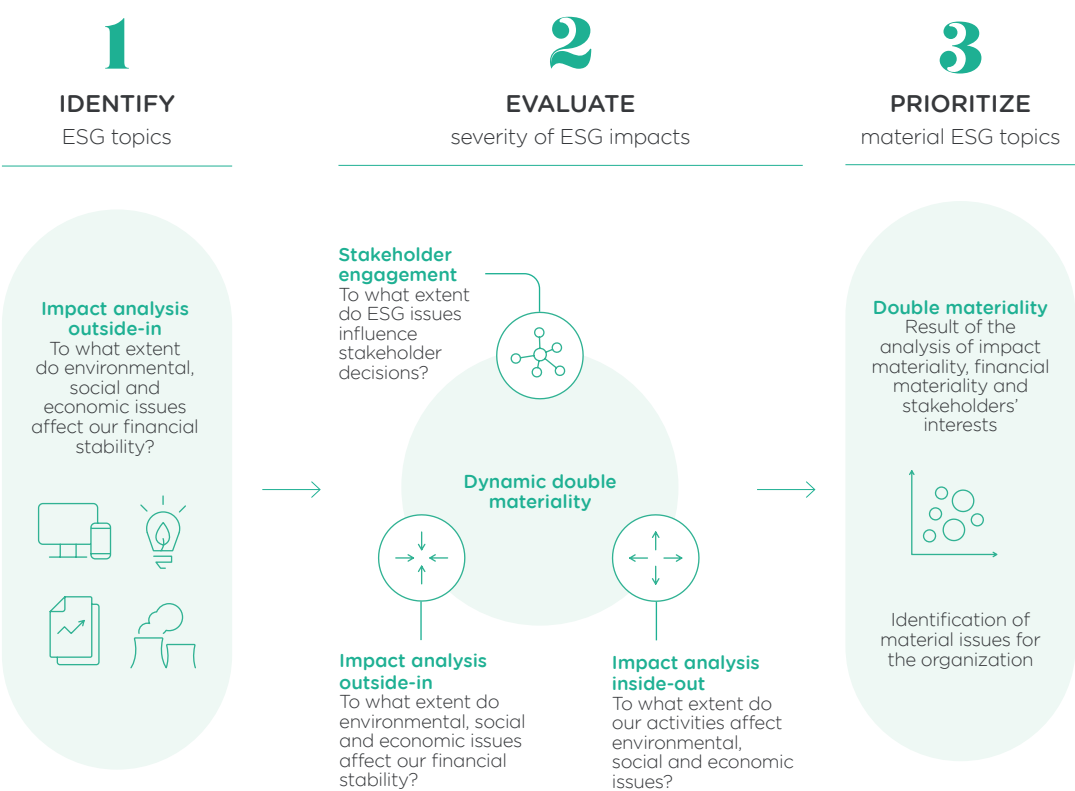
**Topics:** green financing, ESG criteria and objectives

# GRI Content Principles Note

During 2022 and 2023 Encevo Group took the time to perform a double materiality matrix update. This ‘double materiality’ notion recognises that risks and opportunities can be significant from both financial and non-financial perspectives. Double materiality emphasises that businesses must manage and accept responsibility for the current and potential negative consequences of their activities for people, society, and the environment.

**The process and underlying rationales are detailed here:**

The double materiality process for identifying relevant issues was based on the definitions of European and international standards (IIRC, SASB, TCFD, GRI 2021, ISSB, WBCSD) and regulatory requirements (CSRD, EFRAG).



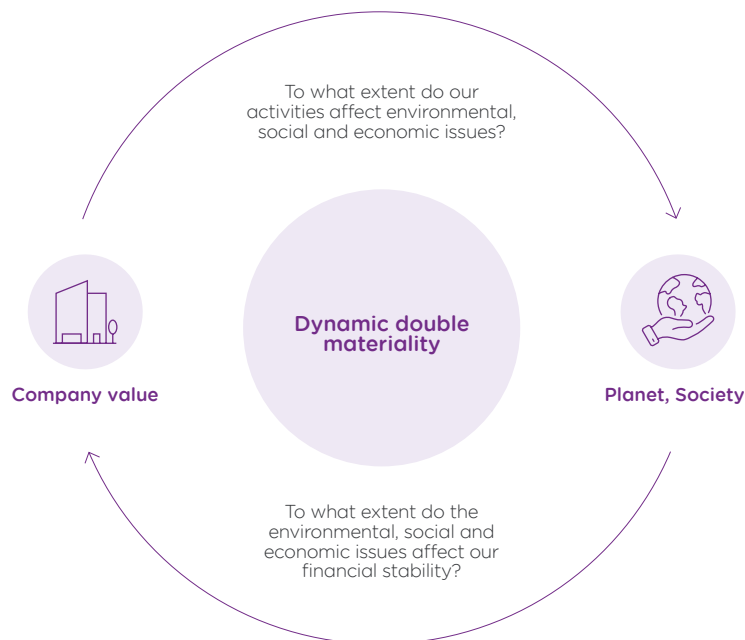
The concept of “double materiality” has recently gained momentum and is part of the requirements of the European Corporate Sustainability Reporting Directive (CSRD) in the European Sustainability Reporting Standards (ESRS) defined by EFRAG. Double materiality implies for an organisation to take into account its impact in both directions:

On the one hand, responsibility for the positive and negative impact - actual and potential - that its activities would have on the economy, the environment and society, including Human Rights (impact materiality, or inside-out),  
On the other hand, the financial risk that environmental and social factors generate for its results (financial materiality, or outside-in).

## 01

### Impact materiality «Inside-out»

Most significant impacts on the economy, environment or society, including Human Rights



## 02

### Financial materiality «Outside-in»

Economic, environmental and societal impacts that generate risks or opportunities for the company, influencing its future cash flows and therefore the value of the company in the short, medium or long term

### Stakeholder Engagement approach

Encevo's business approach is responsible and sustainable, with stakeholders at the center of its strategy. The company's goal is to establish trust and partnerships with stakeholders. Encevo also wants to increase stakeholder participation, engagement, and a sense of connection with the organization. We consequently regard two-way communication, transparency, active listening, and equal treatment as key values.



Encevo mapped its stakeholders in 2022 during a dedicated workshop with the CSR steering committee. Based on the level of influence and dependency, the stakeholders were prioritised and a robust engagement plan was developed. During 2022, we started out with two specific stakeholder groups (Employees and Strategy Board) and engaged with them through online questionnaires with quantitative and qualitative as well as open and closed questions. During 2023, we held a series of workshops and included representants from our different businesses and functions. In these workshops, we invited employees as well as managers to represent the different levels of hierarchy.

### Topic identification

To create an initial list of key concerns for this sector a preliminary literature review was carried out, which included:

For impact materiality:

- International standards on responsible business conduct such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises
- International norms and standards that define materiality as impact materiality: GRI 2021 and sector standards
- The context: regulatory and legal requirements (CSRD, EU Taxonomy, SFDR, CS3D), local, political and economic practices
- The list of sustainability matters included in the European Sustainability Reporting Standards (ESRS)
- Benchmark from over five peers in the sector

For financial materiality:

- Rating agency conclusions on the industry and available matrices such as the MSCI Materiality Finder
- Global standards and regulatory requirements that demonstrate financial impact and investor interest: “SASB Materiality Map”, Task Force on Climate-Related Financial Disclosures, Carbon Disclosure Project (CDP)
- Tracking of the key environmental and social global megatrends that could directly or indirectly affect the energy sector

**27 CSR topics were identified and then analysed for their impact. Participants were requested to specify the issues and explain how they relate to the company and its many activities, which include transmission, distribution & sales and services.**

Here are the 27 topics structured into ESG categories:

| ENVIRONMENT   | SOCIAL   | GOVERNANCE  |
|---|--|---|
| <b>ENV.01</b> Energy Use Efficiency and demand-side management                  | <b>SOC.01</b> Stakeholder dialogue                     | <b>GOV.01</b> Sustainable Economic Performance & Growth                               |
| <b>ENV.02</b> Renewable and Clean Energy  | <b>SOC.02</b> Local community empowerment              | <b>GOV.02</b> Sustainable Governance  |
| <b>ENV.03</b> Biodiversity and land use impacts                                 | <b>SOC.03</b> Human capital and training               | <b>GOV.03</b> Research & development (STEM)   |
| <b>ENV.04</b> Circular Economy and responsible product across all the lifecycle | <b>SOC.04</b> Customer orientation & partnerships      | <b>GOV.04</b> Reliable, safe and smart energy supply                                  |
| <b>ENV.05</b> Water management  | <b>SOC.05</b> Diversity, equal opportunity & inclusion | <b>GOV.05</b> Operational safety of infrastructure, emergency preparedness & response |
| <b>ENV.06</b> Toxic emissions and air quality                                   | <b>SOC.06</b> Occupational health & safety             | <b>GOV.06</b> Compliance and anti-corruption  |
| <b>ENV.07</b> Hazardous Waste Management  | <b>SOC.07</b> Human rights across the supply chain     | <b>GOV.07</b> Data protection, privacy and cybersecurity                              |
| <b>ENV.08</b> Greenhouse Gas Emissions  | <b>SOC.08</b> Product safety and customer health       | <b>GOV.08</b> Management of the Legal & Regulatory Environment                        |
| <b>ENV.09</b> Material sourcing & environmental impacts of feedstock production | <b>SOC.09</b> Employment practices                     | <b>GOV.09</b> Materials efficiency and energy affordability                           |



### 1. Assess the severity of impacts

Based on the list of relevant issues drawn up and validated, participants were asked to assess the severity of positive and negative impacts on each of the topics and subtopics according to the used best practice methodology in compliance with the requirements of CSRD (EFRAG) and with reference to SASB, TCFD, GRI 2021, ISSB, WBCSD. The impact materiality refers to the CSR topics that represent the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights.

### 2. Assess the financial effect

Financial materiality is defined by EFRAG as follows: "A sustainability issue is significant from a financial point of view if it has or may have a material financial effect on the company's development, including its cash flows, financial position and results of operations, in the short, medium or long term. This is particularly the case when it creates or may create risks or opportunities

that significantly affect, or are likely to significantly affect, future cash flows. Future cash flows, together with other critical factors such as business model, strategy, access to financing and cost of capital, are likely to affect the company's financial position and performance in the short, medium or long term."

### Dynamic materiality

In addition to the inside-out and outside-in impact analyses, participants had to assess whether or not the topics assessed as non-priorities at present could become priorities in the coming years, so-called emerging topics, which should be closely monitored for future impact analysis exercises.

### 3. Prioritise topics in a double materiality matrix:

To determine the priority topics, the materiality threshold has been set to high & critical for both impact materiality and financial materiality.

For the nine topics which are positioned in the priority area, Encevo is:

- Integrating these topics into a CSR strategy and formalisation of a policy (commitments)
- Designing the governance for these topics within Encevo
- Allocating resources for the management and continuous improvement of the topics (e.g., investments in projects etc.)
- Creating and implementing an action plan for these priority topics, with specific objectives and targets
- Implementing KPIs to measure performance and enable continuous improvement
- Disclosing topics in the Annual Report

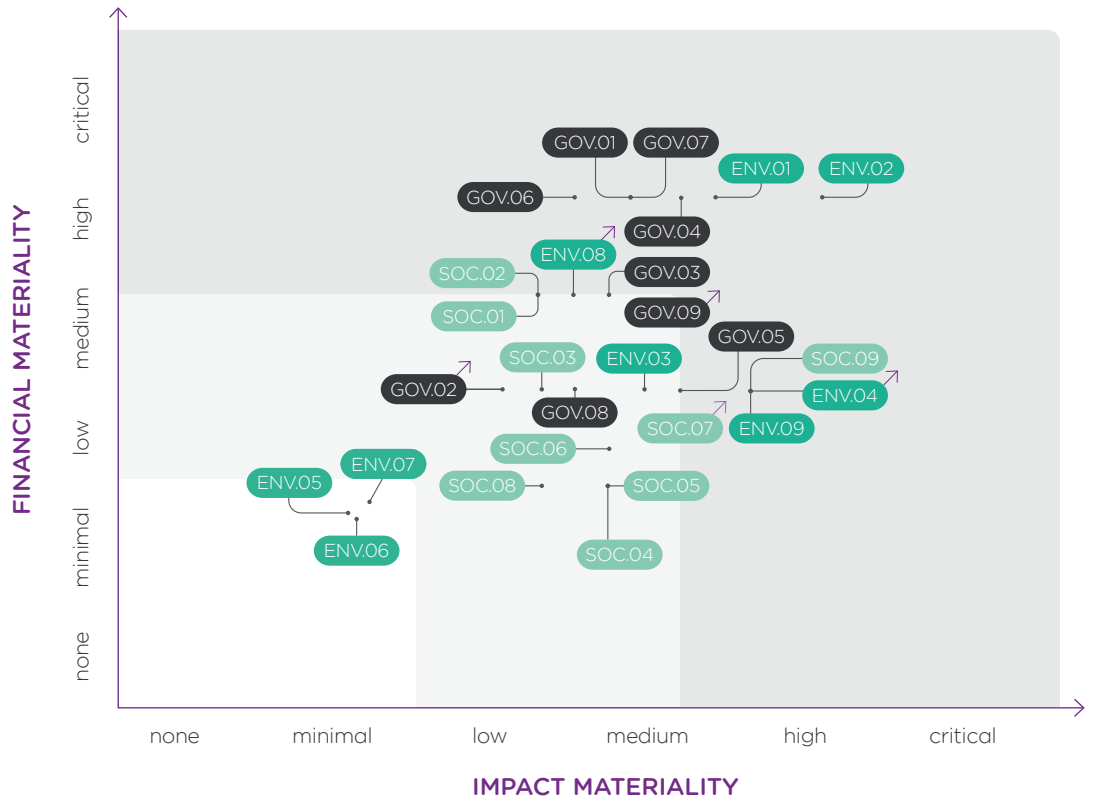
For the five emerging topics (illustrated on the matrix by an arrow), Encevo is:

- Following-up the evolution of these emerging topics - likely to become material over time (because of a regulation, controversies, etc.)
- Integrating these topics into the actual risk management process

|        |  |
|--------|--|
| ENV.04 | Circular ecosystem integration & responsible products across their lifecycle |
| ENV.08 | Greenhouse gas emissions   |
| SOC.07 | Human rights and supplier management   |
| GOV.02 | Sustainable governance & leadership  |
| GOV.09 | Materials efficiency and energy affordability                                |

The secondary topics are carefully monitored, and indicators are integrated into the reporting where meaningful.

Encevo plans to expand and upgrade the double materiality matrix in 2025 using a combination of workshops and surveys to gather feedback from customers and suppliers. The materiality analysis spotlighted items for improvement, and constructive input from our stakeholders will provide insights for the ongoing improvement process.



ENV.01 Energy Use Efficiency and demand-side management  
 ENV.02 Renewable and Clean Energy  
 ENV.03 Biodiversity and land use impacts  
 ENV.04 Circular Economy and responsible product across all the lifecycle  
 ENV.05 Water management  
 ENV.06 Toxic emissions and air quality  
 ENV.07 Hazardous Waste Management  
 ENV.08 Greenhouse Gas Emissions  
 ENV.09 Material sourcing & environmental impacts of feedstock production

SOC.01 Stakeholder dialogue and advocacy, freedom of association and collective bargaining  
 SOC.02 Local community empowerment  
 SOC.03 Human capital and training  
 SOC.04 Customer orientation & partnerships  
 SOC.05 Diversity, equal opportunity & inclusion  
 SOC.06 Occupational health & safety  
 SOC.07 Human rights across the supply chain  
 SOC.08 Product safety and customer health  
 SOC.09 Employment practices

GOV.01 Sustainable Economic Performance & Growth  
 GOV.02 Sustainable Governance  
 GOV.03 Research & development (STEM)  
 GOV.04 Reliable, safe and smart energy supply  
 GOV.05 Operational safety of infrastructure, emergency preparedness & response  
 GOV.06 Compliance and anti-corruption  
 GOV.07 Data protection, privacy and cybersecurity  
 GOV.08 Management of the Legal & Regulatory Environment  
 GOV.09 Materials efficiency and energy affordability

Emerging topics, Priority area, Secondary area

# Expert review on the GRI Content Index



Encevo S.A.  
2, Domaine du Schlassgoard  
4327 Esch-sur-Alzette  
Luxembourg

## Expert Review Letter

**Object: Expert review on the GRI Content Index**

For its Annual Report 2023, Encevo Group has entrusted Forethix Sarl with the implementation of an expert advice in accordance with the principles of content of the Global Reporting Initiative Standards 2021.

**Scope:** The review performed by Forethix ensures the compliance of Encevo Group's 2023 Annual Report with the GRI Standards 2021 and covers the period from January 1<sup>st</sup> 2023 to December 31<sup>st</sup> 2023. Both the expert advice and the review have been carried out in accordance with the GRI Standards 2021.

### Responsibilities of the review

Forethix is responsible for ensuring that, as required by the GRI standards 2021, all this information is clearly labelled, referenced and reported in the GRI Content Index.

The data collection, analysis and verification processes, systems and protocols were implemented by Encevo Group. It takes full responsibility for the sustainability information, content, figures and presentation contained in this report.

### Methodology:

Forethix has reviewed the CSR sections, included in the Annual Report.

The following methodology was used for this review to assure that:

- The GRI content index meets the requirements of the Standards
- The presentation and structure of essential disclosures is correct
- Encevo's references to GRI and the GRI Standards are accurate
- Encevo's content index meets the new requirements for reporting under the revised Universal Standards 2021.

**For the next publication, we recommend to:**

- Reenforce policies on sustainable purchasing criteria, both for procurement as well as for suppliers
- Publicly provide information on all material topics as well as policies, f.e. on your website
- Strengthen the description of the integration of CSR/ESG criteria in the highest governance bodies (remuneration, nomination, evaluation)

**Limitations:** This review does not supersede the Global Reporting Initiative's validation, but provides a preliminary review. This review does not include external assurance.

Date: April 25<sup>th</sup> 2024

**Forethix**  
Embedding Sustainability

18 Bld Pierre Dupong | L-1430 Luxembourg  
RCS Luxembourg B 181 1801 TVA LU27628630 | Autorisation d'établissement N°10042568/1  
IBAN LU98 0141 1488 5860 0000 ; BIC : CELLULL

Forethix S.à.r.l.  
Sustainability Expertise Firm

Forethix S.à.r.l. | Corporate  
Headquarter | 18 boulevard Pierre Dupong | L-1430 Luxembourg  
Operational Center | 77-79, Parc d'activités de Capellen | L-8308 Capellen  
RCS Luxembourg B 181 1801 TVA LU27628630 | Autorisation d'établissement N°10042568/1  
IBAN LU98 0141 1488 5860 0000 ; BIC : CELLULL

www.forethix.com | Téléphone +352 285 585-1 | contact@forethix.com

# GRI Content Index

## Statement of use:

Encevo S.A. has reported in accordance with the GRI Standards for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2023..

**GRI 1 used:** GRI 1: Foundation 2021

**Applicable GRI Sector Standard(s):** [Titles of the applicable GRI Sector Standards]

| GRI STD. /<br>OTHER<br>SOURCE   | DISCLOSURE   | LOCATION | ONMISSION   |        |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|--|----------|---|--------|---|------------------------------------|
|                                 |  |          | Requirement(s)<br>omitted   | Reason | Explanation   |                                    |
| GENERAL DISCLOSURES             |  |          |   |        |   |                                    |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details   | 3        | A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available. |        |   |                                    |
|                                 | 2-2 Entities included in the organization's sustainability reporting | 34, 35   |   |        |   |                                    |
|                                 | 2-3 Reporting period, frequency and contact point                    | 31       |   |        |   |                                    |
|                                 | 2-4 Restatements of information                                      | 31       |   |        |   |                                    |
|                                 | 2-5 External assurance   | 230      |   |        |   |                                    |
|                                 | 2-6 Activities, value chain and other business relationships         | 36, 37   |   |        |   |                                    |
|                                 | 2-7 Employees  | 52, 53   |   |        |   |                                    |
|                                 | 2-8 Workers who are not employees                                    | 53       |   |        | report the total number of workers who are not employees and whose work is controlled by the organization and describe: the most common types of worker and their contractual relationship with the organization; | Information unavailable/incomplete |

| GRI<br>STD. /<br>O.S.           | DISCLOSURE   | LOCATION  | ONMISSION  |                                    |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|--|-----------|--|------------------------------------|---|------------------------------------|
|                                 |  |           | Requirement(s)<br>omitted  | Reason                             | Explanation   |                                    |
| GENERAL DISCLOSURES             |  |           |  |                                    |   |                                    |
| GRI 2: General Disclosures 2021 | 2-8 Workers who are not employees  | 53        | i.<br>ii. the type of work they perform;<br>a. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:<br>i. in head count, full-time equivalent (FTE), or using another methodology;<br>at the end of the reporting period, as an average across the reporting period, or using another methodology;<br>ii.<br>b. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods. |                                    |   |                                    |
|                                 | 2-9 Governance structure and composition   | 59, 60-65 |  |                                    |   |                                    |
|                                 | 2-10 Nomination and selection of the highest governance body                     |           | describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:<br>i. views of stakeholders (including shareholders);<br>ii. diversity;<br>iii. independence;<br>iv. competencies relevant to the impacts of the organization.  | Information unavailable/incomplete | The information is not available yet as work on these criteria at RemCo level has not been completed yet. |                                    |
|                                 | 2-11 Chair of the highest governance body  | 63        |  |                                    |   |                                    |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | 72-75     |  |                                    |   |                                    |

| GRI<br>STD. /<br>O.S.           | DISCLOSURE   | LOCATION                           | ONMISSION  |                                    |  | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|--|------------------------------------|--|------------------------------------|--|------------------------------------|
|                                 |  |                                    | Requirement(s)<br>omitted  | Reason                             | Explanation  |                                    |
| GENERAL DISCLOSURES             |  |                                    |  |                                    |  |                                    |
| GRI 2: General Disclosures 2021 | 2-13 Delegation of responsibility for managing impacts               | 72-73                              |  |                                    |  |                                    |
|                                 | 2-14 Role of the highest governance body in sustainability reporting | 72-75                              |  |                                    |  |                                    |
|                                 | 2-15 Conflicts of interest   | 70, 182-183                        |  |                                    |  |                                    |
|                                 | 2-16 Communication of critical concerns                              | 188 (whistle-blowing human rights) | a. describe whether and how critical concerns are communicated to the highest governance body<br>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.   | Information unavailable/incomplete | This is work in progress. It first needs to be defined what is meant by "critical concerns".   |                                    |
|                                 | 2-17 Collective knowledge of the highest governance body             | 72-73                              |  |                                    |  |                                    |
|                                 | 2-18 Evaluation of the performance of the highest governance body    | missing                            | describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;<br>a. report whether the evaluations are independent or not, and the frequency of the evaluations;<br>b. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices. | Information unavailable/incomplete | The process concerning the performance assessment of the Executive Board Members which applies as from 2024 has been described in the annual report. It is mentioned that ESG has been integrated into the new assessment model. |                                    |



| GRI<br>STD. /<br>O.S.           | DISCLOSURE                                   | LOCATION   | ONMISSION  |   |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|--|------------|--|---|---|------------------------------------|
|                                 |  |            | Requirement(s)<br>omitted  | Reason                                    | Explanation   |                                    |
| GRI 2: General Disclosures 2021 | GENERAL DISCLOSURES                          |            |  |   |   |                                    |
|                                 | 2-19 Remuner-<br>ation policies              | missing    | describe the remuneration policies for members of the highest governance body and senior executives, including:<br>i. fixed pay and variable pay;<br>ii. sign-on bonuses or recruitment incentive payments;<br>iii. termination payments;<br>iv. clawbacks;<br>v. retirement benefits;<br>a. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the manage-<br>ment of the organization's impacts on the economy, environment, and people.  | Information<br>unavailable/<br>incomplete | The new per-<br>formance as-<br>sessment model<br>for Executive<br>Board members<br>applicable as<br>from 2024 is<br>described in the<br>annual report.<br><br>More infor-<br>mation is not<br>available at this<br>stage.  |                                    |
|                                 | 2-20 Process<br>to determine<br>remuneration | 59, 62, 72 | describe the process for<br>designing its remuneration<br>policies and for determining<br>remuneration, including:<br>whether independent<br>highest governance body<br>members or an independent<br>remuneration committee<br>oversees the process for<br>determining remuneration;<br>i.<br>how the views of<br>stakeholders (including<br>shareholders) regarding<br>remuneration are sought<br>and taken into<br>consideration;<br>ii.<br>whether remuneration<br>consultants are involved in<br>determining remuneration<br>and, if so, whether they<br>are independent of the<br>organization, its highest<br>governance body and<br>senior executives;<br>iii.<br>a. report the results<br>of votes of stakeholders<br>(including shareholders)<br>on remuneration policies<br>and proposals, if<br>applicable. |   | The annual<br>report<br>describes the<br>role played by<br>the RemCo,<br>whose<br>members are<br>appointed by<br>the Board,<br>in relation to<br>remuneration.<br><br>The main<br>shareholders<br>are represented<br>at RemCo<br>level and the<br>Secretary of<br>RemCo is a<br>consultant<br>with expertise<br>in this area.<br>The consultant<br>has no other<br>role in the<br>organisation. |                                    |

| GRI<br>STD. /<br>O.S.           | DISCLOSURE  | LOCATION                                | OMISSION   |                                    |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|---|---|--|------------------------------------|---|------------------------------------|
|                                 |   |   | Requirement(s)<br>omitted  | Reason                             | Explanation                                     |                                    |
| GENERAL DISCLOSURES             |   |   |  |                                    |   |                                    |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio                    |   | report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);<br>a. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);<br>b. report contextual information necessary to understand the data and how the data has been compiled. | Information unavailable/incomplete | The information is not available at this stage. |                                    |
|                                 | 2-22 Statement on sustainable development strategy      | 10-23                                   |  |                                    |   |                                    |
|                                 | 2-23 Policy commitments                                 | 182, 183<br>187, 188<br>191, 198<br>201 |  |                                    |   |                                    |
|                                 | 2-24 Embedding policy commitments                       | 72-73;<br>187-189                       |  |                                    |   |                                    |
|                                 | 2-25 Processes to remediate negative impacts            | 188                                     |  |                                    |   |                                    |
|                                 | 2-26 Mechanisms for seeking advice and raising concerns | 182                                     |  |                                    |   |                                    |

| GRI<br>STD. /<br>O.S.           | DISCLOSURE                                | LOCATION | ONMISSION   |                                    |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|---------------------------------|---|----------|---|------------------------------------|---|------------------------------------|
|                                 |   |          | Requirement(s)<br>omitted   | Reason                             | Explanation   |                                    |
| GENERAL DISCLOSURES             |   |          |   |                                    |   |                                    |
| GRI 2: General Disclosures 2021 | 2-27 Compliance with laws and regulations |          | report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:<br>i. instances for which fines were incurred;<br>ii. instances for which non-monetary sanctions were incurred;<br>a. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;<br>i. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;<br>ii.<br>b.<br>c. describe the significant instances of non-compliance;<br>d. describe how it has determined significant instances of non-compliance. | Information unavailable/incomplete | The concepts which will be used as a basis to determine what is required to be reported still need to be defined. This is work in progress. |                                    |
|                                 | 2-28 Membership associations              | 211-213  |   |                                    |   |                                    |
|                                 | 2-29 Approach to stakeholder engagement   | 222-223  |   |                                    |   |                                    |

| GRI<br>STD. /<br>O.S.                  | DISCLOSURE   | LOCATION | ONMISSION  |                                    |   | GRI SECTOR<br>STANDARD<br>REF. NO. |
|--|--|----------|--|------------------------------------|---|------------------------------------|
|  |  |          | Requirement(s)<br>omitted  | Reason                             | Explanation   |                                    |
| GENERAL DISCLOSURES                    |  |          |  |                                    |   |                                    |
| GRI 2: General Disclosures 2021        | 2-30 Collective bargaining agreements  | 53       | for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations. | Information unavailable/incomplete | Information incomplete for 2023 for all the fully consolidated companies. |                                    |
| MATERIAL TOPICS                        |  |          |  |                                    |   |                                    |
| GRI 3: Ma-<br>terial<br>Topics<br>2021 | 3-1 Process to determine material topics   | 40       | A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.  |                                    |   |                                    |
|  | 3-2 List of materi-<br>al topics   | 40-42    |  |                                    |   |                                    |
| Economic performance                   |  |          |  |                                    |   |                                    |
| GRI 3: Ma-<br>terial<br>Topics<br>2021 | 3-3 Management of material topics  | 78       |  |                                    |   |                                    |
| GRI 201: Economic Performance 2016     | 201-1 Direct economic value generated and distributed                                | 79       |  |                                    |   |                                    |
|  | 201-2 Financial implications and other risks and opportunities due to climate change |          |  |                                    |   |                                    |
|  | 201-3 Defined benefit plan obligations and other retirement plans                    |          |  |                                    |   |                                    |
|  | 201-4 Finan-<br>cial assistance received from government                             |          |  |                                    |   |                                    |
| Indirect economic impacts              |  |          |  |                                    |   |                                    |
| GRI 3: Ma-<br>terial<br>Topics<br>2021 | 3-3 Management of material topics  | 208      |  |                                    |   |                                    |

| GRI STD. / O.S.                         | DISCLOSURE   | LOCATION | ONMISSION              |        |             |
|---|--|----------|------------------------|--------|-------------|
|   |  |          | Requirement(s) omitted | Reason | Explanation |
| MATERIAL TOPICS                         |  |          |                        |        |             |
| Indirect economic impacts               |  |          |                        |        |             |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported                        | 209-213  |                        |        |             |
|   | 203-2 Significant indirect economic impacts                                    | 209-213  |                        |        |             |
| Procurement practices                   |  |          |                        |        |             |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics  | 152      |                        |        |             |
| GRI 204: Procurement Practices 2016     | 204-1 Proportion of spending on local suppliers                                | 153-154  |                        |        |             |
| Anti-corruption                         |  |          |                        |        |             |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics  | 182-183  |                        |        |             |
| GRI 205: Anti-corruption 2016           | 205-1 Operations assessed for risks related to corruption                      |          |                        |        |             |
|   | 205-2 Communication and training about anti-corruption policies and procedures |          |                        |        |             |
|   | 205-3 Confirmed incidents of corruption and actions taken                      |          |                        |        |             |
| Energy                                  |  |          |                        |        |             |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics  | 166      |                        |        |             |

| GRI STD. /<br>O.S.                      | DISCLOSURE  | LOCATION | ONMISSION                 |        |             |
|---|---|----------|---------------------------|--------|-------------|
|   |   |          | Requirement(s)<br>omitted | Reason | Explanation |
| MATERIAL TOPICS                         |   |          |                           |        |             |
| Energy                                  |   |          |                           |        |             |
| GRI 203: Indirect Economic Impacts 2016 | 302-1 Energy consumption within the organization                                      | 169      |                           |        |             |
|   | 302-2 Energy consumption outside of the organization                                  |          |                           |        |             |
|   | 302-3 Energy intensity  |          |                           |        |             |
|   | 302-4 Reduction of energy consumption   |          |                           |        |             |
|   | 302-5 Reductions in energy requirements of products and services                      |          |                           |        |             |
| Emissions                               |   |          |                           |        |             |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics   | 170      |                           |        |             |
| GRI 305: Emissions 2016                 | 305-1 Direct (Scope 1) GHG emissions  | 171      |                           |        |             |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | 171      |                           |        |             |
|   | 305-3 Other indirect (Scope 3) GHG emissions  | 171      |                           |        |             |
|   | 305-4 GHG emissions intensity   |          |                           |        |             |
|   | 305-5 Reduction of GHG emissions  | 172      |                           |        |             |
|   | 305-6 Emissions of ozone-depleting substances (ODS)                                   |          |                           |        |             |
|   | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |          |                           |        |             |



| GRI STD. / O.S                               |  | DISCLOSURE | LOCATION | ONMISSION                    |                                    |                                    |
|--|--|------------|----------|------------------------------|------------------------------------|------------------------------------|
|  |  |            |          | Requirement(s) omitted       | Reason                             | Explanation                        |
| Waste  |  |            |          |                              |                                    |                                    |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 177        |          |                              |                                    |                                    |
| GRI 306: Waste 2020                          | 306-1 Waste generation and significant waste-related impacts   |            |          |                              |                                    |                                    |
|  | 306-2 Management of significant waste-related impacts  |            |          |                              |                                    |                                    |
|  | 306-3 Waste generated  |            |          |                              |                                    |                                    |
|  | 306-4 Waste diverted from disposal   |            |          |                              |                                    |                                    |
|  | 306-5 Waste directed to disposal   |            |          |                              |                                    |                                    |
| Employment                                   |  |            |          |                              |                                    |                                    |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 190        |          |                              |                                    |                                    |
| GRI 404: Training and Education 2016         | 401-1 New employee hires and employee turnover   | 53         |          | Employee turnover is missing | Information unavailable/incomplete | Information is incomplete for 2023 |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees |            |          |                              |                                    |                                    |
|  | 401-3 Parental leave   | 194        |          |                              |                                    |                                    |
| Occupational health and safety               |  |            |          |                              |                                    |                                    |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 195        |          |                              |                                    |                                    |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system   | 195-197    |          |                              |                                    |                                    |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                                 | 196-198    |          |                              |                                    |                                    |
|  | 403-3 Occupational health services   | 195-197    |          |                              |                                    |                                    |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety            | 195-197    |          |                              |                                    |                                    |

| GRI STD. /<br>O.S.                           | DISCLOSURE  | LOCATION | ONMISSION                 |        |             |
|--|---|----------|---------------------------|--------|-------------|
|  |   |          | Requirement(s)<br>omitted | Reason | Explanation |
| <b>MATERIAL TOPICS</b>                       |   |          |                           |        |             |
| <b>Occupational health and safety</b>        |   |          |                           |        |             |
| GRI 403: Occupational Health and Safety 2018 | 403-5 Worker training on occupational health and safety   | 195-199  |                           |        |             |
|  | 403-6 Promotion of worker health  | 196      |                           |        |             |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |          |                           |        |             |
|  | 403-8 Workers covered by an occupational health and safety management system  | 200      |                           |        |             |
|  | 403-9 Work-related injuries   | 200      |                           |        |             |
|  | 403-10 Work-related ill health  |          |                           |        |             |
| <b>Training and education</b>                |   |          |                           |        |             |
| GRI 3: Material Topics 2021                  | 3-3 Management of material  | 203      |                           |        |             |
| GRI 404: Training and Education 2016         | 404-1 Average hours of training per year per employee   | 204      |                           |        |             |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                                     |          |                           |        |             |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews                          |          |                           |        |             |

| GRI STD. /<br>O.S. | DISCLOSURE | LOCATION | ONMISSION                 |        |             |
|--------------------|------------|----------|---------------------------|--------|-------------|
|                    |            |          | Requirement(s)<br>omitted | Reason | Explanation |

## MATERIAL TOPICS

### Diversity and equal opportunity

|  |   |     |  |  |  |
|--|---|-----|--|--|--|
| GRI 3:<br>Material<br>Topics<br>2021                           | 3-3 Management<br>of material topics                                  | 201 |  |  |  |
| GRI 405:<br>Diversity<br>and<br>Equal<br>Opportu-<br>nity 2016 | 405-1 Diversity of<br>governance bod-<br>ies and employees            | 53  |  |  |  |
|  | 405-2 Ratio of<br>basic salary and<br>remuneration of<br>women to men |     |  |  |  |

### Customer privacy

|   |  |     |  |  |  |
|---|--|-----|--|--|--|
| GRI 3:<br>Material<br>Topics<br>2021    | 3-3 Management<br>of material  | 184 |  |  |  |
| GRI 418:<br>Customer<br>Privacy<br>2016 | 418-1 Substanti-<br>ated complaints<br>concerning<br>breaches of cus-<br>tomer privacy and<br>losses of customer<br>data | 186 |  |  |  |

### Product and services impact

|  |  |         |  |  |  |
|--|--|---------|--|--|--|
| GRI 3:<br>Material<br>Topics<br>2021   | 3-3 Management<br>of material                      | 148     |  |  |  |
| Reliable,<br>safe and<br>smart<br>energy<br>supply<br>(security<br>of supply)<br>and infra-<br>structure<br>safety | Disclosure on<br>critical energy<br>infrastructure | 148-151 |  |  |  |
| GRI 3:<br>Material<br>Topics<br>2021   | 3-3 Management<br>of material topics               | 155     |  |  |  |

| GRI STD. /<br>O.S.                                      | DISCLOSURE  | LOCATION | ONMISSION                 |        |             |
|---|---|----------|---------------------------|--------|-------------|
|   |   |          | Requirement(s)<br>omitted | Reason | Explanation |
| MATERIAL TOPICS   |   |          |                           |        |             |
| Product and services impact                             |   |          |                           |        |             |
| Renew-<br>able and<br>clean<br>energy                   | Disclosure on<br>decarbonisation<br>of the national<br>energy sector  | 155-164  |                           |        |             |
| GRI 3:<br>Material<br>Topics<br>2021                    | Management of<br>material topics  | 166      |                           |        |             |
| Energy use<br>efficiency &<br>demand-side<br>management | Disclosure on<br>the optimisation<br>of energy use<br>throughout the<br>undertakings<br>chain of activities | 166-168  |                           |        |             |

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**Design:** Takaneo & Corporate Communication

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**Portrait photos:** Nicolas de Caritat

**Stock photos:** Unsplash, Adobe stock, Pexels,  
Freepik, Encevo, wirestock ; Richard Semik,  
Vladimir Kazimirov, Curioso Photography,  
Gildardo RH, Nuchao, Ilyaska, Parameprizma,  
EyeEm, Wirestock, Kjpargeter, Waewkidja,  
Panyastudio, Tawatchai, et Ryan Porter.

**Printers:** Reka









**Encevo S.A**

2, Domaine du Schlassgoard,  
L-4327 Esch-sur-Alzette

Postal address: B.P 558  
L-2015 Luxembourg

T. +352 2737-9000  
[encevo.eu](http://encevo.eu)