

Annual Report 2023

Key year in the
energy transition



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Annual Report 2023

Management report



01 Guide to this report

Gasunie plays an important role in facilitating the energy transition. Alongside natural gas, in the coming years we will be handling the transmission and transport of hydrogen, green gas, CO₂ and heat. In this transformation from transmission system operator to energy infrastructure company, we need to carefully consider how we can strike the right balance between social returns, environmental returns and financial returns. And, in this way, contribute to creating broad prosperity for the Netherlands.

This integrated approach is also increasingly reflected in our annual reporting. We provide insight into our financial results while also increasingly calling attention to our non-financial results. We are supported in this by the new reporting requirements in the form of the Corporate Sustainability Reporting Directive (CSRD) and by our stakeholders who, in addition to the recurring topics, have identified a number of new material topics. This year we are taking an extra step and publishing, for the first time, an impact report.

Material topics

Material topics are the topics that our stakeholders feel we should report on in our annual report. From 2024, reporting on the material topics will be a CSRD requirement. Gasunie carries out a materiality assessment every other year (in the odd-numbered years). For the 2023 annual report, we identified our material topics using the double materiality principle, as prescribed by the CSRD. This means that we considered the relevance of our sustainability topics from two perspectives:

- Impact Materiality: the impact that Gasunie has on people and the environment (the inside-out perspective)
- Financial Materiality: the risks and opportunities that various developments and events (ESG and other factors) create for Gasunie (the outside-in perspective)

Results of the materiality assessment



Environmental
themes



Social
themes



Governance
themes

Material themes

ESG	Subject
	Energy transition
	Security of supply
	Emissions
	Circular economy
	Employee wellbeing
	Relationship with local communities

Other themes

ESG	Subject
	Biodiversity
	Employee health and safety
	Training and development
	Diversity, inclusion and equality
	Governance

Topic	Definition
Energy transition	Accelerating the transition to a sustainable energy supply. With our infrastructure and knowledge, we want to enable our users to make the switch to zero-emission energy.
Security of energy supply	Ensuring a reliable supply of energy by managing physical and IT risks in order to protect our infrastructure.
Emissions	Limiting the environmental impact of our processes, products and services by reducing GHG emissions (Scope 1 and 2, and upstream Scope 3) and nitrogen deposition.
Circular economy	Limiting the environmental impact of our processes, products and services by applying circular economy principles. Our primary focus is on steel, which is the main source of both input and waste in our company.
Employee wellbeing	Promoting employee wellbeing by ensuring long-term health and fitness and a good work-life balance.
Relationship with local communities	Protecting the economic and social interests of local communities by minimising our negative impacts and creating positive impacts.
Biodiversity	Limiting the impact of our facilities and infrastructure on biodiversity by protecting, restoring and promoting life on land and below water while carrying out our activities.
Employee health and safety	Creating a safe and healthy working environment for employees, contractors, subcontractors and direct suppliers.
Training and development	Promoting training and development and advancing equal opportunities to participate.
Diversity, inclusion and equality	Creating a safe working culture and ensuring equal opportunities for our employees, subcontractors and direct suppliers, regardless of age, sex, gender identity, ethnicity, disability, sexual orientation, nationality or any other characteristic.
Responsible business conduct	Promoting responsible business practices through transparent, fair and responsible business operations and by adhering to ethical and sustainable practices.

The six material topics that scored highest in the stakeholder materiality assessment are each given a dedicated section in this annual report, while the other five topics are covered in a combined section and in the Governance section. An explanation of the materiality assessment is provided in the [appendix to this annual report](#).

Impact report

Gasunie has a broad influence on society. Ensuring safe, reliable, sustainable and affordable gas infrastructure has a major positive impact on society, providing prosperity and wellbeing. There are, however, also negative impacts: we ‘extract value’ in terms of making use of people and resources (who or that could possibly have been used for other purposes), for example, and we contribute to global warming. We have a responsibility to reduce our negative impact and increase our positive impact, a responsibility we gladly accept.

To do this, we need to have a good understanding of the influence Gasunie has, of the impact we make. We do this through impact measurement. Measuring our impact* enables us to place a monetary value on this, gain better insight into our impact and help us focus on this. Measuring and managing impacts is a learning process. Gasunie has been working on compiling an impact report since 2022. In the meantime, we have drawn up a framework for this and measured various impacts, and this year we will be publishing results in an impact report for the first time. In the coming years, we want to measure and report on an increasing number of impacts so that we will be increasingly better able to compare our impact report with those of other TSOs/companies.

* Many of the major infrastructure companies in the Netherlands are working on measuring, reporting on and managing their impacts. Gasunie recognises the importance of working on this as a sector and is, therefore, a member of the [Verbond voor Brede Welvaart](#) (alliance for broad prosperity) and the [Sectorsamenwerking Brede Welvaart](#) (industry partnership to promote broad prosperity). We have also carried out an initial impact measurement on biodiversity in collaboration with infrastructure companies.

Our impact report comprises six sections: in addition to financial capital, there is a section each for manufactured, intellectual, natural, social & relationship and human capital. To gain a better understanding of the relative materiality of the impacts, we express the value in euros. We use the [Handboek Impactmeting Infrabedrijven](#) (guide to measuring impact for infrastructure companies) as a basis for this assessment. We distinguish between positive and negative impacts.

We have put some of these impacts (where these fit in with Gasunie's strategy) into quantitative terms. We ultimately chose the positive impact of the value of energy, the positive and negative impacts on climate change, and the negative impact on employees arising from accidents and work-related long-term sick leave. For the other, non-quantified impacts we state whether they are positive or negative. Guiding Gasunie towards achieving positive impact on the various capitals also contributes to achieving the UN Sustainable Development Goals.

Connectivity

In the annual report we report extensively on the material topics. The connectivity between the material topics, our CRS strategy topics, the Gasunie Green Deals and the 2023 targets and results are shown in the [connectivity table](#).

Reporting policy

The financial, operational and social information included in this annual report has been prepared on the basis of the:

- International Financial Reporting Standards (IFRS), as adopted by the European Union
- Dutch Corporate Governance Code 2022
- GRI Standards reporting guidelines (2021)
- EU Taxonomy Regulation and delegated acts
- EU Corporate Sustainability Reporting Directive (CSRD) 2023
- Relevant provisions of the Dutch Civil Code

CSRD

The Corporate Sustainability Reporting Directive was adopted by the European Commission at the end of 2022. From the 2024 financial year, Gasunie will report on the impact of our activities on people and the environment. This report will also be part of the external auditor's audit engagement. We started preparing for the implementation of CSRD reporting in 2023 so that we would be ready to report on the 2024 financial year in accordance with the CSRD.

Consolidation

In this report we report on the results of Gasunie and its subsidiaries over the 2023 financial year, which ended on 31 December 2023. [Note 62 'List of group companies and participating interests'](#) contains a list of all the group companies included in the consolidation. In both financial and impact reporting, in the case of acquisitions and disposals we take into account the date of acquisition or divestment. For more information regarding consolidation, we refer the reader to the ['Consolidation principles'](#) included in the financial statements.

Due to differences in laws and regulations, the Netherlands and Germany do not always record information on matters like safety, health, the environment and employment conditions in the same way. Whenever possible, information from the Netherlands and Germany has been combined; where this is not reasonably possible, this is presented separately. We also do this where we feel displaying this information separately allows a better understanding.

Verification and publication

The annual report is prepared by the Executive Board and the financial statements it contains are audited by an external auditor. After taking note of the external auditor's opinion and the advice from the Audit Committee, the Supervisory Board advises the General Meeting of Shareholders to adopt the financial statements without amendment. This annual report was published on 1 March 2024.

The external auditor also assesses the sustainability information included in the annual report. We have this sustainability information assessed because it is important to us that the user of this report be provided with at least 'limited assurance' regarding this information. In general, the sustainability information included in sections 1 to 10 and in Additional Information (with the exception of the following sub-sections of Additional information: Governance, Composition of the Executive Board, Composition of the Supervisory Board, EU Taxonomy, and Risk management in general) is in scope in the external auditor's review engagement.

The independent auditor's Audit Opinion and Assurance Report is provided in the ['Other information'](#) section of the annual report.

Core & more concept

When drawing up the annual report we applied the core & more concept: the management report has been kept as concise as possible ('core') and where possible we have moved the more detailed information to the [Additional information](#) ('more') section.

The following sections of this annual report comprise the management report: sections 1 to 11; section 12 Governance, with the exception of the Report from the Supervisory Board and the Remuneration Report; and Additional Information, with the exception of the Report of the Works Council and the Composition of the Supervisory Board.

02 Foreword by the Executive Board

Accelerating after a pivotal year

After an unprecedentedly turbulent year in 2022, volumes and prices on the gas market stabilised in 2023. At Gasunie we are proud of the role we have been able to play in this. Thanks to rapid capacity building, our LNG terminals Gate and EemsEnergyTerminal were able to welcome a record number of LNG tankers in 2023, supporting the availability and, with this, the affordability of natural gas for the north-western European economy. Together with our partner Vopak, we will be working on further capacity expansions in 2024, thus enabling the further reduction of the already greatly reduced dependence on Russian gas.

The year 2023 was a pivotal one for the Gasunie of the future. It was a year in which we made investment decisions for the first large-scale carbon transport and storage (CCS) system and for the first part of the national hydrogen transmission network. These projects are crucial for the energy transition and for Gasunie's direction moving forward. After years of preparation, we can finally break ground. The people and the materials are already in place. After all, we have no time to lose if we want to achieve the national and European climate targets.

We want to accelerate our activities in the coming years. We will make investment decisions for more and larger transport and storage projects for CO₂ and hydrogen. After Porthos it's Aramis' turn, a project that will enable the storage of ten times more CO₂ from 2028. And after the Rotterdam-Tweede Maasvlakte section of the hydrogen grid, regional connections will follow in the north and other parts of the Netherlands, which will together form the Dutch national hydrogen transmission network from 2027. The design of the German national 'hydrogen core network', in which we are also participating, is almost ready.

Scaling up and making preparations

Gasunie is rapidly developing from a gas transmission system operator to an energy infrastructure company. To realise our ambitions in the field of CO₂, hydrogen, heat and green gas, our workforce (in FTEs) increased by nearly 12% in 2023. In addition, we have spent a lot of time within the group over the past year preparing our organisation for working with various forms of energy.

For us, the energy transition and ensuring transmission security means working hard under demanding time constraints. We are now learning to deal with this better. Though we are relieved to see that the relative increase in the number of occupational accidents came to a halt in 2023, we are very concerned to see that we are still above the target figure we have set for ourselves. Gasunie management will give its utmost attention to safety in 2024. After all, everyone who works for Gasunie must be able to return home safe and sound at the end of the day.

Social return

When making investment decisions, we increasingly focus on social returns. For Gasunie, as the company stands today, making a profit is no longer a goal in itself, but a condition for realising projects with a high social dividend. If we only thought in terms of financial returns, we would have rejected certain investment projects.

When planning energy transition projects, at Gasunie we increasingly approach our considerations from the perspective of 'broad prosperity'. This means that we occasionally also invest in projects that are less profitable financially, but that have added value for society in a broader sense. In this annual report we have also included our first social impact report, in preparation for a future in which we will be judged on our 'integrated payout ratio': the sum of our financial dividend, our environmental dividend and our social dividend.

The future is certain/The future is uncertain

At the time of publication of our annual report, it was not yet clear which government the Netherlands would have and what policy it would aim to implement over the coming years. This could have an effect on the financeability of our energy transition plans. On the other hand, the Netherlands has committed itself to international climate treaties and to the targets agreed in these, and the ball is not only in the politicians' court: citizens and businesses also have a say. Whether the ball goes left or right, the energy transition will go ahead, one way or the other. In a mere 26 years' time, we should be living in a net carbon-neutral economy.

The transition projects we are already working on deliver good social returns in all scenarios, as can be seen in the future scenario study I13050, which the Dutch grid operators carried out for the second time last year. We have a promising portfolio of projects ready to move into the construction phase or 'in the pipeline' that can contribute to the energy transition, and we have relatively few obstacles in terms of capacity, people and materials.

All parties involved will need a lot of courage and perseverance to see through all the new endeavours while also paying sufficient attention to what's already there. This is not something that happens just like that. Gasunie is handling its share of the transition with money and resources, but especially with enthusiastic people with the right expertise. We are grateful that, together with these people, we can walk along the pathway to a fossil-free future.

Janneke Hermes, Bart Jan Hoevers and Hans Coenen



The Executive Board of Gasunie. From left to right: Bart Jan Hoevers, Janneke Hermes and Hans Coenen.

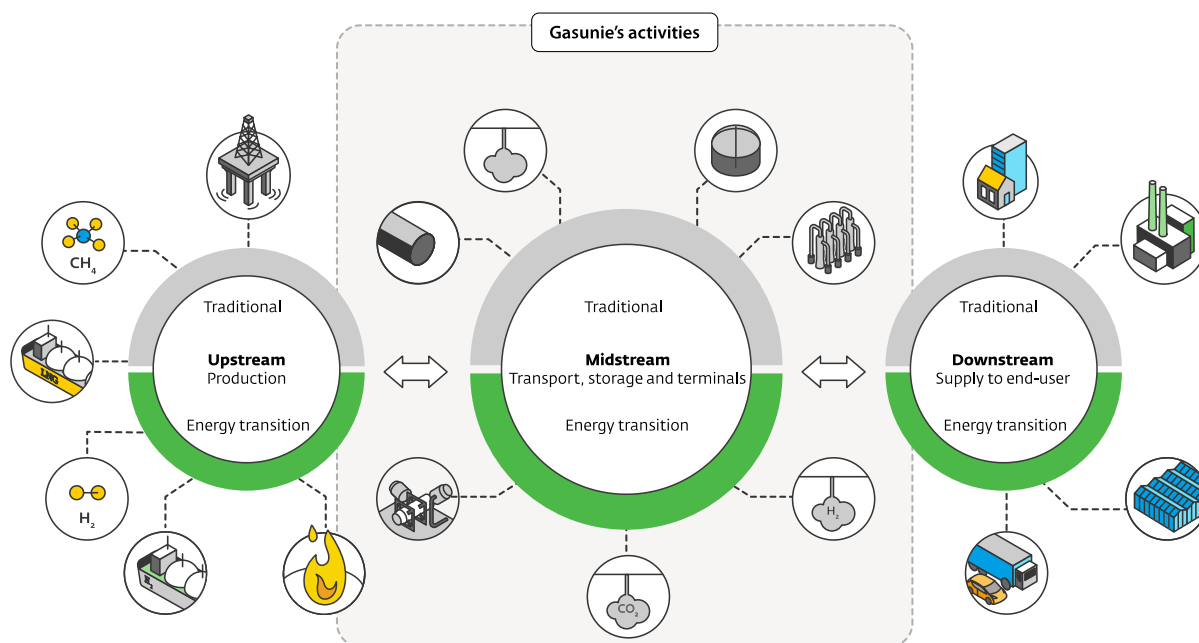
03 We are Gasunie

In the heart of north-western Europe, Gasunie manages, maintains and develops infrastructure for the large-scale transmission, storage and conversion of energy. At the moment, this is mainly natural gas, but with the energy transition this is increasingly shifting towards CO₂ and hydrogen. Besides this, we promote the development of the technology for green gas and the feed-in of this gas, and we work on the construction and management of heat grids.

Our role in the energy value chain

We provide third parties non-discriminatory access to our services at non-discriminatory tariffs. The Dutch State is our sole shareholder. Our employees are spread over more than thirty locations in the Netherlands and northern Germany, with delegations in Brussels and Berlin. Our headquarters are in Groningen (the Netherlands), and our main German office is located in Hanover.

Our role in the energy supply chain in the Netherlands and northern Germany



Our infrastructure services connect energy producers to energy consumers. Our current infrastructure functions as an international hub for the supply and transit of gas in north-western Europe. This enables us to contribute to a liquid, competitive and reliable European energy market. Additionally, we invest in projects relating to hydrogen, heat, CCS and green gas. We work towards accelerating the achievement of climate neutrality in the energy supply by developing sustainable energy value chains.

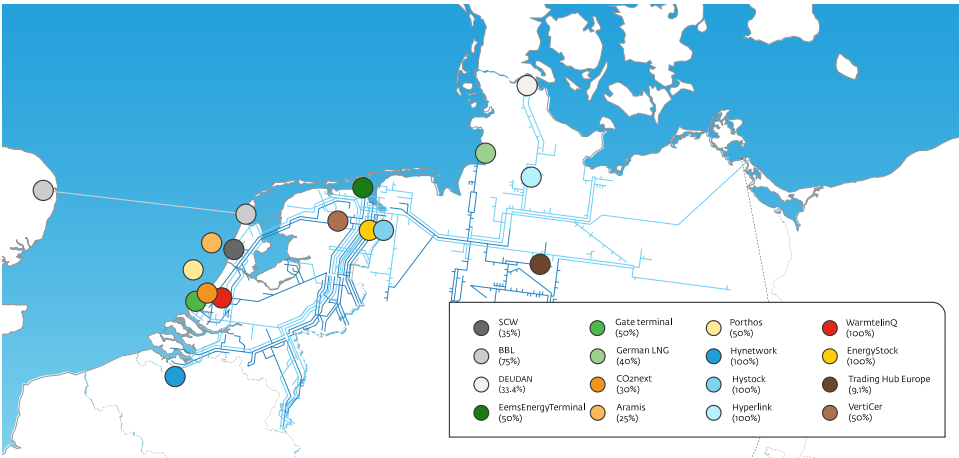
Our company

Gasunie has two large, regulated subsidiaries. Gasunie Transport Services (GTS) and Gasunie Deutschland (GUD) manage the high-pressure gas transmission systems in the Netherlands and north-western Germany, respectively. Regulatory authorities ACM (in the Netherlands) and BNetzA (in Germany) set our permitted revenues and, by extension, the tariffs every year.

GTS and GUD sell the available capacity on their networks to market parties. Customers feed gas into the network at entry points and take gas off from the network at exit points. To arrange this, they sign contracts to reserve capacity at specific network entry or exit points over a specific period (year, quarter, month or day).

Gasunie also holds participating interests in companies that offer energy infrastructure and related services that are (for the time being) either only partly subject to regulation or entirely exempt. Customers buy capacity, which entitles them to use the relevant infrastructure during a certain period. The tariffs for these services are non-discriminatory and mainly determined by supply and demand. The operations of the companies in which we hold participating interests support the functioning and liquidity of the energy market in the Netherlands and Germany.

Our gas TSOs and our major participating interests



Gasunie Transport Services (GTS) (fully regulated)	Gasunie Deutschland (GUD) (fully regulated)	Participations (partially regulated/ exempt from regulation)
<div>● Asset value at the end of 2023 € 6,540 million</div> <div>● Revenue for the financial year 2023 € 1,214 million</div>	<div>● Asset value at the end of 2023 € 1,838 million</div> <div>● Revenue for the financial year 2023 € 387 million</div>	<div>● Asset value at the end of 2023 € 1,355 million</div> <div>● Revenue for the financial year 2023 € 489 million</div>

Mission, vision and strategy

Our mission

Gasunie is a leading European energy infrastructure company. Gas transport, transmission and storage have been the core of our business for 60 years now. We serve the public interest and facilitate the energy transition by providing integrated infrastructure services. We focus on value creation for our shareholder and other stakeholders and apply the highest safety and business standards used in the sector.

Our vision

We believe in a sustainable future with a balanced energy mix and a lasting role for diversified gases. We believe that we serve our customers best with innovative gas and related infrastructure solutions.

Our strategy

Gasunie pursues a three-pillar strategy resting on the foundations of our organisation






























In 2023, Gasunie started revising its mission, vision and strategy. The Supervisory Board and the shareholder are closely involved in this process, as are the Ministry of Economic Affairs and Climate Policy and other stakeholders. The strategy review will be completed in 2024.

How we create value

Gasunie's value creation model shows how we use the six capitals of the International Integrated Reporting Council (IIRC) in our company to implement our strategic priorities. We create economic and social value and, in doing so, we have both positive and negative impacts on society. With our positive impacts we contribute to the UN Sustainable Development Goals.

How Gasunie creates value

Our input	Strategic pillars and material topics		Output	Impact	With the value we create, we contribute to the following sustainable development goals:	
 Financial capital Gasunie has a balance value of €11.0 billion and is owned by the Dutch state.	 Optimizing infrastructure	 Biodiversity	59% of our square meters of land contribute to biodiversity	Limitation of climate change	Core SDGs	
		 Emissions	CO2 emissions scope 1+2+3: 521 kt (market based)	Contribution to climate change	7 	
		 Circular economy	22% of our purchased kilograms are circular. We aim to increase this to 50% by 2030	Reduced use of natural resources	9 	
 Produced capital In 2023 we invested €744 million in tangible fixed assets. Our tangible assets decreased in value by 2% in 2023.	 Connecting Europe	 Security of supply	The total transport volume is 973 TWh	Value creation for business end-users and well-being value creation for households	10 	
			Reliable gas transport: 0 uncontrolled events and 1 gas transport interruption	Value loss for end-users due to interruptions	17 	
			53,794 TWh of gas traded on TTF	Value creation for business end-users and well-being value creation for households	Flanking SDGs	
 Intellectual capital We learned many lessons during the construction of Eemshaven Terminal that we can apply to the energy transition.	 Accelerating the energy transition	 Energy transition	The construction of the Dutch hydrogen network begins	Limitation of climate change	8 	
			Green revenue 0% / green OPEX 6% / green CAPEX 20%	Limitation of climate change		
			 Relationship with local communities	Due to our energy transition projects and our investments in supply reliability, we are more involved with local residents than before	Reputation of the organization	8 
 Social capital By reliably, affordably, and safely executing our core tasks, society grants us a license to operate and a license to grow. These are necessary to fulfill our role in the energy transition.	 Foundations of our organisation	 Responsible business conduct	We contributed €136 million in taxes	Dividends and taxes paid	11 	
			We comply with all sanctions laws	Reputation of the organization		
				Our credit ratings remain unchanged and high	Reputation of the organization	12 
			 Training and development	Pilot for release of training budget	Employee development	∞ 
			 Diversity, inclusion and equality	Gender equality: % women in senior management respectively 26 (NL) and 33 (DE)	Contribution to diversity and inclusion	
 Natural capital For our operations, we used 1,268 GWh of gas and 715 GWh of electricity. From 2030 onwards, we aim to only source electricity that is green and produced within our own market area.		Employee health and safety	Healthy work environment: 2.9 incidents per million work hours	Work-related absenteeism and accidents	16	
			Healthy work environment: absenteeism	Work-related absenteeism and accidents		

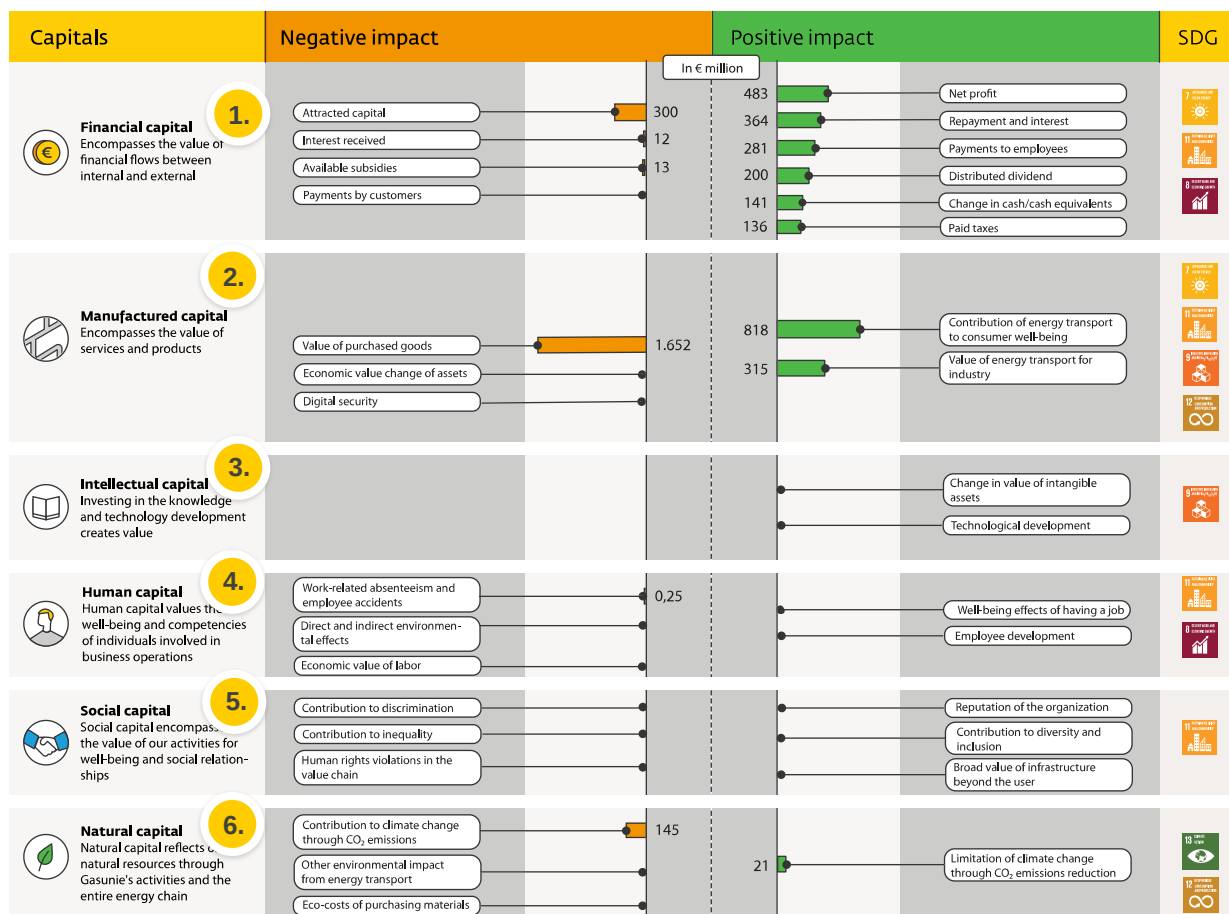
Impact on society

Our impact report

As a public company, Gasunie needs to carefully consider how it can strike the right balance between financial returns, social returns and environmental returns. This year we are taking an extra step and publishing, for the first time, an impact report. For more information on how and why we are reporting on our impact, we refer the reader to the sections [Guide to this report](#) and [Additional information](#). In the coming years it will become possible to compare the impact reports of Dutch infrastructure operators.

Our impact report

(in millions of euros)



1. Financial capital

Financial capital means the monetary resources available to a company which the company can use to produce its goods and/or provide its services. 'Extracting' money from other parties has a negative impact, while paying other parties money has a positive impact. The figures shown here correspond to the information in our financial statements.

2. Manufactured capital

Manufactured capital comprises human-produced inputs (goods, fixed assets, infrastructure, etc.) a company uses to produce its goods and/or provide its services. Reliable access to natural gas adds considerable value to society, such as having a warm house in winter and enabling industrial companies to operate whenever they want. In 2023, Gasunie's share in this was € 818 million for homes and € 315 million for business end users in its core markets of the Netherlands and the northern part of Germany.

3. Intellectual capital

New business and market models and the use of sustainable energy result in knowledge and data. This knowledge and data forms intellectual capital that can make a positive contribution to bringing about the energy transition, a circular society and broad prosperity. We use our knowledge and data in our role as advisor and sounding board for government and businesses. Transparency, innovation and collaboration are key concepts for determining intellectual capital.

4. Human capital

Human capital encompasses aspects like people's competencies, capabilities and experience and their motivation to innovate, often within the domain of the company's operations. Gasunie contributes to human capital, like through the increase in employee wellbeing, or through employee development on the job. The company does, however, also have a negative impact, for example by extracting labour that could be used elsewhere in society, or due to occupational disability or incidents involving employees or local communities as a result of the company's operations. We are strongly committed to ensuring the safety of our staff and so we have quantified the impact of accidents and work-related sickness absence and arrived at a value of just over € 248,000.

5. Social capital

How stakeholders experience and value what we do and how we do it is part of our social capital. A good reputation offers opportunities for collaboration, employee recruitment and customer satisfaction.

6. Natural capital

Natural capital refers to all renewable and non-renewable resources and processes from the environment that provide a company's goods and/or services that support prosperity (in the past, present and/or future). Elements related to natural capital include the use of finite materials or exhaustible fossil fuels, for example, or damage caused through air pollution or climate change. Gasunie emits greenhouse gases itself and also facilitates the emission of greenhouse gases by the end users who use the gases the company transports. On the other hand, we also take measures to reduce our emissions.

In this equation, the impact of regenerative green gas is on balance lower than that of exhaustible natural gas. By increasing the share of green gas, the negative impact can be reduced further in the future. Using LNG has a greater impact than using locally produced gas. For 2023, the contribution to climate change has been quantified at a value of € 145 million. The impact on natural capital can be positive by limiting climate change, for example through the purchase of Guarantees of Origin. In 2023, Gasunie had decarbonised emissions relating to its own energy consumption, for a positive impact worth € 21 million.*

* When determining our contribution to climate change, we included our Scope 1 and Scope 2 emissions for 2023, as well as the part of our Scope 3 emissions for 2023 that was already known in January 2024 (which was limited). For a full understanding of our Scope 3 emissions, we would need to calculate the lifetime emissions of all capital goods we procured in 2023. To do this, we will need to collect and verify such a large quantity of data from suppliers and other parties that we will not yet be ready to disclose the results by the date of publication of this annual report. You can read more on our Scope 3 policy in the [Emissions](#) section.

Our impact on biodiversity

Five infrastructure companies work together to provide insight into the impact of business operations

Impact aware

The Dutch infrastructure companies are working hard to bring about the energy transition. However, sustainable energy projects also have negative impacts on biodiversity. Only when we know the extent of that impact can we take targeted action. That is something we want to – and must – do, for example by implementing new standards and regulations, like the EU Taxonomy and CSRD. It was with this conviction that, together with the Impact Institute and peer infrastructure companies Alliander, the Port of Rotterdam, Stedin and Vitens, we worked on an impact measurement in 2023. Together we want to get a better handle on this important topic.

Procurement and own land use

For the measurement, the Impact Institute looked extensively at two aspects: the direct impact through own land use and the indirect impact through suppliers (upstream impact). After all, where there's an office or installation there's no room for a forest to grow. And for the pipes and other materials Gasunie procures, our suppliers and their suppliers cause negative impacts like water pollution, air pollution and carbon emissions. The Impact Institute used sector averages and other standards to put a price tag on the negative impacts of our business operations.

Nearly € 92,000,000

There's no getting around the findings stated in the impact report. The 272 hectares Gasunie manages in the Netherlands led to a biodiversity loss valued at € 820,000 in 2022. And the upstream impact was more than a hundred fold higher: € 91,000,000. This impact mainly comes down to our procurement of electricity and nitrogen. How are we doing compared to our peer infrastructure companies? Most of these had a similar ratio between upstream impact and impact through own land use. We now know that the impact per managed hectare and per euro in procured goods and services at Gasunie is relatively high. The whys and wherefores require additional research.

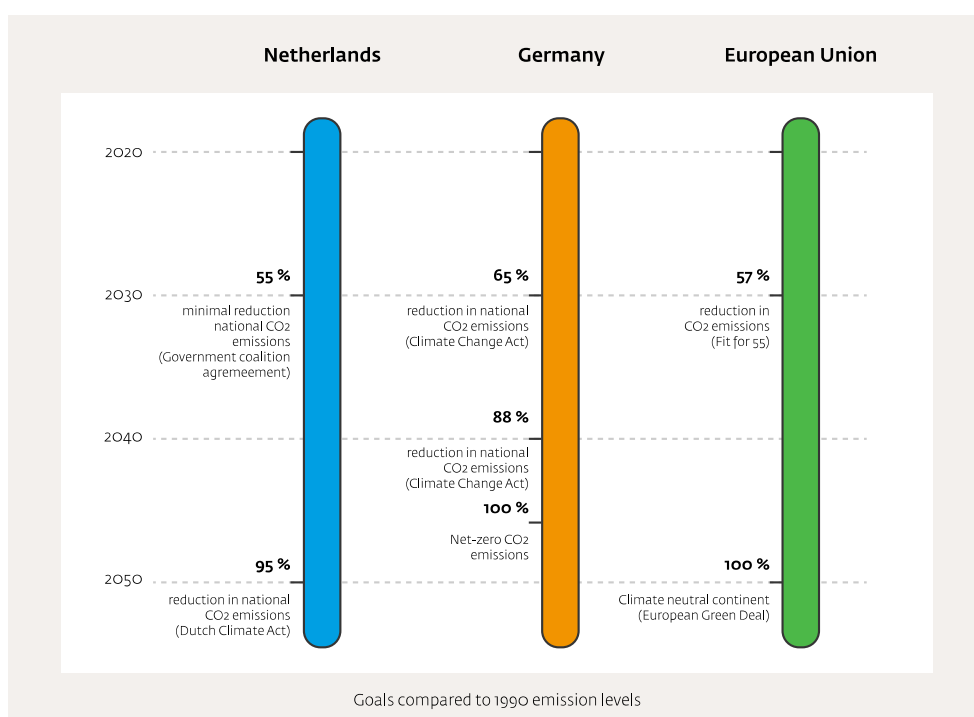
Plans for the future

The future requires a different way of working, with more attention to nature. Gasunie is already actively taking steps in this direction. Some of these steps are discussed [elsewhere in this report](#), such as the procurement of Dutch wind energy, the ecological management of our sites, and attention to circularity principles in our tender process. With the valuable insights gained through the Impact Institute's report, we can take an even more targeted approach to minimising the loss of biodiversity.

Our vision of the future

The climate targets are clear: carbon emissions in Europe will have been cut by at least 55% by 2030 (compared with 1990 levels), and the EU will have achieved climate neutrality by 2050. Though many countries, companies and citizens are taking measures, we are not there yet – far from it. The reports of scientists and rulings of the courts are as plain as day. To achieve the climate targets, the energy system will also have to change significantly. Renewable gaseous energy carriers like green gas and hydrogen are indispensable for the transition of industry and homes, as is carbon capture, transport and storage (CCS).

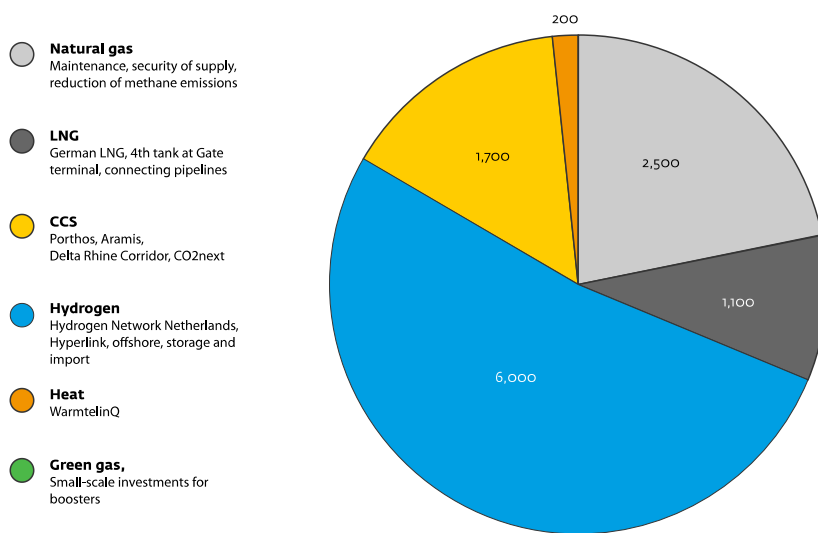
Dutch, German and EU climate targets



Investment agenda

Gasunie is working on a series of large-scale energy transition projects for which we intend to make an investment decision in the coming years. We expect the vast majority of these projects to be, either immediately or gradually, made subject to regulation, meaning that we will market these assets at regulated tariffs. For each project we look at tailor-made solutions that will keep the development and operating risks under control.

Gasunie wants to invest € 11.5 billion in the energy transition and security of supply through to 2030



(Amounts in millions of euros.)

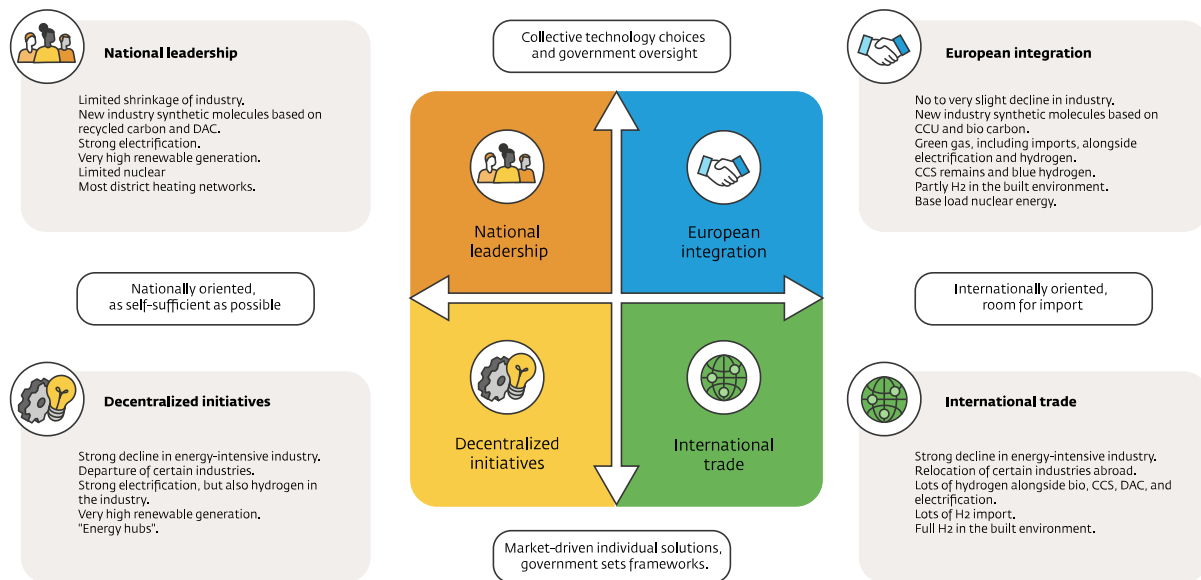
According to our current estimates, the value of Gasunie's total net investment agenda up to and including 2030 will come in at around € 11.5 billion. The investments in the gas infrastructure are replacement investments and investments in compression in the German gas network due to the large flows of gas coming from LNG terminals.

We want to carry out a number of projects with partners. Only Gasunie's share in the investments is shown, and grants, for example, have already been deducted from this amount. There is a separate decision-making process for each project.

Integrated infrastructure survey

Energy grids connect energy supply with energy demand. The transmission of green energy requires major investments for installing new grids and adapting existing grids. Because we do not know what the world will look like, we take into account four future scenarios, each of which envisions achieving a carbon neutral society by 2050. It is Gasunie's social duty to be able to serve society with our infrastructure no matter which scenario materialises. An in-depth elaboration of these scenarios is presented in the [Integrated Infrastructure Survey 2030-2050 \(II3050\)](#). As a result of the close collaboration between Gasunie, TenneT, regional grid operators and other stakeholders in drawing up this vision, II3050 is a broadly supported outlook and guidance for government bodies, market parties and grid operators.

Outline of the four II3050 scenarios



The key conclusions from the new II3050 report for Gasunie are:









- Hydrogen, green gas, heat and CCS will be key elements in bringing about a zero-carbon future.
- After 2030, we will need to more or less double the hydrogen transmission network planned to be completed by 2030, an expansion that can largely be facilitated by our existing gas infrastructure.
- The storage of hydrogen is essential if we are to keep the supply and demand for energy in balance in the future. This can be done in abandoned salt caverns in the Netherlands and Germany.
- In addition, research is needed to determine the extent to which we can store hydrogen in depleted gas fields. Such storage facilities can play a key role as a strategic buffer during periods of insufficient solar and wind energy generation and as a backup if we lose a portion of the imports.
- The CCS network is not only a short-term solution: it will serve us in the long-term too. In the short term, we will transport captured CO₂ to offshore storage fields to reduce industrial carbon emissions. In the long term, we will transport sustainable CO₂ to industry for production processes that are currently still based on fossil resources (like oil).









Risks and opportunities









Gasunie has in recent years already started building this infrastructure for hydrogen, green gas, CO₂ and heat. Regardless of which scenario plays out, Gasunie has an important role to play in the energy transition. However, the opportunities and risks for our company differ per scenario. We have illustrated this in the visuals below.









* Aside from considering the II3050 scenarios, Gasunie has looked at its strategic risks and operational risks and the ways in which they are managed. The key control measures are included in the [Additional information](#) section of this report.

Risks and opportunities for Gasunie in the energy transition scenarios

 National leadership	 Sustainable revenue model	 Technology choices	 Labor market	 Geopolitical influence on utilization rate or business development	 Climate goals
 Risks	<p>Tariff increase for GTS due to decreasing network utilization. Risk of reputational damage and reconsideration of regulation.</p> <p>Financial risks due to large investments in the offshore H₂ network.</p>	<p>Offshore wind leads to strong electrification in all sectors. Many end users opt for technologies that fall outside of Gasunie's strategy.</p> <p>CCS becomes less important after 2030. Short depreciation time for offshore CO₂ pipelines.</p>	<p>Gasunie is attracting too few personnel to realize the hydrogen network on time.</p>		<p>Delays in Gasunie projects pose a risk to achieving national and international climate goals.</p>
 Opportunities		<p>Heat transport required due to mandatory connection of neighborhoods to district heating networks.</p> <p>Significant hydrogen storage and transport capacity needed onshore. Large-scale hydrogen network at sea required to connect offshore electrolysis and for interconnection.</p> <p>Onshore CCS investments retain earning potential due to demand for sustainable carbon for syn fuels and materials production.</p>		<p>The government participates in large-scale projects of national importance and is committed to retaining the major industries and attracting new industries (synthetic fuel and raw material production) to the Netherlands.</p>	





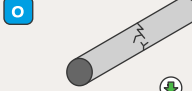



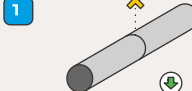




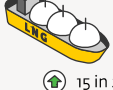



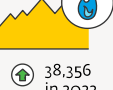


 Decentralized initiatives	 Sustainable revenue model	 Technology choices	 Labor market	 Geopolitical influence on utilization rate or business development	 Climate goals
 Risks	<p>Tariff increase for GTS due to decreasing network utilization. Risk of reputational damage and reconsideration of regulation.</p>	<p>Offshore wind, offshore electrolysis, and nuclear energy are only limitedly realized. Green hydrogen is only needed for power plants and industry.</p>		<p>Citizens and local communities make their own choices within their own sphere of influence. No place for large-scale national and international projects.</p>	<p>Delays in Gasunie projects pose a risk to achieving national and international climate goals.</p>
 Opportunities	<p>Realization and management of hydrogen storage capacity.</p>	<p>Offshore wind, offshore electrolysis, and nuclear energy are only limitedly realized. Green hydrogen is only needed for power plants and industry.</p>	<p>Relief on tight labor market due to regional networks not being converted and because certain industrial companies are leaving the Netherlands.</p>		

 International trade	 Sustainable revenue model	 Technology choices	 Labor market	 Geopolitical influence on utilization rate or business development	 Climate goals
 Risks	<p>The departure of part of the industry puts pressure on the payback period of the H₂ network.</p> <p>Natural gas usage is decreasing significantly. Green gas is growing, but remains small in scale. Utilization of the GTS network is decreasing</p>	<p>A large H₂ network is needed for industry, horticulture, mobility, the built environment, and transition. Gasunie needs to invest heavily in people and capital.</p>	<p>Tightness in the labor market, despite the departure of part of the industry. Reputation damage if Gasunie cannot meet high societal expectations.</p>	<p>Dependency on imports leads to higher prices for energy and materials during geopolitical tensions.</p>	
 Opportunities	<p>Dominant position of H₂ in the energy system. Many existing pipelines can be used for hydrogen. Upward pressure on gas transport tariffs remains limited.</p>	<p>CCS is important for achieving the 2030 goals. It remains essential after 2030 to achieve negative emissions. Storage of CO₂ from neighboring countries.</p>			<p>Delays in Gasunie projects do not pose a risk to achieving national and international climate goals.</p>

 European integration	 Sustainable revenue model	 Technology choices	 Labor market	 Geopolitical influence on utilization rate or business development	 Climate goals
 Risks	<p>Limited increase in GTS tariffs. Many investments needed in green gas boosters and gathering pipelines.</p>		<p>Gasunie is fully engaged in green gas, hydrogen, and CO₂. Tightness in the labor market across the entire chain, projects may not be completed on time.</p>		<p>Delays in Gasunie projects pose a risk to achieving national and international climate goals.</p>
 Opportunities	<p>Netherlands attractive for existing and new industry and as a transit country for energy. Positive for the financial operation of Gasunie assets.</p> <p>Large-scale application of CCS, including for energy generation with negative emissions (BECCS) and for the production of low-carbon hydrogen. Also storage of CO₂ from neighboring countries. Prolonged use of Gasunie assets.</p>	<p>Due to the large supply of green gas, the GTS natural gas network remains largely in place. Also, in the built environment, a significant capacity of the natural gas network is still required through hybrid heat pumps.</p>		<p>Limited geopolitical risk due to the strong focus on European energy production and protectionist industrial policy.</p>	

04 Objectives and results

Key non-financial figures

 Optimizing infrastructure	 Connecting Europe	 Accelerating the energy transition	 Foundations of our organisation
Uncontrolled events (reference value <2)	Total transport volume	Facilitated CO ₂ emission reduction among our infrastructure users	Number of employees at year-end (FTE)
 1 in 2022	973 TWh  1,108 in 2022	0.10 MT  0.08 in 2022	2,793  2,502 in 2022
Transport interruptions (reference value <6)	H-gas converted to G-gas	Energy transition financing with green bonds	% Women in senior management
 4 in 2022	24 bcm  29 in 2022	€ 300 m  € 0 in 2022	NL 26% DE 33%  Goal NL 23% Goal DE 33%
Reduction of CO ₂ emissions (base yr 2020)	LNG injected into our networks in the Netherlands and Germany	% of the NL hydrogen network for which we have made an investment decision	Absenteeism (reference value <4.0%)
+49%  +19% in 2022	34 bcm  15 in 2022	3  0 in 2022	NL 4,1% DE 3,9%  NL 4,1 in '22 DE 4,8 in '22
Reduction of CH ₄ emissions (base yr 2020)	Gas traded on the TTF	Green CapEx	TRF (reference value <2.5)
-21%  -12% in 2022	53,794 TWh  38,356 in 2022	20,4%  12.9% in 2022	2.9  3.8 in 2022

Key financial figures

	2023	Reported 2022	2023	Underlying 2022
Revenue	2,061	2,258	1,985	1,873
Total expenses	-1,446	-1,529	-1,446	-1,529
Operating result	615	729	538	344
Financial income and expenses	-57	-43	-57	-43
Share in result of participating interests	38	34	38	34
Result before taxation	596	721	519	336
Income taxes	-112	-166	-89	-67
Result after taxation	483	555	430	269

After an extraordinary 2022, 2023 was characterised by more stability. Though energy prices were still higher than they had been in the past, they were considerably less volatile. Various adjustments were made to the gas infrastructure to support the change in gas flows. We will invest further in this in the coming years so that we can continue to meet the security of transmission standards.

Revenue

Gasunie's reported revenue decreased by almost € 200 million compared to 2022, largely due to the drop in the sale of capacity compared to 2022. The impact of this is around € 600 million. The tariffs for regulated activities increased, based on the methodologies established by regulatory authorities in the Netherlands and Germany. This had a positive effect of approximately € 350 million. In addition, EemsEnergyTerminal achieved higher revenue in 2023. EemsEnergyTerminal was commissioned in September 2022 and started generating revenue immediately.

Given that approx. 80% of the revenue generated falls under the frameworks of the regulatory authorities – ACM in the Netherlands and BNetzA in Germany – we will be passing on a large part of the additional revenue to our customers over the coming years in the form of lower tariffs. When the revenue to be offset is deducted from the revenue generated, € 1,985 million remains, € 112 million more than last year.

Operating result

The reported operating result is € 615 million, a decrease of € 114 million compared to last year. Aside from the lower revenue, operating expenses were up on last year. Personnel expenses increased primarily as a result of an increase in the number of employees. In addition, the pre-investments in the energy transition also gave rise to higher operational costs.

The energy costs associated with gas transmission and transport and gas quality conversion also fell slightly compared to last year, mainly due to lower energy prices. Unlike in 2022, which saw the impairment of the assets of Gasunie Deutschland and BBL, there were no impairments in 2023.

In 2023, the underlying operating result, i.e. the operating result after taking into account settlements from the past and revenue and costs that we need to settle in the future, was € 538 million, € 194 million higher than the underlying operating result for 2022. This can be attributed in part to the impairments in 2022 and the impact of the transactions with BBL and EemsEnergyTerminal in 2023.

Result after taxation

The balance of the financial income and expenses increased by € 14 million compared to 2022, in part due to the positive effect of the foreign exchange results in 2022; this effect was not as sizeable in 2023. The net result decreased by € 72 million compared to 2022. The underlying net result, i.e. the net result after taking into account settlements from the past and revenue and costs that we need to settle in the future, was € 430 million, € 161 million higher than in 2022; this can mainly be attributed to the impairments booked in 2022.

Information regarding solvency, liquidity and cash flows is included in the 2023 financial statements, under [Note 28](#) 'Financial instruments' and the [Consolidated cash flow statement for 2023](#).

<i>In millions of euros</i>	2023	2022
Balance sheet		
Fixed assets	10,052	10,076
Equity	6,596	6,304
Balance sheet total	11,018	11,105
Cash flow statement		
Cash flow from operating activities	863	1,411
Cash flow from investment activities	-815	-514
Cash flow from financing activities	-189	-500
Net cash flow	-141	397

Investments

In 2022, the construction and installation of the floating storage regasification units (FSRUs) at the port of Eemshaven, the nitrogen plant in Zuidbroek and the WarmtelinQ heat network cornered a large share of the investment cash flow that year. In 2023, connecting the supply of LNG to the transmission network in Germany, the WarmtelinQ heat network, and Porthos (CCS) were the projects with the greatest impact on the investment cash flow.

Financial outlook

Following the ruling of the Dutch Trade and Industry Appeals Tribunal regarding the regulatory methodology for the 2022-2026 period, we now have considerably more clarity regarding the permitted revenue of Gasunie Transport Services (GTS) in the coming years.

Gasunie's financing needs will increase in the coming years. Several energy transition projects, or certain parts of these, have now been approved, and other energy transition projects will follow.

For the coming years, we expect an investment level of approximately € 1 billion per year, which could increase if the development of energy transition projects is accelerated.

In December 2024, Gasunie will repay two loans from the European Investment Bank (EIB), one to the tune of € 125 million and the second for € 50 million. In July 2025, Gasunie will repay another € 125 million to the EIB.

In November 2023 we issued our first green bond, for an amount of € 300 million. In 2024, too, our long-term financing needs will be met through green bonds.

Regulation

Netherlands

The regulatory authority ACM sets the permitted revenue for GTS and thus the tariffs GTS may charge, based on its methodology decision. The methodology decision describes the method by which GTS can recoup its efficient costs during a regulatory period, and the rules and parameters that apply. The current regulatory period runs from 2022 to 2026.

In 2021, GTS and market parties filed an appeal against this decision with the Dutch Trade and Industry Appeals Tribunal, the highest administrative court in the Netherlands. GTS' grounds for appeal concerned the benchmark and the energy costs. GTS was of the view that the robustness of the benchmark study was limited and did not provide a basis for the imposed efficiency discount. Moreover, GTS felt that the research was insufficiently transparent and verifiable. With regard to the price risk of the energy costs, in GTS' opinion this methodology decision did not apply a post-calculation mechanism as it should have done.

The Tribunal published its final ruling on 4 July 2023. The court ruled that all GTS' energy costs must be reimbursed, even now that they have risen sharply due to higher energy prices. The court also declared the benchmark for this regulatory period invalid. As a result, the efficiency discount that was applied to GTS' income has been reversed. The court went further and made it clear what requirements a future benchmark must meet before the regulatory authority may apply this. On 21 December 2023, ACM published its amended methodology decision for GTS for the 2022-2026 period.

Additionally, sector agreements were made on various matters pursuant to NC-TAR (network code regarding harmonised transmission tariff structures for natural gas), with the result that all related objection and appeal proceedings have been concluded and the parties have agreed not to initiate any new proceedings regarding the cases that are part of the sector agreements during the remaining years of the current methodology decision. We expect that the additional sector agreements will be finalised in their present form in Q1 2024.

The amended methodology decision 2022-2026 and the expected decrease in contracted capacities result in an increase in the proposed transmission tariff for 2025 of around 51% on average compared to 2024. The tariff increase follows the sharp 20% decrease for transmission tariffs for the year 2024 compared to the year 2023. On the end-consumer bill, the GTS tariff increase has only a limited effect because the share of GTS transport costs on the total energy bill is very small. ACM will take the decision for the 2025 transmission tariffs in May 2024.

Germany

Since Russia's invasion of Ukraine, the German government has focused on the security of natural gas supply. The German Federal Ministry of Economic Affairs and Climate Action (*Bundesministerium für Wirtschaft und Klimaschutz*) has launched several initiatives to increase the supply of LNG in the short, medium and long term and to ensure that gas storage facilities are sufficiently filled.

Given that Gasunie Deutschland is building pipelines to connect FSRUs and onshore LNG terminals to its network, these initiatives also have an impact on the company. For certain assets under construction that will be commissioned in the coming years, the regulatory authority in Germany has given TSOs the option of depreciating these over a shorter period (up to and including 2045).

Regulatory settlements

The regulatory methodologies applied in the Netherlands and Germany could possibly result in settlements in years to come. Current IFRS accounting rules do not allow regulatory settlements to be recognised on the balance sheet as a receivable or debt. Consequently, under IFRS, we do not recognise regulatory settlements in the year in which they arise, but in the year in which the settlements take place in the tariffs. This causes timing differences between IFRS and the regulatory revenue model, which can result in periodic impairment. Moreover, this gives a distorted picture of the financial result in any given year. In view of the large size of the regulatory settlements, we also present an underlying result in the key figures.

<i>In millions of euros</i>	2023
Gasunie Transport Services	
To be settled on January 1	-232
Regulatory settlements paid this year to compensate for previous years	-70
Settlements to be received in future for revenues/ENF achieved (versus permitted revenues/ENF) for this year	171
To be settled on December 31	-131
Gasunie Deutschland	
To be settled on January 1	2
Regulatory settlements paid this year to compensate for previous years	7
Settlements to be received in future for revenues/ENF achieved (versus permitted revenues/ENF) for this year	-104
To be settled on December 31	-95

The tariffs for 2023 included a set-off of € 63 million from previous years, consisting of a positive settlement of € 70 million for Gasunie Transport Services and a negative settlement of € 7 million for Gasunie Deutschland. The revenue achieved, energy costs incurred and investments made in 2023 deviate from the standard set by the regulatory authorities in the Netherlands and Germany. For Gasunie Transport Services, this deviation will result in a future receivable of € 171 million and for Gasunie Deutschland this will lead to a future repayment of € 104 million. These amounts will be set off in the tariffs in subsequent years.

As at year-end 2023, a regulatory settlement for a sum of € 226 million needed to be made. This sum consists of an amount payable by Gasunie Transport Services of € 131 million and an amount payable by Gasunie Deutschland of € 95 million. This is an estimate; the regulatory authorities ultimately determine the final settlements. In the table below, we have broken the amounts to be settled down by the periods in which the amounts will be settled in the tariffs on the basis of IFRS policies.

<i>In millions of euros</i>	Total	2024	2025-2028	2029 >
Gasunie Transport Services	-131	-134	3	-
Gasunie Deutschland	-95	-15	-80	-
Total to be settled	-226	-149	-77	-











05 Energy transition

Gasunie is clearing the way for the transition society is making to a carbon-neutral energy system. We are installing the infrastructure for hydrogen, CCS, heat and green gas, with the result that, over the coming years, we will transform from a gas TSO to an energy infrastructure company.

Our contribution to the National Transition Pathway

The energy transition projects Gasunie is developing will enable Gasunie grid users to cut many megatonnes of emissions in the coming years.

Gasunie will help grid users cut many megatonnes of emissions on the way to 2030*

Project	2022	2023	2024	2025	2026	2027	2028	2029	2030
 Hydrogen	0.0	0.0	 0.0	 1.3	2.7	3.3	4.0	5.6	8.7
 CCS	0.0	0.0	0.0	0.0	 1.3	 2.5	6.3	10.0	15.0
 Green gas	 0.1	0.1	0.2	0.2	0.6	0.9	1.2	1.5	1.8
 Heat	0.0	0.0	0.0	0.0	 0.1	0.1	0.1	0.1	0.1
Total:	0.1	0.1	0.2	1.5	4.7	6.8	11.5	17.2	25.6

* We published a similar table in the 2022 annual report. Our expectations at that time were:


- for hydrogen: (2025: 0.9); (2026: 2.5); (2027: 3.0); (2028: 3.5); (2029: 5.2); (2030: 6.7); and
- for CCS: (2025: 1.3); (2026: 2.5); (2027: 5.6); (2028: 8.8); (2029: 12.5); (2030: 12.5).

The Netherlands aims to be climate neutral by 2050. To get there, as a country the Netherlands must cut its carbon emissions every year over the coming decades: it needs to follow what's called the National Transition Pathway (see the yellow line in the visual below). However, as can be seen in the Climate and Energy Outlook (C&EO) report published by PBL Netherlands Environmental Assessment Agency, the Netherlands is lagging behind on this pathway (see the dotted line).

If Gasunie were to be facilitated in implementing its current investment programme in the coming years completely and without delay, we in turn would be able to facilitate the Netherlands in closing a significant part of the gap between the Climate and Energy Outlook and the Transition Pathway. We think that, through our energy transition projects, grid users can cut 25.6 Mt of carbon emissions by 2030. To illustrate: the Netherlands' total carbon emissions in 2022 were 158.4 Mt*.

* [Statistics Netherlands \(CBS\)](#), Emissions of greenhouse gases according to IPCC guidelines.

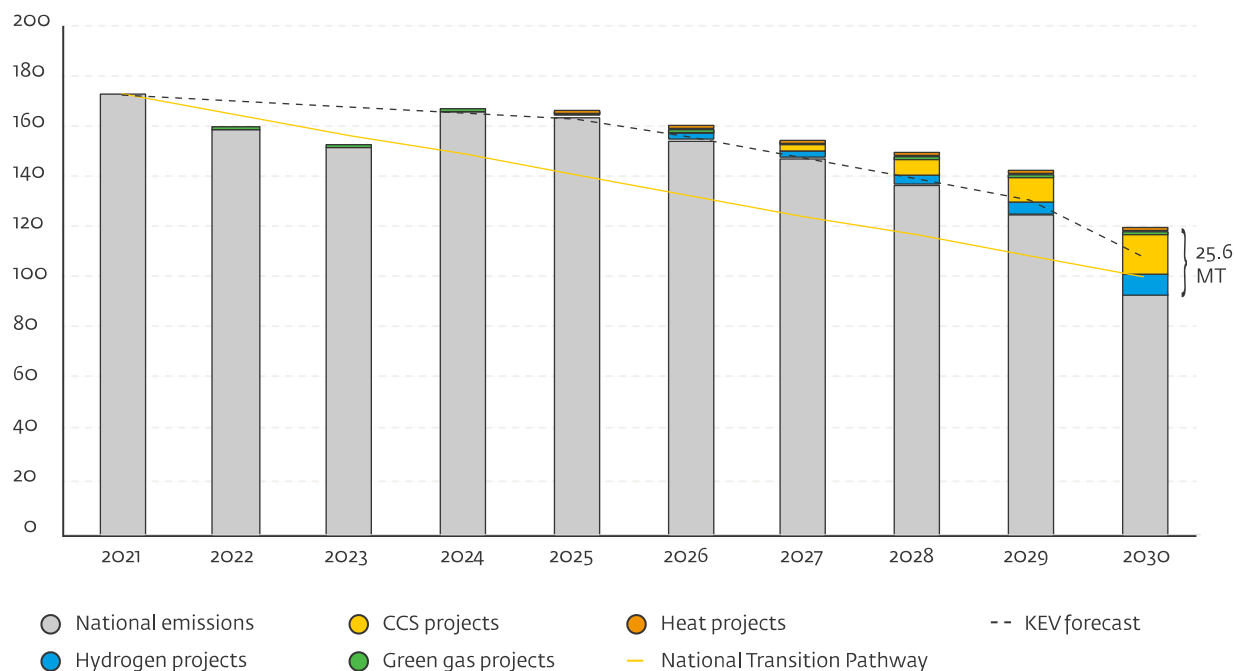
Gasunie investments in Hyperlink cut carbon emissions in Germany by megatonnes

Hyperlink Germany	2022	2023	2024	2025	2026	2027	2028	2029	2030
 Hydrogen	0.0	0.0	0.0	0.0	0.0	1.7	2.2	2.6	4.5

Our investment plans in the German national hydrogen transmission network Hyperlink can also deliver several megatonnes of additional carbon cuts and contribute to Germany moving further along its transition pathway.

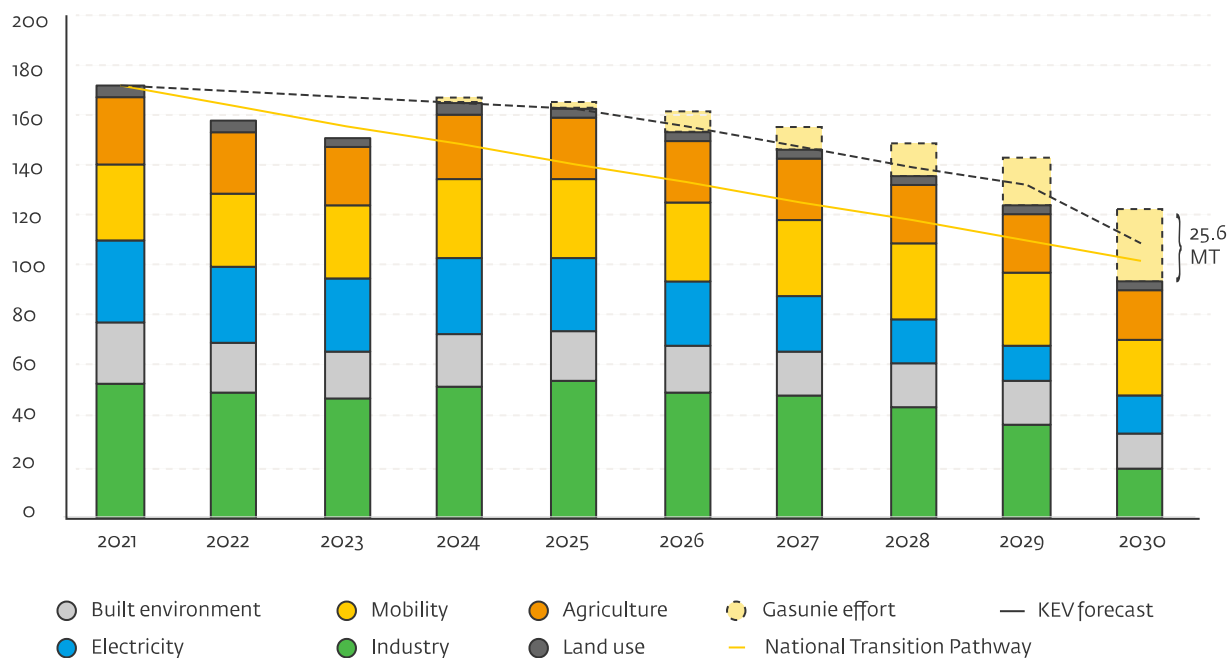
Investments ensure that the Netherlands does not lose sight of the Transition Pathway

(figures in Mt/year)

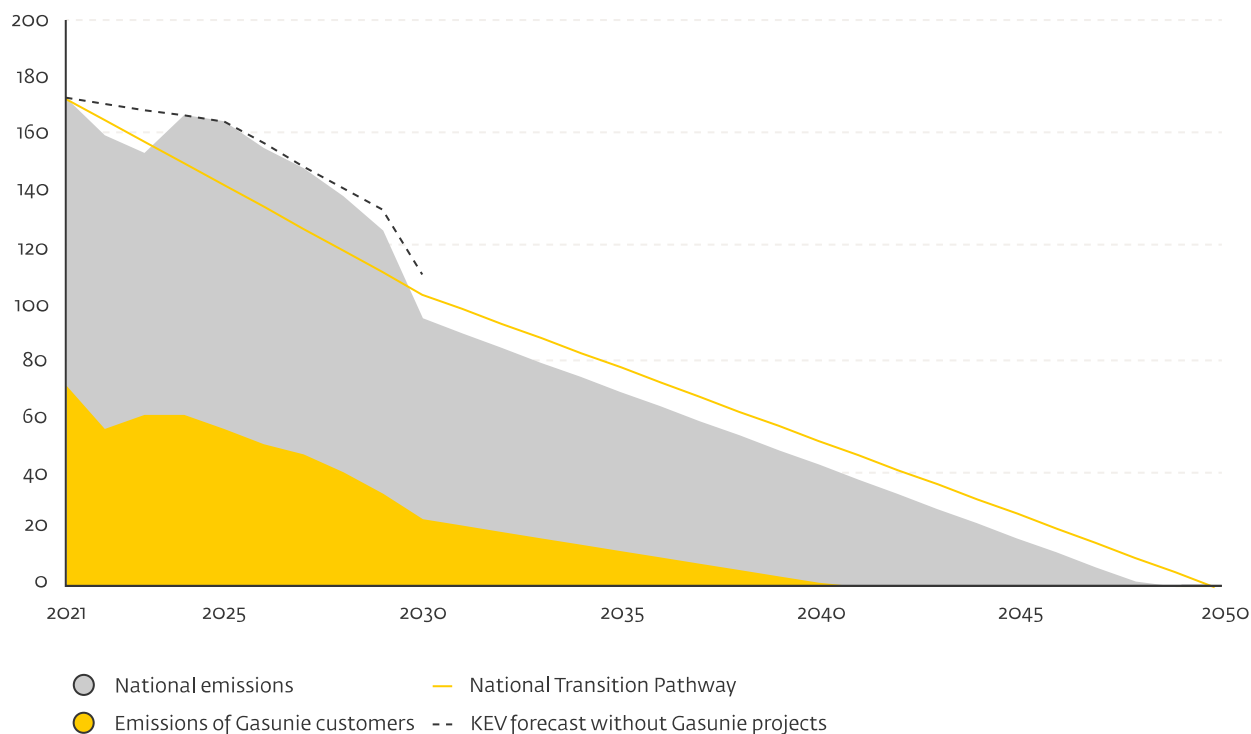


The chart above shows the avoided emissions in the Netherlands facilitated by Gasunie; for 2030 these are expected to be 25.6 megatonnes (Mt). If other sectors in the economy play their part, the rest of the gap can be closed, too, and we will stay on track to become carbon neutral in the Netherlands by 2050*. Gasunie's transition investments mainly ensure carbon reductions in the industry and built environment sectors.

* We explain our calculations in the [Additional information](#) section found at the end of this annual report.

Other sectors must also play their part in closing the gap*(figures in Mt/year)*

This effect of our investments up to the end of 2030 is also apparent if we extend the horizon to 2050, as shown in the visual below. Users of the Gasunie infrastructure will then emit less CO₂ (see the yellow area) and can even achieve climate neutrality earlier than the national target date.

Gasunie infrastructure users could already be climate neutral before the target date*(figures in Mt/year)*

Gasunie will still have a big job ahead of it after 2030. The hydrogen system in particular will need to be expanded, and we also foresee further growth in green gas and follow-up investments in the transmission of CO₂. A technical explanation of our contribution to the National Transition Pathway is included as an [appendix](#) to this annual report. We recalculate this contribution annually, taking the latest knowledge and insights from within the company and from external parties into account. Since the previous annual report, we are now dealing with a new Climate and Energy Outlook, later commissioning at the Porthos project but higher reduction levels, and lower-than-expected utilisation of the national hydrogen transmission network.

Gasunie Transition Pathway Calculator

To make our social contribution to making the Netherlands carbon neutral even more transparent, concurrently with the publication of this annual report Gasunie is publishing an interactive online [Gasunie Transition Pathway Calculator](#). In our base scenario, all new-build projects between now and 2030 will be operational by the delivery year we have set. Using this calculator, everyone can calculate the situation in more favourable and less favourable scenarios. Our Transition Pathway Calculator currently only considers the effects of our investments between 2020 and 2030. A new series of Gasunie investments for the period from 2030 to 2050 could lead to a steeper decline along the Dutch transition pathway.

Our hydrogen projects

Network

A prerequisite for the development of a hydrogen market is having in place the infrastructure for the import, transmission and storage of hydrogen. The Netherlands and the north-western part of Germany are ideally positioned to serve as a gateway for hydrogen entering Europe.

We are aiming to be the first European country to have our hydrogen infrastructure in order, positioning the Netherlands to become a key hub for hydrogen. In October, at the Tweede Maasvlakte industrial park in Rotterdam, King Willem-Alexander officially launched the construction of the first section of hydrogen pipeline, which will ultimately span a total of 1,200 kilometres*. This network is being developed by Gasunie subsidiary Hynetwork Services; a large portion of the network will consist of repurposed gas pipelines from Gasunie subsidiary GTS. After the Rotterdam grid, we plan to make an investment decision in 2024 for the northern and south-western pipeline sections in the Netherlands.

* The national hydrogen grid will likely be expanded further after 2030.

The war in Ukraine has given rise to changes in the gas market that impact when the GTS pipelines that are to be repurposed will become available; specifically, we will need to continue using the IJsselmeer pipeline as a west-east connection for gas transmission for now and so, for the time being, it cannot be repurposed for the transmission of hydrogen. To see that we are still able to transport hydrogen from west to east, in May 2023 Gasunie joined the Delta Rhine Corridor, a collection of initiatives that also includes a hydrogen pipeline to be built by Hynetwork Services.

In November, FNB Gas (association of German gas TSOs) submitted its draft application for the hydrogen core network (*Wasserstoff-Kernnetz*) to the German Federal Ministry for Economic Affairs and Climate Action. Gasunie, together with eleven other gas TSOs, contributed to the development of this core network plan, which should be finalised in early 2024. Initial work on Gasunie's part of the German hydrogen core network, Hyperlink, is now underway. Next year, work will be done at more than thirty locations to prepare existing pipelines for the transmission of hydrogen.

In November, Hynetwork Services signed a cooperation agreement with German TSOs Open Grid Europe and Thyssengas on connecting the national hydrogen transmission grids between the Netherlands and Germany. At the same time, six energy companies (BP, Uniper, E.ON/Essent, Onyx Power, Equinor and Engie) signed a declaration of intent stating that they intend to transport hydrogen via the Netherlands to industrial and other customers in Germany.

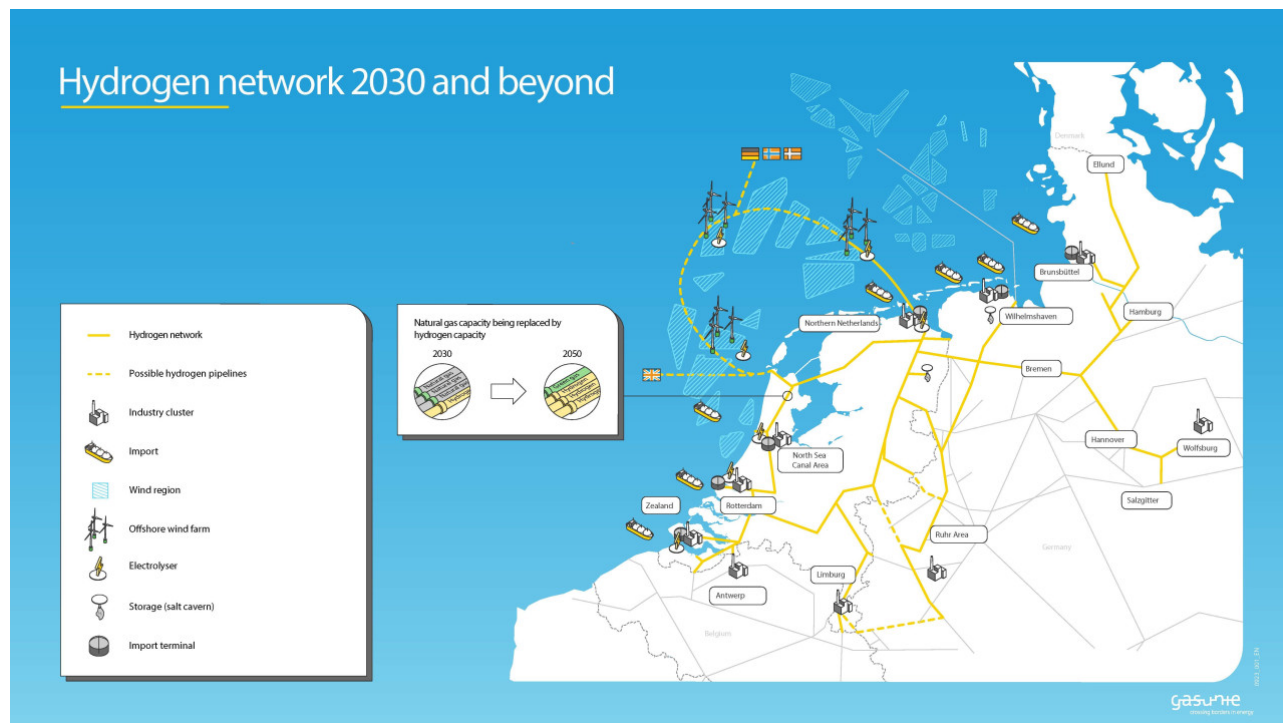
In the spring of 2023, Germany and Denmark signed an agreement concerning a hydrogen pipeline to be built between the northern region of Germany and the western region of Denmark, in which Hyperlink can play a role due to its prime location for this.

Imports

It is clear that the demand for hydrogen will far outstrip Dutch production in the coming decades. The Dutch Ministry of Economic Affairs and Climate Policy takes the same view and so has, together with Gasunie and other state subsidiaries, organised several trade missions to Chile, South Africa and other countries.

Import corridors are also being set up closer to home. Spanish energy companies Cepsa and Iberdrola signed letters of intent with Gasunie and ACE Terminal to establish a green hydrogen value chain between Spain and the Netherlands. In these letters of intent, the parties express their desire to import green ammonia to the Netherlands by way of the planned ACE import terminal at the Port of Rotterdam, and from there to transport green hydrogen to European customers via the Dutch national hydrogen transmission network.

In 2024, potential import corridors with other countries will be developed and the plans for Dutch import terminals ACE Terminal and EemsEnergyTerminal (Eemshaven) and German LNG Terminal (import terminal in Brunsbüttel) will be developed further.



Offshore

Hydrogen is set to play an essential role in the energy transition. The Dutch government is investigating the possibility of installing 70 GW of offshore wind energy capacity in 2050. With our offshore hydrogen strategy, we aim to unlock the enormous potential of generating power in the North Sea for the production of offshore green hydrogen and bring this hydrogen to shore. Moreover, we want to set up international connections to enable Gasunie to supply additional hydrogen to the Dutch and north-western European markets.

The first successes in this regard were already achieved in 2023. For one, € 50 million from the budget of the Ministry of Economic Affairs and Climate Policy has been earmarked for Gasunie to develop the offshore hydrogen network. Gasunie is a major partner in various research undertakings investigating the feasibility of an offshore network in the North Sea. We also explicitly take into account the desire for the network to become nature inclusive and nature enhancing.

An important ongoing study is the North Sea Energy Infrastructure Plan 2050, commissioned by the Ministry of Economic Affairs and Climate Policy. This strategic plan for development of the infrastructure required for offshore wind energy in the 2030 to 2050 period is expected to be finalised in 2024.

Storage

Large-scale storage of hydrogen is one of the prerequisites for a well-functioning hydrogen market, and Gasunie subsidiary HyStock is already hard at work on realising this. In Zuidwending, near Veendam in the province of Groningen, Gasunie stores natural gas in six salt caverns. We also plan to develop hydrogen storage facilities at this location.

At the beginning of 2023, we completed the A8 hydrogen storage demo project at our Zuidwending site. This project demonstrated that hydrogen can be safely stored in a salt cavern. HyStock is working on the design of the above-ground plant and the permitting process for the storage of hydrogen in the first cavern. In 2023, market parties were invited to bid for future storage capacity in this cavern; the requested reservations far outstripped the available storage capacity of 216 GWh.

In Germany, together with its partner STORAG ETZEL, Gasunie is participating in the H2Cast pilot project, aimed at gaining knowledge and experience in making two existing salt caverns suitable for the storage of hydrogen. Gasunie will connect the two caverns via an above-ground installation. These caverns are close to the future hydrogen network Hyperlink and to Wilhelmshaven.

In the coming years we will continue to work on hydrogen storage at the Zuidwending facility and investigate alternatives for storage in other regions in the Netherlands and in Germany.

Our CCS projects

There are various solutions that can prevent the concentration of CO₂ in the atmosphere from rising further. One of the most cost effective of these in the short term involves capturing carbon emissions, transporting these and storing them underground: carbon capture and storage, or CCS. In the Netherlands, CO₂ will be stored in empty gas fields below the North Sea bed. With CCS, rather than just having an impact over the long term, we can have an impact on the amount of CO₂ in the atmosphere right away, and at a low cost to society. Together with partners, Gasunie is working on four large, concrete CCS projects, Porthos, Aramis, CO₂next and Delta Rhine Corridor.

Porthos

In 2023, Gasunie, EBN and the Port of Rotterdam Authority took the final investment decision for Porthos. This was made possible after the Dutch Council of State ruled that the nitrogen oxide that would be emitted during construction would have no significant impact on nearby nature reserves. In 2024, the construction of the first major carbon transport and storage system in the Netherlands will start in Rotterdam. This decision marks a pivotal moment in terms of setting future developments in carbon storage in the Netherlands in motion. We expect the Porthos CCS system, which involves an investment of € 1.3 billion, to be ready in 2026.

Air Liquide, Air Products, ExxonMobil and Shell will capture CO₂ and supply this to Porthos, investing in their individual carbon capture systems on their own. Porthos will then transport the captured CO₂ via pipeline from the Port of Rotterdam to depleted gas fields approximately 20 km off the Dutch coast, where it will be stored permanently 3 to 4 km below the seabed of the North Sea. Porthos will store around 2.5 Mt of CO₂ per year over a period of 15 years, for a total of about 37 Mt, around the full capacity of Porthos. It will be possible, however, to later use the onshore transmission system that is being built for future CO₂ storage projects too.

Aramis

Aramis has reached the FEED phase. The partners involved in the project – TotalEnergies, Shell, EBN and Gasunie – reached an agreement in December on the further development of key parts of the required infrastructure, including the offshore transmission pipeline, which will have a maximum capacity of 22 Mt/year. This brings the realisation of the largest CCS project in north-western Europe one step closer.

We expect that the design will be ready in 2025, after which the final investment decision can be taken and, assuming this is positive, the actual construction of the transmission infrastructure can start. According to the current schedule, the Aramis project will be operational by the end of 2028, provided all the requisite permits have been obtained. From that moment on, industrial parties can transport their CO₂ via the Aramis transmission pipeline to various depleted gas fields under the North Sea. Unlike with Porthos, Gasunie will only be responsible for transmission: storage will be organised by the consortium partners.

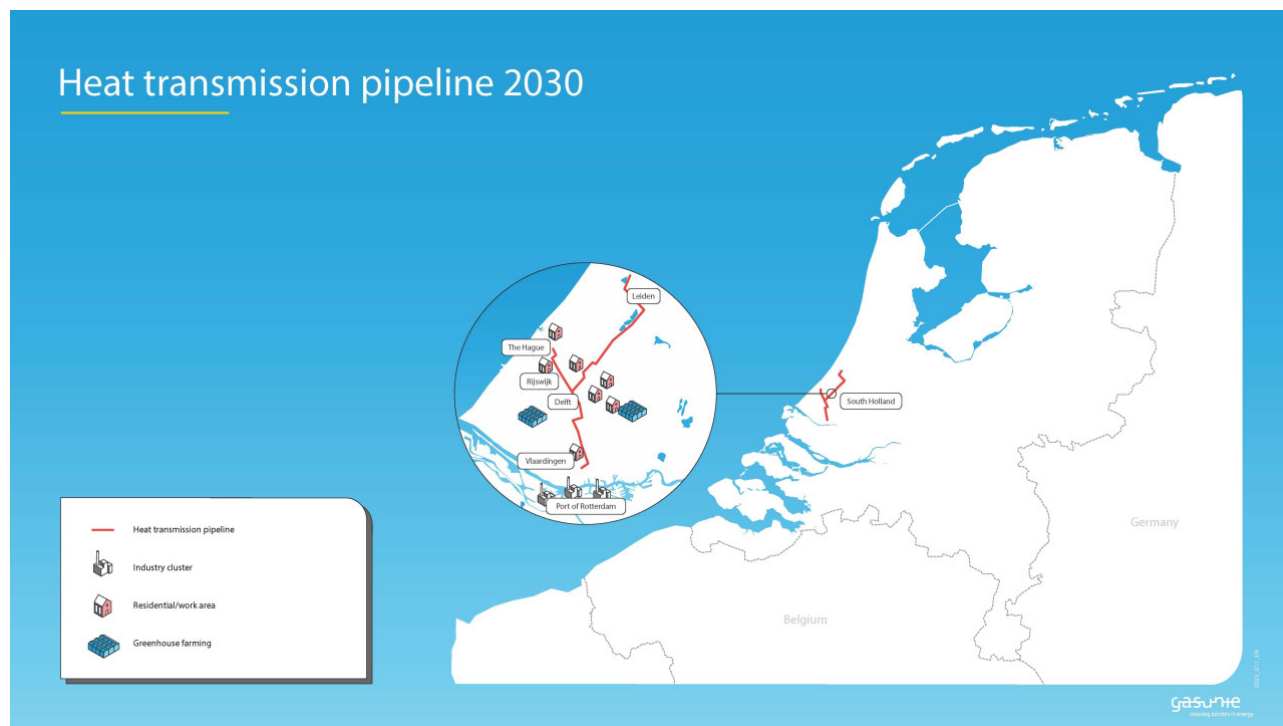


DRC

The Delta Rhine Corridor (DRC) is a collection of initiatives to simultaneously construct multiple underground pipelines and direct current connections between Rotterdam and the German border, via Moerdijk and Geleen (NL). As a consortium party in the DRC, Gasunie wants to build and manage a hydrogen pipeline and CO₂ pipeline. The corridor also offers space for other types of pipelines and cables. In 2023, we drafted an initial design for the technical system for the CO₂ component. As regards the commercial aspect, we are preparing to start an open season for capacity in the CO₂ pipeline in the Netherlands in early 2024.

Heat

Gasunie is constructing WarmtelinQ, an underground system of pipelines stretching out over 56 km to transport waste heat from the Port of Rotterdam to residential areas in the cities of Vlaardingen, Rijswijk, The Hague and Leiden, as well as other locations. Through this pipeline we will transport waste heat from the Port of Rotterdam that our customers can then use to heat homes, businesses and commercial greenhouses. The total capacity of the WarmtelinQ main heat network will be 250 Megawatts thermal (Mwth), enough to heat approximately 120,000 homes. This will result in a saving of around 0.18 megatonnes of CO₂ per year.



The project aimed at having the heat transmission pipeline between Vlaardingen and The Hague operational in 2025 and the branch to Leiden transporting heat in 2027 is on schedule. The work in The Hague started just after the summer of 2023. For the section to Leiden, at the end of 2023 the team sent the final version of the EIA report and the provincial zoning amendment plan to the Zuid-Holland Provincial Executive.

Green gas

Under the Dutch Climate Agreement, the Netherlands has set itself the target of producing 2 bcm of green gas annually by 2030; this is currently around 0.25 bcm. Gasunie sees many opportunities for market parties to scale up the production of green gas and wants to facilitate this by making it possible to feed green gas into the Gasunie network.

Starting in early 2024, Gasunie will convert 60 km of natural gas pipeline running between Emmen and Ommen for the transmission of locally produced green gas to the Gasunie network. This requires a number of technical adjustments at existing Gasunie valve locations and on connections with the regional networks. This includes the installation of a green gas booster. Work is underway on three connections to the green gas gathering pipeline for the regional grid operators Rendo (in and around Coevorden) and Coteq (in and around Hardenberg).

Gasunie Deutschland is currently confronted with numerous requests from green gas producers to have their facilities connected to the grid. There are two reasons for this sudden surge. On the one hand, the German government's 20-year subsidy period for generating power using green gas produced is coming to an end. On the other hand, the local and regional distribution networks are not able to handle the additional feed-in of green gas on an ongoing basis.

This presents a challenge to German TSOs, who are legally required to connect green gas production facilities, albeit depending on technical feasibility. In 2023, GUD started on the connection for a biomethane plant in the Kirchlinteln/Armsen area; the project should be operational in the spring of 2024.

Eemsgas

Based on the FEED study completed at the end of 2022, Perpetual Next and Gasunie evaluated the Eemsgas plan in 2023. The shareholders are now investigating alternative technologies for the gasification plant, which will produce green gas based on woody waste flows. Prerequisites are that the technology must be commercially feasible and scalable and must be able to make a significant contribution to the 2 bcm target. A new technology was selected in 2023 and based on this, the project will be revised in early 2024 in such a way that an investment decision around the end of 2024 remains feasible.

Alkmaar SCW gasification plant

The supercritical water gasification (SCW) plant in Alkmaar fed gas into Gasunie's high-pressure network on a regular basis during several short-term test periods in 2023. This was cause for the Minister for Climate and Energy Policy to visit the plant in person on 13 February 2023. Over the course of the year, SCW Systems paid a lot of attention to optimising the entire value chain needed for making green gas using the company's SCW technology and making this value chain robust. All gasifiers are now ready to use once the congestion on the power grid in Boekelermeer (Alkmaar) has been resolved. The goal for 2024 is to successfully complete an endurance test over 2,500 hours to mark the start of the regular, ongoing production of green gas.

'First dates' to match hydrogen supply with hydrogen demand

Hydrogen producers and buyers connect on Match & Connect

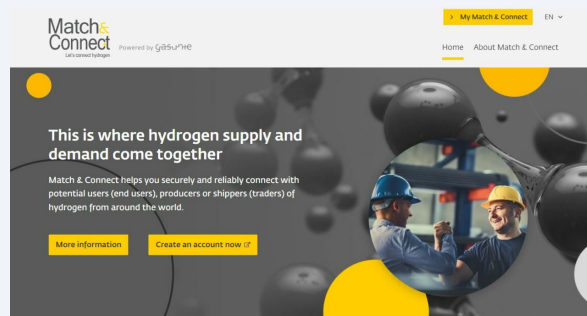
Gasunie firmly believes that hydrogen will be an indispensable link in the energy system of the future. This does mean, however, that hydrogen producers and hydrogen consumers must be able to connect; We noticed that companies have great ambitions, but could use some help connecting supply and demand. That was the incentive behind Gasunie introducing the Match & Connect online platform, as a tool for developing the hydrogen value chain.

Connecting online

As far as we know, Match & Connect is the first of its kind in the world. It's not a trading platform; it can perhaps be better compared with a dating site. End users, producers and shippers (traders) from all over the world can create an online account and get in touch with each other. Once the market parties have connected, it is up to them to reach agreements outside Match & Connect. Gasunie does not play an active role in matching market parties: we facilitate the platform, but otherwise have no access to the profiles or communication between the parties.

Positive response

Match & Connect was officially launched in May 2023, during the World Hydrogen Summit in Rotterdam – the perfect opportunity to showcase what Gasunie can do for the hydrogen market. Users from many countries and continents started using the platform immediately, and 169 profiles had been created on the platform by the beginning of February 2024.



” The hydrogen market will likely grow enormously. Match & Connect is a useful tool to help this young market mature. It's great that Gasunie has taken the initiative in this; this strengthens the Netherlands' position in the hydrogen domain and is a good fit with the role that the Netherlands wants to play.



Jörg Gigler

Managing Director TKI New Gas,
Topsector Energy

06 Security of supply

Transmission, storage and treatment of natural gas are currently Gasunie's core functions. As can be seen in our [impact report](#), the economic value of the energy we transport is enormous. Accordingly, our stakeholders attach great importance to our core services and the support products and services we offer being available at all times, without interruption.

Transmission security

Transmission interruptions

In 2023 we provided a high level of transmission security for our customers in the Netherlands and Germany. There was one transmission interruption in the Netherlands (3 in 2022). This interruption, at an interconnection point with a German customer, fortunately did not cause any problems, this thanks to timely communication with the customer. There were no transmission interruptions in Germany (1 in 2022). We have set ourselves a standard of no more than six transmission interruptions in any one year; we stayed below this figure in 2023.

Uncontrolled events

Uncontrolled events are incidents involving gas leaks (of natural gas, green gas, hydrogen, nitrogen, air) of over 14,000m³ from a Gasunie-operated pressure holder with a rated pressure of 8 bar or higher. From 2022, we tightened the requirement for the maximum number of uncontrolled events, from 3 annually to no more than 2 per year. No uncontrolled events occurred in 2023 (1 in 2022).

Peak supply

Peak supply is an important public task carried out by GTS for small users in the Netherlands. Peak supply must be distributed if the mean effective 24-hour temperature falls to below -9°C. GTS provides all the necessary facilities in the area of gas procurement and sales, flexibility services, and gas transmission over the national grid. There were no peak supply deliveries in 2023.

Transmission performance

Gasunie Transport Services

In 2023, Gasunie Transport Services transmitted 701 TWh (65.2 bcm) of gas, a drop of roughly 11% compared to the 784 TWh (73.5 bcm) in 2022 and yet another historic low. The decrease is completely down to the lower volume of G-gas transmitted: H-gas transmission has remained virtually unchanged. Domestic consumption has fallen by 4.5%, and transport abroad by 6%. Transmission of gas to fill storage facilities fell by 36%.

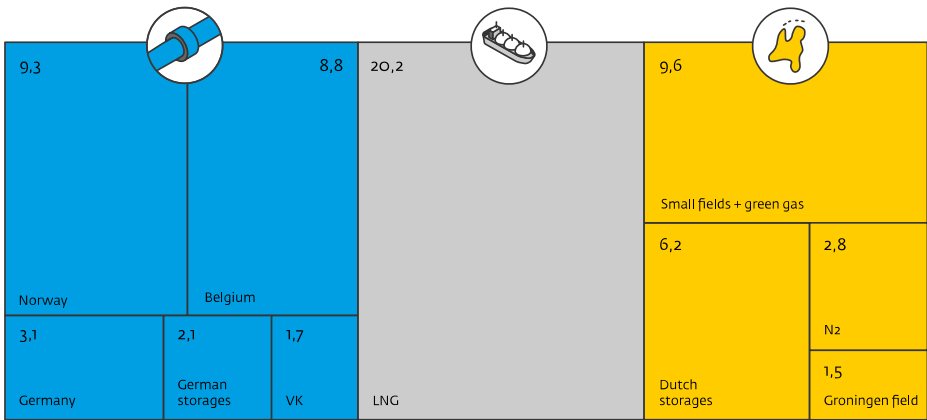
The decrease in transmission can be attributed to an increase in the gas price as a result of the shortage caused by the sharply reduced supply from Russia to Europe, the phasing out of the G-gas market abroad (Germany, Belgium and France) and, to a very large extent, the storage facilities being filled to a much higher level at the end of winter 2022/2023 than the year before.

Domestic production of gas and the volume of gas imported to the Netherlands fell by 26.5% and 22.5% respectively. Feed in of gas from Dutch gas stores and German gas storage facilities connected to the GTS network also decreased. These declining volumes were offset by a sharp increase in feed in of gas via LNG imports.

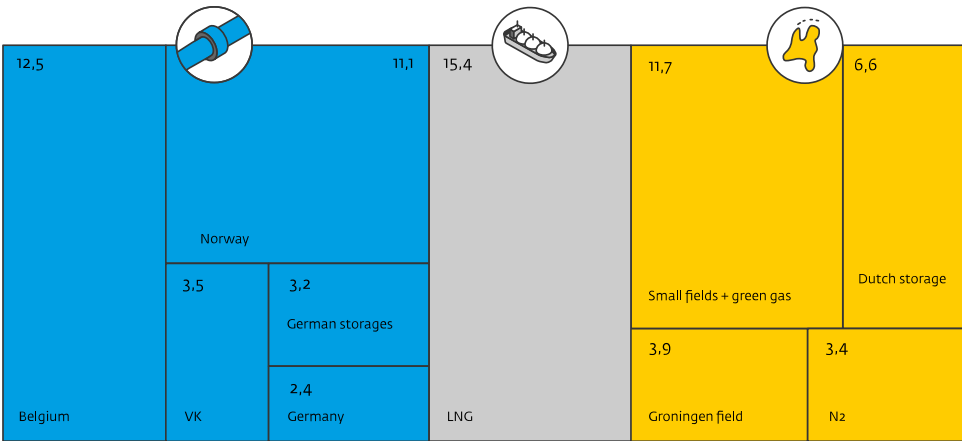
Our LNG subsidiaries Gate terminal and EemsEnergyTerminal together fed 20.2 bcm of natural gas into the GTS network in 2023, an increase of more than 31% compared to 2022. This brings the share of LNG in the entry mix nearly to that of foreign pipeline gas. In 2023, EemsEnergyTerminal (5.8 bcm) completed its first full year of operation and Gate Terminal (14.4 bcm) was running at full capacity. Over our BBL interconnector pipeline between the Netherlands and the UK, 1.7 bcm arrived in 2023, half the volume we saw in 2022. The unrest on the gas markets has subsided compared to a year earlier, and price differences and volatility between the two market areas have decreased.

Despite further reduction of production from the Groningen gas field, in 2023 GTS needed to convert less H-gas to G-gas as high temperatures and high gas prices pushed down demand for G-gas. The volume of converted H-gas decreased by 17%, from 324 TWh (28.7 bcm) in 2022 to 269 TWh (23.9 bcm) in 2023. The associated volume of nitrogen used decreased from 3.36 bcm to 2.84 bcm over the same period.

Source of gas in the GTS network, 2023 versus 2022

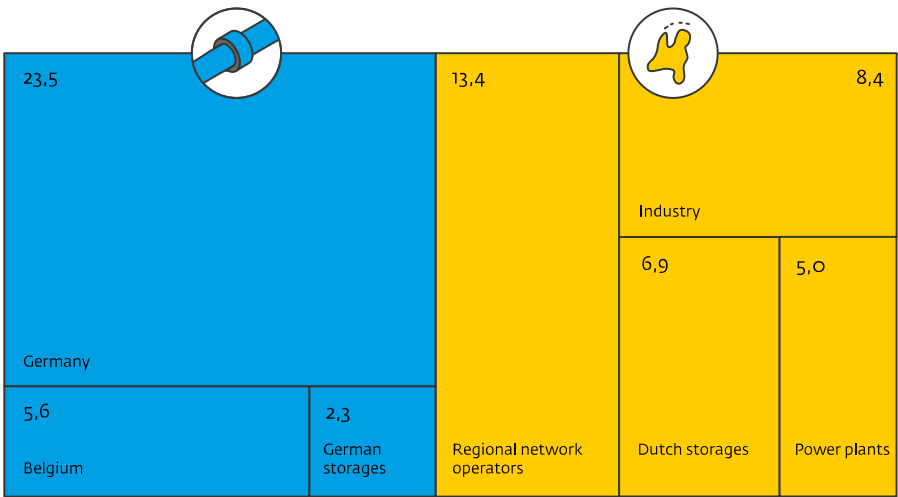


The origin of gas in the GTS system, 2023, in billion m³ (n)

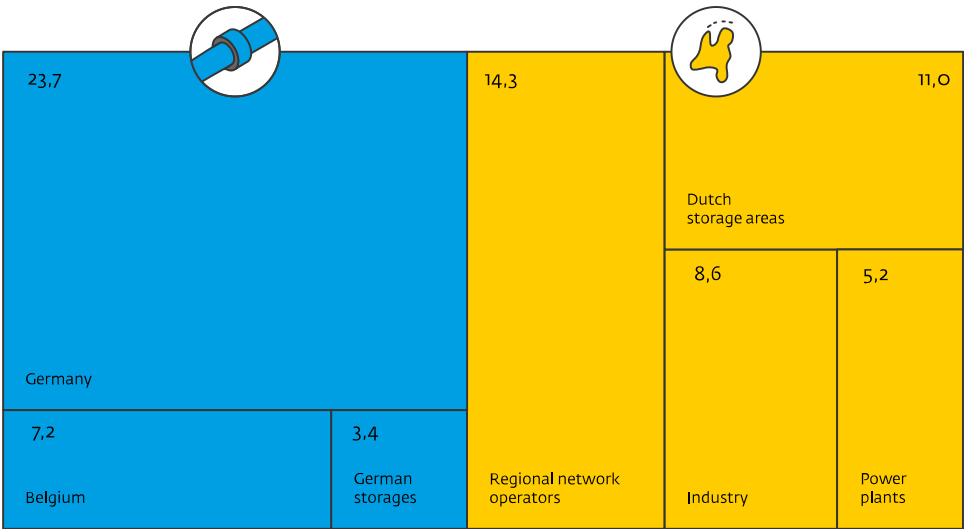


The origin of gas in the GTS system, 2022, in billion m³ (n)

Destination of gas in the GTS network, 2023 versus 2022



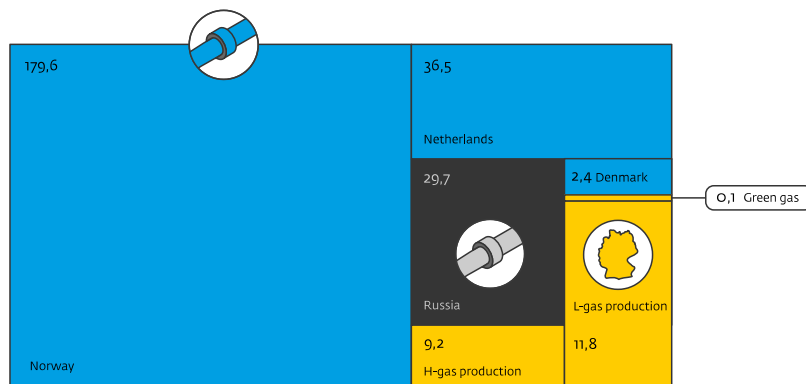
The destination of gas in the GTS system, 2023, in billion m³ (n)



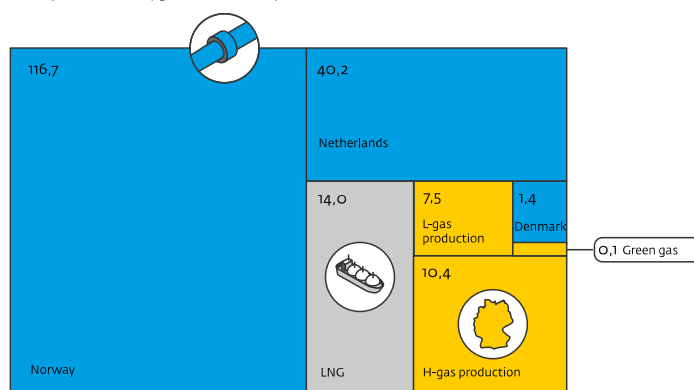
The destination of gas in the GTS system, 2022, in billion m³ (n)

Gasunie Deutschland

In 2023, Gasunie Deutschland transmitted 272 TWh (27.9 bcm) of gas over its grid, a decrease of 16% compared to the 324 TWh (33.2 bcm) transmitted in 2022. With the decline in gas flows from Russia and given its location in the north-western region of Germany, GUD's network played a crucial role in the transport of replacement gas flows from Norway and the Netherlands.

Entry volumes of gas in the GTS network*, 2023 versus 2022

The input volumes of gas in the GUD system, 2022, in TWh



The input volumes of gas in the GUD system, 2023, in TWh

* The total volume that GUD transports on an annual basis is greater than the sum of the entry volumes shown in these visuals. GUD's gas transmission network is linked to those of other German TSOs. The entry volumes shown are GUD's share in the volumes stated in the '[nominations](#)' (i.e. shipper's request) at the entry points.

Security of supply**Cold winter**

Gasunie Transport Services has the statutory duty to inform and advise the Dutch government on the security of supply in the Netherlands. Following on from the GTS study '[Een jaar zonder Russisch gas](#)' (a year without Russian gas) published in July 2022, in May 2023 GTS published an [updated analysis](#) (both reports are in Dutch). In this update, the consequences of the closure of the Groningen field as of 1 October 2023 as announced by the government were also taken into account.

The analysis shows that it is possible to further reduce production from the Groningen field in the 2023-2024 gas year (October to October). Still, it appears that in some situations it may be necessary to keep a number of production clusters in reserve so that they can be cranked up within a few hours to deal with acute shortages.

This could be, for example, when a problem arises in a gas storage facility at the same time as a cold snap hits. Though the chance of this happening is small it cannot be ruled out. In June 2023, the Dutch government took the decision to close the Groningen gas field.

In late January 2024, GTS presented its advice regarding how to guarantee security of gas supply for the 2024/25 gas year. GTS' analysis shows that, after the closure of the Groningen gas field, a shortage of capacity may still arise over the coming two gas years. For 2024, GTS estimates a shortage of roughly 10 GW during periods of high peak demand for gas. Additionally, GTS warns that it will prove difficult over the coming years – after cold winters – to get gas stocks in storage facilities back up to adequate levels over the summer periods. The volume shortage could be solved by generating additional supply through, for example, a higher pipeline utilisation rate, which can be achieved by expanding or maintaining existing LNG terminals, or by building new LNG terminals.

Gas stores

To ensure that the Netherlands would be as well prepared as possible for the winter and to become less dependent on Russian gas, the storage facilities were filled higher than usual last year. The Dutch storage facilities were filled to almost full capacity at the end of October 2023; the occupancy rate was at 82% at the end of 2023, while this was 77% at the end of 2022.

Quality conversion

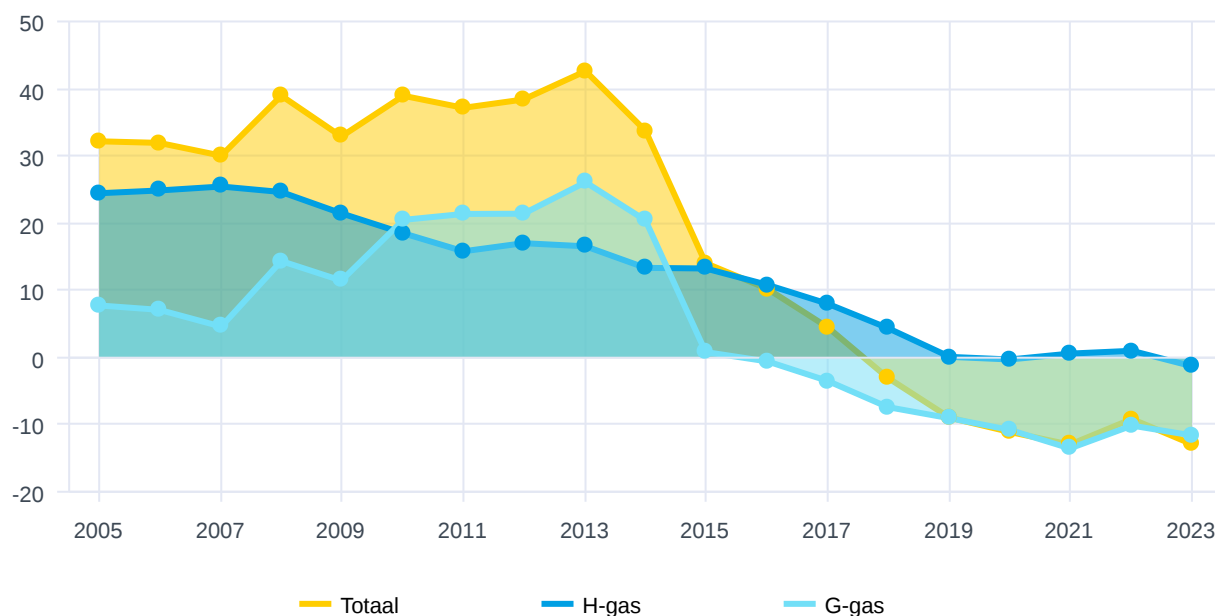
With the commissioning of the nitrogen plant in Zuidbroek in October 2023, a maximum of 10 bcm of pseudo Groningen gas ('pseudo G-gas') can be produced annually by blending nitrogen into imported high-calorific gas. From winter 2024-2025, the new plant will work to guarantee security of supply during cold spells once the Groningen gas field is permanently closed. In the summer, the plant will eventually be used to fill the seasonal gas storage facilities with pseudo G-gas.

The construction of the nitrogen plant has faced significant delays due to the COVID-19 crisis and delays in the supply of building materials and building components, along with the main contractor and subcontractor not being able to see eye to eye. Though we certainly regret this, fortunately, thanks to the fall in demand for gas due to high market prices and the gas storage facilities proving to be sufficiently filled, this did not result in problems regarding security of supply during the winters of 2022-2023 and 2023-2024.

Dependence on other countries

The planned closure of the Groningen gas field and declining domestic production is leading to growing dependence on gas imports from other countries. The complete shutdown of Russian gas supply increases dependence on H-gas in the global LNG market. The visual below shows the extent to which the Netherlands is able to meet domestic consumption (gas leaving the GTS network) with domestic production (gas feed-in to the GTS network). This is the total of everything less storage facilities/caverns and LNG. This was negative for the first time in 2018, meaning the Netherlands was unable to supply its domestic market with domestic production. The flows of H-gas entering and exiting the GTS network more or less balance. There is a major shortage of G-gas, however, which is compensated for by converting H-gas from abroad to attain gas with the same calorific value as G-gas.

The Netherlands is unable to meet domestic market demand through its domestic production
(in bcm/year)



Expansions

LNG in Germany

Germany plans to build permanent LNG terminals at the ports of Brunsbüttel, Wilhelmshaven and Stade. These terminals, scheduled to be ready in 2026 and 2027, will help end dependence on Russian fossil fuels, as envisioned in the REPowerEU plan. Gasunie is to lead the project and will be the future operator of German LNG, the terminal in Brunsbüttel that is expected to be able to regasify approximately 10 bcm of LNG annually from the end of 2026 and supply the gas to the German grid. The project costs of € 1.3 billion will be borne by the three shareholders: Kreditanstalt für Wiederaufbau (KfW) on behalf of the German government (50%), RWE (10%), and Gasunie (40%).

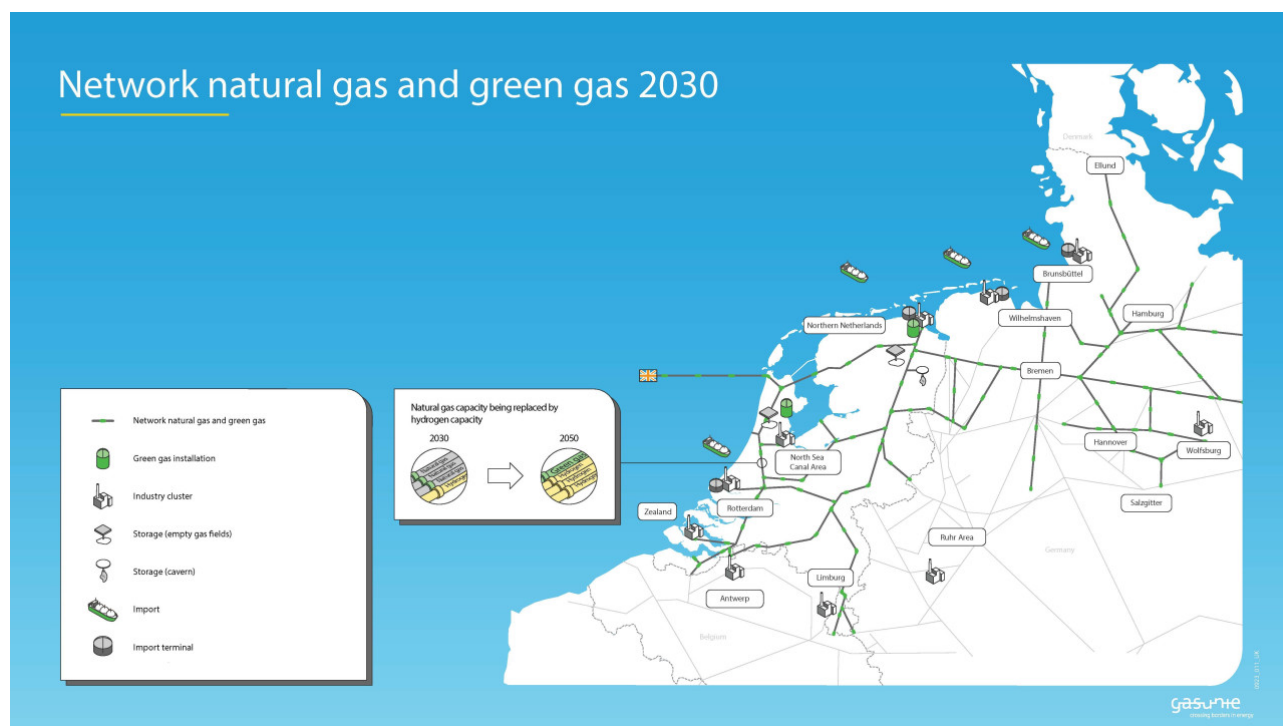
Because of the importance of German LNG for German security of supply, in July 2023 the European Commission approved € 40 million in state aid for the construction and operation of the terminal. ConocoPhillips, INEOS and RWE Supply & Trading have all signed for capacity at the terminal. The planning and permitting process for German LNG is currently underway. The terminal is being designed in such a way as to facilitate the import of green hydrogen or hydrogen carriers such as ammonia. The new permanent, onshore terminal will soon replace the FSRU Deutsche Energy Terminal (DET) currently operates in Brunsbüttel.

To bridge the period between the construction and commissioning of the planned German onshore terminals, a total of five FSRUs are being chartered by market parties to berth in Brunsbüttel, Wilhelmshaven, Stade and Lubmin. GUD has been tasked with connecting the FSRUs in Brunsbüttel and Stade and the onshore terminals at the same locations to its high-pressure grid. We are doing this by rapidly constructing four new pipelines. After successful completion of the first pipeline, we faced unprecedented rainfall during the construction of the next two pipelines in 2023, which created extremely poor soil conditions. Damage to one of the pipelines, deliberately caused by third parties, was discovered during inspection. This damage has been repaired and, after a careful final inspection, the pipeline was put into operation with minimal delay at the beginning of 2024. The fourth and final pipeline will be operational at the end of 2026 or early 2027.

To handle the large volumes of gas entering the network from the LNG terminals, GUD is building a new fully electric compressor station downstream in its network (in Achim-West), which will be ready for commissioning in 2026 or 2027. The current Achim/Embsen compressor station has gained enormously in importance since the Russian invasion of Ukraine and the loss of gas volumes from the east. The two compressor units installed at this station had been operating non-stop to meet the current capacity demand, meaning that no backup was available and that a failure of either of these would have a significant impact on security of supply. To address this situation, in 2023 we built a new compressor station in Embsen in record time and moved a compressor unit from the Quarnstedt compressor station and installed it at this new station. The work was completed in October 2023.

LNG in Netherlands

We are working on initiatives to expand the existing capacity of the onshore (permanent) LNG terminal at Maasvlakte (Gate terminal) and the temporary LNG terminal at Eemshaven (EemsEnergyTerminal). At Gate this concerns a fourth tank with a regasification capacity of 4 bcm. The tank is expected to become operational in the second half of 2026 and the newly created capacity has already been sold under long-term agreements. The investment will come out to around € 350 million. At the port of Eemshaven, we are investigating a technical optimisation to increase the capacity of the FSRU from 8 bcm to 10 bcm. The investments at both locations can contribute towards the transition to green hydrogen.



Conversions at major industrial users

By law, major industrial gas consumers who used more than 100 million cubic metres (0.98 TWh) of gas per year in the 2017/2018 and 2018/2019 gas years were required to stop using low-calorific gas as of 1 October 2022. This concerns nine companies with a collective annual demand of about 3 bcm (29.3 TWh), five of which have now been switched or disconnected. The remaining conversion projects are encountering delays due to lengthy permitting processes and the nation-wide nitrogen oxide problem in the Netherlands. However, the recent 'Porthos ruling' offers prospects for a quick restart. The companies that still need to be switched over have been granted a temporary exemption that allows them to keep using low-calorific gas until their conversion date.

Conversion programmes for neighbouring countries

Countries neighbouring the Netherlands also depend in part on low-calorific gas. Unlike the Netherlands, which opted to build a nitrogen plant to produce low-calorific gas to replace the Groningen gas, the authorities in Germany, France, and Belgium are requiring all end users to switch to high-calorific gas. For this they will need to have their appliances like boilers, stoves and ovens overhauled. The conversion programmes for homes in Germany, France and Belgium to reduce their demand for Dutch low-calorific gas are proceeding according to plan. Partly due to this, exports are falling by an average of 2 to 3 bcm (20-30 TWh) per year and will be virtually zero by the end of this decade.

IT security

Energy transmission and storage is so vital to society that outages or interruptions can lead to serious social disruption and even pose a threat to national security. Gasunie's networks are therefore classified as 'vital infrastructure'. Gasunie works together with government bodies and other infrastructure operators to protect this vital infrastructure.

One of the conditions for guaranteeing security of supply is that our digital systems and digital data must be adequately secured. The geopolitical developments as a result of the Ukraine war have, for the second year now, led to an increased focus on, and strengthening of our current security measures in all IT domains and an increased focus on business continuity and resilience. There is a general awareness in the company that these aspects need ongoing attention.

Our focus on information security is not solely an inward one. Given the vital importance of an uninterrupted supply of energy for the Netherlands, Germany and the rest of Europe, we work together with other parties in the energy value chain and with various government bodies to prevent possible future disruptions to the supply, transport and transmission of energy.

Our IT security and business continuity measures in 2023 were aligned with internal and external digital threats. There were no IT disruptions with an impact on the essential business processes. Potential crisis situations and business disruptions, as a result of vulnerabilities in suppliers' software for example, have been adequately resolved.

What Gasunie is doing about cybersecurity

- Cybersecurity, business continuity and crisis management are all part of our governance structure.
- We continuously monitor systems, networks, applications and services for incidents, events and threats, relating to data breaches and cyberattacks, for example.
- We conduct regular internal and external security audits and penetration tests of our systems, products and practices that affect user data and access to the systems.
- Annual audits are conducted as part of our ISO 27001 certification; these have been conducted for the Netherlands over the last nine years, and over the last seven years for Germany, with positive outcomes.

- Various government bodies also conduct cybersecurity audits based on European and national laws and regulations, and we also carry out our own audits and assessments as required by government bodies in the Netherlands, Germany and the UK.
- We participate in various cybersecurity and crisis management exercises organised by the energy transmission sector and the government, both periodic and one-off.
- We run corporate security awareness programmes in the Netherlands and Germany that encompass all aspects of information security. These are aimed at raising awareness of information security risks among our staff and improving their behaviour by paying ongoing attention to this topic.

Quickly resolving a serious incident together

Damaged pipeline repaired by multiple parties without interrupting supply

The Dutch subsurface is a busy place. Gasunie manages thousands of kilometres of pipeline and shares the available space with many other parties. We have extensive procedures and precautions in place to ensure that our pipes are not damaged, and yet, things still sometimes go wrong. Like, for example, when, on a Wednesday in June 2023, one of our supervisors noticed that four new floodlight columns had suddenly appeared at a football pitch in Spaarndam and realised that one of these had been installed more or less above one of our pipelines. So, of course we took immediate action.

Pipeline damage

The contractor failed to submit the required KLIC (planned excavation work) report and so started the works without Gasunie first assessing whether this was safe. Given that this was a gas pipeline with a diameter of around one meter, this oversight could have had serious consequences. We reduced the pressure in the pipeline by 10% and had Korf KB, a specialist in pipeline coating and cathodic protection, check whether the low-voltage current on our pipeline could also be detected on the column. If it could this would mean that it was in contact with the pipeline. They concluded that this was the case.

Uninterrupted supply

Now all parties put their heads together. The following steps were determined during a meeting between our Central Command Post and our Operations Assets and Safety Inspection departments. Given that the reduced pressure could cause supply problems in the long term we had to resolve this situation quickly. Emergency incident response contractor Visser & Smit Hanab arrived on the scene with an excavator, vacuum truck and incident response container full of equipment and materials. An operational crisis team made up of specialists decided that the pipeline would need to be emptied using jet vacuumation. However, to use this method the pressure in the pipeline first had to be reduced further, which could only be done with the help of an emergency pressure reduction unit and emergency pipeline. It was all hands on deck, with everyone working non-stop from early in the morning until late at night to clear the pipeline and repair the damaged coating. The incident was fully resolved by Saturday evening.



Working hard together

Of course, there is a whole process in place for exactly these types of incidents. Still, each situation is different. Together with all parties involved, we determine what needs to be done and when. We are in constant contact with each other, and everyone has the same information at the same time. It is precisely this quick response and working hard together that ensures that we can resolve these types of incidents safely and without jeopardising security of supply.

” Our emergency incident response service, with skilled people and incident response containers, can respond 24/7 to these types of incidents. It’s fantastic work, especially because you never know in advance exactly what you will find. Together we get great things done and resolve incidents quickly and safely.



Piet Haasnoot

Site manager for emergency incident response contractor Visser & Smit Hanab

07 Emissions

Society cannot yet function without the large-scale use of fossil fuels and associated greenhouse gas emissions. It is these emissions that must be rapidly reduced if we are to slow global warming. As we transform from a natural gas transmission system operator to an energy infrastructure company, we need to reduce, in our daily operations, our carbon footprint and that of our value chain partners.

Our carbon footprint reduction ambitions

In 2021 we set a corporate-wide target for both our CO₂ and methane emissions. Our target for 2030 uses 2020 as the base year, given that 2020 is a sufficiently recent year with reliable, up-to-date data. This group-wide target enables third parties to compare our total results with the total results of other network operators.

Our methane reduction target

Methane (CH₄) is emitted to the air as we operate and maintain our infrastructure, in particular when starting and stopping compressors, when operating equipment with natural gas pressure (pneumatic components), while work is being done on the transmission network, and from fugitive leaks (in couplings, flanges and valves at compressor stations, gas receiving stations, metering and regulating stations and valve locations). Methane is a potent greenhouse gas.

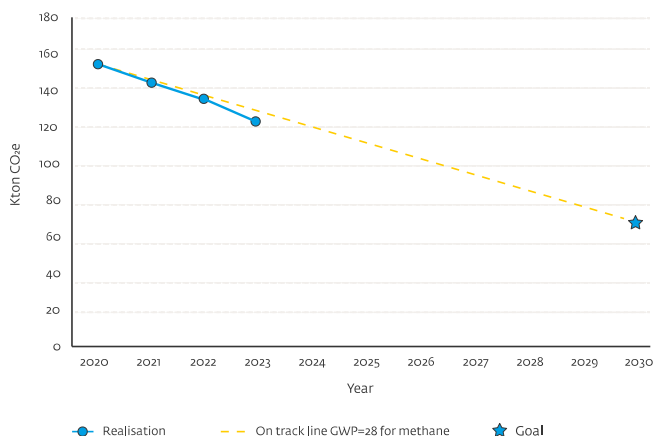
Our methane emissions must be below 70 kt CO₂e by 2030. In line with the increase in the methane conversion factor (GWP; see the box Adjustment in calculation of GWP of methane emissions), in our 2022 annual report we also recalculated the CO₂ equivalent figures for methane for the years 2020 and 2021. If we are to stick to the target figure for 2030, at a GWP of 28 we will have to reduce more methane in the coming years than would have been the case with a GWP of 25.

Results to date

Methane emissions totalled 122 kt Co₂e in 2023, a decrease from the 135 kt CO₂e in methane emissions in 2022 (applying a GWP of 28 for both figures). In the Netherlands, Gasunie's methane emissions were up slightly compared to 2022, mainly due to the use of the EemsEnergyTerminal. In the first half of 2023, the electricity required for the processes on the FSRUs was supplied by onboard generators powered by engines that run on LNG. These engines produce methane emissions. In the second half of the year, the FSRUs at Eemshaven no longer used their own generators but ran on onshore power. In Germany, our methane emissions decreased in 2023 compared to 2022, mainly because better emission factors could be applied using the data from the most recent measurement campaign*.

* Emission factors are representative values which quantify the environmental impact of various materials, products, services and processes, like the number of kilogrammes of methane emissions per unit of time from a controller, for example. Emission factors are sometimes derived from secondary sources (i.e. published information), but more reliable emission factors are often obtained through primary research (i.e. actually carrying out measurements).

Our methane emissions in 2023: on track to meet our reduction target in 2030



In our view, the methane emission target of 70 kt CO₂e in 2030 is still within reach. It leaves us with the challenge of achieving another 52 kt CO₂e between now and 2030. Our methane emission reduction projects will yield results in the coming years, and we want to end a number of emitting activities by 2030 as well. We will be replacing pneumatically driven components such as pressure regulators and flow regulators. We also expect to decommission a number of large facilities.

Our CO₂ reduction target

The transmission of natural gas requires energy, energy we use to keep the gas grid at pressure, to blend natural gas with nitrogen, and to compensate for frictional losses during transmission. Gasunie uses natural gas and electricity for this. Burning this natural gas and generating this electricity produces CO₂ emissions.

We are aiming to reduce our total CO₂e emissions (i.e. including methane emissions) related to our natural gas transmission (Scope 1 and 2, market-based) by 34% by 2030 compared to 2020, assuming constant transmission volumes*. Written as a formula this is: total CO₂e (in kt) = 70 (kt CO₂e) + (0.137 × transmission volume).

* With lower transmission volumes, our reduction target measured in kilotonnes of CO₂e also decreases in absolute terms.

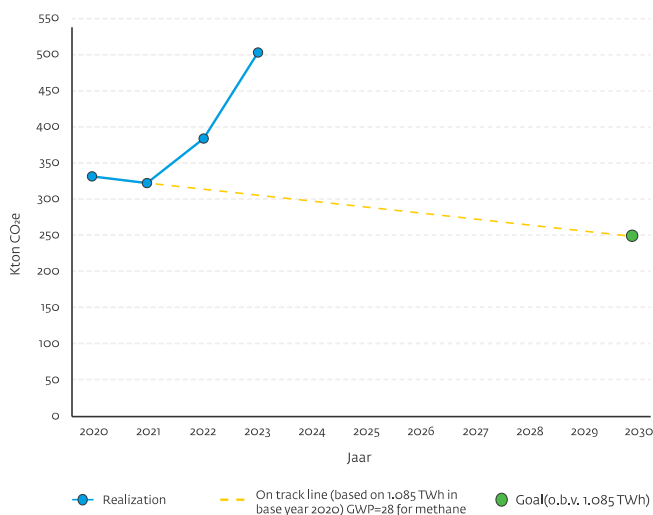
Results to date

The realised value for 2023 was 490 kt CO₂e based on transmission of 973 TWh, a significant increase compared to the 390 kt CO₂e in 2022 for the transmission of 1,108 TWh. This means we are not on track to meet our 2030 target. This situation can largely be attributed to the use of the EemsEnergyTerminal. The LNG is regasified using both seawater and heat from the Eemshaven power plant operated by RWE. The CO₂ emission factor associated with the heat from the power plant is high. The use of the vessels' own generators (because the onshore power supply was not yet ready) also led to higher methane emissions in the first few months of the year*.

* The use of EemsEnergyTerminal does not count towards the targets for our sustainability-linked bonds (SLBs), given that this entity had not yet been established at the time the SLB framework was drawn up.

We believe that our reduction target for our total CO₂e emissions in 2030 is still within reach, as we expect to decommission a number of methane-emitting facilities (like the EemsEnergyTerminal, for example) before 2030.

Our total carbon emissions in 2023: not on track at the moment to meet our reduction target in 2030



Gasunie and SBTi

Gasunie would like to join the Science Based Targets initiative (SBTi), an organisation that checks whether companies' climate targets are ambitious enough to provide a decarbonisation pathway in line with the 1.5°C scenario. This is not yet possible, given that the SBTi guidelines for the oil and gas industry are still being developed.

Our measures regarding CH₄ emissions

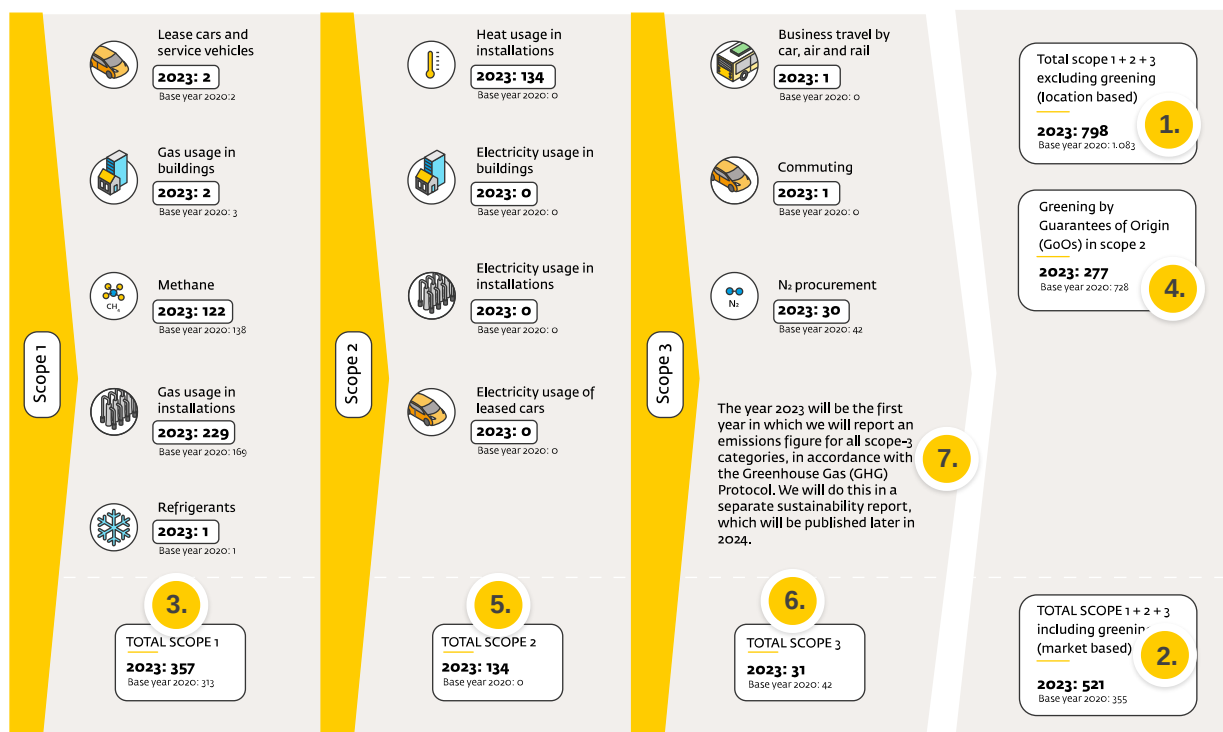
We are reducing our methane emissions by making use of:

- *Emission-free regulating equipment:* Gas-emitting regulators are no longer used in newly built or refurbished installations. By the end of 2029 we will have replaced all regulating equipment with emissions with zero-emission variants.
- *LDAR programme:* With our leak detection and repair (LDAR) programme, we detect leaks in connections and appendages (valves, flanges, etc.) at compressor stations, gas receiving stations, metering and regulating stations and valve locations. For this we apply the NEN-EN 15446 standard, which is based on the measuring methodology developed by the US Environmental Protection Agency (EPA).
- *Nitrogen displacement:* One way to avoid having to vent natural gas from a pipeline is to use nitrogen to displace the gas and by this means transfer it to a different section of the pipeline.
- *Mobile recompression:* We use a mobile recompression unit to recompress as much of the gas as possible that would otherwise have had to be vented. This gas is then transferred to another pipeline. In 2023, recompression returned around 0.8 million m³ of gas to the network (2022: 0.9 million m³). With this we avoided the emission of 13 kilotonnes of CO₂e in 2023.
- *Flaring:* If recompression is not an option, flaring offers a way to reduce the environmental impact of the methane in the natural gas by burning it off. In 2023, 342,791 m³ of gas was flared (2022: 340,522 m³). Flaring instead of venting yielded environmental savings of 5 kt CO₂e in 2023 (2022: 5 kt CO₂e).

Our emissions reporting

In our emissions reporting we split our carbon emissions into three groups (called 'Scopes'). We calculate the contribution to the greenhouse gas effect (our 'carbon footprint') in carbon dioxide equivalents (CO₂e). We report and evaluate our emissions internally several times a year. Gasunie uses the operational control method for disclosing its carbon emissions.

Gasunie's emissions according to the GHG Protocol (in kilotonnes of CO₂e)*



1. Location-based

This figure is based on the GHG emissions caused by the generation of electricity in the region where the electricity is used. The location-based figure is then calculated by multiplying the electricity consumption (expressed in kilowatt-hours, kWh) by the CO₂ emission factor for electricity in accordance with the list of CO₂ emission factors.

2. Market-based

This figure is calculated based on the greenhouse gas emissions of the energy installations where the procured electricity originates. We prove the origin of the electricity (from renewable sources) through Guarantees of Origin (GOs). In the Netherlands in 2023 Gasunie purchased Guarantees of Origin from European wind farms. In Germany, Gasunie procured green electricity directly from its electricity supplier.

3. Scope 1

This comprises all emissions that are a direct result of our own activities, like the emissions from our compressors, our own gas consumption to heat buildings, the gas used by the boilers at the gas receiving stations, etc. This category also includes our CO₂ equivalents in methane emissions and hydrofluorocarbons (HFCs, for cooling processes).

4. Scope 2

This includes the indirect emissions of energy we have procured. We procure electricity for our electric compressors and for the production of nitrogen we use to convert imported high-calorific gas into Groningen quality low-calorific gas ('pseudo G-gas'). Scope 2 also includes the electricity used in our offices and the buildings housing our installations. In 2023, we completely decarbonised our electricity consumption by purchasing Guarantees of Origin (GOs). This will be changing in 2024. Besides electricity we also procure heat, mainly for the regasification of LNG.

5. Scope 2

Scope 2 emissions are shown on the basis of a market-based method. The location-based figures for Scope 2 emissions from the generation of procured electricity are: 339 kt CO₂e in 2022 and 277 kt CO₂e in 2023. We had completely decarbonised our electricity consumption by 2023.

6. Scope 3

Included in this scope are all indirect greenhouse gas emissions related to upstream and downstream activities in our value chain that are outside our direct control. For the purpose of this annual report, under Scope 3 activities we again include the same (very limited) activities we have included in recent years: emissions from business travel and commuting and from the production of the nitrogen that we purchase. Quality conversion from imported high-calorific gas to pseudo G-gas takes place using self-produced nitrogen (Scope 2) and nitrogen procured from third parties (Scope 3).

7. Scope 3

This is because, for a full understanding of our Scope 3 emissions, we need to calculate the lifetime emissions of all capital goods we procure. To do this, we will need to collect and verify such a large quantity of data from suppliers and other parties that we will not yet be ready to disclose the results by the date of publication of this annual report.

* Differences in the column totals may occur due to rounding.

What we are doing to reduce emissions

Reducing our carbon footprint is hugely important to us. We can make the most impact by reducing our methane emissions: in terms of global warming potential, 1 kg of methane emissions is equivalent to the emission of 28 kg of CO₂.

International joint efforts to reduce methane emissions

We are an active participant in the study groups of the Oil and Gas Methane Partnership (OGMP). Energy companies participating in the OGMP make voluntary agreements on methane emission recording, calculating and reporting. Gasunie is reporting the methane emissions for its operational assets for the reporting year 2023 in accordance with the 'Gold Standard', the highest OGMP reporting standard.

Gasunie anticipates that in 2024 the European Commission will adopt a regulation aimed at reducing methane emissions. This regulation includes restricting the use of venting and flaring to strictly necessary situations and tightening up the LDAR (leak detection and repair) programme. Changes in the LDAR programme will result in a higher inspection frequency and require short repair times. Gasunie actively contributed to the development of the draft regulation.

Other activities in 2023 were:

- We participated in an international GERG project for top-down measurements and reconciliation at a compressor station in Europe.
- We contributed to standardisation at CEN in the area of quantification, leak detection and repair of natural gas emissions, and the prevention of these emissions.

Our measures regarding CO₂ emissions

This is how we reduce our carbon emissions:

- *Decarbonisation of our electricity consumption:* In 2023, we purchased Guarantees of Origin (GOs) from European wind farms for our Dutch activities. In Germany, 100% of our electricity needs are covered by electricity from European hydroelectric power stations. In 2023, we greened more than 1.9 million m³ of our own gas consumption in the Netherlands with GOs, and in Germany we covered 1% of our total own gas consumption with green gas. We requested bids in 2023 to obtain additional volumes for 2023 and 2024; however, these volumes were not yet available on the market on reasonable terms.
- *Temporary decommissioning of compressor stations:* As production from the Groningen gas field is phased out, we are decommissioning a number of our compressor stations on a temporary basis so that these can be used later for the energy transition.
- *Gas receiving stations:* At 900 gas receiving stations we are gradually reducing the pressure of gas at inlet points, reducing the temperature of the gas at outlet points, and using a variable boiler water temperature based on the then current heat demand. This has reduced total gas consumption at our Dutch gas receiving stations. We are also considering replacing the current central heating boilers at gas receiving stations with a hybrid heat pump system. We would only need to switch over to the system's gas-fired boilers when gas throughput is high, like in winter for example. In the near future it will become clear whether this concept can be used at gas receiving stations.
- *Transport & mobility:* Since 2021, we have been replacing our fossil fuel company cars with fully electric vehicles.
- *Head office:* Thanks to the [Green Teams](#) employee initiative, all boilers at the head office were replaced by energy-efficient alternatives in 2023.
- *Green procurement of nitrogen at third parties:* GTS uses nitrogen to convert high-calorific gas into low-calorific gas (called pseudo Groningen gas, or 'pseudo G-gas' for short), which is suitable for use by small-scale gas consumers in the Netherlands. The producer from which GTS sources its nitrogen decarbonised its emissions through the purchase of GOs. In 2023, this portion concerned around 85% of the total amount of electricity that was required for the production of all nitrogen procured.

Lower emissions thanks to local wind energy

Dutch wind power to cover a quarter of our electricity needs thanks to our contract with Greenchoice

Gasunie consumes a lot of electricity to keep the natural gas network under pressure. A lot of electricity will also be needed in the future for the transmission of hydrogen, green gas, CO₂ and heat. Up to now, we have been decarbonising our power consumption by purchasing Guarantees of Origin. That will now change thanks to the five-year Power Purchase Agreement (PPA) we concluded with Greenchoice in 2023, under which, from 2024, about 25% of the energy we use (250 GWh) will come directly from Dutch wind farms.

Sourcing locally

Procuring green energy directly at the source creates a direct link between generation and our consumption and allows us to reduce the share of our emissions that arises from the production of 'grey electricity' (power generated from non-renewable sources). We did set a number of quality conditions for this, like that the energy really had to come from the Netherlands or the Dutch part of the North Sea, for example; otherwise this would not officially be considered 'green energy'. We issued a call to tender with this and other conditions and Greenchoice's bid came out on top.



Moving with the wind

What is special about the agreements with Greenchoice is that Gasunie will procure what is referred to as a 'wind profile' from 2025, which means that we purchase more green power on a windy day than on a calm day. The effect of this is that it encourages us to 'move with the wind', adapting our consumption to the energy generated at a given time. This will seldom be necessary at first: even with strong winds, we are not procuring more energy from Greenchoice than what we can use. In the longer term, however, this is an important step towards realising what's called '24/7 CFE'.

Moving towards 60% CFE

CFE stands for 'carbon-free energy', and 24/7 CFE means that all energy consumed, every hour of every day, comes from local, renewable sources. This is not always easy to ensure, but it is essential for the transition to a more sustainable energy system. Gasunie wants at least 60% of its own hourly electricity consumption to be CFE by 2030. This way we can cut our emissions and be less dependent on fossil energy. The PPA with Greenchoice brings the realisation of this target much closer.

” We are very pleased that, through this collaboration, we can further strengthen our position in the market for generating electricity from wind and sun. With the certainty such a large client provides, we can increase our investments, constructing new solar and wind farms, for example. And that can only be beneficial for the energy transition.



Roel Hopmans

Portfolio Manager at Greenchoice

08 Circularity

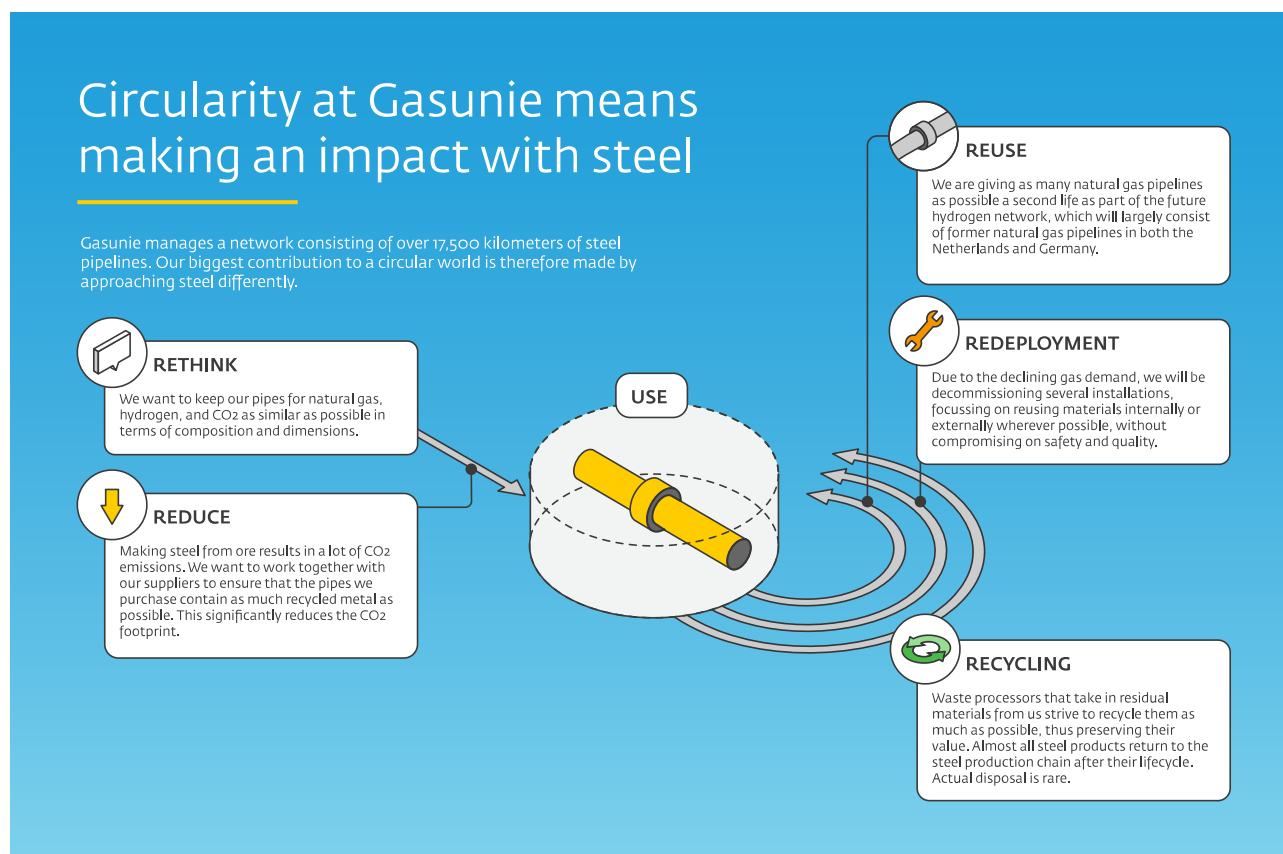
The demand for products is increasing worldwide, while many raw materials used to make these products are becoming scarcer and/or more expensive. It is, therefore, becoming increasingly important to make smart, efficient use of products and raw materials.

Gasunie acts in accordance with the Dutch government's goal of having a fully circular Dutch economy in 2050 and beyond. A circular economy is one in which, thanks to the use of as many sustainable, renewable raw materials as possible and the reuse of products and raw materials, waste is kept to a minimum. To reach that goal, the government has also formulated an interim goal: by 2030, the Netherlands will use 50% less primary raw materials like minerals and metals.

Circularity at Gasunie

Pipelines

Gasunie's current core activity is the management and maintenance of a network comprising over 17,500 km of steel pipeline. So, it's clear that the greatest contribution to a circular world we can make is by taking a different approach to steel. This is what we are doing:



Up to 2030, we will be converting some of our steel gas pipelines, which is becoming redundant due to falling demand for natural gas, into hydrogen pipelines (over 1,000 km in the Netherlands and more than 600 km in Germany). These pipelines will remain in use for many decades after repurposing. In the two decades after 2030, we will be able to repurpose many more gas pipelines as demand for natural gas declines further and demand for hydrogen increases.

Network components

When carrying out refurbishment or dismantling works at our sites in our natural gas network, valuable components can be harvested for reuse, either by Gasunie or outside parties. In 2023, we conducted tests on the reuse of high-pressure gas valves and redundant sections of pipeline. We are working on a standard process to assess harvested components for reuse and for putting them back into circulation.

Procurement

Gasunie purchases more than € 1 billion worth of goods and services annually, and our procurement of goods is becoming increasingly circular. In 2023, 22% of the products we purchased were circular by design. We want to increase that figure to 50% by 2030. We challenge our suppliers – in fair consultation – to show what they can do.

In the Netherlands, we have been recording the degree of circularity of a component in material passports for two years now. The material passport shows raw material composition of a product as well as the weight and percentage of each raw material that makes up the product. It also shows (as a percentage) the extent to which each raw material has been recycled and can be recycled at the end of the product's life cycle. Our procurement departments in the Netherlands and Germany are jointly investigating whether and from when EU-wide standardised Environmental Product Declarations (EPDs) can be used as an alternative to national material passports.

Waste

From 2024, Gasunie's offices in the Netherlands will switch to reusable cups (for coffee, etc.). Produced in the Netherlands, these cups made of polypropylene copolymer and free from harmful substances can be washed four hundred times. After a while, the cups are taken out of circulation and once more ground into granulate for reuse in new cups.

Head office

In 2024, our head office in Groningen, built in 1993, will be refurbished. Materials harvested from the offices will be reused as much as possible, and for materials that we cannot reuse ourselves, we will look for ways to give them a second life elsewhere. In addition, we want to work with materials that have a low environmental impact and that are sourced as locally as possible, ensuring that the parties in the value chain respect people, local communities and the environment.

Innovation-friendly, circular procurement

Working together on a more sustainable system in dialogue with our suppliers

For the third year running, in 2023 Gasunie was assessed as the most innovation-friendly buyer in the public sector (based on average score). This was established by Utrecht University, TenderNed and public procurement expertise centre PIANOo, who together studied our requests for tender published on the TenderNed public procurement platform in 2022. The jury was particularly pleased with our application of the competitive negotiated procedure, which involves companies being pre-selected and invited to submit an initial tender and negotiate with the contracting entity. This procedure allows more scope for innovation and better aligns demand with supply.

Dialogue with suppliers

We sometimes take this a step further, using competitive dialogue, a procedure Gasunie has been applying since 2023 for new tenders from engineering firms and contractors. After all, they know more than we do in certain areas, and we want to make better use of that knowledge and creativity and, this way, determine the best offer together. That also requires a different attitude on our part, that we increasingly position ourselves as an equal partner. With this approach, we are better able to search for sustainable and innovative solutions together with our suppliers.



Circular steel

One aspect of those sustainable, innovative solutions is circularity. Is the product made from recycled material? Can it be disassembled if it's broken or no longer needed? This has a huge impact on carbon emissions, especially when it comes to metal. Producing steel from iron ore emits a tremendous amount of carbon dioxide. Using recycled metal cuts emissions by double-digit percentages. Our most important product, the pipes, always return to the steel production value chain at the end of their lifespan. Currently, we can rightfully call 60% of the steel that Gasunie procures circular*, a figure we plan to increase, even up to 100%, in the coming years.

” We supply the pipelines for the hydrogen network in Rotterdam and for Porthos. To save around 95% of our emissions from steel production by the end of 2033, Salzgitter AG is working on a CO₂-reduced steel via the new hydrogen-based Salcos production route. It is a pleasure to work together with Gasunie on leading the European energy and steel market into a circular future.



Henning Zitterich

Sales Director at Mannesmann
Grossrohr GmbH (Salzgitter AG)

* 60% circular means that the new product contains 20% scrap and that this product is 100% recyclable at the end of its useful life: $(100+20)/2 = 60$.

09 Employee wellbeing

Gasunie is committed to creating a work environment geared towards increasing focus, performance, a sense of purpose and job satisfaction. We recognise the importance of being a good employer and make every effort to make Gasunie an attractive place to work.

Workforce

Gasunie experienced unprecedented growth in the employee headcount in 2023. Over the course of 2023, 379 employees were hired, with 329 of these new hires joining Gasunie Nederland and 50 joining Gasunie Deutschland. Over the same period, 94 employees left Gasunie: 75 in the Netherlands and 19 in Germany. The company has grown by 15% in terms of permanent employees, mainly in response to the large number of energy transition projects we are working on. Taking both permanent and temporary employees into account, Gasunie employed 3,015 people (2,793 FTEs) at the end of 2023.

Total number of employees

	FTE			Head count		
	GU	GU-NL	GU-D	GU	GU-NL	GU-D
Employment contract, Gender						
Permanent, Female,	303	241	62	343	276	67
Permanent, Male	1508	1287	221	1555	1333	222
Temporary, Female	53	52	1	62	59	3
Temporary, Male	224	222	1	230	229	1
Total	2088	1803	285	2190	1897	293
Employment type, Gender						
Full-time, Female	174	128	46	174	128	46
Full-time, Male	1476	1259	217	1476	1259	217
Part-time, Female	182	165	17	231	207	24
Part-time, Male	256	251	5	309	303	6
Total	2088	1803	285	2190	1897	293

Total number of temporary employees

	FTE			Head count		
	GU	GU-NL	GU-D	GU	GU-NL	GU-D
Gender						
Female	126	120	6	160	154	6
Male	579	579	-	665	665	-
Total	705	699	6	825	819	6

Besides permanent staff, there are also contract employees at Gasunie. Engaging temporary (external) employees helps us absorb peak workloads, cover employee absences, and bring in specialist expertise as needed.

Employee survey

In October, all employees, both Gasunie employees and contingent staff, were asked by independent research agency Effectory how they experience working at Gasunie. The results of the questionnaire, completed by 73% of the employees, show that employees give Gasunie a rating of 7.4 for good employment practices (the benchmark for companies in the water and energy sector is 7.1).

Employees appear to be satisfied with Gasunie as an employer, feel valued, find Gasunie's vision for the future inspiring, and support Gasunie's objectives. An eNPS score of 30 also indicates that Gasunie employees would generally recommend Gasunie to others as a company to work for (benchmark: 25). Furthermore, Gasunie scores high in the areas of perceived safety and diversity, inclusion and equality. Employees feel safe, don't hesitate to speak up when they encounter an unsafe situation, dare to be themselves, and see that people are treated equally and with respect.

The extent to which managers discuss employee development on a regular basis could use some attention, though most respondents state that they are actively working on their own development. What also emerged is that we could do more to see that better use is made of employee ideas and suggestions to improve as a company. Both these topics have been included in the management agendas for 2024.

Labour market

We are still facing shortages on the labour market in both the Netherlands and Germany. In 2023, we ran strategic recruitment drives to find and recruit people for hard-to-fill positions, and for externally posted vacancies for certain hard-to-fill positions we increased the referral bonus from € 1,000 to € 2,000.

Engineering firms and stakeholder management companies we work with are also experiencing staff shortages, which is one of the reasons we concluded a framework contract with a number of companies in these sectors in January 2024. For Gasunie, this involves an investment of € 280 million over a period of ten years.

Sickness absence – approach and prevention

Gasunie's progressive sickness absence rate is currently 4.1% in the Netherlands and 3.8% in Germany. Our Gasunie target is a sickness absence rate that does not exceed 4.0%. The sickness absence rate is calculated by dividing the number of days of sickness absence by the nominal number of employees multiplied by the number of calendar days.

Percentage absence due to sickness	2023		2022	
	GU-NL	GU-D	GU-NL	GU-D
Short-term absence	0.76	1.44	0.92	1.81
Medium-term absence	0.59	1.17	0.83	1.80
Long-term absence	2.78	1.24	2.30	1.16
Total	4.13	3.85	4.05	4.77
Sickness absence frequency*	1.0	1.9	1.1	2.6
Work-related absence cases (reported by employee)	38		29	

* Sickness absence frequency is the number of cases of sickness absence divided by the average number of employees. A lower sickness absence frequency therefore means that, on average, employees are sick less often. Sickness absence frequency says nothing about the duration of the sick leave.

With the increased workload at Gasunie as a result of the extra efforts in the area of transmission security and the energy transition, preventing sickness absence has received a great deal of attention.

From 2024, the Occupational Health & Safety Service will send an employee a questionnaire on their fourth day of sick leave, which the service can then use to estimate whether this will be a case of short-term or long-term sickness absence. In the event of the latter, the employee is, where necessary, invited to visit the occupational physician earlier than the standard fourth week of sick leave. We hope that this way the employee will have faster access to health professionals and a shorter recovery time.

Gasunie carried out a periodic job-specific occupational health check ('PMO/PAGO') in 2023 and will continue with this in 2024. The response rate among employees has been 73% so far. Participants complete a questionnaire and undergo biometric health screening. They then talk to a vitality coach who discusses the answers and the screening results with them. We feel that this will make employees more aware of the importance of a healthy (or healthier) lifestyle and that they will actually put the lifestyle advice they receive into practice. From the results of this health survey, Gasunie gains (at department level) a better understanding of matters such as employee health & fitness, lifestyle and capacity for work, as well as social safety, inappropriate behaviour, the impact of work pressure and work stress, and informal caregiving.

The Master Your Energy course teaches our people how to make smarter use of their energy, providing insight into the things that cost energy and how they can recharge their energy. Employees also learn how to gain more control over their energy and how to organise their day more effectively so that they can work with more focus and still have enough time and energy to do the things that are important to them outside of work. These sessions are very popular and so will also be offered per department/team in 2024. The course will also be part of the onboarding programme for new employees.

In 2023, we launched a project aimed at improving and maintaining the health and long-term employability of shift employees by reducing the burden of shift work. We are looking at aspects like recruitment & selection, orientation/onboarding, training & development, shift/team composition, career guidance, and employees leaving the company.

Speak Up scheme

With the Dutch Whistleblowers Protection Act coming into force in 2023, Gasunie updated its scheme in the Netherlands to enable people to safely report any situation they encounter that goes against Gasunie's rules, principles or core values. No incidents were reported under the Speak Up scheme in 2023. In 2023, all staff in the Netherlands followed an eLearning course on inappropriate behaviour and integrity.

Confidential counsellors

Gasunie has several confidential counsellors for staff to turn to privately, spread over the various Gasunie sites, as well as an external coordinator for these counsellors. In 2023, a total of 36 people (2022: 29) consulted the confidential counsellors, raising a total of 43 (2022: 37) matters, of which 28 (2022: 23) related to inappropriate behaviour, 3 (2022: 2) related to integrity issues and 12 (2022: 12) related to other matters (labour conflicts, psychosocial problems, problems in their private life).

In Germany, Gasunie employees can submit reports to seven confidential counsellors, an equal opportunities officer, the *Betriebsrat* (works council) or the HR department. Gasunie Deutschland did not receive any reports of inappropriate behaviour or integrity issues in 2023.

In 2023, we found no incidents of bribery or corruption within Gasunie.

Less muscle strain thanks to exoskeleton

Can a portable ergonomic exoskeleton make our work in the field safer?

Our staff working in the field regularly do physically demanding work, such as tightening heavy duty nuts and bolts, lifting wood and working with air hammers. With our risk inventory and evaluation system, we map out how we can mitigate the associated risks as much as possible. We consider, for example, which new techniques and technologies can help prevent neck, shoulder or upper back pain. In collaboration with occupational health organisation Arbo Unie and Amsterdam UMC, we investigated, for example, the added value of an exoskeleton.

Upper arms and upper back

For this study we purchased four exoskeletons from Health2Work, our partner in ergonomic office equipment. These portable ergonomic exoskeletons with fibreglass rods have been designed specifically for movements that strain the muscles in the upper arms and upper back. Ten employees each worked for a hundred minutes on common tasks, such as tightening nuts and lifting beams. Muscle activity was measured both with and without an exoskeleton. The study participants also completed a questionnaire on ease of use.

Mixed results

The exoskeleton indeed appeared to reduce the strain on the muscles; the arms could be held in a raised position for longer, for example. There was significantly less muscle activity in the trapezius muscle in the upper back and the deltoid muscle in the shoulder in particular. The participants found the portable exoskeleton less suitable for working in narrow spaces or on a day when they would be working on a variety of tasks. About half would like to use the exoskeleton more often for repetitive work and virtually all would recommend it to their coworkers.

Continue to investigate

The four exoskeletons are still available at Gasunie for use by employees. With the trial we also added to the knowledge of the effectiveness of this resource, and the results can be used in other companies too. In the meantime, we remain curious about other new technological tools and resources that can help see that our staff can work healthier and stay on the job longer.



” Exoskeletons have mainly been tested in labs, but not often in practice. So it's great that Gasunie has invested in this research. The results have been published in an academic journal, meaning everyone can now use this knowledge. It was also an enjoyable study to take part in.



Dr Erwin Speklé
Ergonomist at Arbo Unie

10 Relationship with local communities

Gasunie is committed to protecting the economic and social interests of local communities by minimising our negative impacts and creating positive impacts. With our energy transition projects and our investments in security of supply, we are engaging with local residents more than ever before.

Gasunie's stakeholder engagement platform

The Gasunie stakeholder engagement platform has been set up to engage with people, businesses and organisations, from stakeholders like local residents, farmers, growers and contractors to government bodies and educational institutions, for example. Visitors can find all sorts of information on this platform, and they can also arrange various matters online, like scheduling a preliminary meeting or reporting crop damage. The platform also offers an interactive tool that allows people to see where a Gasunie pipeline is located and to instantly report a damaged or defective Gasunie asset, for example, or submit a data request. The platform service desk can be reached by phone, email and chat, and a contact form is available for use outside office hours. In the coming years, information about our new CO₂, hydrogen and heat networks will be added to the Gasunie stakeholder engagement platform.

The Dutch hydrogen transmission network

Gasunie subsidiary Hynetwork Services is developing the Dutch hydrogen transmission network step by step, based on a rollout plan published by the Ministry of Economic Affairs and Climate Policy in mid-2022. For the regions of Zeeland, Drenthe/Overijssel/Groningen and the North Sea Canal Area, in 2023 we published our draft proposal for public consultation and invitation to respond, after which information evenings and meetings for landowners took place. Based on further insight we gained into a number of factors, we saw that the rollout plan would need to be altered; accordingly, we proposed an adjustment to the plan and published this for consultation purposes. We have since engaged with all parties who responded. The Ministry of Economic Affairs and Climate Policy will determine the adjusted rollout plan.

HyStock

In Zuidwending, HyStock is working on the development of an initial cavern for the large-scale storage of hydrogen, and on obtaining permits for this. We hold regular catch-up sessions with local residents, and we organised a drawing board session in 2023 (see elsewhere in this section for more details), during which we jointly determine the locations for the above-ground facilities for the cavern. Partly thanks to the intensive dialogue we have been carrying out with local residents, we hope to complete the permit process for test drilling without delay in 2024.

WarmtelinQ

Due to the extensive excavation works, WarmtelinQ is a project with significant impact on the local communities, especially in The Hague. Residents in two of these communities, Moerwijk and Transvaal, represent more than 100 nationalities. These are communities with low literacy rates and a high rate of residents with poor job prospects. Accordingly, WarmtelinQ's approach focuses on personal, one-on-one contact with local residents, facilitated by having walk-in consultation periods, residents' information evenings, consultations with local residents, open days, communicating through social organisations and schools, and operating coffee carts in the neighbourhood. Like a good neighbour, we want to give something back to the community. For example, we are providing financial support for the redevelopment of the local park in Transvaal, a place where many local residents get together in the summer. What's more, a number of local residents are now working for the contractor – for facility services and earthworks.

Delta Rhine Corridor

For the Delta Rhine Corridor, we will be publishing the memorandum on the scope and level of detail in 2024 and starting the environmental impact assessment. We published the draft proposal for public consultation and invitation to respond for this project in May and June 2023. In June, we were present at ten information days for local residents and landowners located along the pipeline route, which was organised by the Netherlands Enterprise Agency (RVO). The responses to the invitation to respond are now being used to further develop the public consultation process. An [online talk show](#) about the Delta Rhine Corridor has also been created for local residents.

PAWOZ-Eemshaven

The Eemshaven Offshore Wind Energy Connection Programme, or PAWOZ-Eemshaven in Dutch, is investigating the options for future cable and pipeline routes from offshore locations in the North Sea to the port of Eemshaven. The installation of cables and pipes can impact the local environment and local communities. The interests of nature, agriculture, people, businesses and organisations in the area can be affected, positively or negatively, by these activities. In its role as a network operator, Gasunie participated in 13 information days for local residents and landowners organised by the Netherlands Enterprise Agency (RVO).

Gasunie Deutschland

Given the current stage of development of the projects, in terms of communication with local communities, last year Gasunie concentrated on representatives of the political community and the regional media, and therefore only indirectly on local residents. This communication involved approximately ten interactions. In 2024, we will inform residents more intensively about our new projects through information meetings and construction site visits.

Engaging the community right at the drawing board

Determining the best locations for three cavern facilities together with local residents

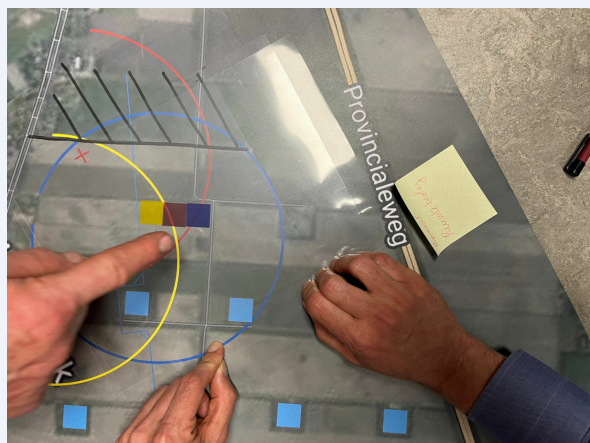
Our activities have an impact on local communities, which is why Gasunie invests in having a good relationship with its neighbours. We inform local residents about what we are doing and what we plan to do in the area. At the Energiebuffer Zuidwending site we took this one step further. Three new above-ground facilities will be built here for the storage of hydrogen in salt caverns deep underground. We discussed with local residents which locations they liked best and why.

Directional drilling

The caverns are being constructed by salt extraction company Nobian. Each underground cavern will have an asphalt plate above ground on which the related facilities and connections will be installed. Though Nobian could bore straight down to connect the salt cavern with the above ground facilities, they can also bore at a slant using what's called 'directional drilling'. This allows much more scope for where the asphalt plate can be installed, within a radius of 300 meters for each cavern, it emerged. So, in April we invited the residents of 90 homes overlooking land within the search radius to a drawing board session.

Shifting locations on a map

About 35 local residents participated in the session. They were divided into three groups, each of which included a representative of Gasunie and Nobian. Using a map and transparent sheets, participants indicated where they would install the above-ground plates and explained their reasons for this. The preferences of the three groups were then shown on one digital map and the considerations listed, like protecting landscape sightlines, or seeing that these plates are installed close to existing sites. We combined this input with all other interests and made an informed decision a few weeks later, sharing that decision with local residents of course.



New Dutch Environment and Planning Act

It is our policy to organise and promote participation by citizens and other stakeholders. In 2023, we were already working on several projects in accordance with the provisions of the new Dutch Environment and Planning Act in effect from 2024. However, discussing preconditions for sites together with local residents was new to us. People offered their ideas and considerations, listened to each other, and also considered the interests of other local residents. Every situation is unique and so the 'landscape integration process' for the next project will undoubtedly be different again. At any rate, in this case we have gained valuable experience on how to set up a drawing board session.

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It was a great session: interactive and practical. Normally, participants would be given a presentation as a group and could ask questions afterwards. In this case, our people from Gasunie and Nobian kept their distance and allowed the local residents to move about and discuss matters among themselves. That resulted in great conversations and made the session much more personal.



Kasper Smit

Project Manager at Nobian

11 Dilemmas

Gasunie endeavours to do its work as well as possible, taking the interests of all its stakeholders into account. However, we sometimes face unexpected events or situations, or have to make difficult choices. The dilemmas below kept us busy in 2023. By being aware of these and learning from them, we can continue to improve our company.

Long versus short

From the earliest stages of planning up to delivery, an average energy transition project takes at least ten years to complete, but then our infrastructure assets last a really long time. In the planning, we work together with parties who sometimes look ahead only a few years and whose planning horizon for developments and investments is much shorter than ours. This disparity is by far the biggest dilemma Gasunie faces, and there is no ready-made solution for this either. To address this, in developing our infrastructure we do not only look at specific customer demand: to determine our investments we also consider the [II3050 future scenarios](#). By looking at which investments appear logical in all scenarios, we can make smart advance investments. For example, we are building parts of the infrastructure for Porthos on a larger scale than immediately necessary because we can also use those parts for Aramis and CO₂connect. We are also pleased with the grants for the Hynetwork Services and WarmtelinQ that partially cover what's called the 'slow uptake risk', that's to say the risk of the transmission volumes still needing to be built up in the first years of operation.

Mild winters

How do you stress the importance of security of supply when everything appears to be going well? The physical gas shortages everyone feared when the Ukraine war broke out did not materialise last winter (and not this winter so far either) due to a combination of mild weather and a drop in demand (be it involuntary or by choice) due to higher gas prices. As a result, we see public and political attention to security of supply going back down. At the same time, the risk of a physical gas shortage arising has by no means disappeared. The question is, what can we do about this? Given the great importance of security of supply, we will continue to provide the parties concerned in the sector with our insights, both on request and on our own initiative. We are a driving force behind new Dutch legislation to ensure security of supply for energy. And we will soon be publishing an annual vision paper, for which we are also consulting other market parties.

Our internal carbon pricing

Like the rest of society, Gasunie's transmission networks need to be carbon neutral by between 2040 and 2050. Accordingly, we will invest heavily in our own emission reduction measures over the coming decades. We apply an internal carbon price of € 200/tonne: that's the amount we're willing to spend to avoid a tonne of carbon emissions. This seems to conflict with keeping our energy transmission system affordable, which is one of our core values. All the same, we want to continue to apply this internal carbon price, representing our estimate of the social damage of one tonne of CO₂ emissions. We see that some of our emission reduction plans even cost more than € 200 per tonne of CO₂. These plans run the risk of being put on the back burner, meaning the emissions remain.

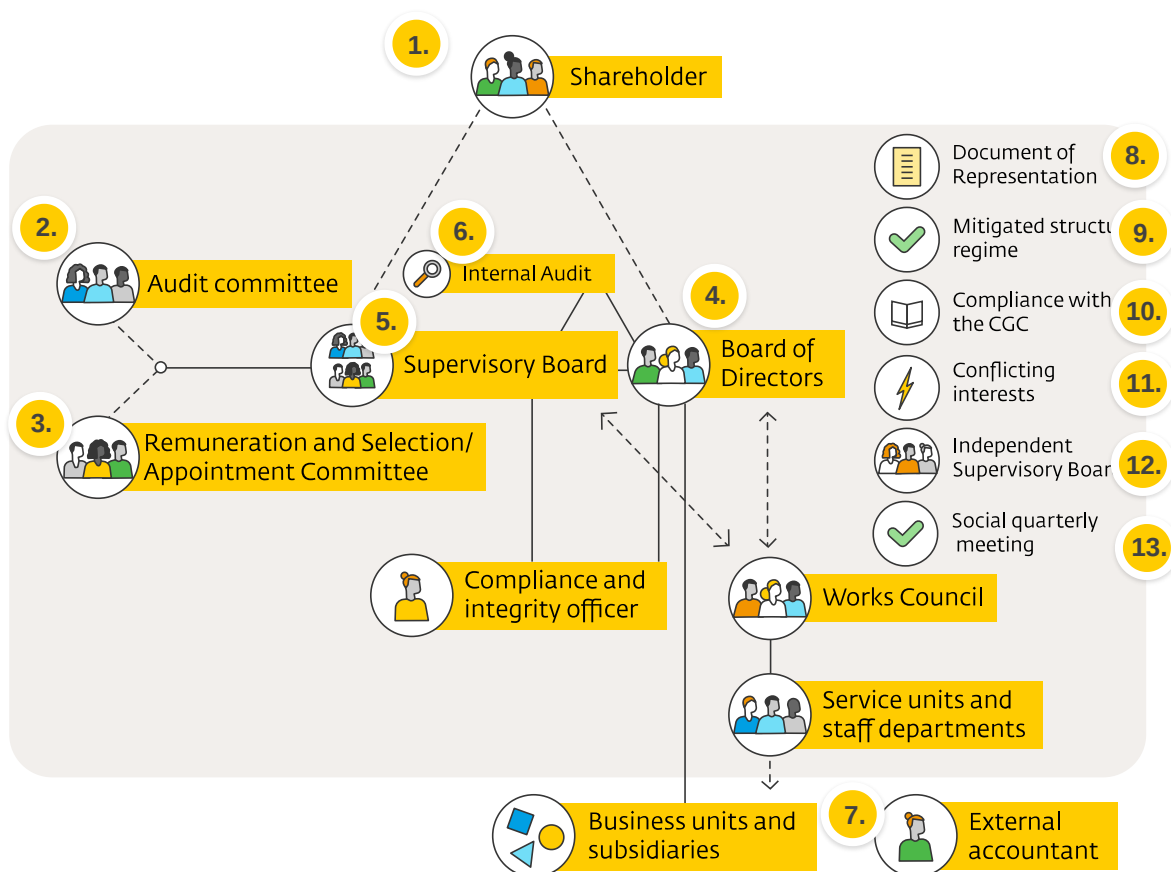
Safety

Safety is not open to negotiation at Gasunie: we aim for zero incidents in the workplace. All people who work for Gasunie must be able to return home safe and sound at the end of their day. Still, we see the number of workplace accidents increasing, with the total reportable incident rate or 'TRIR' figure – our accident KPI – exceeding the threshold value of 2.5 in both 2022 and 2023. And yet the matter of safety is not seen as a material topic by our stakeholders, in part because the financial impact of the accidents reported on Gasunie is relatively limited, and also because some of our stakeholders feel that a safe working environment should be a given. Accordingly, this annual report does not have an entire section dedicated to safety. Though it may appear that this topic receives less attention from the management than other topics, nothing is further from the truth. We will continue to do everything we can to achieve a TRIR of 2.5 or lower in the coming years. We are doing this, for example, by drawing up realistic project schedules and ensuring that there are no delays in the planning phase that result in having to make up the time in the construction phase.

12 Governance

Corporate governance is all about the way that Gasunie is run, about how management is supervised and how we render account. Good corporate governance is a precondition for effectiveness and efficiency in achieving the goals we have set ourselves. It ensures adequate risk management and careful consideration of the interests of all of Gasunie's stakeholders.

Corporate governance at Gasunie



1. Shareholder

N.V. Nederlandse Gasunie (Gasunie) is a public limited company whose sole shareholder is the Dutch State, with the Ministry of Finance fulfilling the shareholder function.

2. Audit Committee

The Supervisory Board's Audit Committee monitors and makes recommendations concerning the integrity and quality of the financial and sustainability reporting, the effectiveness of the design and operation of the internal risk management and control systems, and the company's financing.

3. Remuneration, Selection & Appointment Committee

The Supervisory Board does not have a separate remuneration committee (best practice 2.3.2 of the Dutch Corporate Governance Code). Remuneration is covered by the combined Remuneration, Selection & Appointment Committee. This is justified by the fact that the remuneration policy for the Executive Board of Gasunie as a state-owned company is determined in close consultation with the Dutch Ministry of Finance. The last recalibration took place in 2021.

4. Executive Board

The Executive Board comprises four members, two of whom are members under the articles of association.

5. Supervisory Board

The Supervisory Board is tasked with monitoring the policy set by the Executive Board and with the general state of affairs. This board advises the Executive Board and sets the remuneration and terms of employment of the members. In accordance with the Dutch Gas Act and the articles of association, certain decisions to be made concerning GTS and other subsidiaries are also submitted for approval to the Supervisory Board.

6. Internal Audit

Internal Audit provides independent, objective assurance, insights and advice on governance, risk management, management control, internal control and business processes. The Internal Audit department does this for Gasunie's business units and participating interests.

7. External auditor

The General Meeting mandated the Supervisory Board to select a new external auditor. Ernst & Young Accountants LLP has been appointed as external auditor starting from the 2023 financial year.

8. Document of Representation

The various business units and participating interests render account to the Executive Board using the Document of Representation, providing, over time, official feedback on the degree to which minimum requirements for management control have been complied with. These documents are discussed with the Supervisory Board every year.

9. Mitigated structure regime

N.V. Nederlandse Gasunie is subject to the mitigated structure regime. The governance structure is based on Book 2 of the Dutch Civil Code, the Dutch Corporate Governance Code, the company's articles of association, and various internal rules of procedure. Various provisions affecting the governance of the company are also contained in the Dutch Gas Act.

10. Dutch Corporate Governance Code

Gasunie applies the provisions of the Dutch Corporate Governance Code (also called 'the Code'). Although the Code is, strictly speaking, only applicable to listed companies, Gasunie follows the principles and best practice provisions of the Code insofar as they are relevant and applicable to Gasunie. The principles and provisions of the Code have for the most part been implemented in our articles of association and in various rules of procedure. An updated version of the Dutch Corporate Governance Code came into force in the 2023 financial year. Over the reporting year, Gasunie investigated whether it needed to make changes to its own governance structure to stay compliant with the updated Code. Where necessary and deemed relevant, the changes have now been implemented. Gasunie's [website](#) includes a 'comply or explain' overview regarding the application of the Corporate Governance Code.

11. Conflicts of interests

We comply with best practice provision 2.7.4 of the Dutch Corporate Governance Code, which stipulates that transactions involving conflicts of interests of members of the management board or supervisory board that are of material significance for the company or the relevant board member(s) must be disclosed in the management report. There were no transactions of this nature in 2023.

12. Independence

With the exception of one member, all Supervisory Board members satisfy the requirements of independence within the meaning of the Dutch Corporate Governance Code. Best practice provisions 2.1.7(i) and 2.1.8(iii) of the Dutch Corporate Governance Code apply to Supervisory Board member Anja Mutsaers. Additional arrangements have therefore been made to avoid any actual or perceived conflict of interests. In the opinion of the Supervisory Board, this satisfies the requirement of independence within the meaning of the Dutch Corporate Governance Code.

13. Quarterly meeting on social topics

Senior management discusses Gasunie's progress in the area of broad prosperity and non-financial value creation every quarter in the quarterly meeting on social topics. This meeting is chaired by the CFO.

Diversity of Executive Board and Supervisory Board

Diversity is an explicit area of attention for Gasunie. The policy is aimed at ensuring Gasunie acts in accordance with the diversity requirements set out by law and in the Corporate Governance Code when filling future vacancies on the Executive Board and the Supervisory Board.

The Act to amend Book 2 of the Dutch Civil Code in connection with making the ratio between the number of men and women on the management board and supervisory board of large public and private companies more balanced came into effect in 2022.

The composition of the Executive Board meets the target (33.33%) for state-owned companies regarding having a balanced distribution of seats between men and women on the management board, with 33.33% of the seats held by women and 66.66% by men from 1 November 2023 to 29 February 2024 and 50% by women and 50% by men from 1 March 2024.

Up to 30 September 2023 the Supervisory Board consisted of six people, four men and two women, and thus met both the general target and the target under the articles of association for a balanced ratio between the number of men and women on the Supervisory Board. From October 2023 the Supervisory Board has comprised five members: three men and two women. One of the Supervisory Board members has German nationality.

Within ten months from the end of each financial year, Gasunie reports to the Social and Economic Council (SER) on (i) the number of men and women who are members of the Executive Board and the Supervisory Board at the end of the financial year, as well as those in particular categories of employees (to be determined by the company) in managerial positions; (ii) the targets (i.e. target figure); (iii) the plan to achieve these targets; and (iv) the reasons if one or more targets have not been achieved.

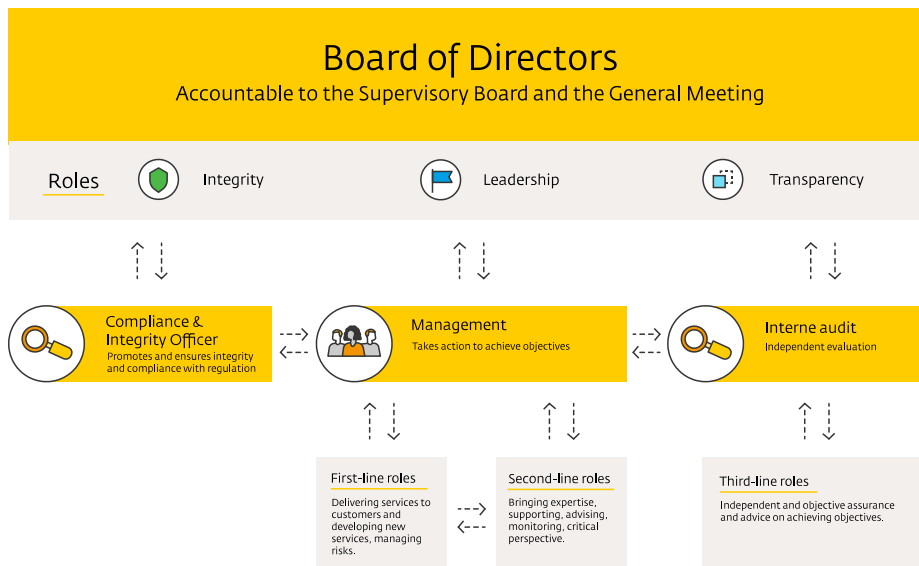
Available documents The following documents on our corporate governance are available (in Dutch and/or in English) on the Gasunie website:

- [Rules of procedure governing the principles and best practices of the Executive Board](#)
- [Rules of procedure governing the principles and best practices of the Supervisory Board](#)
- [Gasunie Safety Speak Up scheme](#)
- [Conduct Guidelines – Working Together](#)
- [‘Apply or explain’ overview in relation to application of the Dutch Corporate Governance Code](#)

Governance and Management Control

Gasunie's Governance and Management Control architecture is based on the Three Lines Model. The Executive Board has final responsibility for risk management and is accountable to the Supervisory Board and the General Meeting of Shareholders for this. The Supervisory Board regularly talks to individual members or the entire Executive Board about governance and management control, addressing things such as important risks and audit results. As a result, risk management is an activity that is performed at all levels of the organisation.

Governance and Management Control at Gasunie



Risk management

Key aspects of our risk management efforts are defining the risk appetite, running risk analyses at various levels in the company, and discussing the findings at various levels in the company. The corporate risk appetite and corporate risk analysis are detailed in the following.

Every year, the Executive Board establishes the risk appetite with regard to the three pillars of the strategy. In so doing, we make a statement about the extent to which the organisation is prepared to accept risks relating to attaining its strategic objectives. We furthermore apply a number of general principles that cut across the strategic pillars and that we, as an organisation, must comply with at all times. Our risk appetite serves as a guideline in our strategic and operational decision-making.















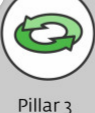






Our general principles when it comes to risks



Changing view of risk

The dynamics we are seeing in the energy market are unprecedented. Gasunie feels responsible for facilitating the energy transition and increasing transmission security in times of climate change and geopolitical unrest. This means that we, as a company, are prepared to take greater risks, in certain areas, than previously.

Gasunie's risk appetite

		Category					
		Strategic		Operations		Reporting	Compliance
		Financial	Reputation	Transport security	HSE	Financial	Law and Regulation
Pillars	1.  Pillar 1						
	2.  Pillar 2						
	3.  Pillar 3						

1. Pillar 1 Optimising infrastructure

The low regulated return in this first pillar goes hand in hand with a risk-averse financial profile. Funds must first be secured before strategic investment decisions are made.

2. Pillar 2 Connecting Europe

Financial risks relating to strategic investments are based on a generally acceptable balance between risk and return. Strategic investments are assessed on their public relevance, societal impact and contribution to supporting security of supply in Europe.

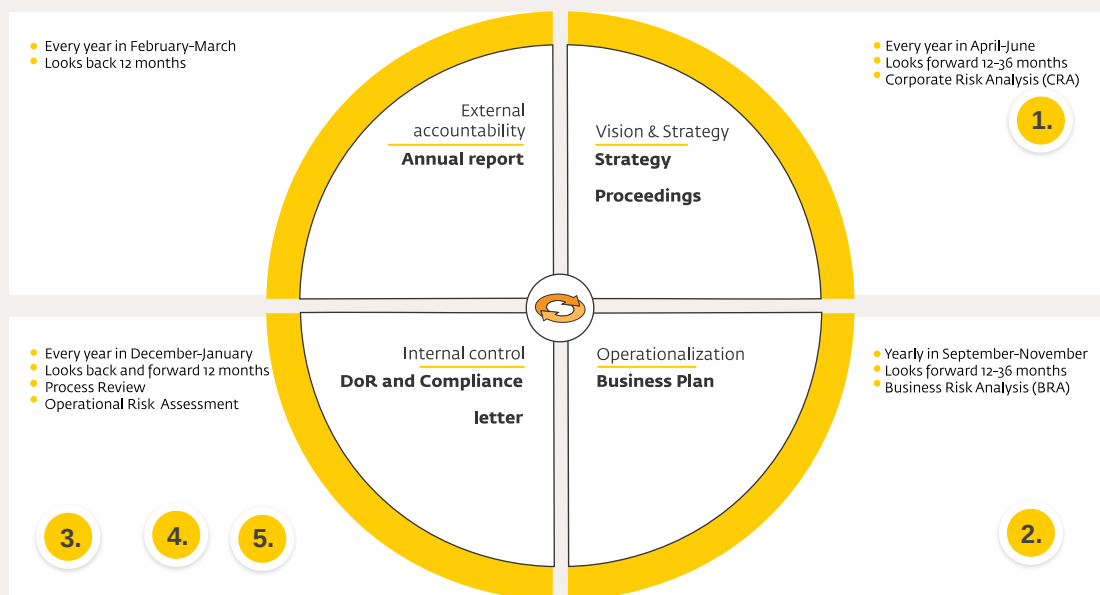
3. Pillar 3 Acceleration in the energy transition

An entrepreneurial approach is a prerequisite for creating value in the long term, which calls for a higher financial risk appetite for strategic investments. We are prepared to accept more uncertainty about the expected return for the sake of developing future business models that will have significant social impact.

In the [We are Gasunie](#) section we provide a summary of the strategic risks and opportunities for Gasunie on the way to 2050. The [2030-2050 Integrated infrastructure survey](#) (II3050) drawn up jointly by the Dutch network operators, as well as the conclusions that Gasunie draws from this for itself form the basis for this. In the Additional information section, we present [an overview](#) of our key strategic and operational risks and the measures we take to manage these risks.

Risk assessments

Risk instruments in Gasunie's management control cycle



1. Corporate Risk Analysis (CRA)

Through an annual CRA, we analyse the main strategic risks that could stand in the way of the implementation of our strategy in the medium to long term and the main strategic opportunities that could positively affect the execution of our business processes. The CRA is an integral part of our corporate business plan, which has a three-year horizon and we update every year.

2. Business Risk Analysis (BRA)

For our business units and service providers, each year we run a BRA. This analysis looks at (i) corporate risks and opportunities assigned to the business unit or service provider in question; and (ii) risks that are specific to the business unit or service provider in question. The BRA looks at short to medium term risks that could impact the achievement of objectives and is an integral part of our business plans.

3. Process review

Process owners conduct an annual process review. They run down a checklist to assess whether they are in control and whether there are opportunities for improvement. The process owner is supported in this by the process manager and other experts. If it emerges from the process review that it would be a good idea to gain more insight into possible risks, for example because the context of the process has changed, then we start an Operational Risk Analysis (ORA).

4. Operational Risk Analysis (ORA)

We conduct operational risk analyses of business processes. We record the results of ORAs in the internal reports and audit plans of the departments involved in these processes.

5. Internal Control Plans (ICPs)

Any mitigating measures taken to control risks identified by operational risk analyses must be tested for effectiveness. We do so through internal control plans.

Report from the Supervisory Board

Geopolitically and socially, 2023 was once again a turbulent year. As in 2022, the change in the gas flows that has come about due to the war in Ukraine and the efforts required to achieve the international climate targets have had a major impact on Gasunie's organisation, activities and workload as well as on employees' work experience. We are proud that the Executive Board and all Gasunie employees have put their heart and soul into reducing the impact of the war on the gas market over the past year while still making it possible to take firm steps towards achieving the international climate targets.

The key topics in 2023

Plan implementation in 2023

Implementation of the 2023 business plan was monitored and discussed on a quarterly basis during the regular consultations between the Supervisory Board and the Audit Committee. After a remarkable 2022, 2023 was characterised by more stability. Though energy prices were still higher than they had been in the past, they were considerably less volatile. Various adjustments were made to the gas infrastructure to support the changing gas flows. In the coming years, Gasunie wants to invest further to continue to meet the transmission security standards.

The Supervisory Board is pleased to note that Gasunie paid even more attention to the safe performance of all work activities in 2023, not only among Gasunie staff, but also with the contractors. Safety is also the top priority for the Supervisory Board. All the extra efforts made by Gasunie to carry out the work safely have resulted in fewer workplace injuries than in 2022. We will continue to ensure that Gasunie strives for a workplace without safety incidents in 2024 as well.

The Supervisory Board approved a number of decisions in 2023. In addition to investments in the regulated domain (network connections), these were final investment decisions for Porthos CO₂ storage and transport, for the expansion of Gate terminal, and for the hydrogen transmission network in Rotterdam as the starting point of the national hydrogen transmission network. The progression of the Porthos project and the hydrogen transmission network in Rotterdam into the development and construction phase is a new milestone in Gasunie's contribution to achieving the international climate targets. We have furthermore approved preparation budgets for hydrogen storage by Hystock, offshore hydrogen transmission, CO₂ transport and import by Aramis and CO₂Next, and the transfer of 50% of the shares in EemsEnergyTerminal to Vopak.

Contribution towards security of supply

The Russian invasion of Ukraine at the end of February 2022 had a direct impact on Gasunie's activities. In 2023, the Supervisory Board had the Executive Board give it regular updates on developments concerning Gasunie's contribution to security of supply, including the phased commissioning of the nitrogen plant in Zuidbroek, GTS' advice to the Ministry of Economic Affairs and Climate Policy about security of supply and the availability of the Groningen gas field, and the deployment of the temporary LNG terminal at the port of Eemshaven, the expansion of LNG capacity at Gate terminal in the Port of Rotterdam, and the development of the LNG terminal in Brunsbüttel.

We are pleased that, after delays in the construction process, the nitrogen plant in Zuidbroek has been commissioned (in phases) and was able to convert sufficient foreign gas to 'Groningen quality' in time for the 2023/24 winter. The delays were caused to a large extent by the Covid-19 crisis and delays in the supply of building materials and building components, along with the main contractor and subcontractor not being able to see eye to eye. In 2023, in good collaboration with the Executive Board, we started evaluating the internal process of developing the nitrogen plant.

EemsEnergyTerminal has made a major contribution to security of supply by unloading more than 70 LNG tankers. The expansion of Gate terminal with a fourth LNG tank, approved by the Supervisory Board, and the successful sale of the existing Gate terminal capacity have also contributed to ensuring a sufficient supply of gas to north-western Europe.

2024-2026 business plan

The 2024-2026 business plan is largely devoted to successfully realising the Vision 2030 plans and projects and to Gasunie's contribution to achieving the international climate targets and those from the Dutch Climate Agreement. Investments in this scenario total approximately € 11.5 billion up to 2030. In addition, the financial effects and uncertainties of the regulatory regime are visible, which has resulted in significant regulatory settlements.

In July 2023, the Dutch Trade and Industry Appeals Tribunal ruled in favour of GTS on a large number of grounds in extensive legal proceedings against the financial regulation of the regulatory authority ACM. [This ruling](#) is very significant for GTS, and for Gasunie as a whole. The ruling has made it clear that the transparency and explainability requirements are the same for all parties involved in the regulatory process. In the short term, the ruling will allow GTS to better cover its costs. For the longer term, the court has attached a number of new conditions to the regulation of GTS that will improve its position, as well as that of other, future network operators within Gasunie, such as those for heat and hydrogen.

Successfully realising the Vision 2030 plans and projects would result in a transition pathway where the avoided emissions could rise up to as much as 25.6 megatonnes per year by 2030. The main contributors would be, once completed, the CO₂ storage projects Porthos and Aramis, the Dutch hydrogen transmission network, and the green gas projects. A concrete picture of Gasunie's efforts can be seen in the objectives, pace and investments along this transition pathway. This pathway is ambitious and the end destination can feasibly be reached (with a lot of effort). It is, however, a pathway with internal and external uncertainties – about the energy transition, whether projects can be completed, market acceptance, regulations, geopolitical developments, market prices, and so on.

Gasunie is transforming from a natural gas transmission system operator into an energy infrastructure company, operating in the area of integrated sustainable energy systems, with international connections and interests. This transformation is big. It is a transformation towards a brand new profile in terms of activities, geographics, financials, technology, knowledge and risks, a transformation in the content of the work the employees do and the company culture in which they do it. Gasunie is changing from being an organisation working in the background to facilitate the activities of others to a future-oriented, outward-oriented, decisive driver and essential part of the energy transition. As the Supervisory Board, we support Gasunie's recognition of the urgency of the situation and its resolute spirit, and we endeavour to assist the Executive Board through our advisory and supervisory role.

Strategy review

In 2023, Gasunie started reviewing its mission, vision and strategy. The Supervisory Board and the shareholder are closely involved in this process, as are the Ministry of Economic Affairs and Climate Policy and other stakeholders. The process started with interviews of employees and stakeholders, which resulted in the identification of the key topics. Based on all the information collected, draft versions of the new mission and strategy were developed. The strategy review is expected to be completed by mid-2024.

Consultations with the Works Council

Individual members of the Supervisory Board attended two consultative meetings with the Works Council in 2023. All members of the Supervisory Board also spoke with the Works Council in the autumn. In various rounds of talks at various tables, ideas on Gasunie's course and the associated challenges for the company were freely exchanged. Everyone considers this dialogue to be very useful.

Consultations with the shareholder

There were several informal meetings with representatives of the Ministry of Finance and two formal consultations, one in the spring and one in the autumn. As the shareholder, the Ministry played a crucial facilitating role in the decisions regarding the LNG capacity in the Netherlands and Germany, the Porthos project, and the agreements regarding the rollout of the hydrogen transmission network. There were frequent discussions with the shareholder about the considerations that Gasunie has to make with regard to risks, returns, and broad prosperity.

2023 financial statements

The Board discussed the 2023 annual report, and upon receipt of the positive recommendation given by the Audit Committee and the unqualified auditor's report from the external auditor EY, it decided to submit the 2023 financial statements for adoption to the Annual General Meeting. In addition, the Supervisory Board supports the proposal of the Executive Board that from the net profit € 266 million be paid as dividend and that € 216,3 million be added to the other reserves.

Composition of the Executive Board

Effective 1 October 2023, after serving Gasunie as CEO for almost ten years, Han Fennema stepped down on his own initiative. Willemien Terpstra will succeed him on 1 March 2024, with Janneke Hermes serving as acting CEO until then. Ulco Vermeulen resigned as titular member of the Executive Board on his own initiative, effective 1 July 2023. He was succeeded by Hans Coenen, who took a seat on the Executive Board on 1 April 2023. We would like to take this opportunity to thank Han and Ulco for their exceptional commitment to Gasunie in turbulent times and for the pleasant collaboration we have enjoyed over the years. We are confident that we have found competent successors in Willemien and Hans and wish them every success.

Cooperation between the Supervisory Board and the Executive Board, and evaluations

Cooperation and interactions between the Supervisory Board and the Executive Board have been intensive this year. The Supervisory Board has observed that the growing investment portfolio and geopolitical developments are placing increasing demands on the Executive Board, the Supervisory Board and all Gasunie employees. The findings from the external evaluation carried out in 2022 were followed up in 2023 and, as a result, improved standard investment proposals have been developed and more attention has been paid to strategic risks and scenarios.

The performance of the Supervisory Board, the Audit Committee, the Remuneration, Selection & Appointment Committee and the individual members of the Supervisory Board is evaluated internally every other year; an evaluation is carried out under external guidance in the other years. The Supervisory Board conducted an internal evaluation in 2023 using questionnaires, feedback from board members, and performance dialogues between the members. The Supervisory Board also conducted an internal evaluation of the Executive Board and the individual Executive Board members through self-evaluation, assessment of the previously set targets, and individual interviews.

From the evaluation it emerged that the Supervisory Board and its committees all function well. The Supervisory Board members complement each other well in terms of knowledge, expertise and competencies, the collaboration is very pleasant, and together they have a very large network. Matters requiring attention brought to light by the evaluation include: the efficiency of the preparations and conduct of the meetings; the desired addition of knowledge and expertise after the resignation of Pieter Duisenberg; and the continuity of knowledge and experience in the area of large energy/energy transition projects. In the search for a new Supervisory Board member, attention is being paid to supplementing this knowledge and expertise. Furthermore, the large amount of time that the members of the RSAC in particular spend on their work is a matter requiring attention.

The Supervisory Board holds the view that the Executive Board's performance and that of its individual members is good and aligned with the phase that Gasunie currently finds itself in. The conclusions of the evaluation were discussed with each board member individually. The Supervisory Board thanks the other members of the Executive Board for the extra effort they exerted in the period between the resignation of Han Fennema and the appointment of Willemien Terpstra and has great appreciation for the way in which the Executive Board has dealt with the external and internal challenges.

Composition of the Supervisory Board and meetings

Dirk Jan van den Berg resigned after two terms, effective 29 March 2023. Pieter Duisenberg stepped down on his own initiative on 1 October 2023 to take up his new position as President of the Netherlands Court of Audit. We are very grateful to Dirk Jan van den Berg and Pieter Duisenberg for all the knowledge and experience they have shared with us over the years and the inspiration they gave us in carrying out our tasks. Tim van der Hagen joined the Supervisory Board on 1 April 2023 and has, since the resignation of Pieter Duisenberg, been serving as acting Chair of the Supervisory Board until a new Chair can be appointed. Carolina Wielinga was appointed for a second four-year term at the General Meeting held on 29 March 2023. For personal details of the members of the Supervisory Board see [Additional information](#). For information on the independence of the members of the Supervisory Board see the beginning of this Governance section.

The Supervisory Board met seven times in 2023 (in person and online). In addition, one plenary meeting was held with the full Supervisory Board and Works Council. Individual Supervisory Board members also attended consultative meetings of the Works Council. In addition to each member's own individual continuing professional education activities, the Executive Board and Supervisory Board also organise a number of joint sessions each year. Deep-dive sessions were held in 2023 on artificial intelligence and on including broad prosperity values in decision-making.

Attendance at SB and committee meetings	SB	AC	BBC	Note
Pieter Duisenberg	4 out of 4		4 out of 4	date of resignation 1 October 2023
Dirk Jan van den Berg	1 out of 2		1 out of 2	date of resignation 29 March 2023
Tim van der Hagen	5 out of 5		3 out of 3	date of first appointment 1 April 2023
Johannes Meier	7 out of 7	5 out of 5		
Anja Mutsaers	7 out of 7		5 out of 5	
Ate Visser	7 out of 7	5 out of 5		
Carolina Wielinga	7 out of 7	5 out of 5		

Remuneration, Selection & Appointment Committee

Members: Anja Mutsaers (Chair), Dirk Jan van den Berg (up to March 2023), Pieter Duisenberg (up to October 2023), Tim van der Hagen (from 1 April 2023)

The Remuneration, Selection & Appointment Committee (RSAC) held five online meetings in 2023 to discuss regular items, such as the achievement of the targets for the purpose of determining the Executive Board's variable remuneration for 2022, the adoption of new quantitative and qualitative targets for variable remuneration for the Executive Board for 2023, and the remuneration section of the annual report with regard to 2022. Members of the committee also spent considerable time during the year on the recruitment process to find candidates to succeed Han Fennema, Pieter Duisenberg and Dirk Jan van den Berg. The RSAC's deliberations and findings are reported in the plenary meetings of the Supervisory Board. The committee's meeting documents and minutes are made available to all Supervisory Board members.

We have the role of employer with respect to the members of the Executive Board according to the articles of association, and we are also responsible for a well-functioning Executive Board in general. Members of the RSAC periodically conduct formal performance reviews with all members of the Executive Board, most recently in January 2024. In addition, regular informal discussions take place between individual members of the Supervisory Board and the Executive Board, and from our extensive contact with the Executive Board members, as well as with the Works Council and other parties inside and outside the company, we have plenty of other input for forming an opinion on how the Executive Board manages the business.

The outcomes of the annual evaluation have a major impact on the amount of the variable remuneration to be paid out. In our view, this is consistent with the importance of achieving the company's long-term objectives, as well as with matters like safety, security of supply and corporate social responsibility, matters that are essential for Gasunie retaining its social licence to operate. The variable remuneration to be paid is determined by the full board on the advice of the RSAC.

Audit Committee

Members: Carolina Wielinga (Chair), Ate Visser, Johannes Meier

The Audit Committee (AC) met five times in 2023. The regular meetings were not only attended by AC members, but also by the CFO, the internal auditor, the external auditor and the group controller. In addition, the committee met with the external auditor and the internal auditor without management being present.

The agenda included recurring items like the regular internal and external financial reports, the corporate business plan, taxation, financing, profit appropriation and dividend, the regular reports of the internal auditor and setting their audit programme, the external auditor's audit plan, the 2022 annual report, including the financial statements for 2022, the management letter and the auditor's report, the Executive Board's Document of Representation, the risk matrix and the control of the main risks, developments in IT and the organisation, and the effectiveness of security to ensure safe and reliable gas transmission. The AC is monitoring the implementation of the ERP (enterprise resource planning) software package SAP S/4HANA as a special project. In 2023, EY took over the audit engagement from PwC.

Prior to the AC meetings, the Chair of the Audit Committee always talks directly with the external auditor, usually in the presence of the CFO. The discussions and findings of the AC are reported in the plenary meetings of the Supervisory Board. The committee's meeting documents and minutes are made available to all Supervisory Board members.

A word of thanks

The Supervisory Board is proud of the flexibility and decisiveness Gasunie has shown in carrying out the numerous and varied activities this year, both for security of supply and for the climate objectives and targets, and of the enormous steps forward the company has taken in realising its Vision 2030 plans and projects. We would like to extend our heartfelt thanks to everyone in the company.

Groningen, 29 February 2024

Supervisory Board of N.V. Nederlandse Gasunie

Tim van der Hagen, (interim) Chair

Johannes Meier

Anja Mutsaers

Ate Visser

Carolina Wielinga



The Supervisory Board of Gasunie. From left to right: Ate Visser, Johannes Meier, Carolina Wielinga, Tim van der Hagen and Anja Mutsaers.

Remuneration Report

Remuneration policy for the Executive Board

The remuneration policy was adopted by the Annual General Meeting on 14 July 2021, as proposed by the Supervisory Board, with due account taken of the recommendation of the Remuneration, Selection and Appointment Committee. No changes were made to the remuneration policy compared to previous years.

Aims and principles underlying the remuneration policy

The aim of the remuneration policy is to attract, motivate and retain Executive Board members of the right quality and with the right experience, both from within the company and in the form of proven talent from the market. The remuneration reflects the responsibility borne by the members of the Executive Board, and is considered in the light of the applicable remuneration principles in the market (as explained below). Gasunie needs this managerial talent to achieve its strategic objectives. This policy is implemented based on the following considerations:

In principle, having the Dutch State as the sole shareholder, Gasunie applies the same criteria that are applied to the remuneration policy in state-owned companies. If the Supervisory Board feels that this may lead to unacceptable risks for the company, it will consult with the shareholder.

For the remuneration package of members of the Executive Board, Gasunie uses a market comparison using peer group benchmarking. This peer group comprises public, semi-public, private and international companies that are sufficiently comparable to Gasunie, both in terms of size (number of employees, assets and revenue) and in terms of operations. The comparison mainly includes companies from the energy, distribution, installation, construction, and engineering consultancy sectors.

The structure of the remuneration of members of the Executive Board is determined on the basis of market comparisons that also take into account the pay ratios within the company, thus creating a logically continuing salary line from the posts in the Executive Board to the posts under the Executive Board.

Application of the variable remuneration policy depends on the achievement of short and long-term targets with respect to operational and strategic performance.

Remuneration structure

The remuneration consists of:

- a fixed component (annual basic salary)
- a variable component, dependent on the attainment of both short and long-term targets, as specified in the texts below
- the employer's payment towards the pension contribution
- other secondary employment conditions

Annual basic salary

When appointing members of the Executive Board, the Supervisory Board will limit the sum of the fixed and variable annual salary on appointment to a maximum of € 397,205 (2021 level) for the Chair of the Executive Board. The Supervisory Board decides on the level of annual salary increments. If the maximum salary has been reached, further growth is limited to the across-the-board increments laid down in the collective labour agreement.

Variable remuneration

The variable remuneration is based on the remuneration policy that has been approved by the shareholder. The maximum variable remuneration is 20% of the annual basic salary. The targets that must be attained in order to qualify for variable remuneration are agreed annually. These must be ambitious and reflect the company's strategy focused on long-term value creation. The achievement of the objectives is determined on a discretionary basis, taking into account all circumstances and developments over the past year.

The Supervisory Board is authorised to adjust the variable component within the limits mentioned above if it is likely to lead to unfair outcomes due to exceptional circumstances during the performance period. The Supervisory Board is also authorised to reclaim from members of the Executive Board a variable bonus that was awarded on the basis of inaccurate financial or other data or 'incorrect conduct'.

The Supervisory Board has chosen performance criteria that relate to the implementation of Gasunie's strategic goals, both for the short and the long term. In defining the company's strategy, the social function of Gasunie's activities and their effects on society are explicitly taken into account. Performance criteria have therefore also been defined, relating to safety and transmission security.

The variable remuneration elements are divided over five targets, each with a weighting of 4%. Four regular targets relate to achieving Gasunie's business objectives in a safe, affordable and reliable manner, and to significantly advancing the company in achieving its long-term strategic objectives. Each year, the Supervisory Board sets a specific fifth target that focuses on a topic concerning which extra attention is requested in that year. For 2023, this involved improving risk analyses and the collaboration with third parties.

Reasoning behind variable remuneration

The Supervisory Board set the variable remuneration of the Executive Board for the year 2023 at 16%. The Remuneration & Selection/Appointment Committee advised on the achievement of the targets and the quantitative elements were verified by the internal auditor.

Gasunie had a successful year in 2023 and performed well to excellently in many respects. Management and employees showed agility and worked tirelessly for both energy transition and security of supply for northwest Europe. Significant progress was made on the energy transition with, among other things, final investment decisions for the Porthos project and the hydrogen backbone and the further development of Aramis and CO₂Next. Security of supply was further strengthened with, among other things, the expansion of Gate terminal and the commissioning of EemsEnergyTerminal. On the regulatory front, GTS was vindicated by the CBB's ruling on the Method Decision.

On the other hand, not everything went well. The construction of Zuidbroek II was further delayed, safety performance fell short of target, Gasunie did not meet targets on all elements and there were problems in the execution of some projects. This results in not awarding all points for the Operational Excellence, Business Expansion and Review governance process and project guidelines elements.

This results in the following award of variable remuneration:

		Mr J.J. Fennema	Ms J. Hermes	Mr U. Vermeulen	Mr B.J. Hoevers	Mr J.A.F. Coenen
	Maximum	Realisation	Realisation	Realisation	Realisation	Realisation
Elements						
1. Operational Excellence	4.00%		2.00%	2.00%	2.00%	2.00%
2. Business Expansion	4.00%		3.00%	3.00%	3.00%	3.00%
3. Development of the organization	4.00%		4.00%	4.00%	4.00%	4.00%
4. Positioning of (natural) gas and GU	4.00%		4.00%	4.00%	4.00%	4.00%
5. Improving risk analyses, collaboration with third parties	4.00%		3.00%	3.00%	3.00%	3.00%
Total	20.00%	17.00%	16.00%	16.00%	16.00%	16.00%
Achievement percentage		85.00%	80.00%	80.00%	80.00%	80.00%
Variable remuneration paid		€ 54,044	€ 54,934	€ 24,415	€ 48,831	€ 33,600

Payment of the variable remuneration takes place after adoption by the shareholders' meeting.

Pension

The Gasunie pension plan applies to members of the Executive Board. This is based on average pay and includes a personal contribution from the members of the Executive Board in accordance with the rules that also apply to other Gasunie employees.

Other secondary employment conditions

Gasunie has put together a package of secondary employment conditions for its Executive Board members, which also applies to other staff.

Other conditions

Term of service

Members of the Executive Board are appointed for a period of four years, with the possibility of extension by four years. The members of the Executive Board under the articles of association have an employment contract with Gasunie for the same duration as their term of service. Their employment contract therefore ends automatically if they are not reappointed.

Notice period

Members of the Executive Board must provide three months' notice of termination of their employment contract; for the company, a notice period of six months applies.

Severance pay

Severance pay for Executive Board members will be limited to a maximum of one year's basic salary (i.e. the fixed part of the remuneration), in accordance with the Dutch Corporate Governance Code. This compensation also includes any transition compensation. In principle, no severance pay is granted if a member of the Executive Board is not reappointed; a proposal from the Supervisory Board to deviate from this principle requires the approval of the shareholder.

Change of control

Executive Board members are covered by a 'change of control' clause, which states that if they are forced to leave the company due to a merger with, or the acquisition of the company by, an external party, or in the event of a fundamental change in the nature, management or structure of the company that is beyond the control of the Executive Board, they will be awarded compensation up to a maximum of one year's basic salary (i.e. the fixed part of the remuneration), regardless of which party terminates the employment contract.

Remuneration package for 2023

Based on the policy outlined above, the Supervisory Board granted the following annual basic salaries and variable bonuses for members of the Executive Board*.

<i>In euros</i>	Annual basic salary in 2023	Variable remuneration (for performance in 2023)
Mr J.J. Fennema	317,907	54,044
Ms J. Hermes	343,340	54,934
Mr U. Vermeulen	152,595	24,415
Mr B.J. Hoevers	305,191	48,831
Mr J.A.F. Coenen	210,000	33,600

* Han Fennema left Gasunie on 1 November 2023.

Pay ratio

The pay ratio at Gasunie is 4.18. This is the ratio between the total remuneration of the highest paid employee and the median of the total remuneration of all other employees in the Netherlands. The total remuneration is based on the sum of the annual taxable pay and the pension costs (employer's contribution). In calculating the median, only those employees are taken into account who were employed for the entire year. In 2023, the median total remuneration of all Gasunie employees in the Netherlands increased by 14.76%. The remuneration of the highest paid employee increased by 14.5% in 2023.

Declaration by the Executive Board

Corporate governance statement

The information to be included in this Corporate Governance Statement as described in the Decree on the contents of the management report is included in this annual report. Information on the main features of the management and control system and the diversity policy regarding the composition of the Management Board and the Supervisory Board, as required by Article 3a (a) and (d), is included in the Governance section.

In Control Statement

With reference to best practice provision 1.4.3. of the Dutch 2022 Corporate Governance Code, the Executive Board declares that:

- the report provides sufficient insight into any failings in the effectiveness of the internal risk management and control systems with regard to, in any case, the strategic, operational, compliance and reporting risks (best practice provision 1.2.1); this is set out in the Governance section and in the Supplementary Information section [Risk Management General](#);
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material misstatements;
- based on the current state of affairs, it is justified that the financial reporting be prepared on a going concern basis; and
- the report states the material risks, as referred to in best practice provision 1.2.1, and the uncertainties, to the extent that they are relevant to the expectation of the company's continuity for the period of twelve months after preparation of the report.

The Executive Board,

Ms J. Hermes*, (interim) Chair

Mr B.J. Hoevers

Mr J.A.F. Coenen

Groningen, 29 February 2024

* Director under the articles of association

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Consolidated statement of financial position as at 31 December 2023

(before appropriation of result)

<i>In millions of euros</i>	<i>Notes</i>	31 Dec. 2023	31 Dec. 2022
Assets			
Fixed assets			
- tangible fixed assets	4,5	9,237.2	9,407.9
- intangible fixed assets	6	90.2	49.1
- investments in joint ventures	8	488.3	372.3
- investments in associates	9	0.6	0.6
- other participating interests	10	7.0	7.0
- deferred tax assets	11	222.1	239.2
- derivative financial instruments	25	6.1	-
Total fixed assets		10,051.5	10,076.1
Current assets			
- inventories	12	169.9	199.8
- derivative financial instruments	25	0.8	-
- trade and other receivables	13	441.3	345.4
- corporate income tax	14	60.3	2.6
- cash and cash equivalents	15	294.7	435.9
		967.0	983.7
Assets held for sale	8	-	32.2
Total current assets		967.0	1,015.9
Total assets		11,018.5	11,092.0

<i>In millions of euros</i>	<i>Notes</i>	31 Dec. 2023	31 Dec. 2022
Liabilities			
Equity attributable to the N.V. Nederlandse Gasunie	16	6,580.0	6,304.4
Non-controlling interest	17	16.0	-
Total equity		6,596.0	6,304.4
Non-current liabilities			
- interest-bearing loans	18	2,900.5	2,775.5
- lease liabilities	20	93.6	411.0
- contract liabilities	21	86.9	60.7
- deferred tax liabilities	22	209.5	170.2
- employee benefits	23	96.8	86.2
- other provisions	24	78.7	97.0
- derivative financial instruments	25	22.7	15.9
- other non-current liabilities	19	10.2	-
Total non-current liabilities		3,498.9	3,616.5
Current liabilities			
- current financing liabilities	26	175.0	225.0
- lease liabilities	20	8.0	70.1
- contract liabilities	21	4.9	10.1
- derivative financial instruments	25	3.4	-
- trade and other payables	27	728.3	833.2
- corporate income tax	14	4.0	32.7
Total current liabilities		923.6	1,171.1
Total liabilities		11,018.5	11,092.0

Consolidated statement of profit and loss for 2023

<i>In millions of euros</i>	<i>Notes</i>	2023	2022
Continuing operations			
Net revenue	30	1,955.0	2,239.6
Other revenue	31	106.0	18.0
Total revenues		2,061.0	2,257.6
Capitalised expenses	5	111.8	71.9
Personnel expenses	32	-281.0	-221.9
Depreciation costs	5,6,33	-404.9	-365.7
Impairments	4	-	-159.1
Other costs	34	-872.3	-853.9
Total expenses		-1,446.4	-1,528.7
Operating result		614.6	728.9
Financial income	35	17.7	24.4
Financial expenses	36	-74.6	-66.9
Share in result of joint ventures	8	38.0	34.3
Share in result of associates	9	-	0.1
Result before taxation		595.7	720.8
Income taxes	37	-112.4	-165.9
Result after taxation		483.3	554.9
Allocation of the result after taxation			
- Result attributable to the N.V. Nederlandse Gasunie	49	482.3	554.9
- Result attributable to non-controlling interest	17	1.0	-
Result after taxation		483.3	554.9

Consolidated statement of other comprehensive income for 2023

<i>In millions of euros</i>	<i>Notes</i>	2023	2022
Result after taxation according to consolidated statement of profit and loss		483.3	554.9
Sum of actuarial gains and losses on employee benefits	23,48	-7.9	31.7
of which corporate income tax		2.4	-9.4
Changes in other participating interests measured at fair value	10,47	-	-508.1
Total of results taken to equity which will not be reclassified to profit and loss		-5.5	-485.8
Changes in the cash flow hedge reserve concerning joint ventures and associates	8,46	-1.1	23.7
Total of results taken to equity which will be reclassified subsequently to profit and loss		-1.1	23.7
Other comprehensive income		-6.6	-462.1
Total comprehensive income for the year		476.7	92.8
Allocation of the total comprehensive income for the year			
- Comprehensive income attributable to the N.V. Nederlandse Gasunie		475.7	92.8
- Comprehensive income attributable to non-controlling interest		1.0	-
Total comprehensive income for the year		476.7	92.8

Consolidated statement of changes in equity for 2023

<i>In millions of euros</i>	Share capital	Fair value reserve	Cash flow hedge reserve	Other reserves	Unappropriated result	Total	Non-controlling interest	Total equity
Notes	45	47	46	48	49		17	
2023								
Balance as at 1 January 2023	0.2	-172.7	-5.6	5,927.7	554.9	6,304.4	-	6,304.4
Result for the financial year	-	-	-	-	482.3	482.3	1.0	483.3
Other comprehensive income for the financial year	-	-	-1.1	-5.5	-	-6.6	-	-6.6
Total comprehensive income for the year	-	-	-1.1	-5.5	482.3	475.7	1.0	476.7
Acquisition GUFU BBL	-	-	-	-	-	-	23.5	23.5
Dividend paid for 2022	-	-	-	-	-200.0	-200.0	-8.5	-208.5
Added to other reserves	-	-	-	354.9	-354.9	-	-	-
Balance as at 31 December 2023	0.2	-172.7	-6.7	6,277.1	482.3	6,580.0	16.0	6,596.0
2022								
Balance as at 1 January 2022	0.2	335.4	-29.3	5,812.2	310.7	6,429.2	-	6,429.2
Result for the financial year	-	-	-	-	554.9	554.9	-	554.9
Other comprehensive income for the financial year	-	-508.1	23.7	22.3	-	-462.1	-	-462.1
Movement in deferred taxation	-	-508.1	23.7	22.3	554.9	92.8	-	92.8
Dividend paid for 2021	-	-	-	-	-217.5	-217.5	-	-217.5
Added to other reserves	-	-	-	93.2	-93.2	-	-	-
Balance as at 31 December 2021	0.2	-172.7	-5.6	5,927.7	554.9	6,304.4	-	6,304.4

Consolidated cash flow statement for 2023

<i>In millions of euros</i>	<i>Notes</i>	2023	2022
<i>Cash flow from operating activities</i>			
Revenues	3,30,31	2,061.0	2,257.6
Total expenses	32,33,34	-1,446.3	-1,528.7
Operating result		614.7	728.9
Adjustments for:			
- depreciation costs	5,6,33	403.0	362.1
- impairments	4	-	159.1
- change in inventories	12	29.8	-139.8
- change in net working capital	13,27	58.2	441.2
- change in provisions	23,24	10.6	36.3
- change in derivative financial instruments	25	3.3	-15.9
- result disposal (in)tangible fixed assets	33	1.9	3.4
- result disposal group companies	2,31	-29.5	-
- remeasurement joint ventures	2,31	-29.5	-
- bargain purchase group companies	2,31	-15.2	-
Cash flow from operating activities		1,047.3	1,575.3
Interest received	35	12.1	3.4
Dividend received from joint ventures	8	39.3	27.9
Interest paid on leases	20	-8.0	-4.7
Interest paid on financing	36	-84.8	-69.0
Corporate income tax paid	14	-142.8	-122.2
Cash flow from operating activities		863.1	1,410.7

<i>In millions of euros</i>	<i>Notes</i>	2023	2022
<i>Cash flow from investing activities</i>			
Investments in tangible fixed assets	5,6	-707.3	-426.6
Disposals of tangible fixed assets	5,6	7.8	-
Investments in joint ventures	8	-101.5	-87.8
Uptake of loans by joint ventures	8	-46.0	-
Repayment of loans by joint ventures	8	42.0	-
Acquisitions of group companies, after deduction of purchased cash and cash equivalents	2	-18.7	-
Disposals group companies and joint ventures, after deduction of purchased cash and cash equivalents	8,31	-12.1	-
Disposals of joint ventures	8,31	20.4	-
Cash flow from investing activities		-815.4	-514.4
<i>Cash flow from financing activities</i>			
Uptake of long-term loans	18	298.4	493.1
Repayment of long-term loans	18	-225.0	-494.2
Lease payments	20	-54.0	-31.2
Uptake of short-term financing	26	435.0	1,175.0
Repayment of short-term financing	26	-435.0	-1,425.0
Dividend paid	17,49	-208.5	-217.5
Cash flow from financing activities		-189.1	-499.8
Net cash flow for the financial year		-141.4	396.5
Cash and cash equivalents at previous year-end	15	435.9	38.3
Effects of exchange rate changes on cash and cash equivalents		0.2	1.1
Cash and cash equivalents at year-end	15	294.7	435.9

14 Notes to the consolidated financial statements

General

Preparation and adoption of the financial statements

The 2023 financial statements were prepared by the Executive Board on 29 February 2024. The financial statements as prepared will be submitted for adoption to the general meeting of shareholders to be held on 26 March 2024.

Reporting entity

N.V. Nederlandse Gasunie (hereinafter also called 'Gasunie', 'the company' and 'we') is a European energy infrastructure company. We are domiciled in Groningen, the Netherlands.

Our primary activity is to provide regulated transmission services in the Netherlands and Germany. Alongside this, we are making extensive use of our infrastructure and knowledge for the further development and integration of alternative energy sources and carriers, such as hydrogen, heat and green gas, as well as the development of carbon capture and storage (CCS). We are moreover involved in joint arrangements for pipelines that connect the Gasunie transmission network with markets outside the Netherlands. Gasunie also provides other energy infrastructure services, including gas storage, LNG import and the certification of green gas and hydrogen.

Gasunie is a public limited company and has its registered and actual offices at Concourslaan 17, Groningen, the Netherlands, and is registered with the Chamber of Commerce under number 02029700. N.V. Nederlandse Gasunie is the ultimate parent of the group. All shares in N.V. Nederlandse Gasunie issued as at the balance sheet date are held by the Dutch State.

Reporting period

These financial statements relate to the 2023 financial year, which ended on the balance sheet date of 31 December 2023.

Presentation and functional currency

We present the financial statements in euros, which is also our functional currency. Unless otherwise specified, all amounts are in millions of euros.

Principles for the translation of foreign currencies

We measure transactions denominated in foreign currencies in the functional currency on initial recognition by translating them at the foreign exchange rate between the functional currency and foreign currency applicable on the date of the transaction. On the balance sheet date, we translate monetary assets and liabilities denominated in foreign currencies into the functional currency at the exchange rate applicable on that date. We recognise exchange differences arising from the translation of monetary items into foreign currency in profit and loss in the period in which they arise, unless hedge accounting is applied to these transactions.

We translate non-monetary assets and liabilities denominated in foreign currencies measured at historical cost into the functional currency at the exchange rate applicable on the transaction date.

We recognise exchange rate differences that occur when translating eligible cash flow hedges, to the extent that the hedge is effective, in other comprehensive income.

Going concern

These financial statements have been prepared on the basis of the going concern assumption. We believe that there is no uncertainty about using the going concern assumption.

Elements of the financial statements

The consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement. These statements include references to the notes to the financial statements. The notes to the financial statements in the consolidated financial statements are an integral part of the consolidated financial statements. The consolidated financial statements and the company financial statements jointly form our statutory financial statements.

Basis for preparation

Statement of compliance

Under Regulation (EC) no. 1606/2002 of the European Parliament, our consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and in line with the provisions of Part 9 of Book 2 of the Dutch Civil Code.

IFRS comprises both the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) published by the International Accounting Standards Board and the interpretations of IFRS and IAS standards published by the IFRS Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) respectively.

New and amended standards for financial reporting

Unless stated otherwise, the following amendments to standards became effective at the start of the 2023 financial year:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IFRS 17 Insurance Contracts; including Amendments to IFRS 17
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules.

The following amendments to standards will become effective at the start of the 2024 financial year:

- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date;
 - Non-current Liabilities with Covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

Furthermore, the standards or amendments to them listed below are expected to become effective in the future. EU endorsement has not yet been given for these standards:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

Pillar two framework

Gasunie falls under the scope of the Pillar 2 framework introduced by the OECD in 2021 (referred to hereinafter as 'Pillar 2'), which aims to implement a tax reform to ensure that multinational enterprises with global revenues exceeding a € 750 million threshold pay a minimum effective tax rate of 15% on their global profits. The Dutch government has adopted Pillar 2, and the implementing legislation became effective on 31 December 2023.

For the 2023 financial year, Gasunie has applied the mandatory exception from accounting for deferred taxes arising from Pillar 2 (following the amendment of IAS 12 in May 2023). Our analysis shows that the expected impact of Pillar 2 is not material at this time.

Besides in the Netherlands, Pillar 2 tax rules also apply in the other jurisdictions in which Gasunie operates, i.e. Germany and Switzerland. With regard to the tax authorities levying the minimum effective tax rate where applicable, Pillar 2 applies for the financial years starting from 1 January 2024. We have conducted an analysis of the possible impact of Pillar 2 on Gasunie based on the most recent financial data of Gasunie and its relevant group companies and joint ventures. Our analysis shows that in the Netherlands and Germany the effective tax rate under normal circumstances already exceeds 15% (by far). For the 2023 financial year, tax expenses are relatively low, partly as a result of a number of one-off transactions, as explained in [note 2 'Business combinations and disposals of group companies'](#). These transactions would not have resulted in a top-up tax being applied under Pillar 2.

In Switzerland, the *de minimis* exclusion applies based on the scale of our activities in that country. For all three jurisdictions, we currently have no reason to assume that this status will change in the foreseeable future and, therefore, we do not currently expect to be subject to any top-up tax.

Our analysis revealed that the other, already adopted standards have no material impact on our equity, cash flow and/or result and that no significant additional disclosures are required, and that the same will apply to the standards still to be endorsed. For that reason, the consequences of these amendments have not been described in detail in these financial statements.

Management judgements and estimates

In preparing the financial statements, we use estimates and assessments that could affect the assets and liabilities presented as at the balance sheet date and the result for the financial year. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed at regular intervals. Revisions to estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the review.

The nature of the judgements and estimates, including the assumptions that accompany the uncertainties, are included in the note to the relevant items in the financial statements if they are deemed necessary for providing the required disclosure.

The effect of our judgements and estimates is significant for the:

- measurement and determination of the service life of fixed assets (as disclosed in [note 4 'Impairment tests'](#) and [note 5 'Tangible fixed assets'](#));
- measurement of other equity interests (as disclosed in [note 10 'Other equity interests'](#));
- measurement and determination of the provision for abandonment costs and redevelopment (as disclosed in [note 24 'Other provisions'](#));
- measurement of deferred tax assets (as disclosed in [note 11 'Deferred tax assets'](#));
- measurement of pension obligations (as disclosed in [note 23 'Employee benefits'](#));
- classification of investment in joint operations and joint ventures (as disclosed in [note 7 Investments in joint operations](#) and [note 8 'Investments in joint ventures'](#));
- measurement of the derivative financial instruments (as disclosed in [note 25 'Derivative financial instruments'](#)).

In certain cases, the aforementioned judgements and estimates are also affected by developments in the area of the energy transition, tightened environmental and climate targets and/or geopolitical developments. We take these developments into account in our judgements and estimates.

Determination of fair value

The determination of fair value is required for a number of accounting policies and disclosures. The fair value of a financial instrument is the amount for which an asset could be traded or a liability settled between parties knowledgeable about the matter who are willing to enter into a transaction and are independent of each other. We measure the fair value as follows:

- The fair value of listed financial instruments is determined on the basis of the exit price.
- We determine the fair value of non-listed financial instruments by calculating the present value of the expected cash flows at a discount rate equal to the applicable risk-free market rate for the remaining term, plus credit and liquidity surcharges.
- We determine the fair value of derivatives for which no collateral is exchanged by calculating the present value of the cash flows by means of the relevant swap curve plus credit and liquidity surcharges.

When determining the fair value of an asset or a liability, we make as much use as possible of market-observable data. We use a fair value hierarchy of disclosures, classifying fair values according to the quality of inputs used in our fair value estimates ('fair value levelling'). The various levels are defined as follows:

- Level 1: Based on quoted prices on active markets for the same instrument.
- Level 2: Based on prices on active markets for comparable instruments, or based on other measurement methods, with all required key data being derived directly or indirectly from publicly available market information.
- Level 3: Based on measurement methods, with all the required key data not being derived from publicly available market information.

If the information we use for determining the fair value of an asset or liability can be classified at different levels of the fair value hierarchy, we classify the fair value determined in its entirety at the lowest applicable level.

We recognise reclassifications between levels of the fair value hierarchy at the end of the reporting period in which the change has taken place. We continually assess changes to significant information we use and, where necessary, adjust the fair value determination accordingly.

Material principles

Consolidation principles

General

The consolidated financial statements include the financial data of the parent entity N.V. Nederlandse Gasunie and its group companies. Group companies are companies over which the company can exercise control.

We exercise control if we, either directly or indirectly:

- have power over the relevant activities of the group company in question, are exposed to or entitled to variable returns from our involvement with the company; and
- have the ability to use our power over the group company to influence the amount of the investor's returns.

Generally, it is presumed that if we have more than 50% of voting rights, we exercise control. However, we consider all facts and circumstances when assessing each participating interest. When circumstances change, we reassess whether or not we exercise control.

We fully consolidate group companies from the date on which control of the group company is obtained. If we lose such control, we derecognise the assets and liabilities of that company, including non-controlling interest and other assets relating to that group company, from the date that our control ceases to exist. In the event of loss of control, we determine the fair value of the interest we retain and apply this as the initial carrying amount of the retained interest. Differences between the carrying amount and the fair value of the interest we retain (determined at the time of loss of control) are recognised in profit and loss. This also applies to the result on the part of the interest we have disposed of.

We measure the items in the consolidated financial statements in accordance with the company's accounting policies. Intra-group balances and transactions are eliminated, as are any unrealised profit and losses from intra-group transactions.

Consolidation scope

In [note 62 'List of group companies and participating interests'](#) we have included a list of all the group companies in the consolidation.

Business combinations, goodwill and bargain purchases

We recognise business combinations, such as mergers or acquisitions, in accordance with the acquisition method as described in IFRS 3 'Business Combinations'. The acquisition price is calculated as the sum of the assets transferred, liabilities assumed or acquired, and, where relevant, equity instruments issued by the acquiring party. We take costs relating to the business combination directly to profit and loss. The identifiable assets, liabilities and contingent liabilities acquired as part of the business combinations are recognised by the company, as the acquiring party, at fair value on the date of acquisition. Contingent considerations are initially measured at fair value on the date of acquisition. We measure contingent considerations that qualify as a financial instrument at fair value and recognise changes in fair value in profit and loss at the time these changes occur.

We designate any surplus of the acquisition price above our share in the fair value of the net identifiable assets, liabilities and contingent liabilities as goodwill and recognise this under intangible fixed assets. After initial recognition, we measure goodwill at cost less any accumulated impairments. A bargain purchase gain occurs when, in an acquisition, our share in the net fair value of the identifiable assets, liabilities and contingent liabilities is higher than the acquisition price. We immediately recognise this gain in the profit and loss account at the acquisition date.

Non-controlling interest in equity and results

We present non-controlling interest in the equity and results separately. When initially recognising a non-controlling interest, we can choose to measure this interest at the proportionate part of the fair value of the assets acquired and liabilities assumed or the fair value of the non-controlling interest itself. We may make this choice separately for each individual transaction.

Accounting policies for the measurement of assets and liabilities and determination of the results**General**

The principles adopted for measuring assets and liabilities and determining the results are based on historical costs, unless otherwise specified. The accounting policies used for measuring assets and liabilities and determining the results have not changed compared to the previous financial year. The accounting policies used for presentation are also unchanged compared to the previous financial year, with the exception of the following items:

Intangible fixed assets

In our day-to-day business operations we use hardware and software directly or indirectly related to the primary control of our gas transmission network and the directly related processes, including system monitoring, data and message traffic and administrative handling of gas transmission and transport.

We previously presented this hardware and software as an integrated whole under tangible fixed assets (in accordance with IAS 38.4). With the updating and replacement of a number of applications and/or modules, the direct relationship (or absence of such) between the hardware and software can now be made increasingly explicit in relevant cases. This enables us to now more clearly distinguish which software we can consider to be a separate asset (separate from the physical gas transmission network), which we were previously unable to do. From 2023 we present such software as part of the intangible fixed assets. With this adjustment, the financial statements provide more relevant information about our financial position and our depreciation charges. At the end of 2023, this led to the inclusion of intangible fixed assets amounting to € 90.2 million and € 8.3 million in depreciation costs in the balance sheet. For comparison purposes, we have also adjusted the comparative figures for 2022 to reflect this adjustment. For the 2022 financial year, we have made a reclassification between tangible and intangible fixed assets amounting to € 49.1 million and between the depreciation costs of tangible fixed assets and the depreciation costs of intangible fixed assets totalling € 9.5 million. The adjustment had no consequences for the equity, net result or cash flows in either 2022 or 2023. Nor did the adjustment significantly impact aspects like core financial ratios, segment information, variable remuneration for members of the Executive Board, compliance with agreements and covenants, et cetera.

Emission allowances

With effect from 2023, we are opting to present the emission allowances under the 'Inventories' item using the net approach, where we previously presented the emission allowances and obligations separately. For comparison purposes, we have also adjusted the comparative figures for 2022 to reflect this adjustment. At the end of 2023, this led to the inclusion of € 2 million in inventories in the balance sheet (year-end 2022: € 3.2 million). With the application of the net approach, other liabilities and other receivables were adjusted by, respectively, € 13.2 million and € 16.4 million (net € 3.2 million) at year-end 2022. The adjustment had no consequences for the equity, net result or cash flows in either 2022 or 2023. The principles for measuring the emission allowances are stated under 'Inventories' in these accounting policies.

Other revenue

We are increasingly gaining revenue that originates from grant contributions relating to energy transition projects, for example. We expect this to increase further in the coming years. In addition, in 2023 there was a significant revenue stream that did not arise directly as a result of contractual transactions with customers. [Note 2 'Business combinations and disposals of group companies'](#) provides more information on these transactions. For these reasons, we present the other revenue from 2023 separately from the net revenue from normal business operations. For comparison purposes, we have also adjusted the comparative figures for 2022 to reflect this adjustment. As a result, net revenue for 2022 is € 18 million lower and other revenue is € 18 million higher. The adjustment had no consequences for the equity, net result or cash flows in either 2022 or 2023.

Fixed assets

Tangible fixed assets

We measure tangible fixed assets at cost, less any accumulated depreciation and accumulated impairments. When initially measured, the costs of periodic major repairs are recognised in the carrying amount of the asset on the basis of the component approach. This also applies, where appropriate, to the costs of abandonment, redevelopment and/or demobilisation. We capitalise interest expenses if they relate to the purchase, construction or production of qualifying assets, provided the assets need a substantial period (more than one year) before being ready for their intended use.

We determine depreciation by writing off the costs of the tangible fixed assets, less their estimated residual value, on a straight-line basis over their estimated useful life. We do not calculate depreciation on land, sites or the volumes of line pack in the pipelines and cushion gas in the caverns.

A substantial part of the assets is intended for regulated business operations. Regulation of future cash flows by the regulatory authority will determine the recoverable amount of the regulated assets. Management is required to make significant estimates and judgements, in particular with regard to the useful life, residual value and future cash flows from gas transmission and transport. The residual value of the asset, the useful life and the depreciation methods are reviewed annually and adjusted if necessary. [Note 5 'Tangible fixed assets'](#) provides a more detailed explanation of the expected useful life of the assets, including our assessment of the energy transition impact.

Tangible fixed assets are divided into categories. The useful life and associated depreciation period is determined for each category. In [note 5 'Tangible fixed assets'](#) we describe the categories and give the depreciation period for each category.

We deduct third-party contributions to the cost of construction of the energy infrastructure from the investments, insofar as such contributions are either government-sourced (including grants) or not related to transport capacity. We recognise customer contributions to investments that are related to transmission capacity in the balance sheet as contract liabilities in line with the provisions of IFRS 15; we credit these to profit and loss at regular intervals in accordance with the expected useful life of the asset. If there is a significant financing component in the customer contributions, the finance expenses are recognised under financial expenses. We describe this recognition in more detail under 'Net revenue' in these accounting policies.

We recognise tangible fixed assets not yet in operation as at the balance sheet date as 'Fixed operating assets under construction'. On commissioning, we classify the relevant assets according to their type in one of the main categories. We include the volumes of line pack in the pipelines and cushion gas in the caverns (needed for gas transmission and storage and related services) under 'Other fixed operating assets'. If any changes occur in the volume of line pack and/or cushion gas, the average gas price for the period in which the change took place is used as the cost price.

We recognise any loss on disposal of a tangible fixed asset under depreciation costs in profit and loss at the time of decommissioning; we recognise any profit under 'other revenue'.

Tangible fixed assets for which we have the right of use under the terms of a lease are also included in the balance sheet. See also the accounting principles under the heading 'Leasing'.

Intangible fixed assets

We recognise intangible fixed assets in the balance sheet if it is likely that the future benefits inherent in that asset will accrue to us and if we can reliably determine the costs of the asset. We measure intangible fixed assets at the acquisition price or cost of construction less accumulated depreciation and any accumulated impairments. We calculate the depreciation of the capitalised amounts using the straight-line method based on the expected useful life of the asset.

We add the expenses arising after initial recognition of an intangible fixed asset to the acquisition price or cost of construction if it is probable that the expenses will lead to an increase in the expected future economic benefits and we can reliably calculate the expenses and reliably allocate these to the asset. If the conditions for capitalisation are not met, the expenses are recognised as costs in profit and loss.

Advance payments for intangible fixed assets are measured at acquisition price or cost of construction. We do not calculate depreciation on advance payments for intangible fixed assets. The principles for determining and recognising impairment are included under 'Impairment of fixed assets' in these accounting policies.

The intangible fixed assets consist entirely of the procurement and external development of software. For this reason, we have not created a legal reserve for this in the company financial statements.

Assets held for sale

We qualify fixed assets as being held for sale if we recover the carrying value of these through sale rather than through future use. Assets held for sale are measured at the lower of the carrying amount or the fair value less costs to sell. The costs to sell comprise the incremental directly attributable costs of the transaction, excluding borrowing costs and taxes.

Assets qualify as held for sale only if these are available for immediate sale in their current condition and the sale is highly probable. In addition, the transaction may not be subject to closing conditions that could result in a significant change or delay in the intended sale. Lastly, we must be committed to selling the asset and expect to complete the sale within one year of reclassification.

Once we classify an asset as an asset held for sale, we no longer depreciate it. We present assets held for sale separately under current assets.

Investments in joint operations

Investments in joint operations are participating interests in which we exercise joint control, have the rights to assets, and have liabilities with respect to the participating interest's debts.

The rights to the assets and liabilities with respect to the participating interest's debts, and the associated rights relating to the joint operations' revenues and expenses are included in the financial statements.

Investments in joint ventures and associates

Investments in joint ventures are participating interests in which we exercise joint control with other parties and have rights to the participating interests' net assets. Investments in associates are participating interests in which we exercise significant influence on operating and financial policies, but have no control.

We measure these participating interests using the equity method. In accordance with this method, the participating interests are measured at cost (including goodwill) plus the share in the result and the share in other comprehensive income from the moment of acquisition less the share in dividend payments. We recognise our share in the result of joint ventures in the statement of profit and loss and in the consolidated statement of other comprehensive income.

In the event of loss of joint control in a joint venture or loss of significant influence over an associate, we determine the fair value of the interest we retain and apply this as the initial carrying amount of the retained interest. We recognise differences between the carrying amount and the fair value of the joint venture or the associate (determined at the time of loss of joint control in a joint venture or loss of significant influence over an associate) in profit and loss. This also applies to the result on the part of the interest we have disposed of.

If our interest in a joint venture or an associate changes while we still retain joint control or significant influence, no remeasurement of the existing interest will take place.

Elimination of transactions with participating interests

We eliminate unrealised profit from transactions with participating interests measured using the equity method in proportion to our share in the participating interest.

Other equity interests

On the basis of IFRS 9, we measure other equity interests at fair value after initial recognition, taking unrealised gains or losses to other comprehensive income. No recycling takes place through the profit and loss account.

When determining the fair value of the other equity interests, we make assumptions and estimates, including relating to expected dividends, cash flows and discount rates. In [note 10 'Other equity interests'](#) and [note 28 'Financial instruments'](#) we describe the key assumptions.

If the fair value cannot be reliably determined based on these assumptions, we use the cost or net asset value as the basis for fair value and state such in the notes to the financial statements.

We take the share in the result of other equity interests to profit and loss as soon as the formal decision has been made that these participating interests will pay dividends or as soon as the dividend has been made available for payment.

Impairment of fixed assets

At the end of every reporting period, we test fixed assets, including intangible, tangible and financial fixed assets, for impairment. This involves determining the recoverable amount of the assets. The recoverable amount is the higher of the fair value less costs to sell (e.g. based on a sales contract less the costs to be incurred for the sale) and the value in use (based on the results of a value-in-use calculation for example). If the recoverable amount is less than the carrying amount, the difference is taken to profit and loss. Due to the nature of the tangible fixed assets, it is often not possible to determine the recoverable amount of an individual asset. In such cases, we determine the recoverable amount of the cash-generating unit to which the asset belongs.

We also investigate at regular intervals whether an impairment recognised in previous periods no longer exists or has decreased. If we find that an impairment loss recognised in the past no longer exist or has decreased, the increased carrying amount of the relevant asset or cash-generating unit will not be set higher than the carrying amount which would have been determined if no impairment for the asset or cash-generating unit had been recognised. We recognise any reversal of an impairment recognised in the past in the profit and loss account.

Current assets

Inventories

We recognise inventories at cost based on average cost or recoverable amount, whichever is lower. Cost comprises the acquisition price or the cost of manufacture plus any other costs involved in taking inventories to their current place and keeping them in their current condition. The recoverable amount is based on the most reliable estimate of the amount that the inventories will generate less any costs to be incurred.

Inventories also includes the surplus emission allowances, i.e. the emission allowances that are not required at the end of the financial year to meet the emission obligation for the financial year under the EU Emissions Trading Scheme (EU ETS). We only include an obligation (liability) under the EU ETS if the actual emissions at the end of the financial year are higher than the number of available certificates (the 'net approach'). We measure such a liability at the fair value of the emission allowances yet to be acquired. This 'stock' of allowances is measured at cost. We hold emission allowances only for our own use and not for trading purposes.

Trade and other receivables

At initial recognition, we measure trade and other receivables at fair value. After initial recognition, we recognise trade and other receivables at amortised cost because our business model concerns the collection of contractual cash flows under the aforementioned receivables and the cash flows relate solely to the payment of principal and interest.

Owing to the short term of the trade and other receivables, we use the simplified IFRS 9 method to measure trade and other receivables (based on the lifetime expected credit losses). In this context, we create a provision to cover the expected credit losses, based on amounts yet to be received and the probability of non-payment. We also take into account any securities provided that may mitigate the credit loss.

Trade receivables also include the amounts that have not yet been invoiced as at the balance sheet date for services rendered during the financial year.

Cash and cash equivalents

Cash and cash equivalents include the available financial resources in the form of balances at banks and other third parties, such as bank accounts, deposits or call funds. We only recognise a deposit as a cash equivalent if we can readily convert that deposit into a known cash amount within 90 days and the deposit is not subject to a significant risk of changes in value.

We hold cash and cash equivalents for the purpose of meeting current liabilities and do not normally use these for investments or other purposes.

Derivative financial instruments

Derivative financial instruments – with application of hedge accounting

As required, we, or our unconsolidated participating interests, make use of derivative financial instruments in certain cases to manage financial risks arising from future transactions (cash flows). We initially recognise these instruments at fair value on the date on which the contract is concluded (the value is generally zero at the outset). We subsequently remeasure the fair value at the end of every reporting period. We recognise gains or losses on the effective part of the hedging instrument in the cash flow hedge reserve in equity, net of deferred taxation. We take any ineffective parts directly to profit and loss.

When a hedging instrument is wound up, gains or losses on the effective part continue to be recognised in equity for as long as the underlying cash flow is expected to occur. If we no longer expect underlying cash flow, we take the gains or losses on the effective part, which has been deferred in equity, directly to profit and loss.

We recognise effective derivative financial instruments designated for hedge accounting in the same way as the hedged position. Depending on the nature and the term of the underlying contract, we classify the instruments as either non-current or current.

Derivative financial instruments – without application of hedge accounting

We immediately recognise changes in the fair value of other derivative financial instruments for which no cash flow hedge accounting is used in profit and loss from initial recognition onwards.

Commodity contracts

In accordance with IFRS 9.2.4, we do not include contracts entered into for the procurement of commodities, such as energy for the company's operating activities, in the balance sheet.

Non-current liabilities

Non-current liabilities are liabilities with a remaining nominal term of more than one year. We include repayment obligations that are due within a year under current liabilities.

Interest-bearing loans are initially recognised at fair value less transaction costs. After initial recognition, we measure interest-bearing loans at amortised cost on the basis of the effective interest method, recognising the transaction costs and the discount in profit and loss in the period to which they relate. We recognise discount and transaction costs not yet taken to profit and loss as a reduction in the non-current liabilities to which they relate.

For certain loans, the coupon interest payable is based partly on whether future sustainability targets are met. If these sustainability targets are not met, the coupon interest rate is increased. At the end of every reporting period, we evaluate whether we expect to meet the sustainability targets.

If we expect that the sustainability targets will not be met, the effective interest rate will be adjusted accordingly from that moment, and the additional interest expenses will be taken to profit and loss based on the effective interest method.

When the contractual obligation has lapsed or expired, loans are no longer recognised in the balance sheet.

Employee benefits

Employee benefits are recognised as an expense in profit and loss in the period in which the work is performed and, until paid out, as a liability in the balance sheet. Personnel expenses include all costs related to employee benefits during and after employment. In addition to the liabilities that are legally enforceable, our liabilities with respect to employee benefits also include any liabilities involving a situation where we have no realistic alternative other than to comply with the obligation ('constructive obligations').

Liabilities for employee benefits concern pension obligations, long-service awards and the costs of certain post-employment fringe benefits for non-active and retired employees.

Personnel-related provisions

Personnel-related provisions comprise the provision for pension obligations and other personnel-related provisions.

Pension plans

We have entered into pension plans entitling our employees to a number of benefits, including a retirement pension and a dependants' pension.

The pension plan for employees of Gasunie in the Netherlands is a defined contribution pension plan. This plan will remain in effect until the transition to the new Dutch pension system and will end in any case no later than 31 December 2026. This means that we have committed ourselves to paying a fixed, predetermined contribution while this plan is in effect. This contribution is based on a conditional average-salary pension plan in line with prevailing tax and pension legislation. Based on the agreed contribution calculation methodology, the actuarial risk does not rest with the employer but with the participants and the pension fund. Pension accrual in a conditional average-salary pension plan has been capped at 1.875% per annum of average pensionable earnings up to the statutory maximum pensionable salary. Pension benefits of the participants are not guaranteed. The contributions payable in respect of employees' pension entitlements are paid to Stichting Pensioenfonds Gasunie, which administers the pension plan. The employer has no obligation to make top-up payments in the event of a pension shortfall.

Employees of Gasunie Deutschland who joined the company in or after 2012 are enrolled in an insured pension plan. This pension plan also qualifies as a defined contribution plan. Set on an annual basis, the employer's contribution for 2023 is 3% of the pensionable salary up to the threshold and 15% of the pensionable salary above the threshold.

The basic principle for recognition of the aforementioned plans is that the pension expense to be recognised in the reporting period equals the pension contributions payable to the pension provider for that same period. We recognise a liability for contributions that are due but have not yet been paid by the balance sheet date. If contributions prepaid by the balance sheet date exceed the total contributions payable, we will include an accrued income item to the extent that the funds will refund the excess contributions paid or offset this amount against future contributions.

The present value of the provision for pension obligations for employees of Gasunie Deutschland who joined before 2012 is calculated as per the projected unit credit method. Significant assumptions have been made in the calculation about the market interest rate on high-quality corporate bonds for the purpose of determining the discount rate, expected future increases in salary, expected future increases in pensions and average life expectancy. For more information on these variables see [note 23 'Employee benefits'](#) to the consolidated financial statements.

We recognise actuarial gains and losses and experience adjustments in the statement of other comprehensive income and subsequently take these to equity in the period in which they occur, net of deferred taxation. The relevant actuarial calculations are drawn up and assessed by external actuaries every year.

Other personnel-related provisions are described below.

Provision for long-service awards

This provision relates to long-service awards we pay to our employees. Account is taken of the likelihood that the award will be made and of a pre-tax discount rate that incorporates the prevailing market assessments of the time value of money and the risks inherent in the obligation.

Provision for costs of post-employment fringe benefits for non-active and retired employees

This provision relates to certain allowances we pay to our employees after they retire. It represents the present value of the benefits already committed to non-active and retired employees. Account is taken of life expectancy and a pre-tax discount rate that incorporates the prevailing market assessments of the time value of money and the risks inherent in the obligation.

At the end of every reporting period, we assess the assumptions on which the personnel-related provisions are based and adjust these based on mortality tables, interest and cost developments and other relevant information.

Other provisions

We recognise provisions in the balance sheet if:

- there is a legally enforceable or factual liability resulting from a past event;
- a reliable estimate of the above can be made; and
- it is probable that an outflow of resources is required to settle that liability.

The amount recognised as a provision is the best possible estimate as at the balance sheet date of the expenditure required to meet the existing liability, taking into account the probability of the event.

Other provisions comprise the provision for certain abandonment costs and redevelopment and the provision for demobilisation and other obligations relating to site clearing and new construction.

Provision for abandonment costs and redevelopment

We consider it unlikely that all transmission pipelines and appurtenances will have to be completely removed.

Accordingly, no general provision for abandonment costs and redevelopment (asset rehabilitation, replacement or removal) has been formed. The provision for abandonment costs and redevelopment in the balance sheet has been included due to the company's decisions to decommission, remove or redevelop specific identifiable assets within the foreseeable future as required under legislation where applicable. The size of the provision is partially determined on the basis of experience figures derived from previous abandonments and redevelopment.

The provision is measured based on the present value of the expenditure deemed necessary to settle the liability. The discount rate is determined before taxation and takes into account the prevailing market assessments of the time value of money and the risks inherent in the liability.

Provision for demobilisation and other obligations relating to site clearing and new construction

This provision is made to meet the costs relating to contractual obligations that arise during and at the end of the term of various leases and other contracts. The size of the provision has been determined based on the contractually agreed maximum amounts or, where these were not available, detailed calculations based on which the expected costs have been estimated.

The provision is measured based on the present value of the expenditure deemed necessary to settle the liability. The discount rate is determined before taxation and takes into account the prevailing market assessments of the time value of money and the risks inherent in the liability.

Leases

Initial recognition and measurement of leases is as follows:

- We break down lease liabilities into lease and non-lease components. The non-lease components are not considered to fall within the scope of IFRS 16. We recognise the costs resulting from these non-lease components in profit and loss in the period to which they refer.
- We determine the expected term of the lease liability on the basis of the contractual term of the agreement, taking into account any potential options for extension and termination, in the event that we may reasonably be expected to use them.
- If applicable, we take residual value guarantees, significant variable lease payments and penalty clauses into account when measuring the lease liabilities.
- In principle, the present value of the lease liabilities is calculated at the implicit interest rate. Where the implicit interest rate cannot be directly derived from the leases, we use our incremental borrowing rate. We use a borrowing rate representative of the portfolio as a whole for portfolios of leases with similar features.
- We initially include the right-of-use asset connected with the lease in the balance sheet at the present value of the lease liability, plus any directly attributable costs and costs of abandonment, redevelopment and/or demobilisation.
- Leases with a term of less than one year or with a contract value of less than € 5,000 are not included in the balance sheet, in accordance with the provisions of IFRS 16.

The assets associated with the lease liability are recognised under tangible fixed assets in the main category right-of-use assets.

The subsequent measurement of the leases is as follows:

- We measure right-of-use assets at cost, less straight-line depreciation calculated over the expected term of the lease agreement and with possible impairment losses. An explanation of how the cost price is determined is given above under 'initial recognition and measurement of leases'.
- After initial recognition, we measure the lease liabilities at amortised cost based on the effective interest method.
- If the principles in the lease change (e.g. due to modifications), we remeasure and recognise the carrying amount of the lease liability and the right-of-use asset in the balance sheet.

Current liabilities and other financial obligations

After initial recognition, we measure current liabilities and other financial obligations at amortised cost based on the effective interest method. We recognise the effective interest directly in the statement of profit and loss.

Determination of the result

We calculate the result as the difference between the revenue from services rendered to meet performance commitments and the costs and other expenses incurred over the year. We recognise revenues from transactions in the year in which the services under the performance commitments were rendered.

Net revenue

Net revenue is the sum of revenues from gas transmission and transport, gas storage and related services provided to third parties, after deduction of discounts (for non-regulated services and/or services exempted from regulation) and taxation on these revenues, such as VAT. Income is subject to key estimates we make regarding the interest rate in the case of contract liabilities with a significant financing component to them.

If we can reliably estimate the result of a transaction involving the rendering of a service, we recognise the revenues relating to the service in proportion to the services rendered in the financial year. We provide services in the area of gas transmission, transport and storage and related activities. These services are offered as capacity services. This gives customers the right to use pre-agreed capacities for a pre-contracted period (hour, day, month, etc.). We regard the service as rendered over the period concerned and recognise the revenue accordingly.

The realisation of net revenues can be reliably determined. Our only compensation from customers are the amounts determined in accordance with the contractually agreed remuneration methods.

The tariffs for regulated activities are determined by independent regulatory authorities in the Netherlands and Germany. No discounts are applied to regulated revenues. Customer contributions to the cost of construction or improvement of the transport infrastructure or discounts/prepayments in the non-regulated sector and/or the sector exempted from regulation are a possibility, however. These are considered to be contract liabilities under IFRS 15 and are recognised in the balance sheet. They are periodically credited or charged to profit and loss over the expected useful life of the asset. In the event that a contract liability or contract receivable contains a significant financing component, the value of this component is determined based on an estimate of the relevant interest rate. We recognise the financing component in the financial income and expenses in the period to which it relates.

Capitalised expenses

Capitalised expenses include operating expenses incurred by the company in connection with the construction of tangible fixed assets. These costs mainly comprise the cost of the company's own employees and hired workers, plus part of the overhead expenses of support departments.

Government grants

We credit operating grants to the profit and loss under 'other revenue' in the year to which the subsidised spending is allocated. We include any pre-payments under liabilities. We include amounts still to be received under receivables.

Pre-paid investment grants are initially presented under the other liabilities. As soon as investment spending starts and meets the conditions for capitalisation, we then deduct the investment grants from the tangible fixed assets for which the grant is intended.

Other costs

We recognise the other costs in the reporting period to which they relate.

Financial income and expenses

Included in this item are income and expenses relating to financing and similar income and expenses. We recognise interest income and similar income in the period to which it relates, taking into account the effective interest rate for the asset concerned, provided the income can be measured and is likely to be received. We recognise interest expenses and similar expenses in the period to which they relate. Financial expenses also include the amortisation of discount and transaction costs.

The recognition of capitalised interest expenses is described under the heading 'Tangible fixed assets' in these accounting policies.

Income taxes

Income tax comprises tax on profits and deferred tax payable for the reporting period, as well as any tax expenses and/or tax income from prior periods. These taxes are taken to profit and loss, except when they relate to items recognised directly in equity, in which case the tax effect is also recognised directly in equity.

The tax owed for the financial year is the tax expected to be payable on the taxable profit for that financial year, calculated on the basis of tax rates determined on the reporting date or materially decided upon on the reporting date, plus any corrections to the tax owed for previous years. We calculate the tax owed taking into account tax-exempt items and costs that are either non-deductible or only partly deductible.

If the carrying amount of assets and liabilities for financial reporting purposes differs from their carrying amounts for tax purposes, these are classed as temporary differences. For all taxable temporary differences that qualify for it, we recognise a deferred tax liability. For all deductible temporary differences that qualify for it, we recognise a deferred tax asset, to the extent that it is likely that sufficient taxable profit will be available for future set-off. For this purpose, we make assumptions about our future taxable profits and the point at which the temporary differences are realised. We have included further information about this in [note 11 'Deferred tax assets'](#).

We measure deferred tax liabilities and assets at the nominal value. The tax rates used for the measurement are those that are expected to apply in the period in which the deferred tax items will be realised based on the tax rates and tax legislation in force or materially decided upon as at the balance sheet date. We recognise the movements in corporate income tax arising from possible rate changes in profit and loss, with the exception of the movements that were originally taken directly to equity. We take these movements directly to equity.

Tax assets and liabilities, whether deferred or not, are presented as a net amount if:

- there is a legally enforceable right to set off tax assets and liabilities, and the assets and liabilities relate to income tax imposed by the same tax authority on the same taxable entity; and/or;
- taxable entities intend to set off the tax assets and liabilities, or the tax assets and liabilities are realised simultaneously on different types of tax.

N.V. Nederlandse Gasunie and our wholly-owned Dutch group companies constitute a fiscal unity for Dutch corporate income tax purposes. Gasunie Deutschland GmbH & Co. KG (Gasunie Deutschland) and its wholly-owned German group companies constitute a fiscal unity for German corporate income tax.

Financial information by operating segment

Information on operations about which separate financial information is available and whose operating results are regularly assessed by management should be described per segment. We have defined the following operating segments:

- Gasunie Transport Services
- Gasunie Deutschland
- Participations

For more detailed financial information by operating segment, see [note 3 'Financial information by operating segment'](#) of the additional notes to the consolidated financial statements.

Cash flow statement

We determine the cash flow from operating activities using the indirect method, based on the net revenue and the total expenses presented in the consolidated statement of profit and loss. The cash and cash equivalents in the cash flow statement consist of cash and cash equivalents that can be converted into a known cash amount without restrictions and without significant risk of impairments as a consequence of the transaction.

We recognise corporate income tax paid and income and expenses relating to interest and dividends received from joint ventures, associates and other equity interests under 'cash flow from operating activities'.

We have included the acquisition price of acquisitions under 'cash flow from investment activities' insofar as payment was made in cash. The cash and cash equivalents available in the acquired participating interest or operations are deducted from the acquisition price.

We allocate cash flows from derivative financial instruments recognised as cash flow hedges to the same category as the cash flows from the hedged positions.

Events after the balance sheet date

We recognise events that provide further information about the actual situation at the balance sheet date and that appear before the date on which the financial statements are prepared in the financial statements.

We do not recognise events that do not provide further information about the actual situation on the balance sheet date in the financial statements. If such events are important for users to form an opinion of the financial statements, we explain the nature and estimated financial effects in the financial statements.

15 Additional notes to the consolidated financial statements

1. Significant matters and events in 2023

Energy markets and climate and energy transition

Compared to 2022, which was an unprecedentedly turbulent year as a result of the Russian invasion of Ukraine, 2023 was characterised by more stability. Energy prices were still higher than the long-term average, but still considerably less volatile compared to 2022. We made various investments in our gas infrastructure to facilitate the change in the gas flows. We will invest further in this in the coming years so that we can continue to meet the security of supply standards. We explain these investments further in [note 5 'Tangible fixed assets'](#).

Gasunie plays an important role in the energy market in north-western Europe. We manage, maintain and develop infrastructure for large-scale transmission, transport, storage and conversion of energy. At the moment, this is mainly natural gas, but with the energy transition our focus is increasingly shifting towards CCS and hydrogen. Besides this, we promote the development of the technology for green gas and the feed-in of this gas, and we work on the construction and management of heat grids. We take into account several future scenarios, all of which envision achieving a carbon-neutral society by 2050. It is Gasunie's social duty to be able to serve society with our infrastructure in all scenarios. An in-depth elaboration of these scenarios is presented in the Integrated Infrastructure Survey 2030-2050 (II3050). The key conclusions from the new II3050 report relating to us are:

- Hydrogen, green gas, heat and CCS will be key elements in bringing about a carbon-neutral future.
- After 2030, the hydrogen network planned to be built between now and 2030 will approximately double in size. Our existing gas infrastructure can largely accommodate this expansion.
- The storage of hydrogen is essential if we are to keep the supply and demand for energy in balance in the future. This can be done in abandoned salt caverns in the Netherlands and Germany.
- Research is needed to determine the extent to which we can store hydrogen in depleted gas fields, which can then play a key role as a strategic buffer and backup.
- The CCS network is not only a short-term solution: it will serve us in the long term too. In the short term, we will transport captured CO₂ to offshore storage fields to reduce industrial carbon emissions. In the long term, we will transport sustainable CO₂ for production processes that are currently still based on fossil resources.

We believe in a sustainable future with a balanced energy mix and a lasting role for diversified gases. Our assets are expected to play an important role in this. Given the uncertainties concerning future developments, we have made certain assumptions and used estimates in our financial statements, including assumptions about the useful life of our network infrastructure and the associated depreciation periods. These lifespans and periods may be shorter or longer than we currently estimate, depending on, among other things, which assets we can repurpose for alternative use and when the transmission of natural gas will be phased out. We explain this further in [note 5 'Tangible fixed assets'](#). These developments may also affect the required size of the provision for redevelopment costs (i.e. costs of asset rehabilitation, replacement or removal). Depending on which assets we can reuse, redevelopment may affect more or fewer assets. We explain this further in [note 24 'Other provisions'](#).

As a result of our increasing investments in the energy transition, our financing requirement will also increase in the coming years. Several projects, or certain parts of these, have now been approved. For the coming years, we expect an investment level of approximately € 1 billion per year, assuming we develop the energy transition projects more quickly. We are increasingly trying to finance these projects with 'green bonds'. In 2023, we issued our first green bond, with a value of € 300 million. We explain this further in [note 18 'Interest-bearing loans'](#).

In our management report, we explain our activities in the area of the energy transition in more detail.

Business combination GUFU BBL B.V. and partial sale of EemsEnergy Terminal B.V.

One material business combination took place in 2023. In the second quarter of 2023, we acquired an additional indirect interest of 15% in BBL Company through the acquisition of 75% of the shares of GUFU BBL B.V. (formerly Uniper BBL B.V.). GUFU BBL is one of the three partners in BBL Company. Since 2006, BBL Company has been operating a gas pipeline between Balgzand in the Netherlands and Bacton in the UK. Gasunie already had a 60% interest in BBL; after the acquisition our interest increased to 75%. This transaction led to a one-off result of around € 15.2 million in 2023.

Aside from this, in Q4 2023 we sold half of our shares in EemsEnergy Terminal B.V. to Vopak LNG Holding B.V., with Gasunie retaining a 50% shareholding after the sale. With this transaction, EemsEnergyTerminal now qualifies as a joint venture. As a result, an initial remeasurement of the retained interest took place based on fair value. In 2023, the transaction led to a one-off sales result of approx. € 29.5 million on the shares we sold and a one-off remeasurement result of approx. € 29.5 million on the shares we retained.

Further details on the transactions stated above and the consequences for the consolidated financial statements are included in [note 2 'Business combinations and disposals of group companies'](#).

Valuation of tangible fixed assets

At the end of 2023, we calculated the value in use of the GTS gas transmission network. The reason for the value-in-use calculation was the ruling by the Dutch Trade and Industry Appeals Tribunal in a number of appeals brought separately by GTS and various market parties. From the value-in-use calculation it was determined that the recoverable amount of GTS' gas transmission network is roughly equal to its carrying amount. Accordingly, we have not recognised an impairment loss (or reversed a previously recognised impairment loss) in profit and loss.

We provide further details on this matter in [note 4 'Impairment tests'](#).

Dividend payment

In 2023, we paid out € 200 million (2022 financial year: € 217.5 million) in dividend to our sole shareholder, the Dutch State. This was the appropriation of the result for the 2022 financial year following a resolution by the General Meeting of 29 March 2023. We provide further details on this matter in [note 49 'Unappropriated result'](#).

2. Business combinations and disposals of group companies

In 2023, one material business combination and one business combination under common control (which is completely eliminated in the consolidation) took place. Additionally, we sold a part of one of our wholly-owned group companies. These transactions are explained in more detail below.

Acquisition of Uniper Ruhrgas BBL B.V.

Since 2006, BBL Company has been operating a gas pipeline between Balgzand in the Netherlands and Bacton in the UK. Gasunie already had a 60% interest in BBL Company. Uniper was forced by law to divest its 20% interest in BBL Company, held through its wholly-owned subsidiary Uniper Ruhrgas BBL B.V. Based on the contractual arrangement, Gasunie and co-owner Fluxys had the option of exercising their pre-emptive right to acquire Uniper's interest in BBL Company. Gasunie and Fluxys exercised this option in the first quarter of 2023, and on 8 May 2023 the shares in Uniper Ruhrgas BBL B.V. were obtained. Uniper Ruhrgas BBL B.V. was subsequently renamed GUFU BBL B.V. Gasunie holds 75% of the shares in GUFU BBL B.V. and Fluxys holds the other 25%. Based on the provisions set out in the company's governing document, Gasunie obtained control over GUFU BBL B.V.

Now, after this acquisition, Gasunie has a 75% economic interest in BBL Company (year-end 2022: 60% interest):

- our shareholding of 100% in our group company Gasunie BBL B.V. gives us a 60% interest; and
- our shareholding of 75% in our group company GUFU BBL B.V. gives us a 20% interest (effectively a 15% interest).

Based on the agreements between the partners of BBL Company, the voting threshold for significant decisions regarding BBL Company is 80%. Although Gasunie can exercise a total of 80% of the voting rights via Gasunie BBL B.V. and GUFU BBL B.V., certain relevant decisions require unanimity. Furthermore, if the parties are unable to agree on certain relevant matters that do not require unanimity, the matter may be subject to a binding ruling by an independent third party. Based on these considerations, Gasunie has not obtained control over BBL Company. Accordingly, this remains a case of joint control and we continue to recognise our interest as a joint operation in accordance with IFRS 11.

Given that no control over BBL Company has been acquired, Gasunie's existing 60% interest held through Gasunie BBL B.V. has not been remeasured at fair value. We note here that the fair value and the carrying amount of the existing 60% interest are virtually equal. This is because the existing interest in BBL Company was already measured at the recoverable amount at the end of 2022 as a result of an impairment.

The acquired assets and the assumed liabilities of GUFU BBL B.V. are, however, measured at fair value. Based on our control, we include GUFU BBL B.V. in our consolidation (and, with this, also its 20% share in BBL Company). In accounting for Fluxys' 25% share in GUFU BBL we recognise a non-controlling interest in the equity and in the result. The legal structure as described above results in a de facto 80% consolidation of BBL Company with a 5% non-controlling interest. We have opted to measure the non-controlling interest using the proportional method.

Assets acquired and liabilities assumed

The fair value of the assets acquired and liabilities assumed at the acquisition date was as follows:

<i>In millions of euros</i>	<i>Notes</i>	<i>Fair value at acquisition date</i>
Assets		
- tangible fixed assets	4,5	64.6
- other participating interests	10	0.1
- trade and other receivables	13	18.2
- cash and cash equivalents	15	36.4
Total assets		119.3
Liabilities		
- interest-bearing loans	18	3.8
- lease liabilities	20	1.8
- deferred tax liabilities	22	6.4
- trade and other payables	27	13.5
Total liabilities		25.5
Total identified net activa at fair value		93.8
Thrid party share - proportional method	17	23.5
Purchase price		55.1
Bargain purchase - accounted for in the profit and loss	31	15.2
Total		93.8

We paid the acquisition price of € 55.1 million outright and in cash. As part of the acquisition, we acquired € 36.4 million in cash and cash equivalents and included them in our consolidated financial position at the acquisition date. This means that the acquisition price for the assets and liabilities, excluding cash and cash equivalents, totals € 18.7 million.

The fair value of the tangible fixed assets on the acquisition date was determined using a DCF valuation model. When calculating the recoverable amount, we made assumptions, the most important of which concerned the expected revenues and the pre-tax discount rate. The figures for the main cash flows are based on the business plan for the next three years drawn up by the management of BBL Company and approved by Gasunie (as shareholder) and on a recent medium-term forecast. These assumptions do not differ significantly from the assumptions applied at year-end 2022 for the impairment test carried out.

When determining expected future revenue, a distinction was made between revenue from existing fixed transport contracts and revenue from auctioning future transport capacity. The assumptions regarding the expected future transmission volumes are partly based on transmission capacity that has already been reserved (auctioned capacity) and on scenario studies and National Grid's 10-year network development plan. The tariffs for capacity sales are determined on the basis of the current tariffs, which are adjusted annually for expected inflation. In the fair value calculation it has been assumed that the BBL interconnector will be used in the future for the offshore hydrogen network and that this will therefore generate a future cash flow once it is transferred to a hydrogen transmission operator. The forced sale by Uniper in combination with other assumptions in the measurement are the main reasons for this transaction constituting a bargain purchase under IFRS 3.

The deferred tax liabilities refer to temporary differences in measurement of tangible fixed assets and right-of-use assets. The fair value of the trade and other receivables has been set at their contractual value based on the nature of these receivables and the fact that they are short term. There are no expected material credit losses on these receivables, nor are there any contingent liabilities or transactions that need to be processed separately from the acquisition. The acquisition price was paid outright and in cash. There are no relevant future conditions attached to the acquisition price that could influence the final acquisition price.

From the date of the acquisition, GUFU BBL B.V. has contributed € 15.7 million to revenue and € 8.1 million to the result from continuing operations before taxation. If the business combination had taken place from the beginning of the financial year, these figures would have been € 27.3 million and € 15.0 million respectively.

Merger of LdM entities

In 2019, on the recommendation of the Ministry of Economic Affairs and Climate Policy, Gasunie took over a group of entities that were jointly developing the Leiding door het Midden ('LdM') pipeline. These entities aimed to investigate the feasibility of a regional heat network and subsequently develop it in the province of Zuid-Holland. From 2020, LdM was developed further under the name WarmtelinQ, and to simplify business operations all LdM entities merged on 1 October 2023. These entities were wholly owned by Gasunie prior to the merger; accordingly, this qualifies as a merger under common control. The merger had no effect on the cash flows or result for 2023 nor on the equity at year-end 2023.

The financial data of the acquired companies has been recognised in the financial statements of the acquiring company, WarmtelinQ Transport Services B.V., with effect from 1 January 2023. The acquired companies are shown in [note 62 'List of group companies and participating interests'](#).

Sale of 50% of shares in EemsEnergy Terminal B.V.

In April 2023, Gasunie concluded an agreement in principle with Vopak LNG Holding B.V. ('Vopak'), under which Vopak would become a shareholder in EemsEnergy Terminal B.V., an LNG import terminal at the port of Eemshaven in the Netherlands. Gasunie has developed this floating storage and regasification terminal at this port to increase the security of gas supply and reduce dependence on Russian gas. The addition of Vopak opens the way for bundling knowledge and experience of LNG import and terminal activities, and the two companies will work together to further optimise EemsEnergyTerminal.

This transaction was completed in mid-November 2023 through Gasunie selling 50% of its shares in EemsEnergyTerminal to Vopak. From a financial perspective, the transaction was effected on 1 October 2023, from which date EemsEnergyTerminal qualifies as a de facto joint venture based on joint control and is no longer included in the consolidation. At the acquisition date, the fair value estimate of the net sales price was € 27.9 million, consisting of the gross sale proceeds of € 41.6 million less compensation of € 13.7 million payable to Vopak for certain corporate income tax. It has been agreed that Vopak will pay for the shares outright in cash in April 2024. In accordance with the contractual agreements, we will set the final selling price in mid-2024.

When determining the fair value of the selling price, an additional earnout of € 4.5 million was not taken into account given that the earnout payment is contingent on certain EBITDA targets for 2028 and 2029 being achieved, i.e. after the end of the current business case period (September 2027). Realisation of these targets is still uncertain. However, the effect of corporate income tax compensation agreed between the two shareholders as part of the transaction has been taken into account. This concerns corporate income tax to be paid by EemsEnergyTerminal on certain payments already received in full by Gasunie before Vopak joined the venture, but which will only be taxed in the future. We have estimated the fair value of this compensation to be € 13.7 million and we will pay the compensation annually to Vopak between 2024 and 2027. The exact amount of the compensation will be determined annually and depends in part on EemsEnergyTerminal's tax results. We have included this liability under non-current and current liabilities. If these estimates change in the future, we will process the effects in the profit and loss account at that time.

By effecting this share deal we no longer have control in EemsEnergyTerminal and, accordingly, we have remeasured the interest we retain at fair value and applied this as the initial carrying amount. Differences between the carrying amount and the fair value of EemsEnergyTerminal, as determined at the time of loss of control, has been recognised in profit and loss. This also applies to the result on the part of the interest we have disposed of. The transaction resulted in a one-off result of € 29.5 million on the portion of the interest disposed of. With regard to the interest we have retained, the fair value of the sold portion is a reasonable approximation of the fair value of the retained portion, and so we have remeasured the retained portion at € 29.5 million. We have included the remeasurement result of € 29.5 million in the profit and loss account.

3. Financial information by operating segment

We break down our financial information according to our operations, with the operating segments reflecting our management structure. We differentiate between the following segments:

- **Gasunie Transport Services**

This segment covers network operations in the Netherlands and is responsible for managing natural gas transmission, developing the natural gas network and related plants, and helping to facilitate a well functioning market.

- **Gasunie Deutschland**

This segment covers network operations in Germany and is responsible for managing natural gas transmission, developing the natural gas network and related plants, and helping to facilitate a well functioning market.

- **Participations**

This segment focuses on developing infrastructure for alternative energy carriers and making optimal use of existing participating interests, including by facilitating gas flows to north-western Europe through the supply of LNG and transporting gas over long-distance pipelines.

The accounting policies for measurement of assets and liabilities and the determination of the results used for the operating segments are the same as the accounting policies used when drawing up these consolidated financial statements. The assets, revenues and results of a segment comprise items directly related to the segments and items that can reasonably be attributed to them. Because our financing mainly takes place at group level, liabilities are not segmented and are, therefore, not reported on separately. Transactions between companies which belong to the segments are carried out at arm's length. As regards intersegment eliminations, we have removed transactions between the segments in the financial information by operating segment.

Revenues and results for each operating segment

The information about revenues and the result for each operating segment is as follows:

<i>In millions of euros</i>	Net revenues		Result	
	2023	2022	2023	2022
Operating segments				
- Gasunie Transport Services	1,213.5	1,624.8	295.0	698.9
- Gasunie Deutschland	386.9	360.8	181.7	-17.2
- Participations	489.0	382.7	139.6	47.2
Inter-segment adjustments	-134.4	-128.7	-1.7	-
Operating segments total	1,955.0	2,239.6	614.6	728.9
Unallocated financial income and expenses			-18.9	-8.1
Result before taxation			595.7	720.8
Income taxes			-112.4	-165.9
Revenue and result after taxation			483.3	554.9
<i>Allocation of the result after taxation</i>				
- Result attributable to the N.V. Nederlandse Gasunie			482.3	554.9
- Result attributable to non-controlling interest			1.0	-
Result after taxation			483.3	554.9

During 2023, the Gasunie Transport Services operating segment provided inter-segment services worth € 54.3 million (2022: € 59.6 million), the Gasunie Deutschland operating segment provided such services to the value of € 0.8 million (2022: € 0.6 million) and the Participations operating segment provided such services to the value of € 79.3 million (2022: € 68.5 million).

We provide more information on net revenue in [note 30 'Net revenue'](#).

Major customers

We generated more than 10% (but less than 15%) of our external revenues from gas transmission and associated services from a single customer in 2023 (2022: the same). This customer had no payment arrears at year-end 2023 (2022: the same). For a more detailed explanation of the credit risk see [note 28 'Financial instruments'](#).

Assets by operating segment

The information about assets by operating segment is as follows:

<i>In millions of euros</i>	Assets	
	31 Dec. 2023	31 Dec. 2022
Operating segments		
- Gasunie Transport Services	6,540.1	6,573.9
- Gasunie Deutschland	1,837.9	1,560.8
- Participations	1,354.9	1,734.4
Operating segments total	9,732.9	9,869.1
Unallocated assets	1,285.6	1,222.9
Total assets	11,018.5	11,092.0

The assets of the Gasunie Deutschland segment are increasing mainly due to the construction of transmission pipelines connecting onshore and FSRU-based LNG import terminals of third parties to the German gas transmission network. The decrease in the assets of the Participations segment is mainly due to the disposal of a portion of our shares in EemsEnergyTerminal, as explained in [note 2 'Business combinations and disposals of group companies'](#).

Allocated assets include tangible and intangible fixed assets, investments in joint ventures and associates, and investments in other equity interests. Unallocated assets comprise deferred tax assets, the derivative financial instruments and current assets.

Investments in and depreciation and amortisation of tangible and intangible fixed assets (including right-of-use assets) and other material non-cash items were as follows:

<i>In millions of euros</i>		Gasunie Transport Services	Gasunie Deutschland	Participations	Operating segments total
Investments in tangible fixed assets	2023	187.7	342.0	220.2	749.9
	2022	209.3	83.4	618.7	911.4
Depreciation of tangible fixed assets	2023	-216.6	-48.7	-137.7	-403.0
	2022	-219.7	-46.9	-95.8	-362.4
Material non-cash items	2023	-19.2	-9.1	41.4	13.1
	2022	41.2	-115.8	-20.2	-94.9

Other material non-cash items consist of, among other things, movements in personnel-related and other provisions, results of disposals and certain costs of the defined benefit pension plan.

In 2023, the other material non-cash items also include the remeasurement result in the retained interest in EemsEnergyTerminal and the result on the acquisition of GUFU BBL B.V., as explained in [note 2 'Business combinations and disposals of group companies'](#).

Assets by geographical area

Fixed assets by geographical area are determined primarily on the basis of the area where the activities take place. We differentiate between two geographical areas: the Netherlands and outside the Netherlands.

The geographical distribution of the assets is as follows:

<i>In millions of euros</i>		Fixed assets
	31 Dec. 2023	31 Dec. 2022
The Netherlands	7,664.0	8,057.7
Outside the Netherlands	2,159.3	1,811.4
Total fixed assets	9,823.3	9,869.1

Fixed assets included in the table above comprise tangible and intangible fixed assets and the share in the joint ventures, associates and other equity interests.

Information about joint ventures and associates

Operating segment information about joint ventures and associates is as follows:

<i>In millions of euros</i>	Investments in joint ventures and associates		Share in equity of joint ventures and associates	
	2023	2022	2023	2022
Operating segments				
- Gasunie Transport Services	-	-	-	-
- Gasunie Deutschland	-	-	91.0	98.5
- Participations	101.5	90.3	397.9	306.5
Operating segments total	101.5	90.3	488.9	405.1

Investments in joint ventures in 2023 mainly refer to our interest in the German LNG Terminal and Porthos.

<i>In millions of euros</i>	Acquisition of joint ventures and associates		Share in result of joint ventures and associates	
	2023	2022	2023	2022
Operating segments				
- Gasunie Transport Services	-	-	-	-
- Gasunie Deutschland	-	-	5.7	-2.6
- Participations	-	-	32.3	36.9
Operating segments total	-	-	38.0	34.3

We have included a further explanation of the changes in joint ventures and associates in [note 8 'Investments in joint ventures'](#) and [note 9 'Investments in associates'](#).

4. Impairment tests

At the end of each reporting period, we determine whether there are any events or indications for impairment of fixed assets and we investigate whether there are reasons to reverse previously recognised impairments.

The outcomes of this analysis for the most significant cash-generating units are shown below.

Gas transmission network in the Netherlands

Reason for the impairment test

At the end of 2023, we calculated the value in use of the GTS gas transmission network. We carried out a value-in-use calculation in part in response to the ruling by the Dutch Trade and Industry Appeals Tribunal regarding various appeals brought by GTS and several market parties against the GTS methodology decision for the 2022-2026 regulatory period. GTS' main grounds for appeal centred on the static efficiency benchmark and post-calculation of the energy costs. The Tribunal largely decided in GTS' favour on both matters. The Tribunal required that ACM apply a static efficiency score of 100% and that we be allowed, for a large part, to offset increases in energy costs in future regulated tariffs.

Furthermore, in the autumn of 2023, ACM, GTS and market parties made additional sector agreements on various topics pursuant to NC-TAR (network code regarding harmonised transmission tariff structures for natural gas). With these agreements, all related objection and appeal proceedings have been concluded and the parties have agreed not to initiate new proceedings regarding the cases that are part of the sector agreements during the remaining years of the current methodology decision. We expect that the additional sector agreements will be finalised in their present form in Q1 2024.

Prior to the impairment test at year-end 2023, the carrying amount of the gas transmission network – which is considered to be a single interrelated cash-generating unit – was approximately € 6.4 billion.

Impairment test method

We use an impairment test based on value in use (a 'value-in-use calculation') to determine the recoverable amount of the gas transmission network. The value in use is determined using a discounted cash flow (DCF) model. A fair value less costs to sell figure was not available at year-end 2023; there is no indication that the fair value less costs to sell is higher than the value in use.

Key assumptions in determining the recoverable amount and the key assumptions and estimates

The recoverable amount is, in principle, determined on the basis of the regulatory framework as laid down in the 2022-2026 methodology decision for GTS and in other regulations and decisions.

The starting point for the forecast revenue in the period 2024-2026 is the expected permitted revenue based on the 2022-2026 methodology decision for GTS and the cash flows derived from this, as well as cash flows from the post-calculations from previous years. For the period after 2026, the value of the network is derived from the regulatory asset base expected at that time (terminal value approach). The regulatory asset base is the value of the investments which the network operator may charge through the tariffs allowing for a reasonable return. Given the regulated nature of the business operations and the use of the expected regulatory asset base as the terminal value, no growth percentage has been applied to the future cash flows. In the regulatory framework, the stance has always been that GTS is entitled to recoup its adequately targeted investments in its future tariffs.

When making the value-in-use calculation, it was assumed that this stance will not change in the future, not even as a result of a possible phasing out of the gas transmission network in the long term as a result of the energy transition. We explain this further in [note 1 'Significant matters and events in 2023'](#). For this reason, the regulatory asset base has been used as the terminal value in the terminal value approach.

The company's management determines the starting point for the forecast expenditure and other variables, such as the expected development of operating costs, and the investment level. The key operating and investment cash flows (relevant for the capital cost allowance and the related post costing) are based on the business plan for the next three years.

A nominal pre-tax discount rate of 5.1% (derived from the post-tax discount rate of 3.8%) was applied when making the value-in-use calculation. The value-in-use calculation assumes a discount rate for determining the present value of the projected future cash flows equal to the capital cost allowance determined by ACM. In determining the future discount rate in the value-in-use calculation we have used the same methodology ACM uses, with the result that the value-in-use calculation has only limited sensitivity to changes in the discount rate (for example the timing effect of the post calculation of the capital cost allowance).

The key principles in the value-in-use calculation are explained below.

Static efficiency after the 2022-2026 regulatory period

For the calculation of value in use at year-end 2023, we assumed that the average weighted static efficiency for the regulatory period after 2026 will be maintained at 100%. For the 2022-2026 regulatory period, ACM initially set GTS' average weighted static efficiency at 96.1%, based on a benchmark study. This was one of the grounds for GTS filing an appeal with the Dutch Trade and Industry Appeals Tribunal against ACM's methodology decision for GTS. In GTS' view, the robustness of ACM's benchmark study was too limited and the model was not verifiable and did not provide a basis for the imposed efficiency discount. In 2023, the Tribunal ruled in favour of GTS on this point and required that ACM apply a static efficiency score of 100%.

Inflation adjustment for permitted revenue

For the forecast revenue in 2025 and 2026, the value-in-use calculation includes an estimate of the inflation adjustment allowance for the permitted revenue. ACM determines the amount of the inflation adjustment allowance over a reference period that differs from the assumption used in the business plan regarding the projected inflation. If the actual inflation adjustment allowance deviates from the allowance assumed in the value-in-use calculation, this will affect the projected future cash flows and, with this, the value in use of the gas transmission network.

Actual (vs forecast) operating expenses

The forecast operating expenses for the 2024-2026 period are based in part on the approved business plan for the next three years. With the exception of most of the energy costs, for almost all operating expenses no post calculation is carried out. If the actual operating expenses deviate from the forecast costs this will affect the projected future cash flows and, with this, the value in use of the gas transmission network.

Sensitivity analysis

The recoverable amount is based on significant assumptions. Changes may have a considerable effect on these assumptions. The table below provides an indication of the effect that changes to an important assumption will have on the recoverable amount. We assume that, all other things being equal, the change will take place at the start of the business plan period.

Change in the assumption or estimate	Size	Impact on recoverable amount
Static efficiency after the regulatory period	-1%	approx. € 50-60 million negative
Inflation adjustment for permitted revenue	+/- 1%	approx. € 10-20 million
Actual (vs forecast) operating expenses	+/- 5%	approx. € 40-50 million

Outcome of the impairment test

From the value-in-use calculation, we have determined that the recoverable amount of the gas transmission network in the Netherlands is virtually the same as its carrying amount. This means that there is neither an impairment loss nor a need to reverse a previously recognised impairment loss.

Gas transmission network in Germany

Our assessment has not revealed any indication of an impairment of the Gasunie Deutschland gas transport network as at 31 December 2023.

Gas transport network BBL Company

Our assessment has not revealed any indication of an impairment of the BBL Company gas transport network as at 31 December 2023.

EnergyStock underground gas storage facility

Our assessment has not revealed any indication of an impairment of the EnergyStock gas storage facility as at 31 December 2023.

Other tangible and financial fixed assets

Our assessment has not revealed any indication of impairment of other tangible and financial fixed assets as at 31 December 2023.

5. Tangible fixed assets

Movements in tangible fixed assets in 2023 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2023	Acquisition GUFU BBL	Investments	Disposals	Depreciation	Disposals EemsEnergy- Terminal	Carrying amount as at 31 Dec. 2023
Land and buildings	129.8	-	26.5	-	-8.6	-	147.7
Compressor stations	710.0	17.1	18.7	-0.1	-60.8	-	684.9
Installations	1,018.2	3.7	102.9	-0.2	-84.6	-112.7	927.3
Main transmission lines and related plant and equipment	4,792.4	37.6	62.9	-0.4	-96.8	-	4,795.7
Regional transmission lines and related plant and equipment	921.5	-	34.7	-0.9	-29.0	-	926.3
Underground gas storage	412.1	-	-1.7	-0.1	-28.1	-	382.2
Other fixed operating assets	209.4	4.3	40.9	-8.0	-21.5	-	225.1
Right-of-use assets	525.8	1.7	5.2	-	-65.3	-370.0	97.4
Fixed assets under construction	688.7	0.2	410.4	-	-	-48.7	1,050.6
Total for 2023 financial year	9,407.9	64.6	700.5	-9.7	-394.7	-531.4	9,237.2

In the Netherlands, the investments related mainly to the GTS nitrogen plant in Zuidbroek and to the WarmtelinQ pipeline. We have provided more details of the disposal of a portion of our shares in EemsEnergyTerminal and the acquisition of GUFU BBL in [note 2 'Business combinations and disposals of group companies'](#). In Germany, the investments mainly related to the construction of transmission pipelines connecting onshore and FSRU-based LNG import terminals of third parties to the German gas transmission network. The investments column also contains transfers from fixed operating assets under construction to the other asset categories for assets that were taken into use in 2023.

The conditional investment obligations at year-end 2023 are detailed in [note 29 'Off-balance sheet obligations'](#).

Tangible fixed assets at year-end 2023 includes an amount of € 97.4 million (year-end 2022: € 525.8 million) for right-of-use assets. We have economic but not legal ownership of these right-of-use assets. More detailed information about the associated lease liabilities can be found in [note 20 'Lease liabilities'](#). Tangible fixed assets also includes a number of pipelines that are jointly owned with other network operators; this only concerns a number of German gas transmission pipelines, of which EUGAL and NEL are the most important. At year-end 2023, the carrying amount of our share in these pipelines was € 486.6 million (year-end 2022: € 536.7 million).

Movements in right-of-use assets associated with leases in 2023 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2023	Acquisition GUFU BBL	Investments	Disposals	Depreciation	Disposal of EemsEnergy- Terminal	Carrying amount as at 31 Dec. 2023
Land and buildings	171.7	1.7	0.1	-	-7.5	-81.4	84.6
Installations	341.4	-	2.2	-	-55.0	-288.6	-
Regional transmission lines and related plant and equipment	5.5	-	0.4	-	-0.1	-	5.8
Other fixed operating assets	7.2	-	2.5	-	-2.7	-	7.0
Total for 2023 financial year	525.8	1.7	5.2	-	-65.3	-370.0	97.4

Movements in tangible fixed assets in 2022 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2022	Acquisitions	Investments	Disposals	Depreciation	Impairments	Carrying amount as at 31 Dec. 2022
Land and buildings	134.2	-	4.1	-0.2	-7.9	-0.4	129.8
Compressor stations	763.2	-	11.0	-1.2	-50.3	-12.7	710.0
Installations	923.7	-	171.5	-0.5	-65.0	-11.5	1,018.2
Main transmission lines and related plant and equipment	4,923.9	-	115.0	-0.2	-113.9	-132.4	4,792.4
Regional transmission lines and related plant and equipment	917.0	-	34.7	-0.9	-29.3	-	921.5
Underground gas storage	439.8	-	0.6	-	-28.3	-	412.1
Other fixed operating assets	233.3	-7.1	7.8	-0.3	-22.6	-1.7	209.4
Right-of-use assets	101.7	-	459.7	-	-35.6	-	525.8
Fixed assets under construction	602.7	-	86.0	-	-	-	688.7
Total for 2022 financial year	9,039.5	-7.1	890.4	-3.3	-352.9	-158.7	9,407.9

In the Netherlands, investments in 2022 related mainly to the construction of the new nitrogen plant, switching certain customers from high-calorific to low-calorific gas, the FSRUs and appurtenances at the port of Eemshaven, and the WarmtelinQ heat network.

In Germany we also invested in assets required for the import of LNG. The investments column also contains transfers from fixed operating assets under construction to the other asset categories for assets that were taken into use in 2022.

The change in the reclassifications column relates to a changed use of a small portion of the line pack/cushion gas and part of the nitrogen inventories. From 2022, we present this portion of the gas inventories under the balance sheet item 'Inventories'.

Movements in right-of-use assets associated with leases in 2022 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2022	Investments	Disposals	Depreciation	Carrying amount as at 31 Dec. 2022
Land and buildings	89.0	88.4	-	-5.7	171.7
Installations	-	368.2	-	-26.8	341.4
Regional transmission lines and related plant and equipment	6.9	-	-	-0.2	5.5
Other fixed operating assets	5.8	3.1	-	-2.9	7.2
Total for 2022 financial year	101.7	459.7	-	-35.6	525.8

The cost and accumulated depreciation of tangible fixed assets were as follows:

<i>In millions of euros</i>	Cost as at 31 Dec. 2023 *	Accumulated depreciation as at 31 Dec. 2023 **	Cost as at 31 Dec. 2022 *	Accumulated depreciation as at 31 Dec. 2022 **
Land and buildings	287.7	-140.0	261.2	-131.4
Compressor stations	1,884.8	-1,199.9	1,859.6	-1,149.6
Installations	2,624.8	-1,697.5	2,690.2	-1,672.0
Main transmission lines and related plant and equipment	10,142.6	-5,346.9	10,015.0	-5,222.6
Regional transmission lines and related plant and equipment	1,794.8	-868.5	1,764.1	-842.6
Underground gas storage	649.7	-267.5	651.8	-239.7
Other fixed operating assets	701.3	-476.2	668.2	-458.8
Right-of-use assets	139.7	-42.3	586.2	-60.4
Fixed assets under construction	1,050.6	-	688.7	-
Total	19,276.0	-10,038.8	19,185.0	-9,777.1

* Including the remeasurement of tangible fixed assets in the transition to IFRS in 2005 (deemed cost)

** Including accumulated impairments and their reversals.

Depreciation periods

We use assumptions when determining the relevant depreciation periods. At year-end 2023, we concluded that there was no reason at that time to revise the depreciation periods.

Our assets largely comprise regulated assets. The regulated depreciation periods are set by the regulatory authorities for the regulated networks in the Netherlands (ACM) and Germany (BNetzA). In the methodology decision for GTS for the 2022-2026 period, ACM still assumes – based partly on their energy transition studies – a long depreciation horizon (up to as long as 55 years for transmission pipelines) for the gas transmission network. At year-end 2023, the German gas transmission network was in a similar situation in terms of the useful life of existing assets assumed by the regulatory authority for the gas transmission network. However, in the Netherlands depreciation of the regulated assets has been accelerated in the current methodology decision through the application of a declining factor. Furthermore, with regard to certain assets under construction that will be put into use in the coming years, at the end of 2023 the regulatory authority in Germany gave German TSOs the option of writing these down over a period ending in 2045, a much shorter period than that set for writing down current regulated assets (the 'regulated depreciation period'). Depreciation of these assets had not yet started at year-end 2023. No formal decision has yet been taken regarding the regulated depreciation period for current German assets.

When determining the depreciation periods in the financial statements, at the end of 2023 we attached particular importance to the regulatory framework as it stood at that time and to the assumed longer useful life of regulated assets resulting from this. We anticipate that in the coming years more clarity will arise concerning the regulators' view on the expected useful life of the regulated assets in the long term and on any further adjustments to the expected useful life/depreciation period set by the regulator for current and new regulated assets. At that time, we will reassess the impact on our depreciation period and/or methodology in the financial statements.

Alongside external regulations, another key consideration in determining depreciation periods is our own view on the energy transition and environmental and climate targets, as well as on other social and political developments. This goes both for the regulated and the non-regulated assets and/or or assets exempted from regulation. We share ACM's and BNetzA's view that the existing gas infrastructure will continue to be needed in the medium to long term. We are also working on the possibility of using the existing gas infrastructure, in due course, for the transmission and storage of alternative energy carriers, such as hydrogen. In the Netherlands, an increasingly concrete long-term vision is emerging in the field of hydrogen, heat and CCS, and the details are expected to become ever more clear over the coming years. A practical example of this is the start of the construction of the national hydrogen grid in the Netherlands at the end of 2023. The German government is also working on plans in the climate domain, in which hydrogen is also expected to feature heavily. The Russian invasion of Ukraine in 2022 further accelerated these developments. We periodically evaluate the impact of social and political developments on the depreciation periods. At the end of 2023, this review did not result in a change in the depreciation periods.

Lastly, in our regular assessments of depreciation periods we check whether they relate to individual assets that will in the medium term no longer be used for the transmission or storage of gas. In such specific cases, we may possibly amend the depreciation periods for these individual assets. These installations have been temporarily decommissioned, or could be in the near future; in such cases these assets are depreciated at an accelerated rate until the date of decommissioning. In the approach to the technical decommissioning, if an alternative use is foreseen for hydrogen, heat or CCS, we take into consideration the possibility of recommissioning the installations in the future. The installations will therefore not be removed/replaced, but sustainably preserved. In 2023, accelerated depreciation was applied to one installation, resulting in additional depreciation costs of approximately € 4.5 million.

We have no indications that the expected useful life of the other regulated and non-regulated assets and/or or assets exempted from regulation is shorter than the current depreciation period.

The depreciation periods for the most important asset categories were as follows:

Land	no depreciation
Buildings	50 years
Compressor stations	30 years
Installations	30 years
Main transmission lines	until 2070
Regional transmission lines and related plant and equipment	until 2070
Underground gas storage facility	until 2035
Other fixed operating assets	5-20 years
Fixed operating assets under construction	no depreciation

We depreciate right-of-use assets in accordance with the above categories; we depreciate leased land in accordance with the useful life of the asset with which the land lease is connected. We do not calculate depreciation on land, line pack/cushion gas volumes or assets under construction.

6. Intangible fixed assets

Movements in intangible fixed assets in 2023 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2023	Investments	Disposals	Depreciation	Impairments	Carrying amount as at 31 Dec. 2023
Software	25.7	11.3	-	-8.3	-	28.7
Fixed assets under construction	23.4	38.1	-	-	-	61.5
Total for 2023 financial year	49.1	49.4	-	-8.3	-	90.2

The intangible fixed assets exclusively concerned activated software, insofar as these assets were not directly related to the IT operating system for the gas transmission network; we present the latter under tangible fixed assets. The investments include the implementation of a new ERP system.

The amortisation period for intangible fixed assets varies between five and ten years, depending on the nature of the software.

Movements in intangible fixed assets in 2022 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2022	Investments	Disposals	Depreciation	Impairments	Carrying amount as at 31 Dec. 2022
Software	26.0	9.6	-	-9.5	-0.4	25.7
Fixed assets under construction	12.0	11.4	-	-	-	23.4
Total for 2022 financial year	38.0	21.0	-	-9.5	-0.4	49.1

The cost and accumulated amortisation of intangible fixed assets were as follows:

<i>In millions of euros</i>	Cost as at 31 Dec. 2023	Accumulated depreciation as at 31 Dec. 2023 *	Cost as at 31 Dec. 2022 *	Accumulated depreciation as at 31 Dec. 2022 *
Software	86.3	-57.6	78.8	-53.0
Fixed assets under construction	61.5	-	23.4	-
Total	147.8	-57.6	102.2	-53.0

* Including accumulated impairments and their reversals.

7. Investments in joint operations

We have interests in the following joint operations, either directly or indirectly:

Company name	Registered office	31 Dec. 2023	Interest 31 Dec. 2022
BBL Company V.O.F.	Groningen	75.0%	60.0%

BBL Company

BBL Company was founded in 2004 and has been operating a gas pipeline between Balgzand in the Netherlands and Bacton in the United Kingdom since 2006. The interests in BBL Company are held by Gasunie BBL B.V. (60%), Fluxys BBL B.V. (20%), and GUFU BBL B.V. (20%). Gasunie is the sole shareholder of Gasunie BBL B.V. and holds 75% of the shares in GUFU BBL B.V. At the end of 2023, Gasunie effectively had a 75% financial interest in the BBL Company joint arrangement (year-end 2022: 60% interest). As a result of the de facto joint control agreements regarding GUFU BBL and BBL Company, we are consolidating our interest in BBL Company for 80% (with a non-controlling interest of 5%).

See [note 2 'Business combinations and disposals of group companies'](#) for more details on our acquisition of the shares in GUFU BBL B.V. in 2023. Acquiring the shares in GUFU BBL B.V. did not at any point give Gasunie control over BBL Company. Moreover, a V.O.F. structure is considered to be a transparent structure in the Netherlands, with the partners having a direct interest in the assets and liabilities of the V.O.F. The legal and economic reality of BBL Company is therefore comparable with that of a joint operation.

8. Investments in joint ventures

We have interests in the following joint ventures, either directly or indirectly:

Company name	Registered office	Interest	
		31 Dec. 2023	31 Dec. 2022
Biogas Netwerk Twente B.V. (in liquidatie)	Almelo	50.0%	50.0%
Demonstratie Faciliteit Super Kritische Water Vergassing (SKW) Alkmaar B.V.	Alkmaar	35.0%	35.0%
DEUDAN - Deutsch/Dänische Erdgastransport GmbH	Handewitt, Duitsland	75.0%	75.0%
DEUDAN - Deutsch/Dänische Erdgastransport GmbH & Co. KG	Handewitt, Duitsland	33.4%	33.4%
EemsEnergyTerminal B.V. ¹	Groningen	50.0%	100.0%
EemsGas Asset Company B.V.	Amsterdam	50.0%	50.0%
Gate terminal C.V.	Rotterdam	50.0%	50.0%
Gate terminal Management B.V.	Rotterdam	50.0%	50.0%
German LNG Terminal GmbH	Hamburg, Duitsland	40.0%	100.0%
National Energy Information Services B.V. ²	Groningen	50.0%	-
NETRA GmbH Norddeutsche Erdgas Transversale	Emstek/Schneiderkrug, Duitsland	50.0%	50.0%
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG	Emstek/Schneiderkrug, Duitsland	44.1%	44.1%
Porthos System Operator B.V.	Rotterdam	50.0%	50.0%
Porthos Offshore Transport and Storage GP B.V.	Rotterdam	50.0%	50.0%
Porthos CO2 Transport and Storage GP B.V.	Rotterdam	33.3%	33.3%
Porthos Onshore Transport GP B.V.	Rotterdam	50.0%	50.0%
Porthos Offshore Transport and Storage C.V.	Rotterdam	50.0%	50.0%
Porthos CO2 Transport and Storage C.V.	Rotterdam	33.3%	33.3%
Porthos Onshore Transport C.V.	Rotterdam	50.0%	50.0%
VertiCer B.V.	Arnhem	50.0%	50.0%

¹ Joint venture as per 1 October 2023

² Established on 25 October 2023

Biogas Network Twente (in liquidation)

Biogas Network Twente was a joint arrangement with Cogas aimed at providing installations to enable the feed-in of biogas into the gas transmission network. Gasunie's share was 50% and we had joint control based on the contractual arrangement. Partway through 2023, the parties decided to dissolve Biogas Network Twente, with Cogas being appointed liquidator and custodian of the company's books and records. The liquidation was completed in January 2024. The financial settlement was processed already in 2023 and had no material effect on Gasunie's assets, results or cash flows in 2023.

Demonstratiefaciliteit SKW

SCW Systems and Gasunie founded the SKW Alkmaar demonstration facility (Demonstratiefaciliteit SKW) in 2017. This is a joint arrangement for developing supercritical water gasification plants to produce biogas to be fed into the gas transmission network.

The aim of the joint arrangement is to build a demonstration facility to demonstrate that this new technology can work robustly on an industrial scale over the coming years. Gasunie's financial interest has been 35% since 2021; however, based on the contractual arrangements there is joint control.

DEUDAN

DEUDAN stands for German/Danish Natural Gas Transport (Deutsch/Dänische Erdgastransport - DEUDAN) and operates a gas pipeline in Germany between the Itzehoe region and the German/Danish border in the Flensburg region. The other shareholder is Open Grid Europe. Gasunie Deutschland's financial interest in this participating interest differs from its voting right: while Gasunie Deutschland has a 33.4% interest in DEUDAN, based on the agreements between the shareholders the two companies have joint control.

EemsGas

EemsGas is a joint arrangement between Gasunie and Perpetual Next. With the EemsGas project, we are exploring possibilities for building a gasification plant in Delfzijl for the gasification of torrefied woody biomass originating from recycled wood waste. A two-stage gasification process is used to sustainably produce green gas from syngas, which can then be distributed, further reducing dependence on fossil feedstock. Gasunie jointly owns the installation together with Perpetual Next; Perpetual Next will be solely responsible for operating the plant if and when it comes into operation. Based on the agreements between the shareholders, the partners have joint control. Gasunie has a 50% financial interest.

EemsEnergyTerminal

EemsEnergyTerminal is an LNG import terminal based on two floating storage and regasification units (FSRUs) located at the port of Eemshaven. Gasunie developed this FSRU-based terminal in 2022 to increase the security of gas supply in Europe and reduce dependence on Russian gas. We are investigating the possibility of eventually using the site for the import of green hydrogen. Since 1 October 2023, we have been operating the terminal together with Vopak. At year-end 2023, both Gasunie and Vopak had a 50% financial interest in EemsEnergyTerminal and, based on agreements between the shareholders, the two companies have joint control. At year-end 2022 Gasunie had a 100% financial interest in EemsEnergyTerminal. Further details of the sale of 50% of the shares in EemsEnergyTerminal to Vopak in 2023 are provided in [note 2 'Business combinations and disposals of group companies'](#).

Gate terminal

Gate terminal is a joint arrangement with Vopak for the operation of an LNG terminal at Rotterdam's Maasvlakte industrial park. Gasunie and Vopak each have a 50% financial interest in both Gate terminal Management B.V. and Gate terminal C.V. Gate terminal B.V. is the actual operator of the LNG terminal and is wholly-owned by Gate terminal C.V. However, based on the agreements between the shareholders, the two companies have joint control.

German LNG Terminal

German LNG Terminal GmbH was set up to develop an LNG terminal in Brunsbüttel in northern Germany ('German LNG Terminal'). At year-end 2023, Gasunie had a 40% interest in German LNG Terminal (year-end 2022: 100%, 60% of which qualified as assets held for sale). The shareholder structure of German LNG Terminal was changed in the first half of 2022, at which time Gasunie acquired all shares in the consortium from the former shareholders. At the same time, Gasunie signed a letter of intent with Kreditanstalt für Wiederaufbau (KfW, on behalf of the German government) and RWE for the construction of an LNG terminal. Gasunie is the intended operator of this terminal and, as set out in the letter of intent, sold 50% of its shares to KfW and 10% to RWE in 2023. Based on the agreements between the shareholders, the parties have joint control. Given that, based on the provisions of the letter of intent, we did not acquire control over German LNG Terminal even before the transfer of the shares to KfW and RWE, our shareholding qualified as a joint venture, and measurement using the equity method was maintained. Further details of the result of disposal of 60% of the shares in German LNG Terminal are provided in [note 31 'Other revenue'](#).

NETRA

NETRA GmbH Norddeutsche Erdgas Transversale & Co KG manages a natural gas pipeline in the north of Germany comprising around 350 kilometres of pipeline and two compressor stations. The other shareholder in NETRA is Open Grid Europe. Gasunie Deutschland has a 44.1% financial interest in NETRA. Open Grid Europe has the remaining financial interest of 55.9%. Gasunie Deutschland's financial interest in this participating interest differs from its voting right. However, based on the agreements between the shareholders, the two companies have joint control.

National Energy Information Services

National Energy Information Services (NEIS) was founded in 2023 by Gasunie and TenneT. The purpose of NEIS is to develop and provide information services in the area of energy and energy systems and to provide access to and an understanding of energy/energy system data, including information to be used to advance the energy transition and a sustainable energy supply. Gasunie and TenneT each hold 50% of the shares in NEIS and, based on agreements between the shareholders, the two companies have joint control.

Porthos

Porthos is a joint arrangement between Gasunie, Energie Beheer Nederland (EBN) and Port of Rotterdam Authority. Porthos focuses on storing CO₂ in empty gas fields on the North Sea bed. The project extends to the development of a carbon capture, storage and transport system, which various industries and businesses can connect to. Gasunie is contributing its expertise particularly in terms of transport and storage. Based on the agreements between the shareholders, the partners have joint control. From a legal standpoint, Porthos comprises multiple companies. Gasunie's interest in the individual participating companies varies between 33.3% and 50%.

VertiCer

VertiCer was founded at the end of 2022 and merged with Vertogas B.V. (formerly a Gasunie group company) and CertiQ B.V. (formerly a TenneT group company) on 1 January 2023. With this merger, from 2023 VertiCer became the central point for the provision of Guarantees of Origin (GOs) and Certificates of Origin (COs) for electricity, sustainable thermal energy, green gas and hydrogen. With VertiCer, a solid partner that combines the strengths and knowledge of Vertogas and CertiQ has been created for the certification of all energy carriers. The VertiCer certification system provides assurance on the origin, method of generation/production and the quality of sustainable energy. Gasunie and TenneT each hold 50% of the shares in VertiCer and, based on the agreements between the shareholders, the two companies have joint control.

The movements in joint ventures have been aggregated as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	371.9	284.0
Reclassification EemsEnergyTerminal from group companies to joint venture	27.8	-
Investments	101.5	90.0
Disposals	-14.9	-
Changes in equity	-1.1	23.7
Result from joint ventures	38.0	42.3
Impairments	-	-8.0
Dividend received	-39.3	-27.9
Classified as 'assets held for sale'	-	-32.2
Balance as at 31 December	483.9	371.9
Loans to joint ventures	4.4	0.4
Total investments in joint ventures	488.3	372.3

The investments in 2023 mainly related to German LNG Terminal and Porthos. The direct movements in equity referred to the remeasurement of the interest in Gate terminal as a consequence of the change in fair value of the effective part of one of Gate terminal's cash flow hedges. Gasunie has recognised this change in equity in other comprehensive income.

The reclassification of EemsEnergyTerminal from group company to joint venture ensued from the sale of 50% of Gasunie's shares in EemsEnergyTerminal on 1 October 2023. By effecting this share deal, Gasunie no longer has control in EemsEnergyTerminal and, accordingly, we have remeasured the interest we have retained in the terminal at fair value. For more details on this share deal, see [note 2 'Business combinations and disposals of group companies'](#). The disposals mainly related to the sale of 60% of our interest in Germany LNG GmbH. The shareholding to be transferred was already recognised as 'assets held for sale' at the end of 2022.

Loans to joint ventures concern loan facility agreements with EemsEnergyTerminal and VertiCer. See [note 43 'Financial fixed assets'](#). In 2023 an amount of € 46 million was taken out in loans. An amount of € 42 million was redeemed. These amounts are included in the consolidated cash flow statement.

Of the joint ventures, Gate terminal and EemsEnergyTerminal have a material effect on our equity and result. Information about the carrying amount, the share in other comprehensive income, the result for the financial year and the dividend received on investments broken down into Gate terminal, EemsEnergyTerminal and other joint ventures is as follows:

<i>In millions of euros</i>		Gate terminal	EemsEnergy-Terminal	Other joint ventures	Total joint ventures
Carrying amount as at 31 December	2023	216.0	29.5	238.5	483.9
	2022	193.2	-	178.7	371.9
Share in result after taxation for the financial year	2023	39.9	1.5	-3.4	38.0
	2022	37.6	-	4.7	34.3
Gasunie's share in comprehensive income	2023	38.8	1.5	-3.4	36.9
	2022	61.3	-	-4.8	56.5
Dividend received in the financial year	2023	26.0	-	13.3	39.3
	2022	21.0	-	6.9	27.9

Due to the material effect on Gasunie's equity and result, we have included more detailed information below with regard to Gate terminal and EemsEnergyTerminal.

Information about Gate terminal and EemsEnergyTerminal

The financial information concerning Gate terminal and EemsEnergyTerminal is as follows:

	Gate terminal		EemsEnergy-Terminal	
<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022	31 dec. 2023	31 dec. 2022
Fixed assets	855.4	851.9	583.2	569.4
<i>of which deferred tax assets</i>	3.7	3.9	-	-
Current assets	113.1	93.4	139.7	63.5
<i>of which current tax assets</i>	5.8	1.4	-	-
<i>of which cash and cash equivalents</i>	80.0	72.7	21.3	18.8
Non-current liabilities	-412.4	-480.8	-446.8	-356.2
<i>of which interest-bearing loans</i>	-286.8	-338.8	-8.0	-
<i>of which derivative financial instruments</i>	-18.0	-15.1	-6.1	-
<i>of which deferred tax liabilities</i>	-	-	-3.1	-
Current liabilities	-124.1	-78.1	-217.2	-280.9
<i>of which current financing liabilities</i>	-86.0	-49.7	-	-
<i>of which current tax liabilities</i>	-10.0	-9.6	-3.8	-3.1
Net investment	432.0	386.4	58.9	-4.2
Gasunie's share	50%	50%	50%	100%
Carrying amount	216.0	193.2	29.5	-4.2

In millions of euros	Gate terminal	EemsEnergyTerminal		
	2023	2022	2023*	2022
Revenue	207.8	191.8	337.2	42.9
Total expenses	-77.2	-64.9	-319.5	-64.5
of which depreciation	40.6	39.4	112.3	32.5
Financial income	0.9	-	11.7	21.4
Financial expenses	-23.6	-25.1	-23.6	-4.0
Taxes	-28.2	-26.7	-1.1	-
Result after taxation	79.7	75.1	4.7	-4.2
Other comprehensive income	-2.2	47.5	-	-
Total comprehensive income	77.5	122.6	4.7	-4.2
Gasunie's share	50%	50%	50%	100%
Gasunie's share in comprehensive income	38.8	61.3	2.4	-4.2

* The condensed profit and loss account for EemsEnergyTerminal presented above covers the entire financial year.

EemsEnergyTerminal has been reclassified as a joint venture as per 1 October 2023. Gasunie's share in the other comprehensive income from 1 October 2023 totals € 1.5 million.

9. Investments in associates

At year-end 2023, investments in associates related solely to the interest in Trading Hub Europe GmbH and Beheerder Afsprakenstelsel B.V.

Trading Hub Europe

Trading Hub Europe GmbH (THE) was established on 1 June 2021 and has been operational since 1 October 2021. THE is the market area coordinator for the German high-pressure transport network and, in that capacity, is involved in managing network balancing, data collection and exchange of relevant market data, managing virtual trading points, and more. THE was founded by bayernets GmbH, Fluxys TENP GmbH, GASCADE Gastransport GmbH, Gastransport Nord GmbH, GRTgaz Deutschland GmbH, Nowega GmbH, ONTRAS Gastransport GmbH, Open Grid Europe GmbH, terranets bw GmbH, Thyssengas GmbH and Gasunie Deutschland Transport Services GmbH. Under the joint arrangement, the eleven shareholders each hold a 9.09% stake and each can exert significant influence on the relevant operations of THE. Accordingly, we recognise the interest in THE as an associate and apply the equity method for its measurement.

THE has no material effect on our equity and result. The value of Gasunie's interest in THE was € 0.6 million at year-end 2023 (€ 0.6 million at year-end 2022).

Beheerder Afsprakenstelsel B.V.

At the end of 2021, Gasunie obtained 25% of the shares in the newly established entity Beheerder Afsprakenstelsel (BAS) B.V. BAS is responsible for the practical support of the Market Facilitation Forum (MFF) association and also responsible for the implementation and monitoring of the agreements made within MFF. The other shares in BAS are held by TenneT (25%) and the seven regional TSOs (jointly 50%). BAS has its registered office in Amersfoort, the Netherlands. At the end of 2023, the value of our share in BAS was less than € 0.1 million (year-end 2022: less than € 0.1 million).

Gasunie's total share in the other comprehensive income of associates in 2023 is less than € 0.1 million (2022: less than € 0.1 million).

10. Other equity interests

The other equity interests are as follows:

Company name	Registered office	Interest	
		31 Dec. 2023	31 Dec. 2022
Energie Data Services Nederland (EDSN) B.V.	Arnhem	12.5%	12.5%
Nord Stream AG	Zug, Switzerland	9.0%	9.0%
PRISMA European Capacity Platform GmbH	Leipzig, Germany	12.8%	12.7%
SCW Systems B.V.	Schoorl	4.7%	4.9%

Energie Data Services Nederland (EDSN)

EDSN works in conjunction with the regional transmission system operators, TenneT and GTS on central market facilitation for the energy sector. EDSN develops and manages IT infrastructure for the energy market. EDSN has its registered office in Arnhem, the Netherlands. Based on agreements with shareholders, Gasunie has no significant influence in EDSN.

Nord Stream

Gasunie has a 9% financial interest in Nord Stream AG, which is headquartered in Switzerland. The majority of shares (51%) are held by the Russian state-owned company Gazprom, with the remaining shares owned by the western European energy companies Wintershall Dea (15.5%), the E.ON pension fund administrator (15.5%) and ENGIE (9%).

Nord Stream is responsible for the two gas pipelines that form the Nord Stream connection which runs under the Baltic Sea from Russia to Germany. Gasunie gained a stake in the equity of Nord Stream in 2008. Based on agreements with shareholders, Gasunie has no significant influence in Nord Stream.

PRISMA European Capacity Platform

PRISMA is a European platform for trading transport capacity. Gasunie offers its transport capacity on this and other platforms. PRISMA has its registered office in Leipzig, Germany. Based on agreements with shareholders, Gasunie has no significant influence in PRISMA. The slight increase in our interest in PRISMA is related to our increased interest in BBL Company, which is one of the PRISMA shareholders. For further details see [note 2 'Business combinations and disposals of group companies'](#).

SCW Systems

SCW Systems and Gasunie are the joint shareholder in Demonstratiefaciliteit SKW Alkmaar B.V. This is a joint arrangement for developing supercritical water gasification plants to produce biogas to be fed into the gas transmission network. At year-end 2023 Gasunie had a 4.7% interest in SCW Systems (year-end 2022: 4.9%). Based on agreements with shareholders, Gasunie has no significant influence in SCW Systems.

Explanation of fair value of other equity interests

The context of our shareholding in Nord Stream has changed significantly due to the continued Russian aggression and warfare in Ukraine since the beginning of 2022, and certainly due to the serious damage to the pipelines as a result of the explosions that occurred on 26 September 2022, which has resulted in the pipelines not being operational since. At the end of 2023, we considered several scenarios regarding the future of the Nord Stream pipeline and assessed the financial implications of each. Based on our latest risk assessment, including our expectations regarding any future dividends to be received, we decided to keep the value of our interest in Nord Stream at year-end 2023 at € zero (year-end 2022: € zero). A fair value calculation and sensitivity analysis have not been included in the financial statements for these interests.

The fair value of other equity interests at year-end 2023 was € 7 million (also € 7 million at year-end 2022). For all participating interests this is a level 3 measurement (year-end 2022: level 3). The other equity interests paid no dividend in 2023 (the same as in 2022).

The assumption for the other equity interests in PRISMA, EDSN and SCW Systems is that, partly on account of their relatively small size, the carrying amount is a good estimate of the fair value. We have, therefore, not included a fair value calculation and sensitivity analysis in the financial statements for these interests.

11. Deferred tax assets

Deferred tax assets arise from temporary differences between the measurement of assets and liabilities for financial reporting purposes and their measurement for tax purposes. There are no capitalised losses carried forward. At year-end 2023, we expected sufficient future taxable profits to utilise the deferred tax asset (year-end 2022: the same). This assumption is based on the projected taxable results for the coming years (based on the most recent multi-year plan) and on the assumption that, based on the current regulatory frameworks, we can in principle always make a reasonable return on our invested amounts and the operating expenses and depreciation costs will always be recovered, meaning that we will also earn sufficient taxable profits in the long term.

The temporary differences concerned the tax treatment of the purchase price paid by the Dutch State, the differences in respect of the measurement of tangible fixed assets and other temporary differences. The first difference arose when Gasunie was split into a transport and a trading company in 2005. At the time, the Dutch State made a deemed capital contribution to Gasunie for tax purposes. Gasunie did not capitalise this purchase price for tax purposes under IFRS. This recognition of the purchase price has given Gasunie an additional tax depreciation potential, for which a deferred tax asset has been recognised.

The temporary difference resulting from the measurement of tangible fixed assets is mainly due to the one-time remeasurement of tangible fixed assets when Gasunie was split in 2005 and the subsequent transition to IFRS. In addition, the depreciation method for tax purposes deviates from time to time from the depreciation principles under IFRS (including the recognition of impairments and their reversals). Such temporary differences are recognised in the balance sheet. On balance, temporary differences in tangible fixed assets result in a deferred tax liability.

The other differences relate mainly to temporary differences resulting from employee benefits and derivative financial instruments.

The aforementioned deferred tax assets and liabilities relate to the fiscal unity for Dutch corporate income tax and satisfy the conditions for setting off tax debts. We have therefore presented deferred taxation as a net amount.

The movements in deferred tax assets in 2023 were as follows:

<i>In millions of euros</i>	Purchase price paid by the Dutch State	Financial instruments	Tangible fixed assets	Other	Total
Balance as at 1 January 2023	1,200.6	4.0	-955.5	-9.9	239.2
Recognition of temporary differences in profit and loss	-54.6	0.3	25.1	8.7	-20.5
Recognition of temporary differences in equity	-	-	-	2.7	2.7
Disposal of EemsEnergy-Terminal	-	0.7	-	-	0.7
Balance sheet as at 31 December 2023	1,146.0	5.0	-930.4	1.5	222.1

The deferred tax assets at year-end 2023 to be settled within one year after the balance sheet date amounted to € 33.5 million (year-end 2022: € 34.3 million). This amount is not shown separately under current assets. The non-current portion of the deferred tax assets has a term until 2070.

The movements in deferred tax assets in 2022 were as follows:

<i>In millions of euros</i>	Purchase price paid by the Dutch State	Tangible fixed assets	Other	Total
Balance as at 1 January 2022	1,254.8	-999.1	2.3	258.0
Recognition of temporary differences in profit and loss	-54.2	43.6	-8.2	-18.8
Balance as at 31 December 2022	1,200.6	-955.5	-5.9	239.2

12. Inventories

Inventories can be broken down as follows:

<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022
Gas inventories	77.8	113.3
Emission allowances	2.0	3.2
Other inventories	90.1	83.3
Total inventories	169.9	199.8

'Inventories' consists of gas inventories, emission allowances and other inventories.

Gas inventories comprise the physical stores of gas and mainly consist of natural gas inventories, though also a small store of nitrogen, which we use for quality conversion. Our group company GTS maintains natural gas reserves, for one to fulfil its statutory duty to provide peak capacity in the Netherlands. GTS is required to take measures to secure peak capacity for suppliers of small-scale consumers. Peak capacity concerns the supply of gas in case of extremely cold weather conditions, i.e. when temperatures over a 24-hour period at the Royal Netherlands Meteorological Institute's base in the town of De Bilt drop to below -9°C. When that happens, GTS supplies gas to licence holders (i.e. the suppliers to the small-scale consumer market).

In addition to possibly using our own natural gas, we contract third parties specifically for the purpose of fulfilling this statutory duty, putting the fulfilment of this obligation out to tender. However, given the volatile gas market in 2022 the tender was unsuccessful. The invitation to tender for the provision of peak capacity for the winter of 2023/2024 was successful, meaning we could store less of our own physical natural gas at the end of 2023.

The emission allowances relate almost entirely to emission allowances under the EU ETS. The balance of the allowances included in the balance sheet concerned the surplus emission allowances not required to meet the obligation at the end of the financial year. We can use these allowances to settle future obligations.

The other inventories concerned items kept for regular daily maintenance, for the company's own present and future investments, and for projects carried out for third parties and joint ventures.

In measuring the inventories at year-end 2023, we already took into account a write-down based on the lower recoverable amount. In 2023, an amount of € 0.3 million (2022: € 2 million) has been recognised in other costs as a result of the adjustment of the inventory measurement to the lower recoverable amount. This addition strictly concerned other inventories and not the gas inventories or emission allowances.

13. Trade and other receivables

Trade and other receivables are as follows:

<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022
Trade receivables	140.0	195.0
Receivables from joint ventures and associates	118.1	30.2
Other taxes	40.7	45.1
Other receivables and accruals	142.5	75.1
Total trade and other receivables	441.3	345.4

Receivables from joint ventures and associates related mainly to costs we incurred and investments we made on behalf of the joint ventures in which we are a partner that are yet to be settled. The receivables have a regular payment term and therefore bear no interest.

Other taxes mainly concerned current VAT receivables. The other receivables and accrued income include the acquisition price yet to be received for the sale of 50% of our shares in EemsEnergyTerminal, as explained in [note 2 'Business combinations and disposals of group companies'](#) and the receivables following the settlement of the sale of 60% of our interest in German LNG Terminal, as explained in [note 8 'Investments in joint ventures'](#).

Trade and other receivables have a nominal term of less than one year. [Note 28 'Financial instruments'](#) provides more information on the securities received. Trade and other receivables are measured less a provision to cover expected credit losses. Movements in the provision for expected credit losses were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	25.9	16.9
Addition, charged to profit and loss	3.0	9.0
Write-offs, charged against provisions	-	-
Release, credited to profit and loss	-	-
Balance as at 31 December	28.9	25.9

The addition of € 3 million to the provision in 2023 is related to one of our customers failing to fulfil a contractual obligation. We also have outstanding liabilities vis-à-vis the same customer, which we have reduced, also by € 3 million, based on our expectation that we will be able to set off our debt against our receivable. Accordingly, the above credit loss ultimately had no impact on the result in 2023.

The total of trade receivables and other receivables, excluding receivables under other taxes, totalled € 400.6 million at year-end 2023 (year-end 2022: € 300.3 million). The ageing of these receivables as at the balance sheet date was as follows:

<i>In millions of euros</i>	31 Dec. 2023			31 Dec. 2022		
	Nominal value receivables	Expected credit losses	Carrying amount receivables	Nominal value receivables	Expected credit losses	Carrying amount receivables
Not due	391.4	-	391.4	261.2	-	261.2
<30 days	8.1	-	8.1	36.7	-	36.7
30 - 60 days	0.2	-	0.2	9.2	9.1	0.1
60 - 90 days	0.1	-	0.1	0.9	-	0.9
90 - 120 days	0.1	-	0.1	0.3	-	0.3
>120 days	29.6	28.9	0.7	17.9	16.8	1.1
Total	429.5	28.9	400.6	326.2	25.9	300.3

Our exposure to credit risk does not exceed the carrying amount of the trade and other receivables. We have implemented strict processes and measures to limit credit risk. We determine the expected credit loss on trade and other receivables for each individual debtor separately, taking into account the age of the receivable, the probability of non-payment, and the loss incurred in the event of non-payment, among other factors. We use internal and external credit checks and ratings when accepting new customers and for determining credit limits for our existing customers.

When deemed appropriate, we request bank guarantees or other securities to cover the credit risk. For a more detailed explanation of the credit risk see [note 28 'Financial instruments'](#).

14. Corporate income tax

N.V. Nederlandse Gasunie and its wholly-owned Dutch group companies constitute a fiscal unity for corporate income tax. Gasunie Deutschland GmbH & Co. KG and its wholly-owned German group companies also constitute a fiscal unity for German corporate income tax purposes. We do not present receivables and liabilities relating to corporate income tax on different fiscal unities as a net amount. This also applies to receivables and liabilities for companies that do not belong to the fiscal unity.

The corporate income tax refund receivable was as follows:

<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022
The Netherlands	47.9	-
Germany	12.4	2.6
Total corporate income tax receivables	60.3	2.6

The corporate income tax payable was as follows:

<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022
The Netherlands	3.7	32.7
Germany	0.3	-
Total corporate income tax payables	4.0	32.7

Current receivables and liabilities relating to corporate income tax constitute the corporate income tax due for the current financial year less any sums paid on receipt of provisional or final tax returns and adjusted for any corrections from previous periods for the relevant fiscal unities.

Movements in the corporate income tax payable/receivable were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	-30.1	28.0
Acquisition GUFU BBL	-0.3	-
Corporate income tax for the financial year	-56.5	-184.5
Corporate income tax for the previous financial years	0.5	4.2
Paid taxes	142.8	122.2
Balance as at 31 December	56.3	-30.1

The relatively large changes in taxes to be paid and tax refunds to be received mainly related to the amount and timing of the provisional tax returns in relation to the significant fluctuations in the results in 2022 and 2023 and the consequent corporate income tax to be paid. We provide further details on the result development in [note 30 'Net revenue'](#).

More details of the acquisition of GUFU BBL are provided in [note 2 'Business combinations and disposals of group companies'](#).

15. Cash and cash equivalents

The cash and cash equivalents were as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Banks	39.0	85.9
Security deposits	255.7	350.0
Payments in transit	-	-
Total cash and cash equivalents	294.7	435.9

Bank balances carry an interest rate based on daily interest and are payable immediately. The call funds and deposits are also interest bearing and have a short term (varying between 1 and 90 days).

The cash and cash equivalents balance decreased at year-end 2023, mainly due to lower security deposits received from customers. The higher balance in 2022 was an effect of the uncertainties and high prices on the European energy markets, as a result of which we received more financial security from our customers in that year.

16. Shareholders' equity

Policy regarding capital and financial position

Our policy regarding the capital and financial position is geared towards:

- guaranteeing our continuity;
- financing investments in the transport and transmission network and enabling the energy transition, while taking sustainability goals into account;
- maintaining a capital and financing structure with a view to optimising borrowing costs and keeping good access to financial markets.

We aim to have a financial profile that will enable us to implement our strategy and, at the same time, lead to a satisfactory credit rating that aligns with our profile and the shareholder's policy.

We have included further information about the company's financial position, the financial and other instruments used, and the size of these instruments in [note 18 'Interest-bearing loans'](#) and [note 28 'Financial instruments'](#).

For a further explanation of our equity, we refer to the notes to equity in the company financial statements (notes: [45 'Issued share capital'](#); [46 'Remeasurement reserve'](#); [47 'Legal reserve for participating interests'](#); [48 'Other reserves'](#); and [49 'Unappropriated result'](#)).

Issued share capital

The authorised share capital amounts to € 756,000 and is divided into 7,560 ordinary shares, each having a nominal value of € 100, of which 1,513 have been issued and paid up in full. No movements took place in the issued and paid-up shares during the financial year (2022: the same).

All shares issued are held by the Dutch State.

Fair value reserve

For a description of the fair value reserve please refer to the note on equity in the company financial statements ([note 47](#) 'Legal reserve for participating interests').

Cash flow hedge reserve

The cash flow hedge reserve concerned the changes in the fair value of the effective part of a cash flow hedge of the non-consolidated joint venture Gate terminal. The hedge related to the hedging part of the variable interest rate risk of Gate terminal. Gate terminal recognises this change in equity in other comprehensive income. In our consolidated financial statements, we also recognise this change in equity in other comprehensive income, as part of the cash flow hedge reserve.

Other reserves

Amounts included under 'other reserves' are classified as accumulated profits.

17. Non-controlling interest

Movements in the minority interest were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	-	-
Acquisition GUFU BBL	23.5	-
Non-controlling interest in results	1.0	-
Dividend payments	-8.5	-
Balance as at 31 December	16.0	-

At the end of 2023, the non-controlling interest strictly concerned the 25% minority interest in GUFU BBL B.V. More details of the acquisition of GUFU BBL are provided in [note 2 'Business combinations and disposals of group companies'](#).

GUFU BBL's condensed financial information is as follows:

<i>In millions of euros</i>	2023*	2022
Fixed assets	63.4	-
Current assets	29.4	-
Provisions	-6.6	-
Non-current liabilities	-1.8	-
Current liabilities	-20.5	-
Total equity	63.9	-
<i>Of which:</i>		
Equity attributable to the N.V. Nederlandse Gasunie	47.9	-
Non-controlling interest	16.0	-
Total equity	63.9	-
Total revenues	15.7	-
Total expenses	-8.5	-
Financial income and expenses	0.9	-
Income taxes	-3.9	-
Result after taxation	4.2	-
<i>Allocation of the result after taxation:</i>		
- Result attributable to the N.V. Nederlandse Gasunie	3.2	-
- Result attributable to non-controlling interest	1.0	-
Result after taxation	4.2	-

* The condensed profit and loss shown above covers the period from the date of acquisition of GUFU BBL to the end of the financial year (i.e. 8 May 2023 to 31 December 2023).

18. Interest-bearing loans

At year-end 2023, the nominal amount of € 3,090 million (year-end 2022: € 3,015 million) in non-current loans comprised € 2,550 million (year-end 2022: € 2,250 million) in bond loans and € 540 million (year-end 2022: € 765.0 million) in private loans. The transaction costs and discount still to be amortised amounted to € 14.6 million (year-end 2022: € 14.5 million). These are loans drawn at group level, but which also serve as financing of group company investments.

Movements in interest-bearing loans were as follows:

<i>In millions of euros</i>	2023	2022
Principal as at 1 January	3,015.0	3,140.0
Total repayments as at 1 January	-	-130.8
Remaining principal as at 1 January	3,015.0	3,009.2
Cost and discounts on loans to be amortised	-14.5	-9.0
Balance as at 1 January	3,000.5	3,000.2
Movements financial year:		
Repayments	-225.0	-494.2
Loans and bonds issued	300.0	500.0
Amortisation of costs and discounts on loans	1.6	1.5
Addition of costs and discounts	-1.6	-6.9
Total movements financial year	75.0	0.3
Principal as at 31 December	3,090.0	3,015.0
Total repayment as at 31 December	0.0	-
Remaining principal as at 31 December	3,090.0	3,015.0
Costs and discounts on loans to be amortised	-14.5	-14.5
Balance as at 31 December	3,075.5	3,000.5
Included under current liabilities	-175.0	-225.0
Total	2,900.5	2,775.5

In November 2023, we issued our first green bond, with a value of € 300 million. With an agreed term of 9.5 years, this bond will be repaid in one lump-sum payment at the end of the term. The bond has been placed under Gasunie's Green Financing Framework and, as a result, we must fully allocate the proceeds from this bond to 'green' spending. Our Framework complies with the International Capital Markets Association (ICMA) Green Bond Principles and the European Green Bond Standard approved by the European Council in October 2023. The effective coupon rate is 3.918% and is fixed for the entire term. After deducting € 1.6 million in discount and transaction costs, € 298.4 million in cash was received. This amount is also included in the consolidated cash flow statement.

In October 2021 and July 2022, we issued 'sustainability-linked bonds' (SLBs), with a total value of € 800 million. Both bonds were issued in compliance with the Sustainability-Linked Bond Framework. This framework is in line with the 2020 version of the ICMA's Sustainability-Linked Bond Principles (SLBPs). We have set two targets that have to be achieved by 31 December 2030. The first is for us to reduce our methane emission levels by approximately 50% compared to the 2020 level. The second target relates to our CO₂-equivalent emissions that we can influence, which are to be reduced by 30% by 2030, compared to the 2020 level. From 2031 onwards, the sustainability targets could possibly result in an annual coupon increase of 0.10% to 0.20% or 0.125% to 0.25% (depending on the SLB) if we have not achieved one or more targets by 31 December 2030. Any coupon increases apply to the period from 2030 to either 2034 or 2036 (depending on the SLB).

These potential coupon increases on our SLBs were not recognised in the effective interest at year-end 2023 because, based on the agreed scope, there is currently no reason to assume that the company will not hit the targets.

In 2023, two private loans were repaid in full on the maturity date. This repayment is also included in the consolidated cash flow statement.

The maturity schedule for interest-bearing loans (nominal value) is as follows:

<i>In millions of euros</i>	First half-year	Second half-year	Total
Repayment in			
2024	-	175.0	175.0
2025	-	125.0	125.0
2026	650.0	-	650.0
2027	-	-	-
2028	-	300.0	300.0
after 2028	-	-	1,840.0
Total repayment obligations			3,090.0

Non-current loans, including current repayment obligations are as follows:

In millions of euros

Type of loan	Principal	Term	Effective interest rates	Interest review date	Remaining principal 2023	Remaining principal 2022
Private loan	125.0	2008-2023	4.80%	Fixed rate until maturity	125.0	125.0
Private loan	125.0	2009-2024	4.27%	Fixed rate until maturity	125.0	125.0
Private loan	125.0	2010-2025	3.58%	Fixed rate until maturity	125.0	125.0
Private loan	50.0	2014-2024	1.33%	Fixed rate until maturity	50.0	50.0
Private loan	90.0	2021-2030	0.26%	Fixed rate until maturity	90.0	90.0
Private loan	150.0	2021-2029	0.13%	Fixed rate until maturity	150.0	150.0
Private loan	100.0	2021-2023	Variabel	22 March, 22 June, 22 September en 22 December every year	100.0	100.0
Total private loans					540.0	765.0
Bond loan	650.0	2016-2026	1.04%	Fixed rate until maturity	650.0	650.0
Bond loan	300.0	2018-2028	1.48%	Fixed rate until maturity	300.0	300.0
Bond loan	500.0	2019-2031	0.47%	Fixed rate until maturity	500.0	500.0
Bond loan	300.0	2021-2036	0.76%	Fixed rate until maturity	300.0	300.0
Bond loan	500.0	2022-2034	3.38%	Fixed rate until maturity	500.0	500.0
Bond loan	300.0	2023-2033	3.92%	Fixed rate until maturity	300.0	-
Total bond loans					2,550.0	2,250.0
Total nominal amount interest bearing loans					3,090.0	3,015.0

The weighted average effective interest rate on the non-current loans at year-end 2023 was 1.8% (year-end 2022: 1.6%).

We have not provided any securities to credit providers with regard to the interest-bearing loans. Neither were there any significant financial covenants or ratios with which we had to comply.

Our loans with the European Investment Bank (EIB) with a remaining value of € 540 million at year-end 2023 are subject to a number of change-of-control conditions regarding the Dutch State holding shares in N.V. Nederlandse Gasunie and regarding N.V. Nederlandse Gasunie holding shares in GTS B.V. We deem it unlikely that these change-of-control events will take place within the foreseeable future.

See [note 28 'Financial instruments'](#) for more information on the financial risks associated with the interest-bearing loans and how the company manages the financial risk with the aim of limiting these risks.

19. Other non-current liabilities

As at year-end 2023, the other non-current liabilities related to a long-term corporate income tax compensation obligation vis-à-vis Vopak arising from the sale of 50% of the shares in EemsEnergyTerminal, as explained in [note 2 'Business combinations and disposals of group companies'](#). The liability has a term ending in 2027. The current part of this liability is recognised under trade and other payables.

20. Lease liabilities

We have entered into lease contracts covering such matters as land and buildings, regional transmission pipelines, and company vehicles. These right-of-use assets are for the company's own use; there are no sub-leases involved. For more information about the related right-of-use assets see [note 5 'Tangible fixed assets'](#).

Movements in lease liabilities were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	481.1	104.7
Acquisition GUFU BBL	1.8	-
New leases	0.8	418.4
Expired leases	-	-
Adjustments of lease variables	2.2	8.2
Lease payments	-61.9	-35.9
Accrued interest	8.0	4.7
Foreign exchange result	1.4	-19.0
Disposal of EemsEnergyTerminal	-331.8	-
Total	101.6	481.1
Included under current liabilities	-8.0	-70.1
Balance as at 31 December	93.6	411.0

The increase in lease payments concerned EemsEnergyTerminal. This entity was part of the consolidation scope for approximately four months in the 2022 financial year and around nine months in 2023. Further information on the disposal of a portion of our shares in EemsEnergyTerminal and the acquisition of GUFU BBL is provided in [note 2 'Business combinations and disposals of group companies'](#).

In certain cases, lease terms are based on estimates. This is specifically the case for leases payable on leased land. While these third-party assets are generally leased for an indefinite period, we have the option to terminate the lease at short notice. We measured the most likely lease period by looking at the useful life of the asset, such as a pipeline or a plant, for which the land is leased.

The weighted average incremental borrowing rate in 2023 was 2.14% (2022: 2.20%). Lease contracts with a term of less than one year or with a contract value of less than € 5,000 are not included in the balance sheet. Both categories represented less than € 0.1 million per year at year-end 2023 (2022: the same).

Adjustments of lease variables concern interim adjustments of variables in the existing lease contracts that result in a change in the measurement of the contracts, such as expected or agreed lease terms and the size of lease payments.

The remaining term of the lease liabilities is as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Maturity < 1 year	8.0	70.1
Maturity ≥ 1 year and ≤ 5 years	23.9	265.0
Maturity > 5 year	69.7	146.0
Total lease liability	101.6	481.1

The current part of the lease liabilities is presented separately under current liabilities. For more information on the nominal value of the future lease payments see the 'price risk' section of [note 28 'Financial instruments'](#).

21. Contract liabilities

Contract liabilities relate to recognition of our revenue from contracts with customers. The payment schedule for certain contracts is not synchronous with the way in which we are required to allocate revenues to the financial years. This happens in the case of contracts in which customers have made a financial contribution to an investment in specific transport capacity. In principle, these contributions are attributed to the contract with the customer and not to the asset to which the contribution relates. We have included a contract liability for such customer contributions, taking account of the financing element in these contracts.

At year-end 2023, our contract liabilities totalled € 91.8 million (year-end 2022: € 70.8 million). The following table shows the movements in these contract liabilities.

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	70.8	49.8
Recorded as net revenue	-3.7	-14.5
Accrued interest	2.6	1.8
Additions	44.1	33.7
Disposal of EemsEnergyTerminal	-22.0	-
Total	91.8	70.8
Included under current liabilities	-4.9	-10.1
Balance as at 31 December	86.9	60.7

The increase in contract liabilities related in part to EemsEnergyTerminal. This entity was part of the consolidation scope for approximately four months in the 2022 financial year and around nine months in 2023. Further information on the disposal of a portion of our shares in EemsEnergyTerminal and the acquisition of GUFU BBL is provided in [note 2 'Business combinations and disposals of group companies'](#). The increase in contract liabilities is further related to contributions received from third parties for the construction of transmission pipelines connecting onshore and FSRU-based LNG import terminals of third parties to the German gas transmission network.

The remaining term of the contract liabilities is as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Maturity < 1 year	4.9	10.1
Maturity ≥ 1 year and ≤ 5 years	16.7	30.9
Maturity > 5 years	70.2	29.8
Total contract liabilities	91.8	70.8

We have presented the current part of the contract liabilities separately under current liabilities.

22. Deferred tax liabilities

Deferred tax liabilities arise from temporary differences between the measurement of assets and liabilities for financial reporting purposes and the measurement for tax purposes. In particular, deferred tax liabilities mainly refer to temporary differences in the measurement of tangible fixed assets in Germany. In addition, there are a few other differences that lead to deferred tax liabilities and assets.

The deferred tax liabilities and assets mainly relate to the fiscal unity for German corporate income tax and satisfy the conditions for setting off tax debts. We have therefore presented deferred taxation as a net amount.

The movements in deferred tax liabilities in 2023 were as follows:

<i>In millions of euros</i>	Tangible fixed assets	Financial fixed assets	Provision employee benefits	Provision for abandonment costs and redevelopment	Other deferred tax liabilities	Total
Balance as at 1 January 2023	148.6	9.9	-10.4	23.0	-0.9	170.2
Acquisition GUFU BBL	6.5	-	-	-	-	6.5
Recognition of temporary differences in profit and loss	5.7	-0.2	-0.1	0.8	29.1	35.3
Recognition of temporary differences in equity	-	-	-2.4	-	-	-2.4
Balance as at 31 December 2023	160.6	9.7	-12.9	23.8	28.2	209.5

More details of the acquisition of GUFU BBL are provided in [note 2 'Business combinations and disposals of group companies'](#). The amount of deferred tax liabilities to be settled more than one year after the balance sheet date was € 209.5 million at year-end 2023 (year-end 2022: € 170.2 million).

The movements in deferred tax liabilities in 2022 were as follows:

<i>In millions of euros</i>	Tangible fixed assets	Financial fixed assets	Provision employee benefits	Provision for abandonment costs and redevelopment	Other deferred tax liabilities	Total
Balance as at 1 January 2022	174.8	11.4	-20.0	21.8	5.9	193.9
Recognition of temporary differences in profit and loss	-26.2	-1.5	0.2	1.2	-6.8	-33.1
Recognition of temporary differences in equity	-	-	9.4	-	-	9.4
Balance as at 31 December 2022	148.6	9.9	-10.4	23.0	-0.9	170.2

23. Employee benefits

The liabilities recognised in the balance sheet relating to deferred employee benefits can be broken down as follows:

<i>In millions of euros</i>	31 dec. 2023	31 dec. 2022
Pension obligations Gasunie Deutschland	87.1	77.2
Long-service awards	9.5	8.7
Post-employment fringe benefits for non-active and retired employees	0.2	0.3
Total employee benefits	96.8	86.2

Provisions for pension obligations, Gasunie Deutschland

The pension plan for employees of Gasunie Deutschland who joined the company before 2012 is a defined benefit pension plan, based on a final salary pension system. The entitlements of these employees have not been funded. We treat this pension plan as a defined benefit pension plan.

For the most part, this is a non-current provision. The increase in the pension obligation in 2023 can be mainly explained by the decrease in the discount rate at year-end 2023.

The pension obligation as at the end of the financial year is set out in the historical summary below:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019
Present value of pension entitlements	87.1	77.2	107.5	116.8	108.5
Pension obligation	87.1	77.2	107.5	116.8	108.5
Experience adjustments	0.8	1.1	-1.0	-2.2	0.1

The weighted average duration of the pension obligations was approximately 17 years at year-end 2023 (year-end 2022: approx. 17 years). The assumptions underlying the calculation of the pension obligations are as follows:

	31 Dec. 2023	31 Dec. 2022
Discount rate	3.2%	3.7%
Expected future salary increases	3.2%	3.2%
Expected future pension increases	2.2%	2.2%

Movements in the present value of pension obligations were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	77.2	107.5
Increase in pension entitlements	1.4	2.2
Interest on obligation	2.8	1.3
Actuarial result and adjustments in actuarial tables	7.9	-31.7
Pension benefits paid	-2.2	-2.1
Balance as at 31 December	87.1	77.2

The actuarial results are as follows:

<i>In millions of euros</i>	2023	2022
Changes in actuarial financial assumptions	7.1	-32.8
Experience adjustments	0.8	1.1
Total actuarial result on pension entitlements	7.9	-31.7

The actuarial results for 2023 were affected mainly by a decrease in the discount rate.

Actuarial results taken directly to other comprehensive income totalled € 7.9 million in 2023 (2022: € 31.7 million). At year-end 2023, the accumulated actuarial result, net of deferred taxation, was € 12.5 million negative (year-end 2022: € 4.6 million negative). The actuarial results are accounted for in other comprehensive income.

The sensitivity of the calculation of the provision for pension obligations is as follows:

- If the discount rate changes by 0.1% point in otherwise unchanged circumstances, this is expected to lead to a change in the present value of pension entitlements and a change in other comprehensive income of € 1.5 million (year-end 2022: € 1.2 million).
- If the expected future salary increase changes by 0.1% point in otherwise unchanged circumstances, this is expected to lead to a change in the present value of pension entitlements and a change in other comprehensive income of € 0.3 million (year-end 2022: € 0.2 million).
- If the expected future pension increase changes by 0.1% point in otherwise unchanged circumstances, this is expected to lead to a change in the present value of pension entitlements and a change in other comprehensive income of € 1.1 million (year-end 2022: € 0.9 million).

The total pension expenses for the defined benefit pension plan as presented in the statement of profit and loss comprise:

<i>In millions of euros</i>	2023	2022
Increase in pension entitlements	1.4	2.2
Interest on obligation	2.8	1.3
Total pension expenses	4.2	3.5

Provision for long-service awards

This provision relates to long-service awards we pay our employees on certain long-service occasions. The movements in this provision were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	8.7	10.3
Provisions made during the year	2.0	-
Provisions used during the year	-1.2	-1.5
Provisions reversed during the year	-	-0.1
Balance as at 31 December	9.5	8.7

The increase in the provision is mainly the result of the increased number of employees and a lower notional rate of interest. For the most part, this is a non-current provision.

Provision for costs of post-employment fringe benefits for non-active and retired employees

This provision relates to certain allowances we pay our non-active and retired employees. The movements in this provision were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	0.3	0.4
Provisions made during the year	-	-
Provisions used during the year	-0.1	-0.1
Provisions reversed during the year	-	-
Balance as at 31 December	0.2	0.3

For the most part, this is a non-current provision.

24. Other provisions

The other provisions are as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Provision for abandonment costs and redevelopment	78.7	70.9
Provision for demobilisation and other obligations relating to site clearing and new construction	-	26.1
Total other provisions	78.7	97.0

Provision for abandonment costs and redevelopment

The provision for abandonment costs and redevelopment (asset rehabilitation, replacement or removal) was formed in 2010 following our decisions to decommission or remove specific GTS assets. Legislation, regulations and permits, including those governing the environment and spatial planning, require pipelines to be removed in certain cases. This provision relates to the removal or rehabilitation of pipelines that have already been decommissioned. The redevelopment programme also includes pipelines that have already been disconnected and former third-party pipelines that we have since acquired. The removal/rehabilitation activities are being carried out under two programmes, the 2013-2024 Programme and the 2025-2034 Programme. Accordingly, at year-end 2023, there was still a term of around ten years left to run on the redevelopment programme.

We update the redevelopment programme annually, including with regard to expected future prices, the estimate of the assets to be removed, and the nature and extent of the work to be carried out in connection with the removal (or rehabilitation) of the pipelines.

At year-end 2023, we considered it unlikely that all transmission pipelines and appurtenances would have to be removed. In our assessment, we have taken into consideration that natural gas transmission will continue to be important over the coming years. Moreover, we see sufficient opportunities for various alternative uses, including for the transmission of alternative energy carriers, such as hydrogen. We expect to be gradually repurposing the existing natural gas transmission network for the transmission of alternative energy carriers in the near and further future. Aside from that, the revenues from alternative use (in the longer term) less the costs of preservation are anticipated to outweigh the costs of removal, including the societal costs. Based on the above considerations, a provision for abandonment costs for the gas transmission network as a whole in the longer term has not been recognised.

In measuring the provision for abandonment costs and redevelopment, we take into account that our judgements and estimates may be affected by developments in the area of the energy transition and tightened environmental and climate targets. With respect to hydrogen, heat and CO₂, the long-term vision is becoming increasingly concrete and is expected to be worked out further over the coming years. On the balance sheet date, we have brought the provision for abandonment costs and redevelopment into line with the most recent developments. The aforementioned developments may also in future years lead to an adjustment to the scope of the provision for redevelopment, such as if certain network components turn out not to be fit for an alternative use that was previously thought feasible. Aside from that, the provision can be adjusted if experience figures prompt a change to the redevelopment method or if the costs of historic redevelopment activities are reason to assume higher or lower costs for future redevelopment activities.

Provision for demobilisation and other obligations relating to site clearing and new construction

As a result of the disposal of a portion of our shares in EemsEnergyTerminal, this provision is no longer included in the consolidated financial statements. We provide further details on this disposal in [note 2 'Business combinations and disposals of group companies'](#).

The movements in other provisions were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	97.0	28.8
Provisions made during the year in profit and loss	14.4	54.8
Provisions capitalised under tangible fixed assets	-	30.5
Provisions used during the year	-	-8.6
Accrued interest	3.2	1.3
Provisions reversed during the year	-17.6	-9.9
Disposal of EemsEnergyTerminal	-18.3	-
Balance as at 31 December	78.7	97.0

The 'disposal of EemsEnergyTerminal' item concerned the fact that EemsEnergyTerminal is no longer recognised in the consolidation as of 1 October 2023. We provide more information on this transaction in [note 2 'Business combinations and disposals of group companies'](#).

The current part of the provision for abandonment costs and redevelopment was expected to total € 14.6 million at year-end 2023 (year-end 2022: € 11.5 million). This amount is not shown separately under the current liabilities. In 2023, we applied a discount rate of between 3.5% and 3.6% (2022: between 3.5% and 3.8%).

25. Derivative financial instruments

The fair value of the derivative financial instruments was as follows:

Assets		
<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Maturity < 1 year		
Forward currency contracts measured at fair value	0.8	-
Gas price swaps measured at fair value	-	-
Total	0.8	-
Maturity ≥ 1 year and ≤ 5 years		
Forward currency contracts measured at fair value	6.1	-
Gas price swaps measured at fair value	-	-
Total	6.1	-
Total derivative financial instruments	6.9	-

Liabilities		
<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Maturity < 1 year		
Forward currency contracts measured at fair value	0.8	-
Gas price swaps measured at fair value	2.6	1.8
Total	3.4	1.8
Maturity ≥ 1 year and ≤ 5 years		
Forward currency contracts measured at fair value	6.1	0.5
Gas price swaps measured at fair value	16.6	13.6
Total	22.7	14.1
Total derivative financial instruments	26.1	15.9

The forward exchange contracts were concluded in 2022 by N.V. Nederlandse Gasunie for the hedging, at group level, of the currency risk on the use of two FSRUs by our joint venture (at the time a wholly-owned group company) EemsEnergyTerminal. We are required to pay the costs of the charter of these FSRUs in US dollars. We fully consolidated EemsEnergyTerminal up to 1 October 2023, from which date we subsequently recognise EemsEnergyTerminal as a joint venture, as explained in [note 2 'Business combinations and disposals of group companies'](#). As part of the share deal, N.V. Nederlandse Gasunie concluded an agreement with EemsEnergyTerminal under which changes in value of the forward exchange contracts that N.V. Nederlandse Gasunie has with its external counterparties are fully settled with EemsEnergyTerminal. This agreement itself also qualifies as a financial instrument under IFRS 9. Given that the conditions for netting have not been met, we present both balance sheet positions regarding the forward exchange contracts separately. Further, given that the two positions change in unison in opposite directions, there is on balance no effect on N.V. Nederlandse Gasunie's result and the derivative and the hedged items are effectively recognised via EemsEnergyTerminal.

We provide further details on the gas price swaps in [note 28 'Financial instruments'](#).

The derivative financial instruments are measured at fair value. Although we hold these derivative financial instruments for the purpose of risk hedging, as explained in [note 28 'Financial instruments'](#), for practical reasons, and given the relatively short term of the derivative financial instruments, we have not used the option of cash flow hedge accounting or fair value hedge accounting. This means that changes in the value of these derivative financial instruments are recognised directly in profit and loss.

Further details of the derivative financial instruments are provided in [notes 28 'Financial instruments'](#), [35 'Financial income'](#) and [36 'Financial expenses'](#).

26. Current financing liabilities

Current financing liabilities were as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Repayment obligation non-current loans	175.0	225.0
Short-term loans	-	-
Total current financing liabilities	175.0	225.0

For more information about non-current interest-bearing loans see [note 18 'Interest-bearing loans'](#).

At year-end 2023, we had not taken out any current interest-bearing loans (year-end 2022: the same). During the financial year we took out and subsequently redeemed an amount of € 435 million in short-term loans. These amounts are included in the consolidated cash flow statement.

27. Trade and other payables

Trade and other payables can be broken down as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Trade payables	143.5	75.3
Other taxes and social security contributions	17.0	9.9
Other liabilities and accruals	567.8	748.0
Total trade and other payables	728.3	833.2

Other taxes and social security contributions primarily consist of VAT payable, social security contributions and wage tax payable.

The other liabilities and accruals consist mainly of accrued interest on loans, receivable invoices, security deposits received, and debts to joint ventures. Security deposits received are securities our customers have given us to cover the credit risk. We calculate a market interest charge for the security deposits. At year-end 2023, deposits received amounted to € 236.6 million (year-end 2022: € 307.8 million). Debts to joint ventures amounted to € 27.1 million at year-end 2023 (2022: € 26.4 million) and related entirely to the cash pools we manage with respect to several joint ventures.

Trade and other payables, apart from the security deposits received, bear no interest and have a term of less than one year.

28. Financial instruments

General

The main financial risks to which Gasunie is exposed are market risk (consisting of interest rate risk, currency risk, and price risk), credit risk and liquidity risk. We use financial risk management to limit these risks through operational and financial measures. We can use specific hedging instruments for this purpose, depending on the nature and size of the risks.

We may use derivative financial instruments to manage interest rate, currency, and price risks arising from ordinary operational activities. We only use derivative financial instruments to hedge risks and not for trading or any other purpose.

Interest rate risk

The interest rate risk relates to the risk of future outgoing interest cash flows increasing due to changes to the market interest rate for interest-bearing loans with floating interest rates and for deposits taken and commercial paper issued with terms of less than one year. The interest rate risk of these instruments, to the extent they are held by us or by our wholly-owned group companies, was not hedged at year-end 2023 (year-end 2022: the same). We are also exposed to an interest rate risk in the period between the decision to issue or refinance non-current loans with a fixed rate and the uptake of these loans.

On average, between 5% and 10% of our non-current debts (including the current repayment obligation on non-current loans) are current financing arrangements (e.g. ECP or deposit loans). However, this situation may differ from day to day, including on the balance sheet date, and depends on the exact liquidity situation and the need for liquidity. Although we conclude these current loans with a fixed interest rate for the term, we do run an interest rate risk on the periodic refinancing.

At year-end 2023, we had no outstanding non-current loans with a variable rate of interest (year-end 2022: € 100 million).

A 1% point change in the interest rate will alter the interest expenses by approximately € 1.6 to € 3.1 million. We do not hedge the interest rate risk on loans with a variable interest rate given the limited size and term of these loans.

Currency risk

The currency risk consists of the risk that future cash flows will fluctuate over time due to changes in exchange rates. Currency risks arise if contracts or transactions are entered into in a currency that is not the functional currency.

The currency risk is limited in the context of regulated business operations in the Netherlands and Germany because virtually all transactions take place in euros. For a few non-regulated business activities and/or business activities exempted from regulation, the transactions take place in currencies other than the euro as well, mainly in pounds sterling. As a result of no longer consolidating EemsEnergyTerminal, as explained in [note 2 'Business combinations and disposals of group companies'](#), the currency risk exposure arising from USD transactions no longer applies directly to Gasunie (year-end 2022: exposure, after hedging, of \$ 26.6 million). We hedge currency risks if there is sufficient certainty about the amount and timing of the foreign currency cash flows.

The total value of these liabilities in pounds sterling was £ 4.3 million at year-end 2023 (£ 0.5 million at year-end 2022). The currency risk on the liabilities in pounds sterling is not hedged by forward exchange contracts. Given the limited size of foreign currency positions at the end of the financial year, no sensitivity analysis has been included.

At the end of 2023, no other foreign currency positions of significant size were held nor were other currency risk hedging instruments used, other than as explained in [note 25 'Derivative financial instruments'](#).

Price risk

We use gas and electricity for our day-to-day operations, including for gas transmission, balancing actions in the gas transmission network, and internal and external production of nitrogen for quality conversion. For the provision of this gas and electricity, we have entered into gas and power supply contracts with energy providers. These are supply contracts that are common in the market today, with variable energy prices based on current spot market prices at the moment of contracting/supply. These contracts are not subject to a minimum purchase obligation. We are exposed to a price risk if the variable charges for gas and electricity increase and regulations do not allow us to offset these price increases in the future regulated tariffs or pass these on to customers in the non-regulated domain and/or the domain exempted from regulation through our commercial contracts.

As a result of the ruling by the Dutch Trade and Industry Appeals Tribunal, the original agreements concerning post calculation of GTS' energy costs have been amended. For the 2022-2026 period, GTS may apply post calculation for 75% of the difference between the actual and estimated costs, provided that actual costs do not deviate from estimated costs by more than 20%. In the case of a deviation of more than 20% between the estimated and actual costs, we may fully apply post calculation to the costs above the 20% deviation. As a result, GTS' price risk is limited.

GTS applies a procurement strategy aimed at achieving a market-competitive price. The basic principle of our policy is that we do not trade in energy supply contracts and do not take speculative positions. We have committed to purchasing the contracted volumes ourselves and using them for our day-to-day operations.

The energy supply contracts come with the contractual option to partly fix prices for a certain future supply period. We do this, for example, through forward supply contracts, in which we take into account the anticipated energy requirements for specific periods, in order to meet the own-use exemption under IFRS 9.2.4. The level of price risk hedging is influenced in part by the predictability of the volume and timing of the energy usage. GTS aims to cover at least 65% of the forecast energy usage. For required energy that has not been contracted under forward supply contracts, we procure this on the spot market as and when the need for energy arises.

Gasunie Deutschland fixes the prices only to a very limited extent or not at all under its current procurement contracts and within the current regulatory framework. In Germany, too, we are allowed to charge on higher energy costs in future tariffs. For other important group companies, such as EnergyStock and BBL Company, because their energy usage and timing is harder to predict in practice and because the price risk is predominantly borne by customers of these group companies, there is limited or no price fixing. For required energy that has not been contracted under forward supply contracts, we procure this on the spot market as and when the need for energy arises.

At year-end 2023, the nominal value of the forward supply contracts for the company's energy usage totalled approximately € 73.5 million (year-end 2022: € 205.2 million). The forward supply of energy under these contracts consists entirely of electricity and gas to be supplied in the 2024 financial year. Under IFRS 9.2.4, liabilities from forward supply contracts are not recognised in the balance sheet.

With regard to the gas inventories held for GTS to fulfil its obligation to provide peak capacity, given the underlying regulated settlement system we do not run a price risk.

Lastly, Gasunie has entered into investment obligations in a joint venture, the amount of which may vary depending on gas price developments. To limit the cash flow risk on these expected capital expenditures, we use gas price swaps, this way effectively fixing the future variable investment obligation – in terms of our share in this investment obligation – over the term of the investment obligation (until 31 December 2027). At year-end 2023, the volume of the variable investment obligation was 408,887 MWh (year-end 2022: 268,825 MWh). The increase in the hedged volume is related to the expected increase in the investment obligation now that we have made the final investment decision for this project. The price risk on the variable investment obligation was fully hedged at year-end 2023 (year-end 2022: the same). The value of the gas price swap was € 19.2 million negative at year-end 2023 (2022: € 15.3 negative).

At the end of 2023, we determined the sensitivity of the gas price swaps to reasonable changes in forward gas prices. The impacts of such changes on the result before taxation and on equity, based on the exposure at the end of the financial year, were as follows:

<i>In millions of euros</i>	Position in euros	Increase / decrease price	Effect on result for taxation	Effect op equity
2023				
Movements gas price forwards	-19.2	+/- 30%	+/- 3,6	+/- 2,7
2022				
Movements gas price forwards	-15.3	+/- 30%	+/- 4,7	+/- 3,5

Credit risk

Credit risk relates to the loss that would arise if financial or operational counterparties entirely or partially default and fail to meet their contractual obligations. At the balance sheet date, we were not exposed to any material credit risk relating to capacity sales with regard to any individual customer or counterparty (year-end 2022: the same), other than as explained in [note 13 'Trade and other receivables'](#). To limit the credit risk on trade and other receivables, if appropriate, we ask for guarantees from our customers and other parties with whom transactions take place.

At year-end 2023, we had received the following guarantees from third parties:

<i>In millions of euros</i>	31 Dec. 2023		31 Dec. 2022	
	Number	Balance	Number	Balance
Security Deposits	166	236.6	211	307.8
Bank Guarantees	67	193.9	65	166.6
Parent Company Guarantees	40	610.8	37	582.3
Surety Agreements	9	45.7	8	39.3
Total guarantees received	282	1,087.0	321	1,096.0

Securities received are primarily guarantees issued as part of gas transmission and storage arrangements, as well as guarantees provided by contractors and suppliers involved in major investment projects. The security deposits are held in cash and are interest-bearing. We calculate a market interest charge for the security deposits. The balance of security deposits received was lower than in 2022 due to energy markets stabilising somewhat.

The individual terms of the guarantees received are generally short (one to three years), with the terms of a few guarantees exceeding five years. The guarantees are not freely assignable.

In making use of financial instruments (such as derivative financial instruments) we apply strict limits for each individual counterparty in keeping with our treasury policy to mitigate the related credit risk. This limits the level of risk we are exposed to from our counterparties. We have drawn up criteria for selecting counterparties in financial transactions. These criteria limit the risk associated with possible credit concentrations and market risks. No collateral has been received/provided with regard to the derivative financial instruments held at year-end 2023 (year-end 2022: the same).

Liquidity risk

The liquidity risk is the risk that we have insufficient cash to meet our immediately payable current liabilities. We quantify our liquidity risk by using a long-range forecast of capital expenses and investments and a liquidity forecast with a horizon of at least one year for operational expenses.

Among other things, our financial policy is to reduce our liquidity risk at as low a cost as possible. The options for reducing this risk depend in part on our solvency. We are a solvent company and can therefore attract credit facilities relatively easily. According to Standard & Poor's, Gasunie's long-term creditworthiness is AA- with a stable outlook; the short-term rating is A-1+. According to Moody's Investors Service, the long-term credit rating is A1 with a stable outlook, and the short-term rating is P-1.

At year-end 2023, to hedge our liquidity risk we had an uncommitted current account facility of € 45 million (year-end 2022: € 45 million), a committed credit facility of € 600 million (year-end 2022: € 600 million), a Euro Commercial Paper (ECP) programme of € 750 million (year-end 2022: € 750 million) and a European Medium Term Note (EMTN) programme of € 7.5 billion (year-end 2022: € 7.5 billion). The committed credit facility runs until April 2027.

No funds were drawn on the committed credit facility over the past year. As part of our normal operational activities, we have occasionally raised short-term loans on the money market in the form of deposit loans and debt securities under the ECP. Under the EMTN programme, € 2,550 million had been issued in loans as at year-end 2023 (year-end 2022: € 2,250 million). The EMTN programme was approved on 30 October 2023 and applies for one year from the date of approval.

Summary of future cash flows

The maturity profile of future cash flows relating to non-current and current financial liabilities outstanding as at the balance sheet date was as follows:

<i>In millions of euros</i>	Total	Due immediately	< 1 year	1-5 years	> 5 years
2023					
Non-current liabilities					
- interest-bearing loans	2,915.0	-	-	1,075.0	1,840.0
- other non-current liabilities	10.2	-	-	10.2	-
- lease liabilities	112.8	-	-	26.6	86.2
- derivative financial instruments	22.7	-	-	22.7	-
Current liabilities					
- current financing liabilities	175.0	-	175.0	-	-
- lease liabilities	8.7	-	8.7	-	-
- trade payables	143.5	114.9	28.6	-	-
- tax liabilities	17.0	-	17.0	-	-
- other liabilities and accruals	567.8	-	526.1	32.5	9.2
- derivative financial instruments	3.4	-	3.4	-	-
Interest payable on liabilities	375.9	-	51.1	158.6	166.2
Total for the 2023 financial year	4,352.0	114.9	809.9	1,325.6	2,101.6

The maturity profile of future cash flows relating to non-current and current financial liabilities outstanding in 2022 was as follows:

<i>In millions of euros</i>	Total	Due immediately	< 1 year	1-5 years	> 5 years
2022					
Non-current liabilities					
- interest-bearing loans	2,790.0	-	-	950.0	1,840.0
- lease liabilities	474.6	-	-	289.5	185.1
- derivative financial instruments	14.1	-	-	14.1	-
Current liabilities					
- current financing liabilities	225.0	-	225.0	-	-
- lease liabilities	78.7	-	78.7	-	-
- trade payables	75.3	64.6	10.7	-	-
- tax liabilities	9.9	-	9.9	-	-
- other liabilities and accruals	748.0	17.8	730.2	-	-
- derivative financial instruments	1.8	-	1.8	-	-
Interest payable on liabilities	312.0	-	45.5	128.2	138.3
Total for the 2022 financial year	4,729.4	82.4	1,101.8	1,381.8	2,163.4

Virtually all the lease contracts included in the balance sheet are subject to an annual inflation adjustment based on underlying price indexes. The stated cash flows relating to the leases do not take future increases into account. At year-end 2023, there were no leases with a start date in the future, nor were there any residual value guarantees or material extension or termination options (year-end 2022: the same).

Fair value

Various financial instruments measured at fair value or for which the fair value can deviate from the carrying amount on the basis of amortised cost are included in these financial statements. This concerns:

- Other equity interests
- Derivative financial instruments
- Interest-bearing loans
- Other primary financial instruments

The way in which fair value is determined is described under 'Determining fair value' in the accounting policies for the measurement of assets and liabilities and the determination of the results. In 2023 no transfers took place between the various fair value measurement levels (2022: the same).

Other equity interests

At year-end 2023, the value of other equity interests measured at fair value in the balance sheet was € 7 million (year-end 2022: € 7 million). This is a level 3 fair value measurement (year-end 2022: level 3). For more information see [note 10 'Other equity interests'](#).

Derivative financial instruments

The derivative financial instruments are forward exchange contracts and a gas price swap. The fair value of the forward exchange contracts is determined based on the present value of projected future cash flows. For this purpose, we made use of forward exchange rates with a comparable term and a zero-coupon discount rate that matches the currency and the term of the transactions, taking into account Gasunie's credit risk and that of the relevant counterparties. This is a level 2 fair value measurement. At year-end 2023, the fair value of the forward exchange contracts totalled € zero (year-end 2022: € 0.5 million negative). We explain this further in [note 25 'Derivative financial instruments'](#).

The fair value of the gas price swap is determined based on the present value of quoted commodity prices for gas price swaps. For this purpose, we made use of the closing prices for gas forward products with a comparable term and a zero-coupon discount rate that matches the currency and the term of the transactions, taking into account Gasunie's credit risk and that of the relevant counterparties. This is a level 2 fair value measurement. At year-end 2023, the fair value of the gas price swap was € 19.3 million negative (year-end 2022: € 15.4 million negative).

Interest-bearing loans

The interest-bearing loans are bond loans with a listing on the Amsterdam stock exchange, and private loans.

The fair value of listed bonds is the same as the year-end exit price. This is a level 1 fair value measurement (year-end 2022: level 1). The fair value of the private loans has been determined by calculating the present value of the expected future cash flows at a discount rate equal to the applicable risk-free market interest for the remaining term, plus credit and liquidity surcharges. We also take the company's risk profile and those of the counterparties into account. This is a level 2 fair value measurement (year-end 2022: level 2).

The carrying amount and the fair value of the interest-bearing loans as at year-end 2023 were:

<i>In millions of euros</i>	31 Dec. 2023			31 Dec. 2022		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Bond loans	2,535.5	2,364.5	-170.9	2,235.5	1,899.1	-336.4
Private loans	540.0	511.5	-28.5	765.0	723.8	-41.2

Other primary financial instruments

Other primary financial instruments comprise trade and other receivables, cash and cash equivalents, current financing liabilities (excluding current repayment obligations on non-current loans), trade and other payables.

Given the short term of these instruments, their carrying amount approximates their fair value.

29. Off-balance sheet obligations

Investment obligations

We entered into conditional investment obligations of € 260 million at year-end 2023 (year-end 2022: € 279.8 million). These obligations in the Netherlands mainly related to CCS projects, the WarmtelinQ heat network, and the hydrogen transmission network. In Germany, the obligations mainly concerned the construction of transmission pipelines connecting onshore and FSRU-based LNG import terminals of third parties to the German gas transmission network. Regular replacement investments in the Netherlands and Germany are also included in the investment amount.

Guarantees issued

We have issued, either directly or indirectly, the following guarantees to third parties:

<i>In millions of euros</i>	31 Dec. 2023		31 Dec. 2022	
	Number	Value	Number	Value
Bank Guarantees	4	0.4	4	0.4
Parent Company Guarantees	17	701.6	12	293.7
Other	2	76.0	1	0.8
Total guarantees issued	23	778.0	17	294.9

The securities provided include securities and guarantees provided to our customers, suppliers and other stakeholders (or those of our joint ventures). The increase in the 'Parent company guarantees' is mainly attributable to the disposal of a portion of our shares in EemsEnergyTerminal, as explained in [note 2 'Business combinations and disposals of group companies'](#). This concerns guarantees for the charter of two floating storage and regasification units (FSRUs). We note here that we received € 186.1 million in counter-guarantees from the other shareholder in EemsEnergyTerminal at year-end 2023 (year-end 2022: € zero). Given that the legal conditions for netting have not been met, we have not deducted the counter-guarantees from the guarantees we have provided.

The increase in the 'Other guarantees' item related to a guarantee provided to our joint venture German LNG Terminal. The guarantees are not freely assignable. The term of the securities provided generally varies between 1 and 10 years; a limited number of securities do not have an agreed end date.

Non-current obligations

Non-current obligations were as follows:

<i>In millions of euros</i>		Contract value
Term	31 Dec. 2023	31 Dec. 2022
0 – 1 year	88.9	88.5
1 – 5 years	219.9	187.0
> 5 years	90.2	97.4
Total non-current obligations	399.0	372.9

The non-current obligations mainly related to the procurement of nitrogen production capacity, reserved transmission capacity over transmission pipelines not owned by us and the associated management services, and IT and other services. The non-current obligations do not include amounts relating to the future supply of energy under forward supply contracts we have concluded. For further details of these contracts see the 'price risk' section of [note 28 'Financial instruments'](#).

Liabilities arising from physical imbalances

Although we strive to minimise operational imbalances, steering differences do arise in practice, meaning that the actual physical gas flow may differ to some extent from the volumes nominated (and confirmed) by our customers. Due in part to practical feasibility, these differences are not financially settled on a daily basis but are included in a cumulative steering differences account (an Operational Balancing Account, or OBA).

GTS and BBL Company have agreed with adjacent networks, storage facilities and production locations to the establishment and operation of OBAs. For Gasunie Deutschland, imbalances are managed by Trading Hub Europe and not by Gasunie Deutschland itself.

The operational imbalance is closely and continuously monitored and continuously settled in kind with the relevant counterparty/counterparties through the physical intake or supply of natural gas. OBAs are only used for operational, not commercial, purposes.

We base the use of the OBA on the going concern assumption and a continuous settlement in kind. The imbalances will only be settled financially if a party to the agreement ceases to exist and settlement in gas is therefore no longer possible. The OBAs are perpetual in nature. Given the considerations stated above, the balance of gas to be received or to be supplied can be regarded as 'perpetual' and has no value on the balance sheet date. For this reason, the imbalances are included in the off-balance sheet receivables and liabilities.

At year-end 2023, the cumulative operational imbalance volume was 41 GWh negative (2022: 252 GWh positive), with a balancing claim against adjacent networks, storage facilities and/or production sites. Based on the TTF spot price on the balance sheet date, the value of this imbalance was approx. € 1.3 million negative (2022: approx. € 19.2 million negative).

In addition to imbalances based on the OBAs, imbalances with customers can also occur based on the 'System Balance Signal' (SBS), the sum of the Portfolio Imbalance Signals of all shippers active in our transport network. Here, too, we apply a going concern assumption and a continuous settlement in kind. The imbalances will only be settled financially if the shipper's licence is withdrawn and settlement in gas is, consequently, no longer possible. At year-end 2023, the shippers had a negative cumulative imbalance volume of 3 GWh (2022: 17 GWh negative). Based on the TTF spot price on the balance sheet date, the value of this imbalance was approx. € 0.1 million (2022: approx. € 1.3 million).

Claims and disputes

Various claims relating to construction and contracting agreements have been filed against N.V. Nederlandse Gasunie and/or our group companies, which we have disputed. At year-end 2023, these claims totalled approximately € 30-40 million. Although we cannot predict the outcome of these disputes with certainty, we expect – partly based on legal advice obtained – that they will not have a significant adverse effect on the consolidated financial position; accordingly, we have not included a provision in the balance sheet for these claims and disputes. Should these claims be found to be valid, which we consider unlikely, we can capitalise the resulting expenses as part of the cost of the asset and these expenses will then form part of the value of the regulated asset.

We also face a claim for termination of certain existing transmission contracts, a claim that, in our view, is without merit. If the claim is nonetheless deemed to be legitimate, in whole or in part, we do not expect this to have any direct financial impact due to the legally stipulated revenue regulation system.

Lastly, we have brought various claims against other parties as well, for example regarding breach of contract. We cannot predict the outcome of these claims with certainty either. We have not recognised a receivable on the balance sheet for the outcome of these claims and disputes.

Joint and several liability of the fiscal unity

N.V. Nederlandse Gasunie and its Dutch wholly-owned group companies form a fiscal unity for the collection of corporate income tax and VAT. Pursuant to the Dutch Collection of State Taxes Act, the company is jointly and severally liable for the corporate income tax and VAT liabilities of all the companies in the fiscal unity. There is a similar liability regime in Germany for the German fiscal unity.

Joint and several liability of private companies

We have a number of indirect joint arrangements in the form of private companies (without legal personality). In addition, we are an indirect managing partner in a number of limited partnerships. The group company above the relevant company without legal personality and its managing partners are jointly and severally liable for the obligations these private companies enter into.

Declarations of consent and joint and several liability

N.V. Nederlandse Gasunie has drawn up and filed a declaration of consent and a declaration of joint and several liability, as set out in Section 2:403 of the Dutch Civil Code, for Gasunie Assets B.V.

30. Net revenue

Net revenue decreased by 12.7% compared to the previous financial year (2022: increase of 62%). A further explanation of this decline in revenue is provided below.

Information about operating activities

We categorise our revenue according to the way in which economic factors influence the nature, amount, timing and uncertainty of the cash flows. A distinction can be made between two categories in the case of Gasunie. The first revenue stream is revenue from regulated transmission and related services, as generated by the Gasunie Transport Services and Gasunie Deutschland business units. The Dutch and German regulatory authorities set the permitted revenue for this revenue stream for the long term.

The second revenue stream is generated through non-regulated services and/or those exempt from regulation. The income for these services is determined by the market on the basis of supply and demand and it is generally subject to greater volatility in revenue compared to the regulated services. Revenue from the non-regulated services and/or those exempt from regulation is almost completely generated by the Participations business unit.

Revenue for each operating activity was as follows:

<i>In millions of euros</i>	Revenue	
	2023	2022
Regulated services	1,574.6	1,880.4
Non-regulated and/or exempt services	380.4	359.2
Total revenue	1,955.0	2,239.6

The regulated revenue somewhat normalised in 2023 compared to the exceptional year 2022. Revenue from capacity bookings and auctions was substantially lower. This decline was tempered in part due to the regulated tariffs in the Netherlands and Germany being higher than in 2022.

Information on products and services

Revenue can be divided into revenue from gas transmission and transport and related services and from other activities. Gas transmission and transport and associated services covers revenue from regulated gas transmission and from non-regulated or exempt gas transmission and transport. Other activities include revenue from gas storage, LNG import and regasification, and other services to third parties.

The breakdown is as follows:

<i>In millions of euros</i>		Revenue
	2023	2022
Gas transport and related services	1,629.7	2,076.3
Other services	325.3	163.3
Total revenue	1,955.0	2,239.6

Revenue from other activities increased mainly because of revenue from EemsEnergyTerminal forming part of the consolidated revenue for nine months in 2023, compared to approximately four operational months in 2022.

Geographical information

Revenue per geographical area is determined on the basis of the area where the activities take place (in or outside the Netherlands). The geographical distribution of the revenue was as follows:

<i>In millions of euros</i>		Revenue
	2023	2022
The Netherlands	1,459.8	1,703.3
Outside the Netherlands	495.2	536.3
Total revenue	1,955.0	2,239.6

31. Other revenue

The other revenue was as follows:

<i>In millions of euros</i>	2023	2022
Operating grants	24.0	16.1
Result acquisition GUFU BBL	15.2	-
Result disposal of EemsEnergyTerminal	29.5	-
Result on remeasurement retained interest EemsEnergyTerminal	29.5	-
Other	7.8	1.9
Total other revenues	106.0	18.0

The operating grants in 2023 mainly concerned grants received for the WarmtelinQ project and grants for research into the realisation of a hydrogen transmission network in the Netherlands. The operating grants in 2022 mainly related to a contribution to the WarmtelinQ project in the form of a grant.

More details of the acquisition of GUFU BBL and the disposal of a portion of our shares in EemsEnergyTerminal and the subsequent remeasurement are provided in [note 2 'Business combinations and disposals of group companies'](#).

In 2023, the 'Other' item under 'Other revenue' mainly related to activities we carry out for third parties that are not part of our normal business operations (such as providing secondments, contributions we charge to third parties as a result of damage or diversions, etc.). This item also includes the result on the disposal of 60% of the shares in German LNG Terminal, which we already presented as held for sale at the end of 2022. For more information on this matter see [note 8 'Investments in joint ventures'](#).

32. Personnel expenses

The personnel expenses were as follows:

<i>In millions of euros</i>	2023	2022
Salary expenses	211.3	167.0
Social security expenses	24.9	19.6
Pension expenses	44.8	35.3
Total personnel expenses	281.0	221.9

The increase in personnel expenses related to an increase in staff numbers and to the index-linked pay rises (based on the consumer price index of Statistics Netherlands), as set out in our collective agreement. New employees were hired mainly for our energy transition-related activities.

The cost of the defined contribution plans recognised in profit and loss was € 40.6 million (2022: € 31.8 million). For the cost of the defined benefit pension plan and the part of the costs taken directly to other comprehensive income, see [note 23 'Employee benefits'](#).

Remuneration for current and former members of the company's Executive Board and Supervisory Board

Remuneration for current and former members of the company's Executive Board in 2023 was as follows:

<i>In euros</i>	Salary	Variable remuneration	Fixed & variable remuneration	Deferred remuneration	Social security expenses	Other benefits	Total
2023							
Executive Board							
Mr J.J. Fennema*	317,907	54,044	371,951	77,173	9,535	38,659	497,318
Ms J. Hermes, (interim) chair**	343,340	54,934	398,274	83,604	11,442	1,173	494,493
Mr U. Vermeulen***	152,595	24,415	177,010	37,301	5,721	990	221,022
Mr B.J. Hoevers	305,191	48,831	354,022	74,601	11,442	11,207	451,272
Mr. J.A.F. Coenen****	210,000	33,600	243,600	51,492	8,582	990	304,664
Total for 2023 financial year	1,329,033	215,824	1,544,857	324,171	46,722	53,019	1,968,769

* Stepped down on 1 November; Chair until 1 November

** (Interim) Chair as of 1 November

*** Stepped down on 1 July

**** Appointed on 1 April

The variable remuneration is based on the meeting of agreed targets during the financial year, as explained under 'Remuneration policy for the Executive Board' in the annual report.

The pension plan for members of the Executive Board is the same as that for other Gasunie employees in the Netherlands.

The reimbursements under the 'Other benefits' item are payments from the flexible allowance and a one-off payment made in the 2023 financial year under the terms of the collective agreement. In the case of Mr Fennema, any other benefits he had not yet received were paid out at the end of his employment.

Remuneration for current and former members of the company's Executive Board in 2022 was as follows:

<i>In euros</i>	Salary	Variable remuneration	Fixed & variable remuneration	Deferred remuneration	Social security expenses	Other benefits	Total
2022							
Executive Board							
Mr J.J. Fennema, chair	340,736	54,518	395,254	83,388	10,257	26,178	515,077
Ms J. Hermes	299,848	47,976	347,824	73,616	10,257	1,062	432,759
Mr U. Vermeulen	272,577	43,612	316,189	67,098	10,257	28,807	422,351
Mr B.J. Hoevers	272,577	43,612	316,189	67,098	10,257	10,307	403,851
Total for 2022 financial year	1,185,738	189,718	1,375,456	291,200	41,028	66,354	1,774,038

Remuneration for current and former members of the company's Supervisory Board in 2023 was as follows:

<i>In euros</i>	SB	AC	RAC	HIA premium	Total
2023					
Supervisory Board					
Mr P.J. Duisenberg*	29,193	-	1,959	-	31,152
Mr D.J. van den Berg**	7,139	-	653	521	8,313
Mr T.H.J.J. van der Hagen, (interim) chair***	20,983	-	1,959	-	22,942
Mr J. Meier	25,948	6,496	-	2,167	34,611
Ms A.L.M. Mutsaers	25,948	-	2,612	-	28,560
Mr A.S. Visser	25,948	6,496	-	-	32,444
Ms C. Wielinga	25,948	6,496	-	-	32,444
Total for 2023 financial year	161,107	19,488	7,183	2,688	190,466

* Stepped down on 1 October; Chair until 1 October

** Stepped down on 1 April

*** Appointed on 1 April; (interim) Chair as of 1 October

Remuneration for current and former members of the company's Supervisory Board in 2022 was as follows:

<i>In euros</i>	SB	AC	RAC	HIA premium	Total
2022					
Supervisory Board					
Mr P.J. Duisenberg, chair	34,764	-	2,332	-	37,096
Mr D.J. van den Berg	25,504	-	2,332	1,879	29,715
Ms M.M. Jonk *	5,794	-	583	-	6,377
Mr J. Meier	23,176	5,800	-	1,956	30,932
Ms A.L.M. Mutsaers	23,176	-	2,332	-	25,508
Mr W.J.A.H. Schoeber *	5,794	1,450	-	489	7,733
Mr A.S. Visser	23,176	5,800	-	-	28,976
Ms C. Wielinga	23,176	5,800	-	-	28,976
Total for 2022 financial year	164,560	18,850	7,579	4,324	195,313

* Stepped down on 29 March 2022.

Remuneration for current and former members of the Supervisory Board comprises a basic payment and an additional payment for those who participate in the Audit Committee (AC) and/or the Remuneration, Selection and Appointment Committee (RSAC). Remuneration also includes premiums to be paid under the Dutch Health Insurance Act.

33. Depreciation costs of tangible and intangible fixed assets

The depreciation costs were as follows:

<i>In millions of euros</i>	2023	2022
Depreciation costs tangible fixed assets	329.4	317.3
Depreciation costs right-of-use assets	65.3	35.6
Depreciation costs intangible fixed assets	8.3	9.5
Result from disposals	1.9	3.3
Total depreciation costs	404.9	365.7

The increase in depreciation costs of the right-of-use assets can mainly be explained by the depreciation of the chartered FSRUs at the port of Eemshaven commissioned in August 2022. These depreciation costs are included in the consolidated financial statements up to 1 October 2023, the date on which Gasunie sold a portion of its shares in EemsEnergyTerminal, which resulted in us reclassifying this as a non-consolidated joint venture from that date on.

The result from disposals is the balance of the net realisable value of the assets sold or transferred minus the carrying amount of these assets when they were delivered.

34. Other costs

The other costs were as follows:

<i>In millions of euros</i>	2023	2022
Costs of subcontracted work and other external costs	292.2	213.2
Cost of network management	506.6	545.9
Other costs	73.5	94.8
Total other costs	872.3	853.9

The costs of subcontracted work and other external costs increased due to higher prices, more use of external personnel, and our intensified activities in the area of the energy transition. The cost of network operations mainly comprises the procurement of nitrogen production capacity and electricity for the production of nitrogen and the cost of electricity and gas for gas transmission and gas storage operations. The decrease in network management costs compared to 2022 is due mainly to lower energy prices and a decrease in the use of compression capacity. Having the operating activities of EemsEnergyTerminal included in the consolidation for about four months in 2022 and for around nine months in 2023 tempered this decline somewhat.

Other operating expenses comprise mainly insurance costs, other material and personnel expenses, and non-recurring costs, including the addition to the provision for abandonment costs and redevelopment. Other operating expenses will be lower in 2023 than in 2022 because in 2022 there was a relatively high addition to the provision for abandonment costs and redevelopment.

35. Financial income

Financial income can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Interest and financial expenses on instruments measured at amortised costs	12.4	3.1
Fair value movement for instruments measured at fair value	3.2	-
Foreign exchange results	2.1	21.3
Total financial income	17.7	24.4

Interest income and similar income mostly comprises interest on deposits and call funds with a term of less than one year and the interest income on security deposits received (security provided by customers), to which a negative interest rate applied during part of 2023.

The income relating to the instruments measured at fair value concerned the movement in the forward exchange contracts measured at fair value. No hedge accounting has been applied to these contracts.

Additional information on derivative financial instruments is provided in [note 25 'Derivative financial instruments'](#).

36. Financial expenses

Financial expenses can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Interest on loans measured at amortised cost	52.7	50.4
Interest on leases	8.0	4.7
Interest on contract liabilities	4.8	1.8
Foreign exchange results	1.3	-
Accrued interest on provisions	3.2	1.3
Other financial expenses on instruments measured at amortised cost	7.9	2.0
Fair value movement for instruments measured at fair value	8.7	15.9
Total interest and financial expenses	86.6	76.1
Capitalised as part of tangible fixed assets	-12.0	-9.2
Total financial expenses	74.6	66.9

Of the interest expenses, a total amount of € 12 million was capitalised in 2023 (2022: € 9.2 million). This capitalisation was based on the weighted average interest rate of N.V. Nederlandse Gasunie's non-current loan portfolio. This interest rate averaged 1.7% in 2023 (2022: the same). The other finance expenses mainly comprise amortised transaction costs and discount on non-current loans, as well as interest we pay on security deposits received from customers.

The expenses relating to the instruments measured at fair value concerned the movement in the gas price swaps measured at fair value. No hedge accounting has been applied to these contracts. We provide additional information on these derivative financial instruments in [note 25 'Derivative financial instruments'](#).

37. Income taxes

The tax expense was as follows:

<i>In millions of euros</i>	2023	2022
Corporate income tax for the financial year	56.1	184.5
Corporate income tax for the previous financial years	0.5	-4.2
Movement in deferred taxation	55.8	-14.4
Total tax expense	112.4	165.9

In addition to the above, € 2.4 million in taxes was directly recognised in the total result in 2023 (2022: € 9.4 million negative). This concerned the tax effect of the actuarial adjustments of a German pension plan, which are also taken directly to the total result.

The effective tax rate was as follows:

<i>In percentages</i>	2023	2022
Applicable tax rate in the Netherlands	25.8%	25.8%
Effect of tax rates in other countries	1.3%	-0.1%
Prior-year adjustments	-1.1%	-0.6%
Effect of corporate income tax rate change on deferred taxation	-	0.1%
Effect of innovation box and EIA	-2.5%	-0.9%
Effect participation exemption	-5.4%	-1.3%
Other differences	0.8%	-0.1%
Effective rate	18.9%	23.0%

The other differences concerned various non-taxable results in the Netherlands and Germany.

The tax expenses for 2023 do not include taxes relating to levies resulting from the introduction of the Pillar 2 framework. Further information on the impact of the introduction of this framework is included in the accounting policies under the heading 'New and amended standards for financial reporting'.

For the 2023 financial year, tax expenses are relatively low, partly as a result of a number of one-off transactions, as explained in [note 2 'Business combinations and disposals of group companies'](#). These transactions qualify for application of the participation exemption or a comparable tax scheme. Furthermore, with our increased activities in the area of the energy transition we qualify for a higher 'EIA' tax rebate for energy-saving and energy-greening investments than previously.

38. Workforce

The average number of employees expressed in FTEs was 1,948 in 2023, with 278 of these stationed outside the Netherlands (2022: 1,707 FTEs, with 250 stationed outside the Netherlands).

The staff numbers grew mainly due to Gasunie's intensified activities in the area of the energy transition.

39. Related parties

Intra-group transactions

Services between Gasunie and its group companies and between group companies are provided at arm's length. This also applies to transactions with joint ventures, joint operations and associates, and other equity interests. For a full list of related entities see [note 62 'List of group companies and participating interests'](#). [Note 3 'Financial information by operating segment'](#) provides more information on these intercompany services.

Transactions with members of the Executive Board and Supervisory Board

The members of the Executive Board qualify as a related party, because they can exercise control or significant influence over the company's financial or operational policy. No other transactions took place with the Executive Board other than the transactions by virtue of their remuneration and possible expense claims. The same applies to members of the Supervisory Board. [Note 32 'Personnel expenses'](#) to the consolidated financial statements provides more information on the remuneration of the members of the Executive Board and Supervisory Board.

Other transactions with related parties

GTS provides gas transmission and transport services to its customers, including GasTerra B.V. Our sole shareholder, the Dutch State, also owns 50% of GasTerra. This allows the Dutch State, in its capacity as shareholder, to exercise significant influence on the policy of the two companies.

The services provided by GTS to GasTerra are performed in line with the provisions of the Dutch Gas Act. Under this legislation, GTS must not discriminate in its treatment of all market parties and must conduct business as requested. The tariffs charged to GasTerra are determined by the regulatory authority ACM. ACM works independently of GTS, GasTerra and the Dutch State.

40. External auditor's fees

The following fees charged by Ernst & Young Accountants LLP for auditing the consolidated and company financial statements were charged to the company, its subsidiaries and other companies it consolidates, in accordance with Sections 2:382a(1) and (2) of the Dutch Civil Code.

<i>In millions of euros</i>	Total Ernst & Young		Of which Ernst & Young Accountants LLP	
	2023	2022*	2023	2022*
Audit of the financial statements	0.9	1.0	0.6	0.8
Other audit engagements	0.4	0.3	0.3	0.3
Tax-related advisory services	-	-	-	-
Other non-audit services	-	-	-	-
Total external auditor's fee	1.3	1.3	0.9	1.1

* The comparative figures for 2022 concern the fees of PricewaterhouseCoopers Accountants N.V.

41. Events after the balance sheet date

No significant events occurred after the balance sheet date that have to be recognised or explained in the financial statements.

16 Company financial statements

Company statement of financial position as at 31 December 2023

(before appropriation of result)

<i>In millions of euros</i>	<i>Notes</i>	31 Dec. 2023	31 Dec. 2022
Assets			
Fixed assets			
- tangible fixed assets	42	80.2	84.8
- financial fixed assets	43	9,982.6	9,614.3
- derivative financial instruments		6.1	-
Total fixed assets		10,068.9	9,699.1
Current assets			
- inventories		84.4	78.3
- trade and other payables		0.8	-
- receivables from group companies		89.5	51.4
- receivables from joint ventures	44	267.3	297.0
- cash and cash equivalents		89.0	27.6
		279.0	411.5
Total current assets		810.0	865.8
Total assets		10,878.9	10,564.9

<i>In millions of euros</i>	<i>Notes</i>	31 Dec. 2023	31 Dec. 2022
Liabilities			
Equity			
- issued share capital	45	0.2	0.2
- remeasurement reserve	46	1,503.4	1,518.6
- legal reserve for participating interests	47	127.0	114.3
- other reserves	48	4,467.1	4,116.4
- unappropriated result	49	482.3	554.9
Total equity		6,580.0	6,304.4
Provisions	50	71.6	87.4
Non-current liabilities			
- Interest bearing loans		2,900.5	2,775.5
- lease liabilities		77.1	81.3
- derivative financial instruments		22.7	14.1
Total non-current liabilities		3,071.9	2,958.3
Current liabilities			
- current financing liabilities		175.0	225.0
- lease liabilities		6.8	6.7
- derivative financial instruments		3.4	1.8
- trade and other payables	51	422.4	484.3
- liabilities to group companies	52	619.4	584.4
Total current liabilities		1,227.0	1,302.2
Total liabilities		10,878.9	10,564.9

Company statement of profit and loss for 2023

<i>In millions of euros</i>	<i>Notes</i>	2023	2022
Net revenue	53	927.2	838.1
Other revenue	54	16.5	2.0
Total revenue		943.7	840.1
Costs of subcontracted work and other external costs	55	-664.7	-605.2
Personnel expenses	56	-244.2	-191.1
Depreciation costs	42	-7.2	-7.5
Impairment of current assets	57	-0.3	-2.1
Other costs	58	-65.4	-85.0
Total expenses		-981.8	-890.9
Operating result		-38.1	-50.8
Share in result of participating interests	43	510.0	602.6
Financial income and expenses	59	-4.3	5.3
Result before taxation		467.6	557.1
Income taxes	60	14.7	-2.2
Result after taxation		482.3	554.9

17 Notes to the company financial statements

General

These company financial statements and the consolidated financial statements jointly form the company's financial statements in accordance with the articles of association. The financial information of the company is included in the consolidated financial statements.

The company financial statements comprise the company statement of financial position and the company statement of profit and loss; the notes to the company financial statements form an integral part of the company financial statements.

Basis for preparation

The company financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. To determine the accounting policies for the measurement of assets and liabilities and the determination of the results of our company financial statements, we make use of the option offered in Section 2:362(8) of the Dutch Civil Code. This means that the accounting policies for the measurement of assets and liabilities and the determination of the results of the company financial statements are the same as for the consolidated financial statements prepared on the basis of EU-IFRS ('combination 3').

We have included information about the use of financial instruments and associated risks in the notes to the consolidated financial statements. The same applies to the notes to events after the balance sheet date, the notes to transactions with related parties, the notes to off-balance sheet obligations and the notes to the remuneration of members of the Executive Board and the Supervisory Board.

If no other policies are mentioned, we refer the reader to the policies described in the consolidated financial statements. To interpret these company financial statements correctly, the company financial statements ought to be read in conjunction with the consolidated financial statements. The accounting policies used for measuring assets and liabilities and determining the results have not changed compared to the previous financial year. The accounting policies used for presentation are also unchanged compared to the previous financial year, with the exception of the following items:

Other reserves and legal reserves

Due to an adjustment in the other reserves and legal reserves (including the remeasurement reserve), the comparative figures for 2022 in the company financial statements differ from the figures included in the 2022 company financial statements. For a portion of the retained earnings of some joint ventures we may not, officially, distribute a dividend without restrictions, because this requires the consent of the other shareholders, for example.

A legal reserve must be formed for the difference between the share in the retained earnings and direct movements in equity of the relevant participating interests on the one hand, and the amount of dividend to which we are entitled on the other. At the end of 2023, we formed a legal reserve for participating interests amounting to € 127 million, charged to other reserves. Furthermore, from 2023 we will present the cash flow hedge separately under remeasurement reserves instead of including it under other reserves. At year-end 2023, this reserve totalled € 6.7 million negative. For comparison purposes, we have also adjusted the comparative figures for 2022 to reflect these adjustments. At year-end 2022, the legal reserve for participating interests was € 114.3 million; the addition to the cash flow hedge reserve as part of the remeasurement reserve totalled € 5.6 million negative. The adjustment had no consequences for the total equity, net result or cash flows in either 2022 or 2023. Also in previous years there were no dividend payments that should not have been made.

Participating interests in group companies

Group companies are all entities over which we have direct or indirect control. Participating interests in group companies are recognised in the company financial statements at their net asset value, with goodwill being separately disclosed under intangible fixed assets, if any, by applying the accounting policies for the measurement of assets and liabilities and the determination of the results as set out in the notes to the consolidated financial statements. If and to the extent that we are unable to transfer results to our company without restriction, we add the results (or the relevant part of the results) to a legal reserve.

Share in result of participating interests

The share in the result of participating interests comprises our share in the results of these participating interests. Results from transactions in which assets and liabilities are transferred between us and our participating interests and between individual participating interests are eliminated where they cannot be regarded as realised.

Equity

General

We present equity instruments under equity. We deduct profits distributed to the holders of these instruments from equity.

Remeasurement reserve

Increases in the value of assets measured at current value are included in the remeasurement reserve, with the exception of financial instruments measured at current value: increases in the value of these assets are taken immediately to the result. Furthermore, we form a remeasurement reserve for these assets charged to other reserves if there are insufficiently frequent quoted market prices.

We form the remeasurement reserve for each individual asset, with the exception of changes in the value of the related positions, which we consider jointly, and it will never be more than the difference between the carrying amount based on historical cost and the carrying amount based on current value. We reduce the remeasurement reserve in line with the actual remeasurement (related to systematic depreciation of the asset). Any impairment of a particular asset aside from the systematic depreciation is also deducted from the remeasurement reserve.

If we dispose of an asset, any remeasurement reserve relating to that asset is released to the other reserves. When determining the remeasurement reserve, an amount for deferred tax liabilities, where applicable, is deducted, calculated at the current tax rate.

Legal reserve for participating interests

This reserve is equal to the share in the results (calculated based on our accounting policies) and direct movements in equity of the participating interests since initial measurement at net asset value, less profit distributions to which we have become entitled since initial measurement at net asset value, and less profit distributions we can carry out without restrictions. The legal reserve is determined on an individual basis.

Income taxes

N.V. Nederlandse Gasunie and its wholly-owned Dutch group companies constitute a fiscal unity for corporate income tax. With the exception of the group companies Gasunie Transport Services B.V., Gasunie Assets B.V. and Maasvlakte Storage B.V., we do not allocate corporate income tax to group companies. Gasunie's tax expense included in the company statement of profit and loss therefore relates to all the companies in the fiscal unity, with the exception of the portion of the tax expense allocated to the companies specified above. When determining the allocation of corporate income tax to Gasunie Transport Services, Gasunie Assets B.V. and Maasvlakte Storage B.V., we calculate the amount of the current and deferred taxes as if each of these group partners were 'fiscally independent', i.e. not deemed to be part of the fiscal unity.

18 Additional notes to the company financial statements

42. Tangible fixed assets

Movements in tangible fixed assets in 2023 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2023	Investments	Disposals	Depreciation	Carrying amount as at 31 Dec. 2023
Other fixed operating assets	-	-	-	-	-
Right-of-use assets	84.8	2.6	-	-7.2	80.2
Fixed assets under construction	-	-	-	-	-
Total for 2023 financial year	84.8	2.6	-	-7.2	80.2

At year-end 2023, tangible fixed assets included an amount of € 80.2 million (year-end 2022: € 84.8 million) for leases. We have economic but not legal ownership of these right-of-use assets. Right-of-use assets concern mainly land and buildings and the company vehicles. The current value of the assets does not differ significantly from the carrying amount.

Movements in tangible fixed assets in 2022 were as follows:

<i>In millions of euros</i>	Carrying amount as at 1 Jan. 2022	Investments	Disposals	Depreciation	Carrying amount as at 31 Dec. 2022
Other fixed operating assets	0.8	-	-0.5	-0.3	-
Right-of-use assets	83.9	8.1	-	-7.2	84.8
Fixed assets under construction	0.1	-0.1	-	-	-
Total for 2022 financial year	84.8	8.0	-0.5	-7.5	84.8

The cost and accumulated depreciation (including impairments) were as follows:

<i>In millions of euros</i>	Costs as at 31 Dec. 2023	Accumulated depreciation as at 31 Dec. 2023 *	Costs as at 31 Dec. 2022	Accumulated depreciation as at 31 Dec. 2022 *
Other fixed operating assets	-	-	-	-
Right-of-use assets	114.7	-34.5	112.1	-27.3
Total	114.7	-34.5	112.1	-27.3

* including accumulated impairments.

43. Financial fixed assets

Movements in tangible fixed assets were as follows:

<i>In millions of euros</i>	2023		2022	
	Group companies	Other participating interests	Group companies	Other participating interests
Balance as at 1 January	6,330.2	-	5,820.1	-
Movements				
- Acquisitions	70.4	-	-	-
- Issues of share premium	243.8	-	590.2	-
- Repayments of share premium	-	-	-0.8	-
- Share in result in group companies and participating interests	510.0	-	602.2	-
- Dividend received	-461.8	-	-219.4	-
- Movements in equity	-6.6	-	-462.1	-
Balance as at 31 December	6,686.0	-	6,330.2	-
Loans to group companies and participating interests				
Balance as at 1 January	3,264.5	19.6	4,074.4	21.4
Movements				
- Non-current loans granted	87.7	40.0	121.0	0.4
- Interest accrual	0.2	-	2.1	-
- Repayment of non-current loans	-77.2	-38.2	-933.0	-2.2
Balance as at 31 December	3,275.2	21.4	3,264.5	19.6
Total financial fixed assets as at 31 December		9,982.6		9,614.3

Group companies and other participating interests

The acquisition concerns the acquisition of GUFU BBL, as explained in [note 2 'Business combinations and disposals of group companies'](#).

The share premium payments recognised in 2023 mainly related to investments in our group companies that focus on the construction of the hydrogen transmission network and on CCS projects. The share premium payments recognised in 2022 related mainly to the conversion of non-current loans granted to Gastransport Noord-West Europa Holding and to Gasunie BBL into share premium.

Direct movements in the group companies' equity related to the actuarial result for the Gasunie Deutschland pension plan (as disclosed in [note 23 'Employee benefits'](#) and [note 48 'Other reserves'](#)) and to the remeasurement of the interest in Gate terminal as a result of the change in the value of the effective part of a cash flow hedge (as disclosed in [note 8 'Investments in joint ventures'](#) and [note 46 'Remeasurement reserve'](#)). In 2022, the fair value of Gasunie's participating interest in Nord Stream was also included here.

The list of participating interests, their registered offices and Gasunie's participation percentage are included in [note 62 'List of group companies and participating interests'](#).

Loans to group companies and other participating interests

The interest rate on the non-current loans was, unless specified otherwise, the weighted average interest rate of N.V. Nederlandse Gasunie's non-current loan portfolio plus 12.5 basis points (2022: the same).

No other special conditions or guarantees have been agreed between Gasunie and the group companies and other participating interests concerning the non-current loans granted. The carrying amount of provisions to cover the expected credit losses was less than € 0.1 million at year-end 2023 (year-end 2022: less than € 0.1 million).

At year-end 2023, the fair value of the non-current loans to group companies and other participating interests was € 3,141.2 million (year-end 2022: € 2,936.5 million).

Loan to group company GTS

The non-current loan granted to GTS totalled € 3,153.3 million at year-end 2023 (year-end 2022: € 3,142.6 million). This concerned the de facto balance of borrowings drawn under a loan facility capped at € 5 billion, made available as of 1 January 2014. The loan terminates on 31 December 2029, but has an uncommitted extension option. It has been agreed with GTS that the facility can be drawn or redeemed without restrictions during the term of the loan. No repayment schedule has been agreed.

GTS is the transmission system operator of the national gas grid as defined in the Dutch Gas Act. The Dutch Minister of Economic Affairs and Climate Policy has set rules with regard to proper financial management by a transmission system operator (Besluit Financieel Beheer Netbeheerders ('BFBN')). Annually, we assess – taking account of the provisions of the BFBN – whether the credit facility must be redeemed or drawn in order to meet the BFBN requirements. In this periodic assessment, the company not only takes into account the current financial position, but also the expectations for the coming years regarding the expected volume and timing of the investment expenditure, the expected dividend payments and the expected operating expenses for the gas transmission network. Due to the size and volatility of these variables, it is not currently possible to make a reliable estimate regarding potential future repayments. For this reason, we have presented the loan issued under non-current receivables as at the balance sheet date.

Loans to other participating interests

In 2023, Gasunie made a loan facility of € 40 million available to EemsEnergyTerminal. The facility expires on 31 July 2027. At year-end 2023, € 4 million had been drawn down from this facility. No repayment schedule has been agreed. The interest is based on the 3-month Euribor rate plus a margin of 2.3%.

In 2022, Gasunie made a loan facility of € 1.5 million available to VertiCer (formerly known as Vertogas). The facility expires on 31 December 2029. At year-end 2023, € 0.4 million had been drawn down from this facility (year-end 2022: € 0.4 million). No repayment schedule has been agreed. The agreed interest is the weighted average interest rate of the non-current loan portfolio of N.V. Nederlandse Gasunie plus 12.5 basis points.

The loan to BBL Company totalled € 16.9 million at year-end 2023 (year-end 2022: € 19.2 million) and has a term ending on 1 December 2035. A non-linear repayment scheme has been agreed. The agreed interest rate is fixed at 3% over the entire term.

44. Receivables from group companies

Intra-group positions arise from services provided by N.V. Nederlandse Gasunie to group companies and vice versa, from dividend payments within the group and from cash pool transactions carried out by the head of the group on behalf of the group companies as part of normal continuing operations.

No repayment schedule has been agreed for the receivables from group companies; the receivables have the characteristics of a current account facility.

In certain cases, the group company pays arm's length interest on the balance of the intra-group receivables, based on a variable interest rate plus a surcharge appropriate to both Gasunie's risk profile and that of the group company in question.

The carrying amount of provisions to cover the expected credit losses was less than € 0.1 million at year-end 2023 (year-end 2022: less than € 0.1 million).

45. Issued share capital

The authorised share capital amounts to € 756,000 and is divided into 7,560 ordinary shares, each having a nominal value of € 100. At year-end 2023, 1,513 of these shares were in issue and had been paid up in full. The issued share capital therefore totals € 151,300. No movements took place in the issued and paid-up shares during the financial year (2022: the same).

At year-end 2023, all shares in issue were held by the Dutch State (year-end 2022: the same).

46. Remeasurement reserve

The remeasurement reserve can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Remeasurement of GTS	1,480.6	1,524.2
Remeasurement of EemsEnergyTerminal	29.5	-
Remeasurement of cash flow hedge	-6.7	-5.6
Balance as at 31 December	1,503.4	1,518.6

Because the cash flow hedge reserve has a negative value, the actual amount of the reserve at year-end 2023 was € 1,510.1 million (year-end 2022: € 1,524.2 million).

Remeasurement of GTS

The remeasurement reserve relates to the remeasurement of GTS' assets. This remeasurement was originally connected to the division of Gasunie into a trading and a transmission company and the subsequent introduction of IFRS in 2005, and was calculated in line with the situation as at 1 January 2004. At the time, GTS was still part of N.V. Nederlandse Gasunie. When the assets were transferred to GTS on 1 January 2014, the remeasurement reserve linked to the assets was also transferred to GTS.

Remeasurement of EemsEnergyTerminal

This remeasurement reserve was formed following the sale of 50% of the shares in EemsEnergyTerminal to Vopak in 2023, as explained in [note 2 'Business combinations and disposals of group companies'](#). By effecting this share deal we no longer have control in EemsEnergyTerminal and, accordingly, IFRS requires that we remeasure the interest we retain at fair value, and apply this as the initial carrying amount. Because we apply 'combination 3' in our company financial statements, we have created a remeasurement reserve for the fair value adjustment.

Remeasurement of cash flow hedge

Direct movements in equity related to a change in fair value of the effective part of one of Gate terminal's cash flow hedges. Gasunie has recognised this change in equity under other comprehensive income in the consolidated financial statements. In the company financial statements, the change in fair value can be characterised as a remeasurement, for which a remeasurement reserve has been formed. We provide further details on this matter in [note 8 'Investments in joint ventures'](#).

Movements in the remeasurement reserve were as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Balance as at 1 January	1,518.6	1,542.5
Realised share of unrealised remeasurement	-43.5	-47.7
Remeasurement of retained interest in EemsEnergyTerminal	29.5	-
Movement in cash flow hedge reserve joint ventures	-1.1	23.7
Balance as at 31 December	1,503.4	1,518.6

47. Legal reserve for participating interests

Movements in the legal reserve for participating interests were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	114.3	412.4
Movement in other participating interests measured at fair value	-	-335.4
Share in retained earnings and direct movements in equity of joint ventures and associates	38.7	58.3
Received dividend joint ventures and associates	-26.0	-21.0
Balance as at 31 December	127.0	114.3

For our investments in joint ventures and associates recognised at net asset value, we may not allocate a dividend without restrictions, because this requires the consent of the other shareholders, for example. We form a legal reserve for the difference between the share in the retained earnings and direct movements in equity of the relevant participating interests on the one hand, and the amount of dividend to which we are entitled on the other. We have determined the amount of the legal reserve on an individual basis. A further explanation of the result and dividend payments by our joint ventures is provided in [note 8 'Investments in joint ventures'](#) and [note 9 'Investments in associates'](#).

We measure our investments in other equity interests at fair value. With the application of 'combination 3', for the fair value measurement we form a legal reserve for the part that exceeds the original acquisition price. For these interests we may not allocate a dividend without restrictions either. The change in 2022 was related to the 9% share in Nord Stream. We provide further details on other equity interests in [note 10 'Other equity interests'](#).

48. Other reserves

Movements in the other reserve were as follows:

<i>In million of euros</i>	2023	2022
Balance as at 1 January	4,116.4	4,163.2
Appropriation of result for previous financial year	354.9	93.2
Movement in other equity interests measured at fair value	-	-172.7
Movement in legal reserve for participating interests	-12.7	-37.3
Sum of actuarial gains and losses on employee benefits,	-7.9	31.7
of which corporate income tax	2.4	-9.4
Realised share in the unrealised revaluation	43.5	47.7
Remeasurement reserve retained interest of EemsEnergyTerminal	-29.5	-
Balance as at 31 December	4,467.1	4,116.4

For a description of the movements see the following [notes: 2 'Business combinations and disposals of group companies'; 8 'Investments in joint ventures'; 23 'Employee benefits'; 46 'Remeasurement reserve'; 47 'Legal reserve for participating interests'; and 49 'Unappropriated result'](#).

Our group company GTS is the network operator of the national gas grid in the Netherlands, as defined in the Dutch Gas Act. The Dutch Minister of Economic Affairs and Climate Policy has issued rules with regard to proper financial management by a network operator by way of the BfBN. These rules consist of a number of financial ratios, including a minimum for equity, which can lead to restrictions with regard to the level of GTS' distributable reserves. When the occasion arises, such circumstances could also affect the level of N.V. Nederlandse Gasunie's distributable reserves. At year-end 2023, no such restriction applied and no non-distributable reserve was recognised (year-end 2022: the same).

49. Unappropriated result

Movements in the unappropriated result were as follows:

<i>In millions of euros</i>	2023	2022
Balance as at 1 January	554.9	310.7
Dividend paid	-200.0	-217.5
Allocated to other reserves	-354.9	-93.2
Result for the year	482.3	554.9
Balance as at 31 December	482.3	554.9

Appropriation of result for the 2022 financial year

The 2022 financial statements were adopted by the General Meeting of Shareholders on 29 March 2023. The General Meeting of Shareholders has appropriated the result in accordance with the Executive Board's proposal.

The result for 2022 amounted to a profit of € 554.9 million, of which € 200 million was distributed as dividend in 2023. The remaining € 354.9 million was added to the other reserves.

Result appropriation proposal for the 2023 financial year

The Executive Board proposes that, of the profit for 2023, an amount of € 266 million be paid as dividend to the shareholder and that € 216.3 million be added to the other reserves. The dividend per share is € 175.8 thousand.

This proposal for appropriation of the result has not been recognised in the balance sheet as at 31 December 2023 or in the notes.

50. Provisions

Provisions can be broken down as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Provision for deferred tax liabilities	62.3	77.4
Provision for long-service awards	8.9	8.1
Provision for post-employment fringe benefits for non-active and retired employees	0.2	0.3
Provision for restructuring	0.2	1.6
Total provisions	71.6	87.4

For more information on the other provisions see [note 22 'Deferred tax liabilities'](#), [23 'Employee benefits'](#) and [note 24 'Other provisions'](#) of the consolidated financial statements.

51. Trade and other payables

Trade and other payables can be broken down as follows:

<i>In millions of euros</i>	31 Dec. 2023	31 Dec. 2022
Trade payables	104.4	59.2
Tax liabilities	11.2	8.3
Other liabilities and accruals	306.8	416.8
Total trade and other payables	422.4	484.3

Tax liabilities relate to the wage tax payable and social security contributions.

At year-end 2023, the other liabilities and accruals consisted mainly of interest payable, receivable invoices and security deposits received with a value of € 195.1 million (2022: € 243.8 million). Security deposits received are securities that our customers or those of our group companies have given us to cover the credit risk. We calculate a market interest charge for the security deposits.

Due to the current nature of the trade and other payables, the carrying amount approximates the fair value of these liabilities.

52. Liabilities to group companies

Intra-group positions arise from services provided by N.V. Nederlandse Gasunie to group companies and vice versa, from dividend payments within the group and from cash pool transactions carried out by the head of the group on behalf of the group companies as part of normal continuing operations.

No repayment schedule has been agreed for the liabilities to group companies; the liabilities have the characteristics of a current account facility.

In certain cases, Gasunie pays arm's length interest on the balance of the intra-group payables, based on a variable interest rate plus a surcharge appropriate to both Gasunie's risk profile and that of the group company in question.

53. Net revenue

N.V. Nederlandse Gasunie procures goods and services externally for its group companies and/or other participating interests. Furthermore, N.V. Nederlandse Gasunie is the legal employer of employees who work for Gasunie and its group companies. N.V. Nederlandse Gasunie's net revenue largely comprises sums charged to its group companies and/or other participating interests for the activities of its own personnel and/or the supply of externally procured goods and services. N.V. Nederlandse Gasunie acts as a principal with respect to its group companies.

54. Other revenue

The other revenue was as follows:

<i>In millions of euros</i>	2023	2022
Operating grants	1.3	2.0
Result acquisition GUFU BBL	15.2	-
Total other revenues	16.5	2.0

More details of the acquisition of GUFU BBL B.V. are provided in [note 2 'Business combinations and disposals of group companies'](#).

55. Costs of subcontracted work and other external costs

Costs of subcontracted work and other external costs can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Costs of subcontracted work and other external costs	280.8	211.1
Cost of network management	383.9	394.1
Total costs of subcontracted work and other external costs	664.7	605.2

The costs of subcontracted work and other external costs mainly comprise goods and services which N.V. Nederlandse Gasunie procures for providing services to its group companies, including GTS as the national gas transmission system operator in the Netherlands. The cost of network operations mainly comprises the procurement of nitrogen production capacity and electricity and gas needed for gas transmission and storage.

56. Personnel expenses

Personnel expenses were as follows:

<i>In millions of euros</i>	2023	2022
Salary expenses	183.3	143.7
Social security expenses	20.6	15.9
Pension expenses	40.3	31.5
Total personnel expenses	244.2	191.1

The average number of employees expressed in FTEs totalled 1,676 in 2023 (2022: average of 1,465 FTEs), with 6 of these (2022: 2) stationed outside the Netherlands.

We have included the specification of the remuneration for members of the Executive Board and Supervisory Board in the notes to the consolidated financial statements under [note 32 'Personnel expenses'](#).

57. Impairment of current assets

Impairment of current assets was as follows:

<i>In millions of euros</i>	2023	2022
Addition to the provision for obsolete stocks	2.9	2.1
Release of provision for obsolete stocks	-2.6	-
Total impairment of current assets	0.3	2.1

There has been no impairment of other current assets.

58. Other costs

Other costs can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Other costs	65.4	85.0
Total other costs	65.4	85.0

Other costs mainly comprise goods and services which N.V. Nederlandse Gasunie procures for providing services to its group companies. Other costs consist mainly of insurance costs and other material and personnel expenses. Other operating expenses will be lower in 2023 than in 2022 because in 2022 there was a relatively high addition to the provision for abandonment costs and redevelopment.

59. Financial income and expenses

Financial income and expenses can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Interest income and similar income	81.2	78.2
Fair value movement for instruments measured at fair value	3.2	-
Total financial income	84.4	78.2
Interest expenses and similar expenses	-72.4	-53.7
Other financial expenses	-7.6	-2.8
Fair value movement for instruments measured at fair value	-8.7	-16.4
Total financial expenses	-88.7	-72.9
Total financial income and expenses	-4.3	5.3

Interest income and similar income mainly covers interest charged on the financing of group companies. In 2023, € 70.8 million in interest income was recognised on loans to group companies (2022: € 75.5 million). The interest charged on loans to group companies is based on the weighted average interest rate of the long-term loan portfolio of N.V. Nederlandse Gasunie plus 12.5 basis points (2022: the same).

The interest expenses and similar expenses mainly concerned the interest on external non-current loans and the interest on cash pool liabilities of N.V. Nederlandse Gasunie vis-à-vis its group companies. The interest expenses relating to the cash pool liabilities totalled € 20 million (2022: € 2.1 million). The increase in interest expenses relating to these liabilities can mainly be explained by the higher short-term interest rates, which form the basis for the relevant interest rate.

Gasunie pays arm's length interest on the balance of the cash pool liabilities, based on a variable market interest rate plus a surcharge appropriate to both Gasunie's risk profile and that of the relevant group company.

60. Income taxes

N.V. Nederlandse Gasunie heads the fiscal unity in the Netherlands for the purposes of corporate income tax and VAT. The tax expense in the statement of profit and loss can be broken down as follows:

<i>In millions of euros</i>	2023	2022
Corporate income tax for the financial year	31.0	156.0
Corporate income tax for the previous financial years	-	-4.2
Corporate income tax for the fiscal unity	31.0	151.8
Movement in deferred taxation	21.0	18.4
Tax expense fiscal unity	52.0	170.2
Allocated to Gasunie Transport Services B.V.	-63.9	-166.2
Allocated to Gasunie Assets B.V.	-2.7	-1.7
Allocated to Maasvlakte Storage B.V.	-0.1	-0.1
Total tax expense N.V. Nederlandse Gasunie	-14.7	2.2

N.V. Nederlandse Gasunie and its wholly-owned Dutch group companies constitute a fiscal unity for Dutch corporate income tax purposes. No corporate income tax is allocated to these group companies, with the exception of group companies Gasunie Transport Services B.V., Gasunie Assets B.V. and Maasvlakte Storage B.V.

61. Other items and notes

For information on other items in the company statement of financial position and statement of profit and loss and the other notes, see [the notes to the consolidated financial statements](#).

62. List of group companies and participating interests

The list of group companies and other participating interests is as follows:

Company	Registered office		Interests as at
		31 Dec. 2023	31 Dec. 2022
Subsidiaries			
Gasunie BBL B.V.	Groningen	100%	100%
GUFU BBL B.V. ¹	Groningen	75%	
Gridwise Engineering & Services B.V.	Groningen	100%	100%
Gasunie New Energy B.V.	Groningen	100%	100%
Gasunie Waterstof Holding B.V.	Groningen	100%	100%
Hynetwork Services B.V.	Groningen	100%	100%
HyStock B.V.	Groningen	100%	100%
Gasunie Certification Holding B.V.	Groningen	100%	100%
Gasunie LNG Holding B.V.	Groningen	100%	100%
Gasunie Transport Services B.V.	Groningen	100%	100%
Gasunie Energy Information Services B.V	Groningen	100%	100%
EnergyStock B.V.	Groningen	100%	100%
Gastransport Noord-West Europa Holding B.V.	Groningen	100%	100%
Gastransport Noord-West Europa B.V.	Groningen	100%	100%
Gastransport Noord-West Europa Services 1 B.V.	Groningen	100%	100%
Gastransport Noord-West Europa Services 2 B.V.	Groningen	100%	100%
Gastransport Noord-West Europa Services 3 B.V.	Groningen	100%	100%
Gastransport Noord-West Europa Services 4 B.V.	Groningen	100%	100%
Gasunie Deutschland GmbH & Co. KG	Hannover, Germany	100%	100%
Gasunie Deutschland Verwaltungs GmbH	Hannover, Germany	100%	100%
Gasunie Deutschland Transport Services Holding GmbH	Hannover, Germany	100%	100%
Gasunie Deutschland Transport Services GmbH	Hannover, Germany	100%	100%
Gasunie Energy Development GmbH	Hannover, Germany	100%	100%
Gasunie Infrastruktur AG	Zug, Switzerland	100%	100%
Gasunie Warmte Holding B.V.	Groningen	100%	100%

Company	Registered office	Interests as at	
		31 Dec. 2023	31 Dec. 2022
LdM Beheer B.V. ³	Rotterdam	-	100%
LdM C.V. ³	Rotterdam	-	100%
LdM 1 B.V. ³	Rotterdam	-	100%
LdM 2 B.V. ³	Rotterdam	-	100%
LdM 3 B.V. ³	Rotterdam	-	100%
LdM 4 B.V. ³	Rotterdam	-	100%
LdM 5 B.V. ³	Rotterdam	-	100%
LdM 6 B.V. ³	Rotterdam	-	100%
LdM 7 B.V. ³	Rotterdam	-	100%
WarmtelinQ Transport Services B.V.	Groningen	100%	100%
Gasunie CC(U)S Holding B.V.	Groningen	100%	100%
Gasunie Rotterdam CC(U)S B.V.	Groningen	100%	100%
GroRoCo LP B.V.	Groningen	100%	100%
GroRoCo Land LP B.V.	Groningen	100%	100%
GroRoCo Zee LP B.V.	Groningen	100%	100%
Maasvlakte Storage B.V.	Groningen	100%	100%
Gasunie Assets B.V.	Groningen	100%	100%
<i>Joint operations</i>			
BBL Company V.O.F.	Groningen	75.0%	60.0%
<i>Joint ventures</i>			
Biogas Netwerk Twente B.V. (in liquidatie)	Almelo	50.0%	50.0%
Demonstratie Faciliteit Super Kritische Water Vergassing (SKW) Alkmaar B.V.	Alkmaar	35.0%	35.0%
EemsGas Asset Company B.V.	Amsterdam	50.0%	50.0%
DEUDAN - Deutsch/Dänische Erdgastransport GmbH	Handewitt, Germany	75.0%	75.0%
DEUDAN - Deutsch/Dänische Erdgastransport GmbH & Co. KG	Handewitt, Germany	33.4%	33.4%
EemsEnergy Terminal B.V. ⁴	Groningen	50.0%	100.0%
Gate terminal C.V.	Rotterdam	50.0%	50.0%
Gate terminal Management B.V.	Rotterdam	50.0%	50.0%
German LNG Terminal GmbH	Hamburg, Germany	40.0%	100.0%
National Energy Information Services B.V. ²	Groningen	50.0%	-
NETRA GmbH Norddeutsche Erdgas Transversale	Emstek/Schneiderkrug, Germany	50.0%	50.0%
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG	Emstek/Schneiderkrug, Germany	44.1%	44.1%

Company	Registered office	Interests as at	
		31 Dec. 2023	31 Dec. 2022
Porthos System Operator B.V.	Rotterdam	50.0%	50.0%
Porthos Offshore Transport and Storage GP B.V.	Rotterdam	50.0%	50.0%
Porthos CO2 Transport and Storage GP B.V.	Rotterdam	33.3%	33.3%
Porthos Onshore Transport GP B.V.	Rotterdam	50.0%	50.0%
Porthos Offshore Transport and Storage C.V.	Rotterdam	50.0%	50.0%
Porthos CO2 Transport and Storage C.V.	Rotterdam	33.3%	33.3%
Porthos Onshore Transport C.V.	Rotterdam	50.0%	50.0%
VertiCer B.V.	Arnhem	50.0%	50.0%
<i>Associates</i>			
Beheerder Afsprakenstelsel B.V.	Amersfoort	25.0%	25.0%
Trading Hub Europe GmbH	Berlijn, Germany	9.1%	9.1%
<i>Other participating interests</i>			
Energie Data Services Nederland (EDSN) B.V.	Arnhem	12.5%	12.5%
PRISMA European Capacity Platform GmbH	Leipzig, Germany	12.8%	12.7%
Nord Stream AG	Zug, Switzerland	9.0%	9.0%
SCW Systems B.V.	Schoorl	4.7%	4.9%

¹ Acquired on 8 May 2023

² Established on 25 October 2023

³ Merged to form WarmtelinQ Transport Services B.V. on 1 October 2023

⁴ Joint venture as per 1 October 2023

19 Signature

The Executive Board,

Ms J. Hermes*, (interim) Chair

Mr B.J. Hoevers

Mr J.A.F. Coenen

Supervisory Board,

Mr T.H.J.J. van der Hagen, (interim) Chair

Mr J. Meier

Ms A.L.M. Mutsaers

Mr A.S. Visser

Ms C. Wielinga

Groningen, 29 February 2024

* Director under the articles of association

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Other information



20 Other information

Independent auditor's report

The independent auditor's report with respect to the consolidated and company financial statements 2022 is included in the annual report in Dutch. Refer to [Controleverklaring van de onafhankelijke accountant](#).

Provisions of the articles of association governing profit appropriation

In line with Article 39, paragraph 2 of the articles of association, the profit in the financial year is at the free disposal of the General Meeting of Shareholders.

The company may make distributions to shareholders and other persons entitled to receive part of the distributable profit only insofar as its equity exceeds the total issued share capital plus the reserves that must be maintained by law.

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Additional information



21 Additional information

Material topics

Notes to the materiality assessment

Material topics are the topics that our stakeholders feel we should report on in our annual report. Gasunie carries out a materiality assessment every other year (in the odd-numbered years). The results of our materiality assessment have already been shown in the Guide to this report.

For the 2023 annual report, we identified our material topics using the double materiality principle, as prescribed by the CSRD. As a result, the results of the 2023 and 2021 materiality assessment cannot be compared one-on-one. All the same, in terms of material topics the 2023 results show many similarities with those of 2021.

'Energy transition' and 'Security of supply' are the topics for which Gasunie scores relatively high in terms of impact on people and the environment and where risks and opportunities can be identified. In terms of ranking, the result in 2023 is comparable to that of the previous materiality assessment.

The topic 'Safety of the network', which came in third place in the 2021 assessment, will no longer be included as a separate topic in 2023: like 'Cybersecurity, data security and privacy', this topic is included in the topics 'Security of supply' and 'Employee health and safety'.

Newcomers to the topic list 'Circular economy' and 'Emissions' have both been identified as material and score relatively high in terms of being material from a financial materiality (outside-in) perspective and an impact materiality (inside-out) perspective. In the 2021 materiality assessment, these topics were included under the topic 'Environmental impact of our own organisation, products and services'.

In 2023, we split the topic of 'Wellbeing, training and development' into two separate topics, namely 'Employee wellbeing' and 'Training and development'. We see that the topic of 'Employee wellbeing' is deemed to be material from the inside-out perspective.

The definition of the topic 'Relationship with local communities' (2021: 'Relationship with stakeholders and the local community') was further refined in 2023. This topic is deemed to be material from the outside-in perspective.

'Biodiversity' is also a newcomer in the topic list. Like 'Employee health and safety', 'Training and development', 'Diversity and Inclusion' and 'Good corporate governance', this topic scores relatively low and so is not included in Gasunie's material topics. This says nothing about the importance of these topics in themselves, but rather about their importance in relation to the other topics surveyed. Although these are not material topics, we do endorse the importance of these matters and report on them in the Our other material topics and Governance sections.

The topics 'Developments in laws and regulations', 'Financial performance and resilience' and 'Strong market position' were no longer included in the materiality assessment in 2023, in part because they have an insufficient connection with sustainability.

For a detailed description of the materiality assessment performed in 2021, please see the relevant section in the 2021 Annual Report.

Structure of the materiality assessment

The materiality assessment was carried out at an early stage of the reporting process in 2023. This assessment comprised three steps. We worked together with an external consultancy firm to carry out our materiality assessment.

Step 1: Identify possible ESG topics

The initial focus of the assessment was to draw up a longlist of the topics we could possibly report on. This longlist was compiled using sources like the 2021 materiality assessment, various internal and external reports, annual reports of a number of comparable companies, statements in the media, and trends and developments in our sector.

To finalise step 1, the 14 identified ESG topics and their definitions were internally validated in a CSR study group comprising 15 employees drawn from different areas of expertise within Gasunie.

Step 2: Consult with the stakeholders

In the second step of the assessment, Gasunie assessed who its key stakeholders are and gained a better understanding of the extent to which the company is influenced by its stakeholders and the impact Gasunie has on its stakeholders. Fifteen semi-structured interviews were then held with internal and external stakeholders and, based on the findings, a number of adjustments were made to the longlist to arrive at a shortlist of eleven ESG topics.

The shortlist was then submitted for validation to the CSRD steering committee, consisting of four department managers.

Step 3: Determine inside-out and outside-in impact

The next step was to hold workshops to gather input on the inside-out and outside-in impact of the shortlisted ESG topics. For these workshops, participants were selected who, based on their area of expertise, could provide input on one or both perspectives for these eleven ESG topics.

Based on the information gained from the workshops, the topics were plotted in a materiality matrix, which was then submitted to the workshop participants for verification and then to the steering group for validation.

Lastly, the results of the materiality assessment were approved by the Supervisory Board.

Our other material topics

In the six main sections of this report we discuss our progress in the area of Gasunie's six key material topics. The dialogue we had with our stakeholders revealed an additional five topics they considered important, specifically employee health & safety, training & development, diversity, inclusion & equality, biodiversity, and governance.

Employee health and safety

Operational safety

We monitor the number of incidents at Gasunie based on our Total Reportable Incident Rate (TRIR), the total number of incidents resulting in lost-time injuries, medical treatment, alternative work, or fatalities per 1 million hours worked. There were 19 reportable incidents in 2023. This results in a TRIR of 2.9. There were 10 lost-time injuries. Our target in 2023 was a TRIR below (and in any case no higher than) 2.5.

The table below shows the number of injuries that occurred involving Gasunie employees and injuries involving contractors' employees while carrying out work for Gasunie.

<i>Reportable incidents</i>	2023	2022	2021	2020	2019
Lost-time injury	10	12	5	5	5
Injury leading to restricted work	3	6	1	1	1
Injury requiring medical treatment	6	4	2	4	3
Total	19	22	8	10	9
TRFI	2.9	3.8	1.8	2.0	1.7

Safety is not open to negotiation at Gasunie: we aim for zero incidents in the workplace. All people who work for Gasunie must be able to return home safe and sound at the end of their day. Our accident KPI, the 'Total Recordable Incident Rate' (TRIR), improved in 2023 compared to 2022, but still exceeds the threshold value of 2.5, meaning the number of accidents occurring on the job is unacceptably high.

However, with many strategic projects (potentially) ahead of us, the question arose whether we should increase the threshold value, decrease it (show that, even with the increasing number and size of projects, we are ambitious and want to continuously improve), or keep it the same (the threshold value is fine; we are not there yet and so will continue to focus on staying at or below this value). We ultimately decided to keep the threshold value the same and focus on improving our safety performance. Our aim, of course, remains the same: to prevent all incidents so that no one – not a single one of our own employees or those of our contractors, or anyone else – is injured while we carry out our activities.

The total number of hours worked by Gasunie employees and third-party employees increased from 5.74 million to 6.56 million hours. Accordingly, the TRIR score of 2.9 is attributable to 19 reportable injuries in 2023 in combination with 6.56 million hours worked. The continued high level of reportable injuries is an additional incentive to take action.

In 2023, there were no work-related fatalities among Gasunie employees or external employees. Further analysis of the accidents, including the reportable cases, shows that most of these accidents concerned cuts or crush injuries, mainly involving the hand/fingers, feet/toes or head. The accidents occur during relatively simple, routine work. Decreased attention and sudden movement or slippery conditions are the main causes. The reportable cases concerned 16 third parties and three of Gasunie's own employees. Third parties include: contract workers and their supervisors/coordinators; staff of contractors and subcontractors who carry out work for Gasunie at a Gasunie location or project site; visitors to a Gasunie location or project site; and local residents, passers-by and road users who have become unintentionally involved in an undesirable event caused by a Gasunie asset or activity. Part of our new procurement strategy concerns ensuring closer collaboration with our contractors. As part of this, we organised a safety day with twenty contractors to get their input on our safety performance.

In addition to the reportable incidents, a number of near misses that could have had serious consequences also occurred over the reporting year. The underlying causes can be traced to not following the permit-to-work process (or not following this correctly) as a result of lack of role clarity and insufficient knowledge of the process. In this regard, we have formulated improvement actions in the areas of education, training and supervision.

Given the current and expected expansion of the Gasunie project portfolio, it is important to learn from these accidents and do our utmost to prevent any more of these. This will receive a great deal of attention from the management over the coming year. Close contact with contractors, increased supervision, safety workshops and 'Learn from this Incident' bulletins are being used to turn the tide.

Safety culture

In 2023, Gasunie took the first steps towards certification under the Safety Culture Ladder (SCL) system. The intention is to become certified for Step 3 in 2024. The SCL is an instrument widely used in the market to measure and improve the safety culture in a company. The first step we took was to carry out a baseline measurement by means of a questionnaire and by holding more than 100 interviews. We will use the results to prepare the company for the certification audit. With certification, we hope to not only be able to take steps towards improvement within the company, but also give the safety dialogue with our key external stakeholders an extra boost.

Safe@Gasunie

We organise our annual Safe@Gasunie Safety Day for all people working at Gasunie (permanent, temporary and contingent staff). In 2023, the dialogue centred on the effect of the unconscious workings of the brain as regards risk perception and risk tolerance, and how to stay alert under all circumstances. With this conversation, we delved deeper into the previous year's theme, but now with a more practical approach, asking: how does unsafe behaviour come about, assuming that we do not consciously choose it? At the end of the workshop, participants were asked to share their ideas for improvement, which we will implement immediately if they concern urgent matters or otherwise include in next year's Safety Day.

Training and development

When it comes to making a contribution to the energy transition, Gasunie sets itself challenging targets. This means that in addition to being a skilled organisation, we must also be a learning organisation, which is why we are creating a culture of lifelong learning, one in which work and development go hand in hand. After all, the opportunity and strength to take those major steps forward in the energy transition rests with our employees, with enthusiastic, skilled, agile employees who not only move along with developments, but even initiate these themselves. In 2023, we carried out the following new activities to achieve this:

- *Onboarding*: To give the increasing number of new hires at Gasunie a good start in the company, in 2023 we further expanded our onboarding programme, both for central staff and onboarding at certain specific units.
- *FLOW interview*: We took steps to further foster the dialogue between managers and employees on personal and professional development through what we call 'FLOW interviews'. We have done this by, among other things, introducing FLOW interview cards, posting regular messages on the intranet, HR providing advice to managers, and by making a digital portal available where the progress of the FLOW interview process can be tracked.
- *Personal training & development budget*: In 2023, we started a pilot where we made a training & development budget available to each employee to spend as they saw fit. In addition, we offered 38 free courses ranging from topics like hydrogen in the energy transition to decision-making, presentation skills and lifestyle & nutrition.
- *Technology campus*: In 2023, we started updating and redesigning the technical training courses for our engineers to ensure that we could quickly and adequately train the increasing flow of engineering hires. In addition to updating and future-proofing the technical courses, we aimed to ensure that development would be more in line with the needs and desires of individual engineers and to connect with students graduating from technical programmes of intermediate vocational institutions.

- *Custom development programmes:* In 2023, we rounded off various development programmes for specific target groups at Gasunie and started new ones, including:
 - *Commercial Business Development programme:* In this programme, completed in 2023, 12 employees were prepared for senior positions in the commercial and business development domain.
 - *Working Safely programme / visit to Spadeadam:* In 2023, four groups of 24 employees visited the Spadeadam research and testing centre in the UK to undergo safety training. At this centre, to enhance the learning experience, real explosions are used to simulate the impact of a gas incident. Nine more groups of 24 employees are scheduled to visit the centre in 2024.
 - *Procurement in Position:* This programme was launched in 2023, with 12 employees receiving training and undergoing personal development in the area of tactical and strategic procurement.
 - *New procurement strategy:* With the objective of building sustainable relationships with our external partners in mind, in 2023 we started developing training courses in the area of relationship management for Gasunie staff who commonly collaborate with external partners.

Diversity, inclusion and equality

We strive to be a true reflection of society. We also want to be a company where everyone's input contributes to the quality of our organisation, where we can be ourselves, and where we are appreciated for this. We believe that being a diverse and inclusive company leads to more creativity, innovation and better decisions. Only if our company culture values and embraces diversity, inclusion and equality can we successfully transform from a gas transmission system operator to an energy infrastructure company in the coming years.

Policy

We have embedded our pursuit of more diversity in our existing HR instruments (e.g. recruitment policy, career advancement policy) and existing programmes and committees (workplace code of conduct, workplace facilities, art collection). We mainly try to stimulate a more inclusive working environment through awareness programmes for managers and staff.

Targets and results

Diversity, inclusion and equality are difficult to measure. Gasunie has formulated five goals aimed at promoting diversity and/or inclusion.

		Realisation 2023	Target 2023	Target 2025	Target 2030
Percentage of women in senior management	GU-NL:	26%	23%	25%	30%
	GU-DE:	33%	33%	33%	50%
People with a distance to the labor market		38	40	56	67
Percentage trainees increasing diversity		30%	30%	40%	50%
Employee survey score on themes related to inclusion		8.3	7,9 or higher	Stable or higher	Stable or higher
Unexplained gender pay-gap		3,33%*	Less than 5%	Less than 5%	Less than 5%

*Research has been carried out at the end of 2021, early 2024 Gasunie will conduct a similar research.

Women in management positions

At the end of 2023, women filled 26% of senior management positions at Gasunie Nederland, surpassing the 2023 target of 23%. In Germany this was 33%, which is in line with the target there.

Promising, high-performing women receive training aimed specifically at cultivating female leadership. We find it important to facilitate this programme as part of our diversity, inclusion and equality policy. This way, we avoid having policy directed more at the idea that 'women need to change' and instead strive for an inclusive culture where diverse perspectives are encouraged at all levels so that better decisions can be made in the company. In 2024, Gasunie will focus on at least two more Female Leadership programmes, both in Dutch and English (the latter for German colleagues). Gasunie also pays specific attention to the position of women in our succession planning for the management and women's representation in this.

Employment of people with poor job prospects

At the end of 2023, 38 people with poor job prospects were working for Gasunie, 34 in the Netherlands and four in Germany. A highlight of 2024 will be a European tendering procedure for this target group, where collaboration with a partner to achieve our objective will be an important part of the invitation to tender.

Employee satisfaction and inclusion

The Pulse survey Gasunie uses to measure employee satisfaction in the Netherlands contained three questions about inclusion in 2023. The findings were very promising, with the degree to which employees feel included at Gasunie increasing from 7.9 to 8.3. This feeling also appears to be widely shared. There are no outliers on the lower end for variables such as department, age, gender or length of service. Gasunie is very proud of the findings.

<i>Score on questions related to diversity and inclusion</i>	2023	Previous survey
I dare to be myself at Gasunie	8.3	7.9
In my immediate working environment, everyone is treated equally and with respect, regardless of background or personal characteristics	8.1	7.8
I can share my opinions freely without fear of retaliation	7.7	-

Unexplained gender pay gap

Gasunie feels that it is important, in anticipation of EU and Dutch legislation, to gain insight into possible divergence at the company from the 'equal work, equal pay' principle. An [initial study](#) was conducted at the end of 2021, and due to the enormous influx of employees in recent years, Gasunie wants to have an external party carry out a similar study again early in 2024. With this objective study, we can see whether the unexplained portion of the gender pay gap has remained below 5% and we can hear what recommendations Gasunie can take to heart.

2023 Girls Day

In 2023, Gasunie once more welcomed girls between the ages of 10 and 15 to introduce them to the STEM professions, i.e. science, technology (including IT), engineering and mathematics. Over 60 girls visited our locations in Groningen and Utrecht. They were invited to weld, carry out tests with hydrogen and try their hand at hacking, and they were given an exclusive tour of the control room of the national gas transmission system.

Unfortunately, the number of girls and women who choose a STEM profession has been low for years: only 14% of technical and engineering professionals in the Netherlands are women. This can be attributed in part to them not having a full picture of the possibilities in technical education and professions, feeling they are not good at subjects like science and mathematics, and the lack of role models. Gasunie hopes to help bring about a change in this situation by paying extra attention to this target group.

Dutch equal opportunity supervision act

We are tightening our HR policy in the Netherlands in anticipation of the new Dutch law on the supervision of equal opportunities in recruitment and selection, which is set to come into effect in the second half of 2024. This law aims to make the recruitment and selection process more transparent and non-discriminatory. In addition to tightening our policy, we will be training our HR and recruitment staff on how to apply the new policy.

Numbers of employees starting with and leaving the company

In 2023, 379 employees were hired and 94 employees left Gasunie.

Employee hires broken down by region, gender and age group

Head count	GU	GU-NL	GU-D
Female, under 30 years	16	14	2
Female, 30 - 50 years	49	40	9
Female, over 50 years	13	12	1
Male, under 30 years	62	52	10
Male, 30 - 50 years	175	150	25
Male, over 50 years	64	61	3
Total	379	329	50

Employee departures broken down by region, gender and age group

Head count	GU	GU-NL	GU-D
Female, under 30 years	7	7	-
Female, 30 - 50 years	7	4	3
Female, over 50 years	5	4	1
Male, under 30 years	17	14	3
Male, 30 - 50 years	20	14	6
Male, over 50 years	38	32	6
Total	94	75	19

Governance**Compliance management**

Compliance at Gasunie focuses on promoting and enforcing compliance with national and international laws and regulations and compliance with procedures, standards and internal rules. The aim of compliance is to safeguard the integrity of the organisation, to protect management and employees, and to avoid legal or regulatory sanctions, material financial loss or loss of reputation (or the risk of such).

Gasunie's compliance management system is based on the international compliance management standard and laid down in our compliance regulations, which detail the responsibilities for compliance and our compliance monitoring and reporting. All Gasunie employees are responsible and accountable for their own behaviour. Managers have first-line responsibility for compliance with the rules within their unit or department. In the second line, the corporate compliance officer has an independent role and reports directly to the Executive Board. The Supervisory Board receives an annual report on the compliance system by way of the Compliance Letter.

Internal Audit

In 2023, Internal Audit conducted a number of audits, including of business continuity management, governance, and the design and management of the enterprise resource planning software package SAP S/4HANA. Internal Audit also paid a lot of attention to IT and IT security topics. Internal Audit has a growing role in the evaluation of various projects as carried out by Gasunie.

Sanctions policy

Gasunie complies with the applicable sanctions legislation and takes into account Dutch, European, UK, American and Japanese sanctions. This scope is broader than what is required by law and is the result, in particular, of requirements set under the various financing agreements. We do not conduct transactions or make financial resources available where such actions would breach applicable sanctions legislation/policy.

Gasunie checks whether any of its current or prospective customers, contractors or service providers are on applicable sanctions lists and whether the contractual relationship with such parties is otherwise subject to sanctions. If it emerges that a party is on a sanctions list, we will conduct an investigation into the content and scope of the sanction and the applicability of the sanction to the proposed or existing relationship and/or transaction.

We do not enter into relationships and/or transactions with new parties where these parties and/or transactions are subject to sanctions legislation/policy. Where a party we currently have a relationship with or transactions we are currently involved in fall under sanctions legislation/policy, we will endeavour to suspend and/or terminate the relevant relationship and/or transaction to the extent legally and contractually possible.

Gasunie endeavours to include a sanctions clause in every contract to enable the company to suspend the rights and obligations under the contract if it emerges that sanctions apply and that, where possible, gives Gasunie the right to terminate the agreement without adverse consequences for Gasunie.

Code amendment prevents undesirable balancing behaviour

At the proposal of GTS, the ACM has taken a code decision to introduce a financial incentive to prevent undesirable balancing tactics. The new transport code that applies from 1 January 2024 states the type of behaviour that is deemed to be an undesirable tactic. This mainly concerns a relatively large imbalance in the portfolio, in which case the relevant shipper must pay an additional charge in the event of a balancing action that is the result (or partly the result) of such a tactic. In the run-up to this change, shippers were informed about the practical implications during the GTS shipper meeting. There were also many one-on-one conversations with shippers who appeared to be applying this undesirable tactic in 2023 to prepare them for the code amendment from 2024.

Ratings

One of the instruments that our stakeholders use to assess whether we conduct our business responsibly are external agencies' ratings of our performance. Financial stakeholders look at our credit ratings, while social stakeholders find our ratings in the area of ESG important. Gasunie actively engages with four independent rating providers who provide us what is referred to as a 'solicited rating'.

Our credit ratings remained at the same high level in 2023. The most important reasons behind these good ratings were our solid financial profile, having the Dutch State as a shareholder, clarity with regard to the Dutch and German regulatory frameworks in the coming years, and the important role played by Gasunie in achieving European and Dutch energy transition objectives.

We were able to improve our ESG rating at ISS-ESG from C+ to B in 2023. Our ESG rating at Sustainalytics weakened, going from 16.8 to 18.9 (the lower the figure, the better). This is because Gasunie had a higher volume of emissions in 2022 than the year before as a consequence of more compression being required due to the changing direction in the flow of natural gas in Europe. Both ESG rating agencies value our efforts in the area of governance, employee safety, cybersecurity, human rights, and business development in the area of the energy transition.

We have high ratings in the area of creditworthiness and ESG risks

Rating agency	S&P Global Ratings	Moody's Investors Service	Sustainalytics	ISS-ESG
Most recent update (month, year)	August 2023	July 2023	January 2024	November 2022
Long term rating	AA-	A1	n/a	n/a
Long term outlook	stable	stable	n/a	n/a
Short term rating	A-1+	P-1	17.3	B
Last rating	unchanged	unchanged	18.9	unchanged
Key strengths (3 bullets)	<p>Focus on low-risk, regulated gas transmission operations in the Netherlands and northern Germany under supportive regulatory frameworks with five-year periods</p> <p>- Monopolistic position in the Dutch natural gas transmission market, given its designation as the national gas transportation and infrastructure company, and one of the twelve gas transmission system operators in Germany</p> <p>- High likelihood of extraordinary support if needed from the Dutch government and a credit-supportive financial policy, resulting in two notches of uplift to the stand-alone credit profile (SACP)</p>	<p>- Low business risk, underpinned by the company's regulated monopoly gas transmission network operations</p> <p>- Good cash flow visibility for the Dutch and German regulated business</p> <p>- Strong implicit support from its owner, the Dutch government</p>	<p>1. Strong product governance</p> <p>2. Strong human capital management</p> <p>3. Strong cybersecurity programmes</p>	<p>1. Employee safety</p> <p>2. Protecting human rights</p> <p>3. New (green) business development (hydrogen transport, district heating networks, Carbon Capture and Storage)</p>
Key risks (3 bullets)	<p>- Long-term business reshaping need, given the reduced relevance of natural gas, from gas transportation to energy infrastructure with a focus on hydrogen and biogas transport. Uncertain medium-to-long-term growth prospects for regulated gas infrastructures.</p> <p>- Large investment program driven by means to facilitate the countries' energy transition and the Groningen gas field's retirement (with investments that will be considered part of regulated revenues)</p>	<p>- Lower allowed returns for regulated operations in Germany and the Netherlands in the current regulatory periods, which weaken the company's cash-flow-based metrics compared with the previous regulatory periods</p> <p>- Material share of operating profit from its unregulated businesses, which have reduced cash flow predictability</p> <p>- Likely requirement of higher investment levels, in the short term, to ensure security of supply in the Netherlands following Groningen's phase-out, and, in the long term, to realise its Vision 2030 to transport hydrogen, natural and green gas, heat and carbon</p>	<p>1. Energy use and GHG emissions out of own operations</p> <p>2. Community relations (community involvement)</p> <p>3. Business ethics</p>	<p>1. Energy intensity</p> <p>2. Governance of sustainability issues (Gasunie has no assigned independent committee in charge of sustainability issues)</p> <p>3. Ensuring compliance with code of conduct</p>
Transparency level	n/a	n/a	n/a	very high
Ranking	n/a	n/a	4th out of 97 gas utility companies	Top 20% of 60 gas- and electricity infrastructure companies

Grants

Gasunie makes use of various national and EU grant schemes. Our grant policy is aimed at making use of these schemes in a timely and efficient manner, for example to facilitate energy transition projects and sustainability activities Gasunie can use to contribute to achieving the Dutch, German and EU climate goals.

Gasunie makes use of a varied range of grant schemes and similar, including:

- Energy Investment Allowance (EIA), for sustainable and energy-saving investments;
- Energy and Climate Innovation Demonstration grant (DEI+), for carbon reduction and energy-saving technologies, demonstrations and pilots;
- Connecting Europe Facility (CEF) for Energy, for investments in the construction of new cross-border energy infrastructure in the EU or the rehabilitation and improvement of existing infrastructure.

Gasunie uses grants for projects like WarmtelinQ, Porthos, Hystock and the Green Gas Boosters. The funding available under these schemes varies, and depends on aspects like the project size, duration, eligible costs and, if applicable, the consortium in which Gasunie participates. The table below shows the amounts awarded under the main grant decisions in 2023 and 2022:

<i>In thousands of euros</i>	2023	2022
EIA	10,761	5,945
Other	1,756	3,100
Total	12,517	9,045

* The amounts shown is the funding allocated and are subject to final determination after completion of a project or submission of a tax declaration. EIA amounts have been determined based on the sustainable investments Gasunie intends to make.

Tax payments

Gasunie sees paying taxes as an important contribution it is making to society. We pay all taxes due in a timely manner and in accordance with tax laws and regulations in the countries where we operate. We endorse the Tax Governance Code of the Confederation of Netherlands Industry and Employers (VNO NCW) and apply this code in our tax policy. We pay tax on profits where value is created in the normal course of commercial activities. We endeavour to work together with tax authorities on the basis of mutual respect, transparency and trust. We participate constructively in the national and international dialogue with government bodies, stakeholder groups and other parties to support the development of effective taxation, legislation and administration.

The table below shows how much we paid in taxes or received as a rebate for the main types of taxes. The corporate tax we paid in 2023 is higher than in 2022 as a result of the payment in 2023 on profit earned in the 2022 financial year. We collected the same amount of VAT in 2023 as in 2022, even though we made more investments in 2023. This is because a reduced rate of 9% applied to a sizeable part of our services in the second half of 2022, meaning less VAT coming in during that period.

<i>In millions of euros</i>	2023	2022
Netherlands		
Corporate income tax	-112	-99
VAT	116	116
Wage tax	-89	-70
Dividend tax	-30	-33
Total	-115	-87
Germany		
Corporate income tax	-31	-23
VAT	24	10
Wage tax	-14	-12
Total	-21	-25

Biodiversity

Due to the size and good connectivity of the land on which their assets are found, network operators can make an interesting contribution to biodiversity and species richness. Where this does not pose a safety risk, Gasunie wants to 'green' its sites by having wooded belts with native trees and shrubs planned and maintained around these sites. This way we stimulate the natural food pyramid of plants and animals, we enable better retention of rainwater, and the sites remain cooler. Where possible a 'meandering mowing regime' (also called 'sine-wave mowing'), a form of ecological mowing, is increasingly being done on the sites. In 2023, based on square metres of land, 59% of our Dutch sites and 52% of our German sites were contributing to greater biodiversity, good for 59% combined. Germany has relatively few square meters of Gasunie land compared to the Netherlands.



Ecological mowing on Gasunie sites.

More flora and fauna through ecological management

Increasing biodiversity at our sites through our mowing regime and wild plant mixtures

Until just a few years ago, Gasunie's hundreds of sites were intensively maintained: the grass was kept short and, with the help of the herbicide glyphosate, nothing grew on the grey gravel fields. It was all very neat and tidy. But then we asked ourselves, can we approach this differently, without herbicides and taking biodiversity into account? After all, grass and other plants lower the temperature, store carbon dioxide, remove particulate matter from the atmosphere, and provide a habitat and food for insects and other animals, increasing their numbers and variety. In an experiment spanning several years, we investigated whether we could improve biodiversity at our sites by taking a different approach to groundskeeping.



A variety of plants

We started on this in 2022, together with the ecology specialists from Duvekot Rentmeesters. We selected a few areas at our Spijk and Zuidbroek sites to mow ecologically for a year, meaning less often. It also means removing the clippings, which makes the soil less nutrient-rich, which in turn means that the grass grows less quickly and all kinds of wild plants have a better chance to grow. We were able to study the initial results at the start of 2023, and the measurements even surprised the ecologists from Duvekot. At the Spijk site the number of plant species increased from 19 to 29 and at the Zuidbroek site they went from 10 to 19.

Attracting insects

We also asked ourselves, can we attract more insects too? To answer that question we continued our research into 2023. Three test areas, previously covered with nothing but pest-repelling lava granulate, were prepared at the Zuidwending site. Two areas were sown with a special wild seed mixture and a third served as a control area. Once again, from the measurements we could see a major effect after just one year. The number of insects on the planted areas was 1.5 times higher than that on the bare control area, and their combined weight was 1.7 times greater too. And of course more insects means more food for birds and bats, for example.

From grey to green

We haven't completed our experiments yet, but the results are already quite convincing, in fact so convincing that we have decided to convert half of all our gravel fields into fields full of wildflowers and other wild plants by 2030. More flowers means more nectar, more nectar means more insects, and more insects means more birds, mice and other small animals. This way, biodiversity on these once bare, unseeded fields continues to increase year after year.

” It's so cool that Gasunie is committed to this green transition. The fact that we can see such a difference in the plants and animals on site after just one year is really something special! It's great for us to be able to turn these Gasunie sites green and this way improve biodiversity.



Finn Groten

Ecological advisor and
researcher at Duvekot
Rentmeesters B.V.

Our other environmental impacts

Methane emissions

Our methane emissions over the past five years were as follows:

<i>In tons of methane</i>	2023	2022
Netherlands	3,544	3,331
Germany	817	1,491
Total	4,361	4,822

Nitrogen

Our NOx emissions in 2023 were comparable to those in 2022. In the Netherlands, NOx emissions increased due to the use of the EemsEnergyTerminal and, on the other side, because we were transmitting less gas we made less use of the compressor stations. Where possible, we prefer to use electric drive compressors that do not result in NOx being emitted.

<i>In tons of NOx</i>	2023	2022
Netherlands	122	132
Germany	140	138
Total	262	270

Gas usage in installations

Our natural gas consumption in 2023 in the Netherlands was lower than our consumption in 2022. There has been a shift, however. The reduction in gas consumption was mainly due to the lower need for compression at our compressor stations. Approximately 40% of the company's own natural gas consumption in the Netherlands can be attributed to the use of the EemsEnergyTerminal.

In Germany, natural gas consumption was on par with that of 2022. Since 2022, use of Gasunie Deutschland infrastructure has been higher than previously. This is down to natural gas transmission routes having to be rerouted due to the war in Ukraine. This has resulted in our compressors having to work harder and more often.

<i>in millions of kWh; conversion factor 9.77 kWh= 1m3</i>	2023	2022
Netherlands	389	445
Germany	879	886
Total	1,268	1,331

Heat consumption in installations

Since it was brought into operation at the end of 2022, EemsEnergyTerminal has been by far the largest consumer of heat within Gasunie. At the terminal, liquefied natural gas is converted into gaseous natural gas using heat. Aside from this, we use a relatively small amount of heat from third parties to heat natural gas at the gas receiving stations. Gasunie Deutschland does not consume heat.

<i>In millions of kWh</i>	2023	2022
Netherlands	417	51
Germany	-	-
Total	417	51

Electricity usage in installations

We saw opposing effects in our electricity consumption in 2023. On the one hand, because less natural gas was transmitted in 2023 compared to 2022, less electrical compression was required as well. On the other hand, the commissioning of the EemsEnergyTerminal has had a significant impact on our electricity consumption.

<i>In millions of kWh</i>	2023	2022
Netherlands (purchased)	705	749
Netherlands (own generation)	2	2
Germany	9	10
Total	715	761

Environmental irregularities

We keep records of environmental irregularities in order to learn from them and, where possible, take effective action to limit environmental damage in the future. The number of environmental irregularities reported for Gasunie in the Netherlands and Germany was:

<i>Number of environmental deviations reported</i>	2023	2022
Non-compliance with environmental laws and regulations	3	2
Irregularity with respect to the environmental management system	1	-
Environmental incidents	62	49
Third-party nuisance complaints	85	90
Total	151	141

Gasunie distinguishes between the following environmental irregularities:

- *Non-compliance with environmental laws and regulations:* Failure to comply with national and/or international legislation and/or internally imposed rules, standards and regulations to protect the integrity of the board, employees and the company.
- *Irregularity with respect to the EMS:* Failure to comply with requirements regarding the environmental management system (EMS) in accordance with ISO 14001 under which Gasunie is certified.
- *Environmental incidents:* Damage to a Gasunie property or that of a third party that has disrupted the environment.
- *Third-party nuisance complaints:* A complaint or a report to Gasunie from a local resident or passer-by of a form of nuisance in the environment.

In 2023, there were 151 (2022: 141) incidents of non-compliance with environmental laws and regulations and/or the environmental management system, with 11 of the environmental incidents reported to an external agency (to the competent authority, for example). A large portion of the environmental irregularities are reports from third parties about smelling gas or about minor leaks. Ten of the environmental nuisance complaints from third parties did not relate to Gasunie (2022: 32). As in 2022, Gasunie did not receive any significant fines for environmental violations in 2023.

Energy efficiency

Gasunie has an internal energy efficiency target: we are aiming to use 12.5% less energy by 2030 compared to the base year 2020. We have seen now that this target is unrealistic given Gasunie's ever-growing remit of activities relating to security of supply and the energy transition. We are in the process of formulating a new energy efficiency target, which should come into effect in the course of 2024 and replace the former energy efficiency target.

Gasunie Green Deals

With the Gasunie Green Deals, we have been making our everyday business operations greener and more social since 2020. The Gasunie Green Deals, which describe concrete improvement goals, are in line with the UN Sustainable Development Goals (SDGs). We report on the [progress we are making](#) in achieving the goals on our dedicated CSR pages. In 2024, we will include the Gasunie Green Deals in our new CSR strategy, which also takes into account the material ESG-related topics of the CSRD.

Gasunie Green Teams

Gasunie Green Teams is a bottom-up initiative in which employees jointly conceive, formulate and implement concrete sustainability actions to bring about change at Gasunie. An overview of the sustainability plans our Green Teams are currently developing can be found on the Gasunie website. To give a couple of examples, in 2023 the teams looked into using the current employee budgets for making employees' homes more energy efficient, and they studied setting up a campaign for transport and mobility awareness. A number of ideas align with existing Gasunie initiatives, projects or working groups.

Marketplaces

TTF

Each year, gas traders buy and sell large volumes of gas in the Netherlands. Almost all gas trading now takes place on the TTF gas trading platform. In 2023, more gas was traded on TTF than in 2022, even more than in the record year 2021. The number of parties actively trading on TTF declined slightly compared to the previous year.

	2023	2022
Amount of gas traded on TTF (TWh)	53,794	38.356
Maximum number of active parties in one day	166	170
Amount of gas traded through the GTS network via TTF (TWh)	448	486

For gas trading on the TTF platform, there are two main forms of transactions: over the counter (OTC) transactions, where the gas is purchased directly from the other party, and transactions through a gas exchange, which acts as the intermediary for all traders. OTC trading increased by 19% in 2023, from 11,511 TWh in 2022 to 13,718 TWh this reporting year. The TTF share traded through gas exchanges increased much more strongly year-on-year (by 49%), from 26,845 TWh in 2022 to 40,076 TWh in 2023.

TTF edged forward slightly in its lead over the other European gas trading platforms. In 2023, nearly 80% of European gas trading took place on TTF, which again confirms that the Dutch gas market is working well and that TTF has acquired a leading position in Europe.

THE

In compliance with a legal obligation, all German TSOs jointly initiated a project in 2018 to merge the two existing German market areas into one major virtual trading hub in Germany with one single market area manager, Trading Hub Europe (THE). The new combined market area began trading as planned on 1 October 2021. Gasunie has a 9% equity interest in THE and expects THE to lead to greater liquidity on the German gas market. An integrated German market area makes further north-western European market integration simpler to achieve.

Since 2022, the new market area manager THE has taken on new duties in the area of security of supply. The market area manager is required to comply with the legal obligations set out in the German Energy Industry Act (*Energiewirtschaftsgesetz – EnWG*) regarding assuring minimum storage levels at gas storage facilities and taking action to ensure security of supply. The market area manager fulfils these obligations in coordination with its shareholders, i.e. the regulatory authority for the sector *Bundesnetzagentur* and the *Bundesministerium für Wirtschaft und Klimat* (Federal Ministry for Economic Affairs and Climate Action).

VertiCer

On 1 January 2023, CertiQ and Vertogas merged under the name VertiCer. With this merger, the companies are preparing for the anticipated integration of gases, heat and electricity in the future energy system. The collaboration also puts VertiCer on the stage as a strong partner for harmonising Guarantee of Origin (GO) systems in Europe. TenneT and Gasunie foresee substantial growth in the number of GOs required for all renewable and circular energy carriers. New roles and tasks may eventually be added, such as issuing GOs for carbon storage, for example.

The issuance of GOs for renewable energy is on the rise, with the numbers increasing by 10% in 2023 compared to 2022 (from 50.5 million to 55.6 million). The number of GOs issued for non-renewable energy decreased by 7.5% (from 56.8 million GOs in 2022 to 52.5 million GOs in 2023). The volume of green gas GOs issued in 2023 corresponds to approx. 275 million m³ of gas (2022: 212 million m³).

The trade in GOs also intensified in 2023. The total volume of domestic trade, exports and imports increased by 8.6% (from 141.7 million GOs in 2022 to 153.9 million GOs in 2023). The volume of GOs written off decreased by 8% (from 107.6 million GOs in 2022 to 99.2 million GOs in 2023).

In 2023, there were 66 (2022: 58) green gas producers for which GOs were issued and 61 (2022: 62) traders in GOs for green gas. There were 301 (2022: 265) traders in GOs for electricity and heat in 2023.

The result for 2023 was positive; however, this cannot be compared with the results in 2022 for the separate organisations CertiQ and Vertogas because of the various factors that influenced the result.

Report of the Works Council

In addition to its usual work, the Works Council dealt with many new developments in 2023, including a number of changes in the Executive Board and Supervisory Board, as well as matters relating to the energy transition we are immersed in.

At the beginning of March, we were taken somewhat off guard when our CEO Han Fennema announced that, after a ten-year tenure, he was leaving our company. We look back on a pleasant and constructive collaboration, one in which, even if our points of view sometimes differed, the relationship was always good. We were involved early in the procedure to find a successor, and we had a very good, open conversation with our new CEO Willemien Terpstra. In our last meeting with Han Fennema, we bid our farewells and presented him with a characteristic sketch.

In the search for a new member for the Supervisory Board, we spoke to two candidates and recommended Tim van der Hagen as our nomination, a recommendation that was also accepted by the Remuneration, Selection & Appointment Committee.

This year was all about celebrations: both Gasunie and the Works Council were celebrating their 60th anniversary. Together with the Methos staff association, we presented the Executive Board with a very nice anniversary gift: a sofa made from 48-inch gas piping, incorporating the past, present and future. The sofa has now been 'installed' at a great location at the head office.

In 2023, Gasunie had the greatest growth in employee numbers in years. And with growth comes growing pains, with pressure to train new employees and familiarise them with the company. In the coming years, the company will need to get used to the speed of the changes that are heading our way and develop the necessary flexibility to respond adequately to them. This requires a lot from all employees.

The Works Council took up the following key points this year:

- physical and social safety
- accommodation/working conditions at head office and 'in the field'
- effectiveness of decisions (efficiency, results, yield).

With these points in mind, we will pay even more attention to all requests for advice and/or consent in the coming period.

Requests for advice and consent

This year, the Works Council once again handled an increasing number of requests for advice and requests for consent.

Four requests for advice were directly related to the energy transition and security of supply and four were indirectly related to the growth of departments. That there are organisational changes is only logical under the circumstances. As a Works Council we pay attention to these changes. We offer employees a listening ear and tailor our advice to the Executive Board to their input where necessary.

One request for consent regarding the policy on work location was withdrawn after the management received advice from the Works Council. This was done in close consultation with the Executive Board member, who understood our view that this policy lacked equal treatment for all employees. The proposed policy would have had a more severe impact on some employees than others and possibly consequences for various employee schemes and arrangements. Gasunie will investigate further so that it can work out a better alternative, with a good national distribution of locations.

Communications

So that we could have direct contact with employees not working at head office, we met eight times elsewhere in the country. During these visits we held discussions with the employees over lunch. We have seen that our fellow employees know how to get in touch with us. In the coming year, we want to work on our visibility: we see great added value for the company in this.

To celebrate our 60th anniversary, we distributed chocolate bars at head office and at various Gasunie locations around the country. This was also the kick-off for our election campaign.

In addition to contact with Gasunie employees, we connected with other works councils in 2023, such as those of Gate, NAM, GasTerra, TenneT and the regional TSOs.

Again this year, we met jointly with the Supervisory Board and Executive Board. At this meeting we held a dialogue session to discuss a number of statements. The issues and statements discussed were challenging, as befitting the times in which Gasunie currently finds itself. We discussed in which energy transition initiatives Gasunie should or should not participate and the risks this presents for Dutch industry. We also considered which risks the rapid growth in FTEs poses for Gasunie and how we can ensure that the company can respond more quickly.

It was a constructive consultation and one that allows us, as a Works Council, to conclude that our Supervisory Board members understand what's going on. We also discussed the geopolitical situation and what AI can do for us.

Works Council election in 2024

Since September we have been preparing for the Works Council elections in 2024. Although the company has grown, the Works Council will remain the same size (17 members) for the coming years. The number of employees who will soon be able to stand for election and elect members is 2,297.

It is the first time that 'staggered elections' (i.e. for half of the seats now, half in two years' time) are being held. Eight members will step down on 1 April 2024; they can, of course, always stand for re-election. We are curious about the election results.

A last word

In the new phase we are entering as Gasunie, in addition to growing pains, new opportunities are arising for many of our colleagues. At the same time, we note that more attention has been paid to the traditional natural gas activities that are so important to our company. From the employee survey we have seen that many positive changes are taking place. Still, there remain plenty of matters for us as a Works Council to pay attention to, so that we can continue to say: Gasunie, a great place to work!

Composition of the Executive Board

J.J. (Han) Fennema, CEO and Chair of the Executive Board

(1964, Dutch, man)

Han Fennema joined the Executive Board on 1 January 2014, taking on the position of CEO and Chair of the Executive Board on 1 March 2014. Han Fennema resigned on 1 November 2023.

Other positions

- Member of the Supervisory Board at the Hanze University of Applied Sciences in Groningen (Vice-Chair)
- Member of the International Supervisory Board, Energy Delta Institute
- Member of the Advisory Board, Clingendael International Energy Programme
- Member of the Board, German-Dutch Chamber of Commerce (DNHK)

J. (Janneke) Hermes, CFO

(1978, Dutch, woman)

Janneke Hermes has been Gasunie's CFO and member of the Executive Board since 1 October 2019. She was reappointed on 1 October 2023. On the Executive Board, Janneke Hermes is responsible for financial reporting and the associated rendering of account to the Audit Committee and the Supervisory Board. In addition, she is responsible for Human Resources, Group Control, Treasury, Risk Management, Procurement, and Corporate Legal & Compliance.

Janneke Hermes has held various management positions at Gasunie, including that of Treasury Control Manager (2005-2007), manager of employment terms and conditions (2014-2016), and Corporate Finance Manager since 2016.

Janneke Hermes served as acting CEO from 1 November 2023 until Willemien Terpstra took up this role on 1 March 2024. During her time as acting CEO, she was responsible for the Strategy, Communication & Public Affairs and Audit focus areas. Janneke Hermes studied econometrics at the University of Groningen and followed the New Board Program at Nyenrode Business University.

Other positions

- Member of the Supervisory Board, Openbaar Onderwijs Groningen
- Member of the faculty supervisory board, Executive Master of Finance & Control, University of Groningen

B.J. (Bart Jan) Hoevers, titular member

(1971, Dutch, man)

Bart Jan Hoevers joined the Executive Board as a titular member on 1 September 2017. He was reappointed on 1 September 2021. Bart Jan Hoevers is Managing Director of Gasunie Transport Services B.V. On the Executive Board, he is responsible for the Asset Management, Operations, IT and GTS focus areas. From 1 November 2023 to 1 March 2024, he was also responsible for Gasunie Deutschland and for Safety.

Bart Jan Hoevers has been working at Gasunie since 2007, starting out as a business development project manager before moving on to the positions of Regulatory Affairs Manager and Network Development Manager. Prior to joining Gasunie, he worked at the Dutch Ministry of Finance, where he specialised in state holdings, and at the Dutch central bank (DNB). Hoevers studied monetary economics at the University of Groningen.

Other positions

- Member of Members' Council, Netbeheer Nederland
- Board member, European Network of Transmission System Operators for Gas
- Chair of the Supervisory Board, Beheerder Afsprakenstelsel (BAS) B.V.

J.A.F. (Hans) Coenen, titular member

(1966, Dutch, man)

Hans Coenen joined the Executive Board as a titular member on 1 April 2023. He has been appointed for a period of four years. Hans Coenen has worked at Gasunie since 1990, most recently as director of business development and strategy. Hans Coenen is responsible for the Participations, Business Development and Market focus areas. He graduated from Wageningen University (Engineering degree) and also has a Master's Degree in Financial Economics from TIAS Business School in Tilburg.

Other positions

- Chair of the Board of the Koninklijke Vereniging van Gasfabrikanten in Nederland (KVGN)
- Member of the Executive Committee of International Gas Union
- Chair of the Foundation Board of New Energy Coalition
- Member of the Executive Committee of EemsdeltaGreen

U. (Ulco) Vermeulen, titular member

(1959, Dutch, man)

Ulco Vermeulen joined the Executive Board as a titular member on 1 May 2016. He was reappointed on 1 May 2020. He stepped down from the board on 1 July 2023. Ulco Vermeulen will remain affiliated with Gasunie until the end of 2024 as special advisor to the Executive Board, with a focus on the development of international hydrogen supply chains.

Other positions

- Member of the Supervisory Board, Anthony Veder Group N.V.
- Member of the Supervisory Board, ICE Endex Holding B.V.
- Member of the Executive Committee of Vereniging Platform Groen Gas
- Member of the International Supervisory Board, Energy Delta Institute
- Member of the Supervisory Board, New Energy Coalition
- Chair of the Board, TKI Gas
- Member of the Supervisory Board, Ommelander Ziekenhuis Groningen
- Member of the Board of Commissioners, Groningen Seaports (from 1 November 2023)

Composition of the Supervisory Board

P.J. (Pieter) Duisenberg RC

(Chair of the Supervisory Board)

(1967, Dutch, man)

Date of first appointment: 1 September 2019

Resignation date: 1 October 2023

Member of the Remuneration, Selection, and Appointment Committee

Other board positions

- Chair, Universities of the Netherlands (UNL) (principal position until 1 September 2023)
- President of the Netherlands Court of Audit (principal position from 1 September 2023)
- Chair, Stichting van het Onderwijs (StvhO) (until 26 June 2023)
- Vice-Chair, Managing Committee of Neth-Er (until 1 September 2023)
- Member of the Supervisory Board, Netherlands School of Public Administration (NSOB) (up to 1 December 2023)
- Member of the Supervisory Board, Stadion Feijenoord (until 11 December 2023)

(Dirk Jan) van den Berg

(Vice-Chair of the Supervisory Board)

(1953, Dutch, man)

Date of first appointment: 1 October 2014

Reappointment date: 21 March 2019 (AGM)

Resignation date: 29 March 2023 (AGM)

Member of the Remuneration, Selection & Appointment Committee

Other board positions

- Chair, Zorgverzekeraars Nederland (principal position)
- Member of the Supervisory Board, NWO
- Member of the Supervisory Board, Air France-KLM
- Chair of the Supervisory Board, FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.)
- Chair of the Board, Tradesparent BV

Prof. T.H.J.J. (Tim) van der Hagen

(Vice-Chair and acting Chair of the Supervisory Board)

(1959, Dutch, man)

Date of first appointment: 1 April 2023

First term ends in 2027 (AGM)

Member of the Remuneration, Selection & Appointment Committee

Other board positions

- Chair of the Executive Board/rector magnificus, Delft University of Technology (principal position)
- Board member of the Alliance of the universities of Leiden, Delft and Rotterdam (LDE) and of the Federation of 4 Universities of Technology (4TU)
- Board member, Economic Board for the Province of Zuid-Holland
- Member of the Supervisory Board, Medical Delta
- Member of the Technology and Innovation Committee, Confederation of Netherlands Industry and Employers (VNO NCW)
- Board member, Delft University Fund
- Board member, Netherlands Energy Research Alliance (NERA)
- Board member, Growth through Research, Development and Demonstration in Offshore Wind (GROW)
- Member of the Supervisory Board, Central Organisation for Radioactive Waste (COVRA)
- Board member, Netherlands Institute for Conservation, Art and Science (NICAS)
- Member of the Supervisory Board, Theater De Veste, Delft

C. (Carolina) Wielinga RA

(1970, Dutch, woman)

Date of first appointment: 15 April 2019

Reappointment date: 29 March 2023 (AGM)

Chair of the Audit Committee

Other board positions

- CFO, BDR Thermea Group B.V. (principal position)
- Chair of the Supervisory Board, NX Filtration

A.S. (Ate) Visser

(1956, Dutch, man)

Date of first appointment: 6 July 2018

Reappointment date: 29 March 2022 (AGM)

Second term ends in 2026 (AGM)

Member of the Audit Committee

Other board positions

- Member of the Executive Advisory Council, RLG International Inc.
- Director, Immaterial Ltd.
- Chair of the Board, Recircle Ltd.
- Member of the Advisory Board, NL Space Campus

Prof. J. (Johannes) Meier

(1963, German, man)

Date of first appointment: 1 September 2021

First term ends in 2025 (AGM)

Member of the Audit Committee

Other board positions

- Managing Director and Founder, Xi GmbH (Gütersloh, Germany) (principal position)
- Non-executive Director, New Work SE (Hamburg, Germany)
- Chair of the Advisory Board, Stiftung Mercator (Essen, Germany)
- Member of the Advisory Board, Meridian Stiftung (Essen, Germany)
- Member of the Board, UNICEF Germany (Cologne, Germany)

A.L.M. (Anja) Mutsaers

(1970, Dutch, woman)

Date of first appointment: 1 December 2021

First term ends in 2026 (AGM)

Chair of the Remuneration, Selection and Appointment Committee

Other board positions

- Partner, De Brauw Blackstone Westbroek (principal position)
- Member of the Supervisory Board, Heijmans N.V.

EU Taxonomy

The European Union aims to be climate-neutral by 2050. In 2018, the EU Action Plan for Financing Sustainable Growth was adopted for this purpose. This action plan contains three main objectives:

- Reorienting capital flows towards a more sustainable economy
- Mainstreaming sustainability into risk management
- Fostering transparency and long-termism.

One of the steps to achieve these objectives was setting up an EU classification system for sustainability activities, the EU Taxonomy Regulation. This Taxonomy has six environmental objectives:

- climate change mitigation
- climate change adaptation
- sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- protection and restoration of biodiversity and ecosystems.

In keeping with the regulations, Gasunie reports according to the EU Taxonomy. We tested whether Gasunie's economic activities qualify as 'Taxonomy-eligible economic activities' (i.e. economic activities related to one or more of the environmental objectives as stated above). We then determined whether the Taxonomy-eligible economic activities meet the criteria for 'substantial contribution to the environmental objectives' and whether they 'do no significant harm' to any of the other five environmental objectives. In addition, we determined to what extent we as a company have in place the 'minimum safeguards' referred to in the Taxonomy regarding human rights, corruption, taxes and fair competition. When a Taxonomy-eligible economic activity meets the three conditions mentioned above, it is referred to as a Taxonomy-aligned economic activity.

In the prescribed tables presented at the end of this section, we show the share of Taxonomy-aligned, Taxonomy-eligible and non-Taxonomy-eligible economic activities in Gasunie's revenue, capital expenditures (CAPEX) and operational expenditures (OPEX).

Our Taxonomy-eligible and Taxonomy-aligned activities

All of our Taxonomy-eligible and Taxonomy-aligned activities are allocated to activities associated with the climate change mitigation objective. There is, therefore, no question of allocating multiple climate objectives to one and the same activity.

Our Taxonomy-aligned and Taxonomy-eligible activities advanced further in 2023 compared to 2022, meaning that for CAPEX and OPEX both the absolute amount and the ratio compared to the whole have increased. In particular, our CAPEX and OPEX for our investments in heat (activity 4.15) and our CCS projects (activity 5.11) have increased. Additionally, our hydrogen projects (activities 4.12 and 4.14), our projects relating to green gas (activity 4.14) and the studies we have carried out with regard to the energy transition (activity 9.1) are all Taxonomy eligible.

For some of our projects, we are currently unable to efficiently demonstrate that we meet all conditions regarding alignment. This mainly concerns smaller projects/sub-projects involving low-emission means of transport (activity 6.5) and the studies carried out in 2023 (activity 9.1).

In addition, a number of projects are included that are still in the project phase. Though these projects aim to meet the conditions set, the studies needed to demonstrate that no significant harm is being done to any of the other five environmental objectives will only be carried out at a later phase in the project. For 2023, this amounts to € 36.6 million in CAPEX (2022: € 0.6 million) and € 35.7 million in OPEX (2022: € 24.2 million).

At Gasunie we pay a lot of attention to our people and the environment. In our methodology, we identify the risks and determine whether these are material to the performance of our work. The depth of this risk analysis depends on the nature and scope of the works to be carried out. For our larger projects we have an environmental impact assessment (EIA) drawn up. EIAs provide information on various matters, including the impact of the planned activities on the environment. Carrying out these assessments provides assurance that the works we plan to carry out will do no significant harm to any of the environmental objectives.

As always, Gasunie's assets will be designed with safe, long-term use in mind. Our current studies take into account potential environmental risks such as floods, earthquakes, wildfires and such. This means that under the current climatic conditions our assets will be sufficiently able to continue to function should a climate-related disaster occur. At the end of 2023, we formalised additional policy aimed at ensuring that assets can withstand the specific influences of climate change in the long term as well; we have since started on the implementation of this policy. With this additional policy, for our new projects and our current assets we anticipate and take into account the possible consequences of climate change.

Minimum safeguards

The EU Taxonomy Regulation refers to minimum safeguards that a company must comply with before its activities can be considered to be Taxonomy aligned. Accordingly, this applies to our reporting too. This means that the activities must meet the criteria for responsible business conduct outlined in the [OECD Guidelines for Multinational Enterprises](#) and the [UN Guiding Principles on Business and Human Rights](#). Four core topics have been identified for compliance with these minimum safeguards: human rights, corruption, taxation and fair competition.

The EU Taxonomy requires that procedures be set up in accordance with the above guidelines and principles. There is a six-step human rights due diligence process to identify, prevent and mitigate any potential and actual adverse human rights impacts.

Gasunie has safeguards in place based on these guidelines and principles. The OECD Guidelines and UN Guiding Principles have been implemented, for example, in our [Supplier Code of Conduct](#). We also have a [workplace code of conduct](#) setting out how we are expected to behave towards each other. We have drawn up an implementation plan to further implement and formalise the six steps of human rights due diligence in our company over the coming period. In addition, various processes have been set up around the four core topics. There are currently no indications that the company does not have the minimum safeguards in place or does not enforce these.

Basis for preparation

The above KPIs have been drawn up in accordance with the reporting requirements as specified in Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation (Regulation [EU] 2020/852). These reporting requirements are further explained in Annexes I and II of said delegated regulation. The basis for the KPIs in the table above are the consolidated financial statements of N.V. Nederlandse Gasunie.

Revenue KPI

We calculated the share of Taxonomy-eligible economic activities in our total revenue by dividing the revenue from Taxonomy-eligible activities (numerator) by the total net revenue (denominator) as specified in the [consolidated statement of profit and loss for 2023](#). The accounting policies used with regard to [net revenue](#) are also explained in more detail in the consolidated financial statements.

CAPEX KPI

We calculated the share of Taxonomy-eligible economic activities in our CAPEX by dividing the CAPEX of Taxonomy-eligible economic activities (numerator) by the total CAPEX (denominator). The numerator includes our investments in tangible fixed assets and intangible fixed assets. We explain these items in [Note 5](#) and [Note 6](#) to the 2023 consolidated financial statements.

The CAPEX table below does not include € 40 million in investments in Taxonomy-aligned activities of our joint ventures. Of our investments in joint ventures, 39% relate to aligned activities; this mainly concerns activity 5.11. Our investments in joint ventures are disclosed in [Note 8](#) to the 2023 financial statements. If we were to include our investments in joint ventures when calculating our share of Taxonomy-eligible activities, this share would increase from 20.4% to 22.6%.

OPEX KPI

We calculated the share of Taxonomy-eligible economic activities in our OPEX by dividing the OPEX of Taxonomy-eligible activities (numerator) by the total OPEX (denominator). According to the EU Taxonomy, the OPEX consists of all the direct and indirect costs 'necessary to ensure the continued and effective functioning of [the] assets'. As an energy infrastructure company, we have adopted the principle that the total costs excluding depreciation costs are required for this. The total expenditures consist of personnel expenses and other costs less capitalised expenses as specified in the [consolidated statement of profit and loss for 2023](#).

EU Taxonomy – Revenue

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria						Minimum safeguards	Proportion of turnover 2022	Category enabling activity	Category transitional activity
Economic activities	Code	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		mEUR	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmental sustainable activities (Taxonomy-aligned)																			
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	0,5	0,0%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	-	E	
8.2 Data-driven solutions for GHG emissions reductions	CCM	0,1	0,0%	Y	N	N	N	N	N	Y	Y			Y		Y	0,1%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0,6	0,0%	100%	0%	0%	0%	0%	0%								0,1%		
Of which enabling		0,6	0,0%	100%	0%	0%	0%	0%	0%								0,1%	E	
Of which transitional		-	0,0%	0%													-		T
A. 2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																			
				Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL										
4.12 Storage of hydrogen	CCM	0,1	0,0%	EL	N	N	N	N	N								-		
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	-	0,0%	EL	N	N	N	N	N								0,1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0,1	0,0%	100%	0%	0%	0%	0%	0%								0,1%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0,7	0,0%	100%	0%	0%	0%	0%	0%								0,2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		2.060,3	100,0%																
Total (A + B)		2.061,0	100,0%																

EU Taxonomy – CAPEX

Financial year 2023		2023		Substantial contribution criteria							DNSH criteria											
Economic activities	Code	Absolute opex	Proportion of opex	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of opex 2022	Category enabling activity	Category transitional activity			
		mEUR	%	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmental sustainable activities (Taxonomy-aligned)																						
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	1,2	0,1%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	-					
4.15 District heating/cooling distribution	CCM	6,3	0,6%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	-					
5.11 Transport of CO2	CCM	9,1	0,9%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	-					
8.2 Data-driven solutions for GHG emissions reductions	CCM	1,0	0,1%	Y	N	N	N	N	N	Y	Y			Y	Y	Y	0,1%					
9.1 Close to market research, development and innovation	CCM	6,6	0,6%	Y	N	N	N	N	N	Y	Y	Y		Y	Y	Y	-					
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)				24,1	2,3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	0,1%				
Of which enabling				24,1	2,3%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y		E			
Of which transitional				-	0,0%	0%						Y	Y	Y	Y	Y	Y			T		
A.2 Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																						
				Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL	Y,N; N/EL													
4.12 Storage of hydrogen	CCM	3,5	0,3%	EL	N	N	N	N	N										-			
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	17,9	1,7%	EL	N	N	N	N	N										0,1%			
4.15 District heating/cooling distribution	CCM	0,1	0,0%	EL	N	N	N	N	N										-			
5.11 Transport of CO2	CCM	14,9	1,4%	EL	N	N	N	N	N										-			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM	1,7	0,2%	EL	N	N	N	N	N										-			
9.1 Close to market research, development and innovation	CCM	3,6	0,3%	EL	N	N	N	N	N										-			
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				41,6	4,0%	100%	0%	0%	0%	0%	0%											
A. Opex of Taxonomy eligible activities (A.1+A.2)				65,8	6,3%	100%	0%	0%	0%	0%	0%										0,1%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Opex of Taxonomy-non-eligible activities (B)			975,7	93,7%																		
Total (A + B)			1.041,5	100,0%																		

EU Taxonomy - OPEX

Financial year 2023	2023			Substantial contribution criteria							DNSH criteria								
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of capex 2022	Category enabling activity	Category transitional activity
Economic activities	Code	Absolute Capex	Proportion of capex																
		mEUR		Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N		Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmental sustainable activities (Taxonomy-aligned)																			
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	22,9	3,1%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	1,9%	E	
4.15 District heating/cooling distribution	CCM	91,7	12,2%	Y	N	N	N	N	N	Y	Y	Y			Y	Y	6,60%	E	
8.2 Data-driven solutions for GHG emissions reductions	CCM	0,4	0,1%	Y	N	N	N	N	N	Y	Y			Y	Y	Y	0,1%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		115,0	15%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	8,6%		
Of which enabling		115,0	15%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		-	0%	0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																			
				Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL										
4.12 Storage of hydrogen	CCM	10,2	1,0%	EL	N	N	N	N	N								0,0%		
4.14 Transmission and distribution networks for renewable and low-carbon gases	CCM	27,5	2,6%	EL	N	N	N	N	N								0,0%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		37,7	5%	100%	0%	0%	0%	0%	0%										
A. Capex of Taxonomy-eligible activities (A.1+A.2)		152,8	20,4%	100%	0%	0%	0%	0%	0%								8,7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		597,1	79,6%																
Total (A + B)		749,9	100,0%																

Impact-based reporting

This year we will be publishing results in an [impact report](#) for the first time. We have drawn up a framework for this and measured various social impacts. The Report on Gasunie's Impact Assessment [Verantwoordingsdocument Impactanalyse Gasunie](#), which goes deeper into the information included in the annual report and provides supporting material, is available.

Our impact report comprises six sections: in addition to financial capital, there is a section each for manufactured, intellectual, natural, social & relationship and human capital.

Financial capital

The financial cash flows are included in the financial capital, divided over the various categories. These impact indicators are calculated as direct absolute impact, where the reference does not concern any alternative activities. The impacts included under the financial capital can be directly derived from Gasunie's consolidated financial statements.

Manufactured capital

Manufactured capital comprises the indicators 'Contribution of gas transmission to consumer wellbeing' and 'Economic added value of energy transmission to business customers'. It also includes the value of the procured goods.

Gas transmission contributes to the wellbeing of consumers. Given that the wellbeing value of gas is higher than the price of gas, the consumer surplus is used to estimate the contribution to consumer wellbeing. One part of the consumer wellbeing contribution is included in the price Gasunie charges for providing its services: the 'internal component'. The part that is not included in the price is the 'external component' – the consumer surplus, i.e. the difference between the price a consumer is (in theory) willing to pay for a good or service and the price they actually pay. We assign a value to this component using an estimation of the consumer surplus, in this case the difference between the value of gas for households and the price they pay.

In calculating the willingness to pay we included the price elasticity of gas, applying the assumption that the price elasticity in Germany is the same as that in the Netherlands. Since business customers' willingness to pay is more difficult to determine, we have taken a conservative approach and assumed that the external component for business customers is zero.

Procuring goods for gas transmission is also included under manufactured capital. We estimate procurement based on payments to suppliers; to map total procurement of goods we include payments of both GUD and GNL to their suppliers.

Natural capital

Natural capital comprises the indicators 'Contribution to climate change' and 'Mitigation of climate change'. Gasunie's impact on the climate is calculated based on the company's Scope 1 and 2 emissions and the emissions up and down the value chain (Scope 3). The value chain emissions have been estimated based on the gas transmission volumes of GTS (excluding storage) and GUD. The costs of greenhouse gas emissions are based on the social costs per tonne of CO₂ in meeting the targets under the Paris Agreement.

Human capital

Human capital includes workplace accidents and work-related sickness absence (sick leave) involving employees. The loss of wellbeing of employees due to accidents and periods of sick leave is calculated based on the number of accidents and sickness absence rate. This loss of wellbeing among employees is measured using the DALY (disability-adjusted life year) indicator, which takes into account both the perceived loss in well-being and the loss of future income of the employee.

Specific monetisation factors are applied for the various categories of accidents. It is assumed that the number of potential work days is equal to all weekdays (public holidays are not excluded). For a conservative estimate, sickness absence relating to work-related accidents is included in the sickness absence rate. For Gasunie Deutschland it has been assumed that the distribution of various types of work-related illnesses is the same as in the Netherlands.

Contribution to the National Transition Pathway

The Netherlands wants to have net-zero carbon emissions by 2050. A major contribution to this will come from the users of Gasunie's networks. They will achieve this by reducing their consumption of natural gas while increasing their use of green gas, as well as by making use of the new energy networks Gasunie will be installing this decade for the transmission of green hydrogen, heat and captured CO₂. In 2023 (as in 2022 and 2021), we calculated the extent of Gasunie's influence over the coming years on the Dutch 'transition pathway', i.e. on the way to full decarbonisation.

Under [Our contribution to the National Transition Pathway](#) in the Energy transition section of this report, we show the impact of the investments we intend to make up to and including 2030 on greenhouse gas emissions in the Netherlands. We show what our influence on the transition pathway is and the average emissions reduction rate that the Netherlands must maintain to become net-zero by 2050. Our calculations show that, if we are able to complete all investments planned up to and including 2030 on time and unchanged, the Netherlands can become net-zero sooner than 2050.

The more Gasunie's sustainability projects are completed on time, the greater the volume of green molecules and captured CO₂ we can transport for our customers. This increased sustainability will likely be accompanied by a decrease in the amount of fossil energy we transport. In the visuals presented in the section referred to above we show the net emissions (the carbon footprint) of all the energy we transport to and from parties in the Netherlands on behalf of third parties. Reducing these emissions is made possible in part by importers, connected parties and project partners of Gasunie.

We only take into account the gases transmitted through the Gasunie network; we have not taken into account the contribution made by green gas in the networks of the regional network operators, for example. Nor do we include any negative emissions from green gas production. For hydrogen we have only included green hydrogen and imports; to avoid any double counting with CCS projects we have disregarded blue hydrogen.

To determine the contribution that will be made through our investments in green gas and hydrogen, we assume that these will replace natural gas. This assumption results in a somewhat conservative estimate given that, if green gas and hydrogen were to replace oil and/or coal, for example, the emission reduction contribution would be greater still. For CCS projects, the expected transport volumes of captured CO₂ from the Netherlands have been used; we have not included any storage of CO₂ from neighbouring countries in our calculations. Upstream emissions in the value chain are not included.

The emission reduction is determined relative to the situation in base year 2021. We use the Climate and Energy Outlook (C&EO) report published by the Netherlands Environmental Assessment Agency (PBL) as a reference for all external developments (outside Gasunie's sustainability projects). For the years up to and including 2029, we base our information on the [2022 edition of the C&EO report](#) and for 2030 we use the [2023 edition of the C&EO report](#). We use a natural gas emission factor of 56.4 GJ/m³.

The emissions shown are net emissions. With net-zero emissions there may still be natural gas consumption, because CO₂ emissions from fossil fuels are being captured (through CCS), for example. The cut in emissions due to lower gas demand comes from the 2022 edition of the C&EO report, which takes into account the decreasing use of natural gas and the increasing use of green gas.

Because Gasunie is also active in Germany, in the table we have also included the emission reduction effect of our proposed investments for the German hydrogen network ([Hyperlink](#)). We do not include this effect when calculating our impact on the national transition pathway for the Netherlands, however. We have not calculated or visualised Gasunie's impact on Germany's national transition pathway, because the impact we can make in Germany is much smaller than in the Netherlands, where we are the sole natural gas TSO.

In this report we only consider the impacts of our investments between 2020 and 2030. A new series of Gasunie investments for the period from 2030 to 2040 could lead to a steeper decline along the Dutch transition pathway.

Risk management in general

Management of strategic risks

What is the risk?	How can we manage the risk?
Robustness of revenue regulation in gas transmission	Maintain dialogue with regulatory authorities and other stakeholders to optimise regulation in the context of decreasing utilisation of assets
	Optimise asset management in terms of cost and risk efficiency
	Promote alternative uses of assets (e.g. for biomethane and hydrogen)
Long-term payback capacity of gas transmission assets	Maintain dialogue with regulatory authorities and other stakeholders to optimise regulation in the context of efficiency requirements and depreciation periods
	Promote alternative uses of assets (e.g. for biomethane and hydrogen)
	Take the possible switch to hydrogen into account when constructing new pipelines
Opportunities for investment in gas assets and competition on the available options	Actively monitor and prepare investment opportunities and maintain relationships with relevant parties
	Investigate brownfield business development opportunities for existing assets
	Investigate the reuse of assets for alternative energy carriers
Public support for investments in the energy transition	Reinforce stakeholder management and social engagement. Further specify the approach for various aspects of the transition (hydrogen, CCS, green gas).
	Convey the Gasunie narrative in public discussions of the energy transition
Development of upstream and downstream markets for energy transition activities	Invest directly in various parts of the value chain (within the legal constraints)
	Collaborate closely with parties across the entire value chain
	Develop initiatives to drive demand across the value chain
	Communicate with government bodies about the importance of market stimulation and the risk of investments in in projects and/or sub-routes.
Legal mandate and regulation for energy transition investments	Ensure continuing specific focus on public affairs representation in the Netherlands and the EU
	Expand public affairs representation in Germany
	Intensify collaboration with other TSOs on a European level
Technological developments that are incompatible with our strategy	Pursue diversification in New Energy portfolio
	Apply active portfolio management in New Energy portfolio (periodic evaluation)
	Incorporate technological developments when revising strategy
	Specific focus and investment in the development of key technologies such as ammonia cracking and electrolysis
Reputation in relation to implementation of large-scale and complex projects	Setting up a Large Projects unit to increase the quality and predictability of projects

What is the risk?**How can we manage the risk?**

	Ensure adequate allocation of financial and staffing resources for projects with a high social impact
	Strictly uphold high standards of quality and compliance with codes of conduct in project management
	Strengthen the development of scenarios in the early phases of projects
	Pursue active contract management in the implementation of projects (e.g. New Procurement Strategy project)
	Project process integration initiatives between departments
Geopolitical impact on asset utilisation and business development	More European/international integration to continue to guarantee transmission security
	Flexible use of existing assets (e.g. new LNG delivery routes)
	Further diversification of sourcing and supply chain options.
	Maintain relationships with national and international stakeholders
	Pursue international representation and collaborations
	Conduct geopolitical scenario analyses and draw on the results of these in contracts, decisions and business processes
	Promote our vision of Gasunie's role in future energy markets

Management of operational risks**What is the risk?****How can we manage the risk?**

Risk	Summary of response measures
Inadequate ESG compliance affecting reputation or funding	Prioritise energy efficiency and methane reduction
	Issue green bonds with ESG conditions
	Be transparent with regard to ESG performance
	Verdere integratie van ESG aspecten in alle aspecten van onze bedrijfsvoering
IT Security	Maintain heightened preparedness for cybersecurity threats
	Set up AI governance and set up AI assessment framework
	Organise various awareness programmes and courses for employees
	Organise operational scenarios and stress tests on critical processes
	Keep up to date on matters like certifications, software, knowledge, developments, etc.
Health, Safety and Environment	Apply the Gasunie Technical Standards
	Encourage contractors and suppliers to pay close attention to HSE performance
	Optimise supplier inspections
	Apply risk-based asset management
	Increased focus on physical security of assets in response to geopolitical tensions

What is the risk?	How can we manage the risk?
Personnel and organisational changes	Internal optimisation of Strategic Personnel Planning in view of the high project workload in the coming years
	Pay ongoing attention to long-term employability (lifelong learning, retraining, conditions of employment) and talent development
	Intensify focus on Gasunie's positioning as an employer and on professionalising recruitment
	Focus on management and leadership development (IMPULS programme)
	Improve the onboarding process for the large numbers of new employees
	Investigate further the organisation and working environment based on hybrid working methods
	Development of a toolbox for managers to address challenges surrounding remote working
Fraud	Incorporate sufficient checks and balances into fraud-sensitive processes
	Include the topic of fraud in various awareness programmes and simulations as standard
	Include fraud risks in operational risk analyses as standard
	Further development of existing awareness programmes
Supply chains	Enforce policy to limit the number of suppliers for critical components and further development of alternative sourcing strategies
	Maintain regular contact with suppliers of critical components
	Strengthen relationships with suppliers of critical components
	Earlier integration of supply chain in projects
	Increased attention to compliance with sanctions legislation
Credit risk	Apply internal credit risk management policies
	Centralise credit risk management in the organisation
	Actively monitor the creditworthiness of selected parties
IT Fraud	Employee awareness programs for IT security
	Penetration and IT security audits
	Periodic organization of audits
	Periodically updating rules for smartphone use
	Credit risk management
	Regular distribution of contracts prior to signing, with the legal department being part of each distribution

The risks related to the use of financial instruments are explained in [Note 28](#) to the 2023 financial statements.

GRI content index

Gasunie reported in accordance with the GRI standards in the period 1 January 2023 to 31 December 2023.

GRI disclosure number	Disclosure name	Reference 2023
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	We are Gasunie, Financial Statements 2023
2-2	Entities included in the organization's sustainability reporting	Guide to this report: Consolidation
2-3	Reporting period, frequency and contact point	Guide to this report, Financial Statements 2023, Contact
2-4	Restatements of information	Restatement of information is not applicable
2-5	External assurance	Guide to this report: Verification and publication, Governance, Other information: Assurance report of the independent auditor
2. Activities and workers		
2-6	Activities, value chain, and other business relationships	We are Gasunie
2-7	Employees	Employee wellbeing
2-8	Workers who are not employees	Employee wellbeing
3. Governance		
2-9	Governance structure and composition	Governance, website: https://www.gasunie.nl/en/organisation/board
2-10	Nomination and selection of the highest governance body	website: https://www.gasunie.nl/en/organisation/board
2-11	Chair of the highest governance body	Governance: Composition of the Supervisory Board and meetings, website: https://www.gasunie.nl/en/organisation/board
2-12	Role of the highest governance body in overseeing the management of impacts	website: https://www.gasunie.nl/en/organisation/board
2-13	Delegation of responsibility for managing impacts	Governance: Composition of the Supervisory Board and meetings, website: https://www.gasunie.nl/en/organisation/board
2-14	Role of the highest governance body in sustainability reporting	website: https://www.gasunie.nl/en/organisation/board , Additional information: Material topics

GRI disclosure number	Disclosure name	Reference 2023
2-15	Conflicts of interest	We are Gasunie, Governance: Report from the Supervisory Board, Financial Statements 2023, website: https://www.gasunie.nl/en/organisation/board
2-16	Communication of critical concerns	Governance: Available information, Additional information: Compliance management
2-17	Collective knowledge of the highest governance body	Governance, Website: https://www.gasunie.nl/en/organisation/board
2-18	Evaluation of the performance of the highest governance body	Governance, website: https://www.gasunie.nl/en/organisation/board
2-19	Remuneration policies	Governance: Remuneration policy for the Executive Board, Financial Statements 2023
2-20	Process to determine remuneration	Governance: Remuneration policy for the Executive Board, website: https://www.gasunie.nl/en/organisation/board
2-21	Annual total compensation ratio	Governance: Remuneration policy for the Executive Board
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Foreword by the Executive Board, Governance: Report from the Supervisory Board
2-23	Policy commitments	Governance: Available documents, website: https://www.gasunie.nl/en/organisation/board
2-24	Embedding policy commitments	Governance: Beschikbaarheid documentatie, website: https://www.gasunie.nl/en/organisation/board
2-25	Processes to remediate negative impacts	Employee wellbeing, Relationship with the local communities, Additional information
2-26	Mechanisms for seeking advice and raising concerns	Employee wellbeing, Governance
2-27	Compliance with laws and regulations	Employee wellbeing: Confidential counsellors, Additional information: Sanction policy, Additional information: Environmental irregularities
2-28	Membership associations	Energy transition, Financial statements 2023
5. Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Additional information: Material topics
2-30	Collective bargaining agreements	The collective bargaining agreement applies to all staff with whom Gasunie has concluded an employment contract, with the exception of members of the Executive Board.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Guide to this report: Material topics, Additional information: Material topics

GRI disclosure number	Disclosure name	Reference 2023
3-2	List of material topics	Guide to this report: Material topics, Additional information: Material topics
Material topic: Energy transition		
3-3	Management of material topics	Energy transition
201-2	Financial implications and other risks and opportunities due to climate change	We are Gasunie: Risk and opportunities, Energy transition, Financial statements 2023
Gasunie indicator	CO2 reductie gefaciliteerd	Energy transition
Material topic: Security of supply		
3-3	Management of material topics	Security of supply
Gasunie indicator	Uncontrolled events	Security of supply: Uncontrolled events
Gasunie indicator	Aantal transportonderbrekingen	Security of supply: Transport interruptions
Material topic: Emissions		
3-3	Management of material topics	Emissions
305-1	Direct (Scope 1) GHG emissions	Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Emissions
305-3	Other indirect (Scope 3) GHG emissions	Currently we do not report our full scope 3 emissions, but only on emissions from business travel, commuting and emissions from the production of nitrogen that we purchase (ref. chapter Emissions). We will report our full scope 3 in a separate report to be published in 2024.
305-4	GHG intensity	Information regarding GHG intensity is currently not available.
305-5	Reduction of GHG emissions	Emissions
Gasunie indicator	Reductie van onze eigen CO2-emissies	Emissions
Material topic: Circular economy		
3-3	Management of material topics	Circular economy
Material topic: Employee wellbeing		
3-3	Management of material topics	Employee wellbeing
401-1	New employee hires and employee turnover	Employee wellbeing

GRI disclosure number	Disclosure name	Reference 2023
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment conditions are laid down in the collective bargaining agreement both in the Netherlands and Germany. In addition, rights with regard to parental leave, health insurance and social insurance are regulated by law.
401-3	Parental leave	Parental leave is regulated by law both in the Netherlands and Germany. The requested information is currently not completely available.
Gasunie indicator	Percentage ziekteverzuim / Ziekteverzuimfrequentie	Employee wellbeing
Gasunie indicator	Arbeidsgerelateerd verzuim	Employee wellbeing
Gasunie indicator	Notifications of wrongdoing	Employee wellbeing
Material topic: Relationship with local communities		
3-3	Management of material topics	Relationships with the local communities
Other GRI 2021 topics that are not material for Gasunie		
11.3	Air emissions	Emissions, Additional information: Our other environmental impacts
11.4	Biodiversity	Additional information: Biodiversity
11.5	Waste	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.6	Water and effluents	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.7	Closure and rehabilitation	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.8	Asset integrity and critical incident management	Additional information: Our other material topics: Employee health and safety
11.9	Occupational health and safety	Additional information: Our other material topics: Employee health and safety
11.10	Employment practices	employee wellbeing
11.11	Non-discrimination and equal opportunity	Additional information: Diversity and inclusion
11.12	Forced labor and modern slavery	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.13	Freedom of association and collective bargaining	employee wellbeing
11.14	Economic impacts	We are Gasunie: Impact on society
11.15	Local communities	Relations with local communities is a material topic for Gasunie, but the requested explanations from GRI 413.1 and 413.2 are not applicable or are not currently available.

GRI disclosure number	Disclosure name	Reference 2023
11.16	Land and resource rights	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.17	Rights of indigenous peoples	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.18	Conflict and security	Our materiality assessment has shown that this is not a material topic for Gasunie.
11.19	Anti-competitive behavior	Additional information
11.20	Anti-corruption	Additional information
11.21	Payments to governments	The Dutch state is our sole shareholder (this is not a material topic for Gasunie).
11.22	Public policy	Our materiality assessment has shown that this is not a material topic for Gasunie.
305-6	Emissions of ozone-depleting substances (ODS)	Our materiality assessment has shown that this is not a material topic for Gasunie.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Additional information: Our other environmental impacts

Connectivity table

ESG	Theme	Strategic pillar	ESG strategy	Gasunie Green Deal	KPIs	Realisation 2023	Realisation 2022	Target 2023	Target 2030	Impact statement	Sustainable Development Goals
E	Energy transition	Accelerating the energy transition	Climate change							Natural capital & Intellectual capital	Affordable and clean energy
S	Security of supply	Optimising infrastructure & Connecting Europe			Uncontrolled events	0	1	≤ 2	≤ 2	Manufactured capital	Affordable and clean energy
					Number of gas transport interruptions	1	4	≤ 6	≤ 6		
E	Emissions	Accelerating the energy transition	Climate change	1. A clean construction site / emission-free work	Reduction of our own CO ₂ emissions (scope 1 + 2)	490 kton CO ₂ eq	390 kton CO ₂ eq	-	< = 219 kton CO ₂ eq/year based on constant transport volume (2020=1085 TWh)	Natural capital	Climate action
				7. Setting up energy efficiency target							
				8. Strategy for greener energy procurement							
				9. Tightening CO ₂ and methane emission reductions							
E	Circular economy	Organizational foundation	Circularity	2. Circular and CO ₂ -neutral procurement						Natural capital	Responsible consumption and production
				3. Redeploying our assets							
				4. Social responsibility in the (international) chain							
S	Employee wellbeing	Organizational foundation			Absenteeism frequency (NL)	4.1%	4.0%	≤ 4,0%	≤ 4,0%	Human capital	
					Absenteeism frequency (DE)	3.9%	4.8%	≤ 4,0%	≤ 4,0%		
					Work-related absenteeism	38	29	n/a	n/a		
					Number of reports of misconduct	36	29	n/a	n/a		
S	Relationship with local communities	Organizational foundation								Social capital	
E	Biodiversity	Accelerating the energy transition	Biodiversity	6. Contribute to biodiversity						Natural capital	Life on land & Life below water
S	Employee health and safety	Organizational foundation			Reported accidents	19	22	n/a	n/a	Human capital	
					TRFI	2.9	3.8	≤ 2,5	≤ 2,5		
S	Training and development	Organizational foundation								Human capital	
S	Diversity, inclusion and equality	Organizational foundation	Inclusive and social business practices	5. Diversity and inclusiveness						Human capital	Gender equality
G	Governance	Organizational foundation								Social capital	Decent work and economic growth

Disclaimer

Where this report refers to 'we' or 'us', this means the activities of N.V. Nederlandse Gasunie, unless otherwise explicitly specified. Activities of the two segments of Gasunie always refer to Gasunie Deutschland (GUD) and Gasunie Transport Services (GTS).

In the event of inconsistencies or differences of interpretation between the Dutch report and the English report, the Dutch report shall prevail.

Glossary

B

bcm	Billion cubic meters.
Blue hydrogen	Hydrogen made from fossil sources (natural gas) and with CCS.
BMWK	<i>Bundesministerium für Wirtschaft und Klimaschutz</i> (German Federal ministry for Economic Affairs and Climate Action).
Business development	Developing new products/services and/or entering new markets.

C

CCS	Carbon Capture and Storage.
CH ₄	Methane; the main component of natural gas.
CO ₂	Carbon dioxide; released when fuel fully combusts.
CO ₂ e	CO ₂ equivalent; a metric measure that converts the amount of a GHG (like CO ₂ or CH ₄) into an equivalent amount of CO ₂ with the same global warming potential (GWP). CO ₂ e is calculated by multiplying the mass of the GHG by its GWP. The GWP for CO ₂ is fixed at 1 and the GWP for CH ₄ is fixed at 28.
Controllable cost	Normalised total of staff costs and other operating expenses less the costs allocated to investments and non-controllable energy costs.

E

Effective temperature	The actual temperature adjusted for wind velocity.
ESG	Environmental, Social, and Governance (ESG) is a set of considerations taken into account in the selection and management of holdings in companies. ESG encompasses matters like energy consumption, climate, availability of raw materials, health, safety, and governance.
EZK	Ministerie van Economische Zaken en Klimaat (Dutch ministry of Economic Affairs and Climate Policy).

F

FEED	FEED (front-end engineering design) is a phase in the life cycle of a project that precedes the actual implementation of the project. It is the phase after concept selection and consists of a detailed study and design phase that establishes the technical specifications of the project that form the basis for the detailed designs before construction or implementation begins.
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FFO	Funds From Operations is the sum of the result after taxation of ordinary activities, depreciation, amortisation and impairments.
Flaring	The controlled release of natural gas by burning it.
FSRU	Floating storage regasification unit, a (dockside or offshore) vessel used to transport, store and regasify LNG on board.

G

G-gas	Also called L-gas, this is natural gas of Groningen field quality, i.e. gas with a slightly lower calorific value than the high-calorific gas (H-gas) used internationally.
GERG	European Gas Research Group (the initialism comes from <i>Groupe Européen de Recherches Gazières</i>), a trade association of European gas companies, which focuses on research and development.
GHG Scopes 1, 2 and 3	The Greenhouse Gas Protocol, the prevailing standard for reporting on GHG emissions, breaks down emissions according to their source. The emissions are divided into three categories (scopes), i.e. direct emissions from the company's operations (Scope 1), indirect emissions associated with the company's procured energy (Scope 2), and all other emissions arising in the company's value chain, both upstream and downstream (Scope 3).
Green gas	Green gas is biogas upgraded to the quality of natural gas.
Green hydrogen	Hydrogen produced in a climate-neutral way from renewable energy sources such as wind and solar power.
Greenhouse gas	Gas that contributes to the creation of an insulating layer around the earth, causing it to warm up. The main greenhouse gases are water vapour, carbon dioxide, methane, nitrous oxide and chlorinated hydrocarbons.
GTS	Gasunie Transport Services
Guarantee of Origin	A Guarantee of Origin, or GO, is a certificate created alongside the production of renewable energy and so proof that the energy consumed is renewable.
GUD	Gasunie Deutschland
GW	Gigawatt, a unit of electric power.
GWP	This stands for global-warming potential, i.e. the relative impact, molecule for molecule, of a greenhouse gas, taking into account how long it remains active in the atmosphere. The Intergovernmental Panel on Climate Change regularly updates the GWP based on the latest scientific insights.

H

H-gas	High-calorific gas, i.e. gas with a slightly higher energy value than gas of Groningen field quality (G-gas/L-gas).
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H ₂	Hydrogen gas, which we generally refer to simply as hydrogen.
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I

Incidents (resulting/not resulting in absence)	Incidents resulting in injuries to one or more employees of Gasunie and/or third parties as a consequence of carrying out work. Absence refers to work (or replacement work) not being resumed within one working day (24 hours).
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Input tax	Input tax is 'VAT on our costs', i.e. VAT that our suppliers have billed us for.
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Invested capital	Total of tangible fixed assets, investments in joint ventures, investments in associates, and other equity interests adjusted for work in progress assets for which payment has yet to be received.
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ISO	International Standardisation Organisation; an organisation that sets international standards.
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L

L-gas	Also called G-gas, this is natural gas of Groningen field quality, i.e. gas with a slightly lower calorific value than the high-calorific gas (H-gas) used internationally.
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LDAR	Leak detection and repair programme.
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Licence to operate	The mandate that a company is given (by the government and/or society) to perform its tasks.
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LNG	Liquefied Natural Gas.
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LOHC	Liquid organic hydrogen carriers.
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M

MW	Megawatt, a unit of power equal to one million watts.
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N

Net debt including guarantees/tangible fixed assets	This ratio provides insight into the extent to which tangible fixed assets are financed by debt.
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NO _x	NO _x is shorthand for nitric oxide (NO) and nitrogen dioxide (NO ₂), gases that are emitted in all combustion processes and that contribute to air pollution.
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O

Open season

An Open Season is an objective, transparent, non-discriminatory procedure that offers parties the opportunity to reserve capacity in a new infrastructure project.

P

Pseudo G-gas

Pseudo-G-gas is low-calorific gas made from high-calorific gas. This gas is of the same quality as Groningen gas.

R

Reportables

Incidents resulting in absence, medical treatment, replacement work or fatalities.

S

Scope 1, 2 and 3

The Greenhouse Gas Protocol, the prevailing standard for reporting on GHG emissions, breaks down emissions according to their source. The emissions are divided into three categories (scopes), i.e. direct emissions from the company's operations (Scope 1), indirect emissions associated with the company's procured energy (Scope 2), and all other emissions arising in the company's value chain, both upstream and downstream (Scope 3).

Stakeholders

Organisations or individuals with a certain interest ('stake') in the company.

T

Transmission interruption

In the Netherlands, this is understood to mean: the number of times gas transmission was interrupted because no, or insufficient, gas was able to flow through our infrastructure, irrespective of whether GTS in the Netherlands was able to supply sufficient gas to customers. In Germany, it is understood to mean the number of times that our infrastructure was unable to supply sufficient gas to customers. The scores attained by Gasunie in the Netherlands and Germany are added together to produce the total target score.

TRFI

The Total Reportable Frequency Index (TRFI) is a measure for safety; the number of 'reportable' incidents (incidents leading to absence, medical treatment, alternative work or fatalities) per 1 million hours worked, assuming 1,600 working hours per FTE per year.

TSO

A transmission system operator is an entity entrusted with the transmission of energy in the form of natural gas or electrical power on a national or regional level, using fixed infrastructure. 'Transmission' is the term commonly used in reference to the long-distance transport of gas or electricity, especially within a country or region; when this energy crosses borders the term 'transport' is used.

U

Uncontrolled events

Number of incidents involving gas leaks ((natural) gas, hydrogen, nitrogen, air) of over 14,000 m³ from a Gasunie-operated pressure holder with a rated pressure of 8 bar or higher.

W

WACC

Weighted Average Cost of Capital.

Contact

We invite readers of the report to provide us with feedback by email: info@gasunie.nl.

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