EBN Annual Report 2022

The power of...

The theme of this EBN annual report is The Power Of... We are harnessing our power on the journey to tomorrow's energy system. We are pulling together with our partners, as pictured here on the cover.

You can read all about the power of 2022 in our annual report.

ebn **Energising** the transition

Index

1. Foreword

In the early morning of 24 February 2022 Ukraine was shaken up as bombs rained down. Not long after that, Russian troops stormed the country from three sides. The war will have a profound impact on the Ukrainian people, on Europe's energy supply, the progress of the energy transition and, indirectly, on EBN too. Like much of Europe we share in the outrage, and in the condemnation of the events that are unfolding. One thing we surely learnt in 2022 was the power of solidarity.

Looking back to the summer of 2021, it was becoming increasingly clear how strong the mutual weave of our energy system is and we became aware that we would have to accelerate the winding down of our reliance on Russian gas. In response to the rhetoric surrounding the certification and commissioning of the Nord Stream 2 pipeline, Gazprom stopped filling the European gas storage facilities and energy security became more and more of a priority.

No matter how unpleasant the situation is, the war shows that we need to accelerate our mission: we have to make our energy system sustainable, and do so even more quickly. An energy system in which energy security, affordability and sustainability are top priorities. And the energy system must, above all, be honest and inclusive.

Jan Willem van Hoogstraten

The power of solidarity

As a state-owned company we use our power to achieve acceleration where necessary. At system level, in the gas value chain and heat chain, in CO_2 storage and in projects. As far as we are concerned, solidarity means that we do not lose sight of anyone in our endeavours to make energy secure, sustainable and affordable. This is also a lesson that we draw from the wider social debate surrounding the extraction of gas from the Groningen gas field.

Over the past year, we at EBN have deployed the power of solidarity in various ways. For instance, in Europe we have made agreements about jointly purchasing gas and filling the storage facilities. To safeguard energy security the state has given us the task of filling the Bergermeer storage facility, a task we were able to complete successfully. It is a new role for us, one that follows from the initiative of our climate Minister, Rob Jetten, aimed at putting implementation of the climate and

energy policy in public hands to a greater extent. That is something we really need. Contributing to the security of the gas supply in the Netherlands and elsewhere is a task that we are pursuing energetically.

Energy for the future

Other than this, in 2022 we worked in close partnership with others on innovative projects. Investigations into geothermal energy and explorations in the field of hydrogen storage, for instance, along with the re-use of former mining sites for the production of sustainable alternatives to the use of gas. And then there are the CO_2 storage projects Porthos and Aramis, in which CO_2 is captured and stored under the floor of the North Sea. These are projects that require a different way of thinking and new collaborative structures. As long as we do not have sufficient stocks of sustainable energy to meet the energy demand as a whole, gas extraction in the Netherlands will remain important; Dutch gas has a lower CO_2 footprint than imported gas, contributes to security of supply and has a positive effect on the balance of trade.

Financial results

Until recently, Europe was dependent on Russian gas for nearly a third of its requirement. The suspension of gas supplies from Russia and the necessity of acquiring sufficient stocks for the winter resulted in extremely high energy prices. This led to unexpectedly high financial results for EBN. Turnover rose by more than 300% to EUR 12 billion, for instance. That is unprecedented. EBN's net result for 2022 was EUR 4.3 billion. As a policy participation of the Ministry of Economic Affairs and Climate Policy this profit is available to the state.

The past year also featured a parliamentary inquiry into natural gas extraction in Groningen, which EBN naturally assisted with. In the context of the inquiry, a number of EBN personnel (past and present) were heard by the inquiry committee. The parliamentary committee of inquiry's report was presented on 24 February 2023 in Zeerijp, precisely one year after the Russian invasion of Ukraine. In its report, the committee was particularly critical, and indicated that the interests of the people of Groningen had long been ignored and that safety had not been a priority. Apart from anything else, it is important that this inquiry and the report it generated addresses the concerns, problems and feelings of the people of Groningen, and draws lessons for the future. Over the past few years EBN has taken the necessary steps to be able to contribute to the damage settlements and the task of reinforcement of buildings in Groningen. And we will, of course, continue to do so.

Climate-neutral by 2040: our new strategy

We must also stand in solidarity with the next generation. Last year, we at EBN stated the ambition of being climate-neutral by 2040 at the latest. We will dismantle things that are harmful to our climate, refurbish what we can keep and build towards 100% sustainability. We have worked on a new strategy to achieve this goal. A strategy that we will be implementing from the start of 2023 with all our colleagues in a suitable organisational structure.

We are well aware that this climate ambition is an enormous challenge and we will have to work hard to achieve it. But we are convinced that this is the one and only correct way. And working hard is something we've been doing for 50 years now. If we want to represent public interests for the next 50 years as well, we need to keep re-inventing ourselves. In the interests of the energy transition and - even more importantly - in the interests of the generations that follow us.

Our power

The theme of this annual report is 'The power of...'. EBN has deployed its power in various ways in 2022 for a reliable and affordable energy supply today, and to achieve the sustainable energy system of tomorrow. You can read how, precisely, we are going about that in this annual report.

Utrecht, 10 March 2023
Jan Willem van Hoogstraten

Highlights 2022- Connective power in the energy transition

increasing sustainability in the gas value chain

New Energy

Return to Nature

Our Dutch Gas

Reduction of CO_2 emissions

'EBN is focused on making the Dutch energy system more sustainable and achieving reductions in emissions of CO2 (and equivalents). All our activities are geared to making concrete steps towards the future climate-neutral energy system. This is how we and our to the Dutch climate goals.'

'Indicators marked with the symbol ✅ fall within the scope of the independent assurance. In chapter 9, 'Independent auditor's report', you can find details relating to the scope of the audit and its results.'

Resilient, flexible organisation

Financial

Turnover (€ MLN)

2022	2021
11.998	2.977

Net profit (€ MLN) ✅

2022	2021
4.290	656

'The rise is caused by historically high gas prices and exceptional revenues. '

Employees

Employee numbers

2022	2021
169	155

% of employees are women

2022	2021
40,2	40,0

'EBN employees have a strong desire to contribute to the energy transition. When recruiting new employees, we use their enthusiasm and stories.'

Stakeholder survey

Reputation score ✅

2021
7,8

Great Place to Work * ✅

2021
7,8

* Stakeholder survey and Great Place to Work are both conducted once every 2 years

Highlights 2022- Connective power in the energy transition

Increasing sustainability in the gas value chain

New Energy

Number of geo-energy joint ventures*

2022: 6 | 2021: 4

'At the end of 2022 there were a total of twenty formal joint ventures and projects in the field of geothermal energy. We expect that this amount will at least double in the coming years.'

* Among the number of participations in geothermal energy projects in 2021 are those where:
1) The project is already running
2) A shareholder agreement has been signed

Number of km of SCAN research ✅

2022: 1.601 Cumulative | 2021: 1.571

'In addition to collecting new seismic data, the equivalent of almost 4,200 kilometres of seismic data from the 1970s and 1980s has been reprocessed into high-quality subsurface data since the start of the project.'

Energy storage

'EBN plays a natural role in knowledge development and bringing parties together around energy storage. That is partly because of our share in existing assets, our knowledge of the subsurface and our experience with existing underground gas storage facilities.'

'Indicators marked with the symbol ✅ fall within the scope of the independent assurance. In chapter 9, 'Independent auditor's report', you can find details relating to the scope of the audit and its results.'

see section 7.6 for the definitions and measurement methods of the KPIs.

Return to Nature

Number of joint decommissioning campaigns ✅

2022: 2 | 2021: 1

'This joint decommissioning campaign yields significant cost savings; an estimated 10–30% depending on the complexity of the well.

Number of participations in CCS projects ✅

2022: 2 | 2021: 2

'EBN is working to achieve the Dutch target for CO_2 reduction by participating in Porthos and Aramis. Reuse of assets plays an important role.'

Our Dutch Gas

Number of joint ventures

2022: 178 | 2021: 185

SF production billion m³ ✅

2022: 9,9 | 2021: 11,7

Number of wells drilled ✅

2022: 8 | 2021: 11

'To ensure gas supply security for the winter months it is important that the gas storages are sufficiently filled. The government has designated EBN to store gas in Bergermeer.'

2. Our organisation

2.1 About EBN

Energie Beheer Nederland (EBN) is an energy sector company whose shares are wholly owned by the Dutch State. EBN has been in existence for fifty years and plays a central role in the energy supply in the Netherlands. The head office is in Utrecht. EBN puts its knowledge, skills and financial clout to work in public/private partnerships to create a sustainable, affordable and reliable energy system. The emphasis of the company was originally on the exploration and production of oil and gas. In 2016, we amended our strategy to contributing to the acceleration of the energy transition. This is the conversion from an energy system based on fossil sources to an energy system based on renewables. This means that the role, position and the activities of EBN have emphatically shifted towards making the energy value chain more sustainable.

The geo-political developments of the past year and the large-scale movements in the energy market demand further acceleration of the energy transition. This means that EBN's role is becoming increasingly important. Not just to help in making the existing energy infrastructure ready to face the future and to offer the Netherlands security of supply but, more importantly, to use our connective power and to bring together the right partners at system level to achieve the desired acceleration of the transition. So over the past year we have been working to refine our corporate strategy so that it is in line with what society demands from us, and with what the energy system of the future needs. We have also adjusted our organisational structure to match this. This was formally introduced in January 2023, together with the new strategy. In this report for 2022, we report on the results within the pillars of our 2016 - 2022 strategy.

Mission and vision

We believe that sustainable energy must be available and affordable for everyone in the Netherlands. This demands a fundamental change in our energy system. That means making existing value chains sustainable, creating new value chains which are coherent with the aim of creating a new system. At EBN, we believe that within the framework of the transition the potential of the land, the sea and the subsurface in relation to our energy supply should not be viewed as individual elements but as an integral whole and must be deployed in the interests of an optimally-functioning integrated energy system. The energy transition is a matter involving many partners that requires oversight in the public interest.

As the connective power in the energy transition we will continue to use the value in the subsurface to create a sustainable future above ground. But we go further. As the landscape, role and strategy of EBN changes we have also refined our mission: Our mission statement is: 'We want to achieve a sustainable energy system together, quicker.'

Energie Beheer Nederland (EBN) has a public duty to use its knowledge and connective power to accelerate the implementation of the Dutch energy and climate policy, with the aim of having a sustainable, reliable and CO_2 neutral energy system in 2050 for the lowest possible social cost.

We implement our mission by participating in joint ventures and consultative committees, using our knowledge and capabilities to accelerate the energy transition in the Netherlands. This is governed by the aims of the Climate Agreement and the ambitions expressed in the coalition agreement. 55 - 60% CO_2 reduction in 2030 and CO_2 neutral by 2050 (see also our Climate Statement). This relates to CO_2 equivalents, i.e. a reduction in greenhouse gases, converted into CO_2 emissions.

Pay off: Energising the Transition

EBN staff include professionals with specialist, thorough knowledge on the Dutch subsurface and people with wide-ranging knowledge on the energy system, and experience of working in public-private partnerships. Within EBN there is attention to the social, technical and financial aspects of the energy transition. Our staff represent the public interest and aim to create a link between the various partners in the energy system chain. They are committed to adding economic, ecological and social value to all of EBN's operations. They are willing to take the lead. These core values match a culture that demands dedication and delivers energy for the energy transition.

This drive can also be seen in our pay off: Energising the Transition.

We implement our core values in the following way:

1. We represent the public interest
- We take responsibility for society
- We take account of the human factor

2. We are the link
- We help the process of sharing knowledge
- We listen attentively so that we can progress
- We foster trust, both internally and externally

3. We add value
- We create prosperity, well-being and knowledge
- We help accelerate the energy transition
- We boost efficiency by sharing knowledge

4. We are willing to take the lead
- We are courageous and confident, and push boundaries
- We work pro-actively and give leadership
- We believe that to err is human

EBN and the Dutch State

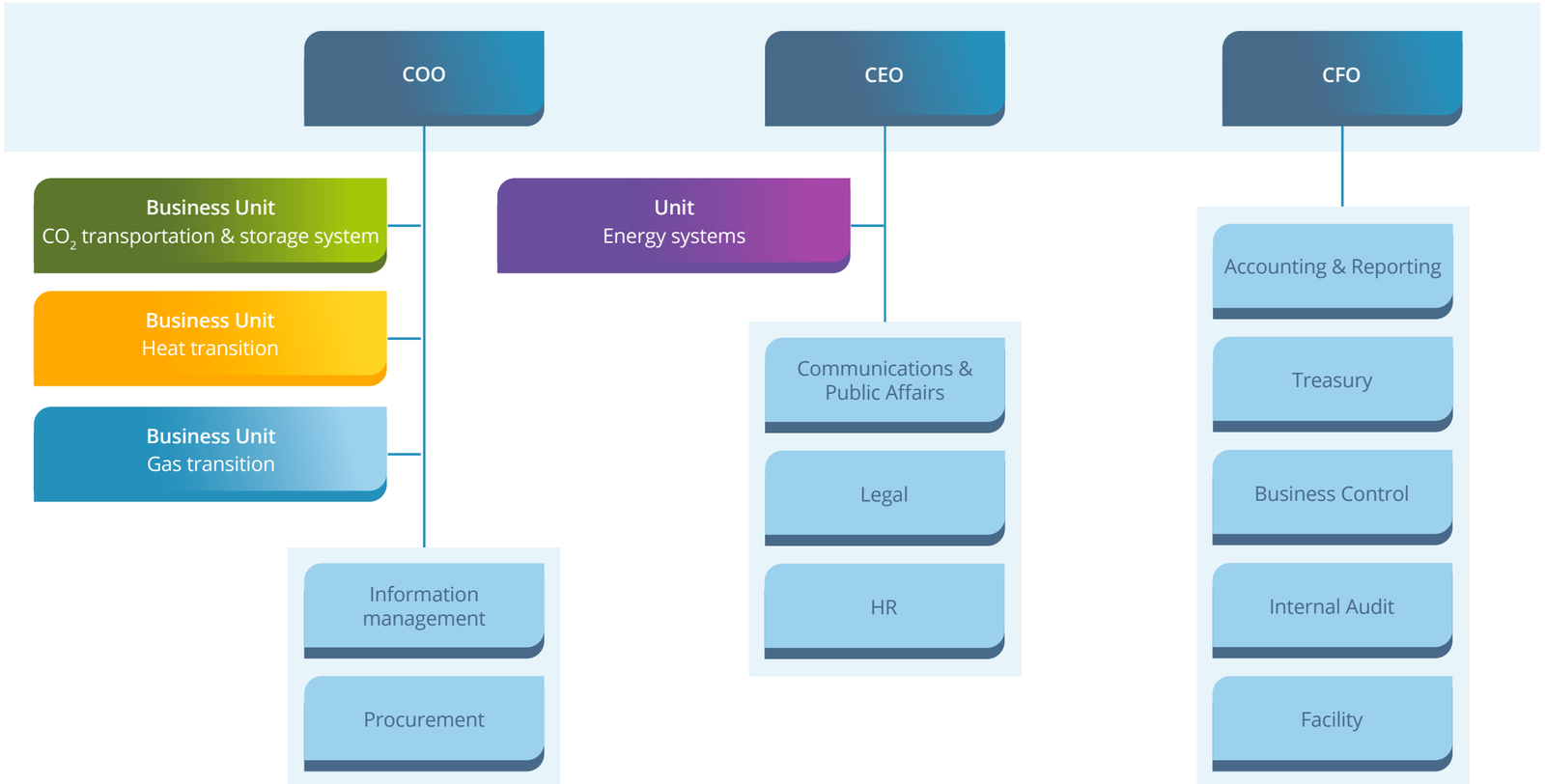
EBN is a policy participation. That means that EBN's shares are in the hands of the Dutch State. They are administered by the Ministry of Economic Affairs and Climate Policy. Policy participations are businesses in which the role of shareholder and policy maker cannot be separated from each other. EBN was set up fifty years ago to represent the economic and social interests of the Dutch State in the exploration for and production of oil and gas in the Dutch subsurface. We still carry out this statutory task. In addition, EBN now advises the government on parts of energy and climate policy.

With our financial capacity and far-reaching knowledge of the Dutch subsurface and energy system, we participate in over two hundred joint ventures. Most of this comes from and gas extraction, but also from geothermal energy and CO_2 storage. In most joint ventures EBN has a 40% stake and thus secures revenue for the State. This is

a statutory task. In addition, EBN has a 40% stake in GasTerra. GasTerra is a wholesale provider of natural gas and green gas. The company purchases gas from producers in the Netherlands and abroad and on the gas market. In the context of security of energy supply, EBN has also been tasked with helping to fill the Bergermeer gas storage facility. EBN's client base consists of energy companies, industrial players and other major customers. EBN's activities are confined to the Netherlands.

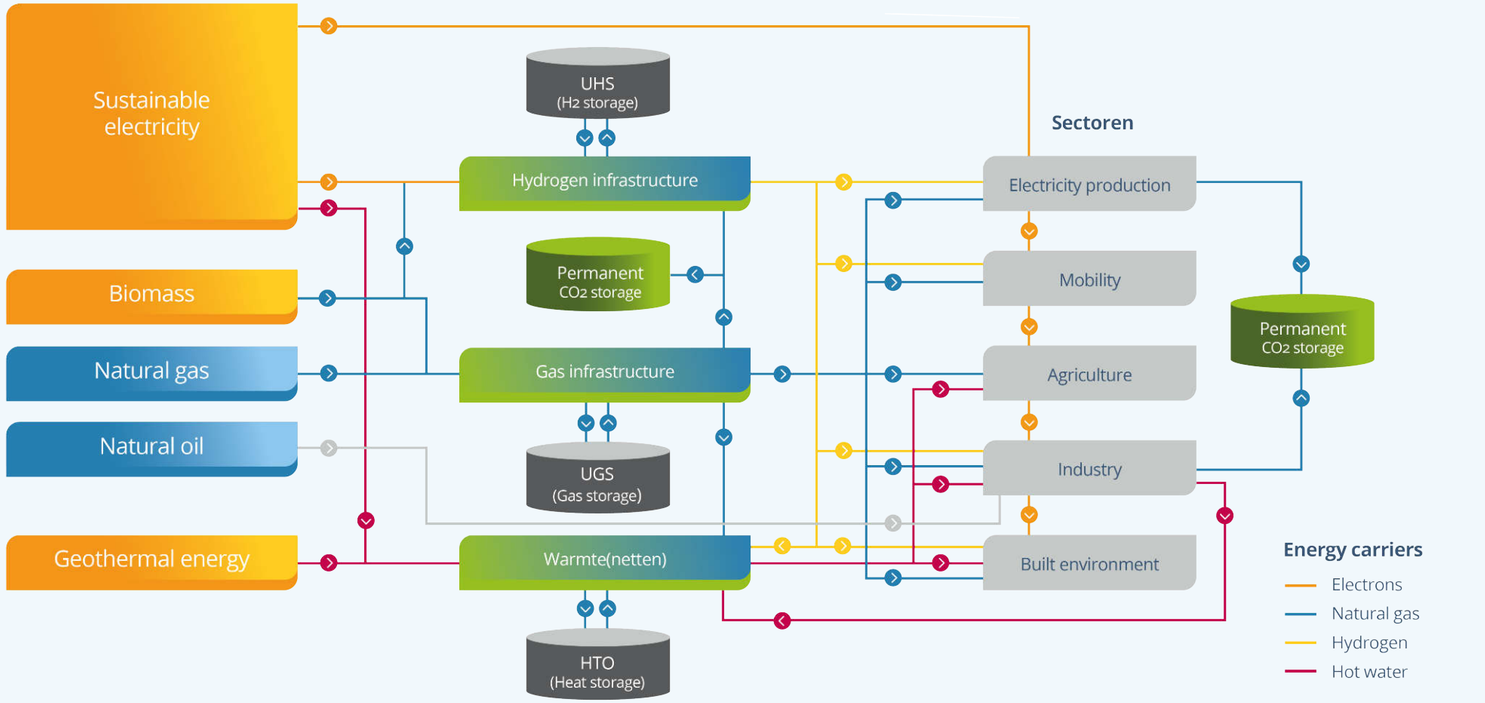
Our organisation

EBN has a workforce of around 180 employees. They are all based at our offices in Utrecht. From 2023, EBN will be working with an amended organisational structure, which is the result of the new strategy and EBN's changing role. A number of changes have been implemented. For instance, the Management Board has become a Board of Directors, comprised of a CEO, a CFO and a COO, from 1 January 2023. The original six themes (Exploration & Production Assets, Exploration, Geo-energy, Carbon Capture & Storage (CCS), Advice & Innovation and Geotechnical operations) have been consolidated in three business units that represent the different energy value chains. These are managed by the COO. The energy transition also requires us to have a Development Unit that falls directly under the responsibility of the CEO and jointly ensures that there is an over-arching vision for all activities. The CFO manages the new Business Control department. The intention is that the organisational structure streamlines management and creates a clear way of working. For most of our staff not much has changed, it is solely the management structure that has been modified. From January 2023, the following organisation chart will be applicable.



Towards a future-proof energy value chain

The climate emergency shows that today's fossil-based system is not tenable. Within the new system, electricity and CO_2 free gas-based energy carriers acquire a dominant role. The various options (geothermal energy, storage, green gas and hydrogen) must be integrated into the sustainable energy chain. In the public interest we can use our experience of operations in the subsurface and our central position to reinforce necessary developments in a coherent way. We make a contribution to the development of sustainable options and by bringing together parties within the chains we aim to generate combined driving force for the transition. Within the pillars of our 2016 - 2022 Our Dutch Gas, Return to Nature and New Energy strategy, we have concentrated on making a contribution to a climate-neutral energy system by making the gas value chain more sustainable, by developing geothermal energy, CCS and energy storage. The required acceleration in the developing market(s) would be helped by strong public-private partnership.



This figure shows how the Dutch energy value chain is developing, and how the complexity of an integrated energy system increases. On the left are the most significant energy sources. Until recently, these were primarily natural gas and oil (coal is left out here), shown in blue. But sustainable electricity, generated first and foremost by the sun and wind, is very much in the ascendancy. In addition, increasing contributions will be made by biomass and sustainable heat sources, such as geothermal energy. To get all the energy to the end user (the sectors shown in grey) reliably and in a usable form, a complex system made up of conversions, transportation and storage is being created. In the future climate-neutral system, various molecules alongside electrons (electricity) will play a role.

2.2 Value creation model and impact

Process of value creation

EBN makes a contribution to the current energy supply in the Netherlands, and to the transition to a future-proof, climate-neutral energy supply. Our value creation model shows at a glance how we deploy the six forms of capital to achieve our strategic objectives. The model also shows how we give value to people, the environment and the economy.

The various roles we play and activities we perform will contribute actively to increasing our positive impact and, as a result, social and economic value for our stakeholders. In our activities we endeavour to improve our performance in the material themes. Those are the themes with which we can influence and contribute to energy provision in the present and the transition to a climate-neutral energy supply in the future. For example with the decommissioning and reuse of the existing gas infrastructure. We are also working on reducing the negative impact of all our activities on the climate and the living and working environment. We do that not least by investing in the geothermal energy sector in the Netherlands, and by working on reducing emissions.

In our work, we use our influence to bring parties together and link them to the central themes of the current and future energy supply in the Netherlands. In so doing, we increase efficiency and effectiveness on all fronts. In addition, EBN attracts new stakeholders by informing them on regional and local developments in measures to make the energy supply more sustainable. In that way, we are using our connective power for the benefit of the energy transition.

By improving our core activities, developing new activities and continuing to invest in pilot and other projects related to sustainable energy and storage, we are working on an optimum, clean gas value chain and, at the same time, on the transition to the sustainable energy system of the future. In this respect, given the public interest in

a public/private partnership, EBN focuses on optimising and creating the new value chains. As the transition progresses, the negative impact on the climate and living and working environment will decrease and the social and economic value of the new value chains will increase accordingly.

Our value creation model is based on the framework of the International Integrated Reporting Council (IIRC).

Forms of capital

Natural capital

Oil and gas reserves, and geothermal energy in the Dutch subsurface represent our natural capital. Oil and gas reserves are set to decline in the short term. The available reserves represent a value that at a later stage could generate financial capital. Exhausted gas fields can be used for CO_2 and energy storage. As far as geothermal energy is concerned, new sources still need to be identified. Consequently stocks and, as a result, natural capital may increase.

Produced capital

EBN and its partners posses produced capital. This refers to assets in the form of infrastructure for the production of oil and gas. As soon as individual gas fields become exhausted, the infrastructure quickly becomes surplus to requirements. Installations and infrastructure may be re-used for new energy applications. Part of the natural gas distribution network can be re-purposed for the distribution of hydrogen or green gas. Where that is not possible, installations can be removed and the materials that become available can be recycled where possible.

Intellectual capital

EBN has lots of knowledge on the Dutch subsurface and the energy transition. We enrich this knowledge by means of research, collaboration and sharing. In the short term, we actively acquire new insights and we contribute to the development of new technologies. This acquired knowledge is applied in studies into new applications in the Dutch subsurface. By actively developing and sharing knowledge, EBN is establishing a knowledge platform for the energy sector.

Human capital

EBN is staffed by a committed, driven workforce. We recognise the importance of employee loyalty and development. As employees continue to develop fundamentally and acquire experience in the sector, the level of knowledge in our organisation rises in step with the capacities of our workforce in the short term. In the long term, we attract talented young individuals, who develop the right skills to boost acceleration of the energy transition within EBN thanks to traineeships or work placements.

Social/relational capital

Within our joint ventures we encourage initiatives that help the energy transition. EBN has a linking role in public/private partnerships. We believe it is important to foster initiatives for the energy transition in those joint ventures with partners. We maintain discussions with our stakeholders. In the short term, this ensures that our organisation has a good reputation. In the long term, it ensures that our activities have support and trust, and also that people have faith in the role that EBN assumes in the energy transition. Stakeholders value EBN not least for the excellent way in which we execute our core tasks, our professionalism (very specialised and reliable), good administrative skills and partnership.

Financial capital

At this point, we generate economic value from the revenue streams of sales of oil and gas. In the long term revenue generated by the sale of oil and gas, together with revenue from geothermal energy and CO_2 storage will contribute to continued financial stability in the organisation. One factor in this is that we dismantle and clean up production sites, which helps to reduce costs.

The impact: social effects

Our activities and output in the energy chain have an impact on society. The social effects primarily monitor the energy supply, the energy transition, the economy, the environment in general (and the living and working environment in particular) and the climate.

Input

Natural resources
- Oil
- Gas
- Exhausted oil and gas fields

Produced resources
- Oil and gas infrastructure
- Gas treatment sites
- Oil and gas exploration locations
- Natural gas storage
- Geothermal energy exploration locations
- CO_2 storage locations

Intellectual resources
- Knowledge of Dutch subsurface and gas value chain
- GEODE data platform
- Availability of data

Human resources
- Employees

Social/relational resources
- Network
- Reputation
- Joint ventures

Financial resources
- Extensive cash flows and investments in large-scale complex projects

Material themes

Resilient flexible organisation

Creating combined strength

Maintaining financial clout and resilience

Active approach to risks

Substantive themes

Reinforcing, accelerating and improving the Dutch geothermal energy sector

Investigating and developing energy innovation in favour of system integration in the Dutch energy transition

Responsible decommissioning and where possible reuse of infrastructure

Use of underground space for a sustainable energy system

Encouraging and accelerating exploration and production of small Dutch gas fields

Mission / strategy

EBN, as the combined strength in the energy transition, makes use of the value of the subsurface for the future of life above ground

EBN delivers combined strength to the Dutch energy transition

New Energy

Return to Nature

Our Dutch Gas

Output

Natural capital
- 523 kt CO_2 emissions from drilling activities and production (2021) ✅
- 2,1 kt NH4 emissions (2021)
- 5,9% less in CO_2-eq emissions per produced m³ from the small gas fields (2020 compared with 2018) ✅

Produced capital
- Total SF production 9,9 (100%) billion m³ ✅

Intellectual capital
- 1.601 km (cumulative) of SCAN research dedicated to suitability of geothermal heat production ✅

Human capital
- 10 LTA industrial accidents that led to absenteeism (2021) ✅
- 3,3% absenteeism through illness
- 7,8 Great Place to Work score (2021) ✅
- 53% women in senior management positions

Social/relational capital
- 7,8 Stakeholder Reputation Monitor score (2021) ✅
- 3 place sector Transparency benchmark (2021) ✅
- 178 joint ventures in oil and gas
- 6 participations as shareholder in geothermal energy ✅

Financial capital
- 34 % solvency ✅
- EUR 4,290m profit after tax ✅
- € 11,453 net debt ✅

Impact

⊕ Climate and energy transition
We help to accelerate the energy transition

⊕ Energy supply
We contribute to a safe, reliable, sustainable, affordable and adaptable energy system in the Netherlands

⊕ Social and economic value
We deliver combined strength to the energy transition and generate income for the Dutch State and employment in the sector

⊖ Local community
Energy production influences the local living environment

⊖ Climate
Greenhouse gases in the chain

SDG

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Our (potential) roles/activities

Knowledge partner/advisor: sharing knowledge of the subsurface and the gas value chain

Manager: managing existing assets for deployment in the energy transition

Investigator: investigating new options and participating in pilots

Investor: investing in oil and gas projects, in geothermal energy and CCS

Operator: carrying out seismic surveys (SCAN)

value

3. **Investigating new options** Underground energy storage; hydrogen; Green Gas; Regional Energy Hubs

2. **Developing new activities** CCS projects, Geothermal energy

1. **Improving core activities** Small Fields; Exploration; Gas storage

time

Stakeholder dialogue/monitor

Positive impact

Energy supply

EBN shares its expertise and knowledge of the subsurface with partners in the sector. We enter into joint ventures for gas production and new energy applications (and exploration of the same). We also advise the Ministry of Economic Affairs and Climate Policy. In that way we contribute to a safe, reliable and sustainable system in the Netherlands. We increase our positive impact on society by working towards the material themes of an active approach to risks, stimulation and acceleration of exploration and production in Dutch small gas fields, accelerating and improving the Dutch geothermal energy sector, using underground space to make the energy system more sustainable, exploring and developing energy innovations to benefit system integrations in the Dutch energy transition.

Climate - Energy transition

We help accelerate the energy transition by actively developing and sharing knowledge about the Dutch subsurface (and enterprise opportunities related to that) from the perspective of the material theme 'creating binding force'. In this respect we facilitate informed dialogue between stakeholders on themes within the energy transition. We also develop common programmes to involve stakeholders in these themes. EBN is staffed by people who are driven. They consider themselves to be part of the organisation's objectives and are focused on making the gas value chain more sustainable, reducing CO_2 and the energy transition (4.6 Creating connective power).

And by focusing on the material themes involved in the energy supply, EBN is making a contribution to CO_2 reduction and increased sustainability in the gas value chain, plus the development of new sustainable options (see also sections 4.2, 4.3 and 4.4, which outline the activities and results from 2022 for each strategic pillar). In that respect, we ensure that the current and future operational activities in which we have a stake (E&P, geothermal energy, CCS (Carbon Capture and Storage)) do not exceed safety limits which would entail risk to life and the environment (section 4.7 Active approach to risks).

Social and economic value

The provision of energy and the energy transition are of great importance from the point of view of society. Natural gas production has contributed to the prosperity of the Netherlands in the past few decades. As a result of the intended closure of the Groningen gas field and the falling production from small fields, the proportion of Dutch natural gas is shrinking. The use of natural gas is still growing. The proportion of sustainable energy is increasing.

In all our activities and joint ventures, we focus on the 'financial strength and resilience' material theme by reducing expenditure and ensuring that we have high equity capital (including liquidity and solvency). That capital is available immediately for settling existing obligations, including the handling of claims in Groningen. This is important, because the pace of winding down production in the Groningen gas field and thus the Gasgebouw (the public-private partnership of the Maatschap Groningen and GasTerra) is being accelerated. That leads to lower profitability. On the other hand, the material nature of uncertain factors (e.g. costs of compensation for damage and clean-up obligations) is growing.

In addition, the equity may be used for investment in the energy transition. The new sustainable sectors and value chains have the potential to make an important contribution to the (local) economy and employment opportunities. EBN is committed to making the new value chains economically viable. These new sectors are good for both direct and indirect employment.

We not only outwardly stimulate the new economy: we also acquire knowledge on new energy applications in-house. In that way, we also increase employment opportunities in our own organisation. Examples of this are the growth of the Geothermal energy and CCS theme teams (see organisation chart in section 2.1).

Negative impact

Local community

Although we endeavour to limit the negative impact of our activities where possible, energy production is

increasingly having an impact on the local living and working environment. More and more aspects of the new energy supply are above ground and, as a result, are more visible to society. This goes hand in hand with worries about the use of public space, safety and air quality. It is important to respond properly to the worries and possible hazards that may arise. As a result of the impact of natural gas production on the local area and living and working environment, and the impact that has on society, the Dutch government decided in 2018 to discontinue gas production in Groningen and wind all operations down as quickly as possible. In that way, the source creating the risk of the earth tremors can be removed. The aim is that this will, in time, make the region safer. As far as the development of EBN's new activities, such as geothermal energy and CO_2 storage projects are concerned, we contribute to managing risks. We do that by contributing our knowledge about suitable standards and working on standardisation of working methods and measures (industrial standards).

Climate & environment

The production and use of oil and gas generate greenhouse gases. They are detrimental to the climate. In the current and future operational activities in which we have a stake (E&P, geothermal energy, CCS) we contribute to minimising this negative impact via the 'Active approach to risks' material theme. Our aim with this approach is to ensure that no limits are exceeded that could be hazardous to people and the environment. Although there is no standard for this, we monitor leaks and tackle these where necessary. We are working on responsibly cleaning up platforms that are nearing the end of their service life via the 'Responsible decommissioning and wherever possible repurposing infrastructure' material theme. Pipelines and wells offshore must be left behind clean and safe. In certain cases, pipelines have to be removed. Wherever possible, we extend the lifecycle of the infrastructure through reuse.

2.3 Trends and developments

EBN always has its eyes and ears open to developments in society and the energy system. This concerns both developments that have a direct impact on EBN's activities and those that relate to the transition as a whole. These developments are tracked on a fundamental level and also form the basis for adjustments to our strategy.

The trends and developments that had an impact on our operations in 2022 were:

Urgency of climate action and international targets

The urgency of the energy transition is a feeling that is widely shared. The most recent IPCC report of the UNEP paints an alarming picture. In the Netherlands, the KNMI warns that a 1.5-degree rise in temperatures could be reached as early as 2030. This means that there will be greater pressure on businesses to accept responsibility and take appropriate measures as part of their contribution to achieving the climate goals. In the refocused European plans that are part of the EU Green Deal, the aim is a 55% reduction in CO_2 emissions by 2030. The Dutch coalition agreement of 15 December 2021 addresses these European plans. To safeguard a reduction of 55% by 2030, the government has defined its targets even more sharply: a 60% reduction by 2030. As a policy participation, EBN gives substance to this with the new strategy.

Nitrogen dossier

The energy transition is actually a large-scale 'rebuilding' of our current energy system. The creation of this new system has an impact on the emission of greenhouse gases, including nitrogen. The impasse that has arisen around the emission of nitrogen over the past year has had a braking effect on the rebuilding of the energy system and, as such, is also hampering the required CO_2 reduction. At the start of November, the Council of State ordered that the so-called dispensation for the construction industry should be discarded. What the actual consequences for Porthos, a CO_2 storage project under the North Sea are will become clear in the first half of 2023.

Security of supply, affordability and independence

The war in Ukraine has substantially turned the energy systems of Europe and the rest of the world on their head. Energy prices have risen and trade flows have moved. Not only the affordability of energy is under pressure: in the Netherlands there has been an emphatic call for security of supply and energy independence. The developments on the gas market show that the energy system is sensitive to geopolitical developments. Both at national level and at European level, measures are being prepared that aim to limit this sensitivity. With the role allocated to EBN in filling the Bergermeer gas storage facility in the run-up to the winter of 2022/2023, we have been able to contribute to security of supply in the Netherlands.

Need for governance from administrative agencies

Within the terms of the transition to a future-proof energy system, the current system must be converted to the sustainable energy system of the future. That means that new, sustainable energy chains that are in development must be integrated in a single energy system that is sustainable, reliable and affordable. It should be noted that in the transition it is important to take the quality of the living and working environment and social interests into account. Close collaboration between all involved parties is required to achieve this. This collaboration is necessary both in technological terms and in terms of policy and legislation. Collaboration between all parties acknowledges the importance of sharing knowledge, information and data. This demands control at government level. For that reason, the Ministry of Economic Affairs and Climate Policy has initiated the Energy System Programme (PES). The required control at government level means that public bodies have to play a pioneering and coordinating role in a number of domains. This trend is, for instance, visible in the heat transition, where the Minister of Economic Affairs and Climate Policy has decided that the heating networks must be in public hands.

The need for governance, coordination and harmonisation is an issue at local, national and European level. Linking energy systems at international level is becoming increasingly important so that it is possible to deliver the required flexibility at the level of individual systems.

State shareholdings policy

The new shareholdings policy memorandum of the Ministry of Finance was issued in 2022. It discusses how the government, the shareholder, wants to deal with its shareholdings. The memorandum states that shareholdings must play a role in the energy transition and that the shareholders, considering this interest, should also be more closely involved in the strategy of the shareholdings The memorandum also states that the shareholdings must play an exemplary role in terms of corporate social responsibility.

Increasing mutual dependence within the energy system

The process of making the gas value chain more sustainable depends on the development of new, sustainable energy sources. The various energy value chains are interdependent to a great extent. Natural gas is primarily used in the built environment and in manufacturing. So reducing gas use depends on the development of sustainable sources of heat to feed heating networks. This might include geothermal energy and the possibility of deploying renewable gases. In addition, storage technology is becoming ever more

important so that fluctuating energy sources, such as wind and solar energy, can be deployed in the system. The need for hydrogen storage within the energy system is expected to become very large over time. It is important to acknowledge that the process of creating such storage would take 10 to 15 years, from the initial impetus to commissioning.

Importance of the North Sea

Gas production operations in the North Sea have long been a source of energy for the Dutch system. The growth of offshore wind energy on the one hand, and the smart linking of energy functions on the other means that the importance of the North Sea to the energy supply will only increase. The North Sea Consultation is a forum to examine how these developments can be streamlined, taking into account all other functions of the North Sea (nature, fisheries, shipping, defence). EBN is investigating several avenues, including how the existing gas infrastructure can be put to best use for the transition and makes recommendations in that respect In that respect it is about facilitating new production, the re-purposing of exhausted gas fields for CO_2 storage or, at a later stage, hydrogen storage as well, the reuse of gas pipelines for CO_2 or hydrogen distribution, and the use of existing platforms for hydrogen production.

Availability of Dutch natural gas

In the transition to a more sustainable energy supply, natural gas still has an important role to play. And Dutch natural gas is preferred, not least due to the lower CO_2 footprint compared with imported natural gas. As a result of the reduction in gas production in Groningen and the exhaustion of offshore reserves the supply of Dutch natural gas is decreasing. The government acknowledges this and used the so-called 'Acceleration letter' to identify a number of measures by means of which extra natural gas can be extracted from the North Sea in years to come. To ensure that Dutch storage facilities are sufficiently filled in the run-up to winter 2022/2023, the government has introduced a subsidy scheme for companies that fill the storage facilities. In addition, EBN has been given the task of filling part of the Bergermeer gas storage facility.

Support from society for the energy transition and for energy-related projects

The realisation that the transition is going to have consequences for everyone is growing. Pro-active climate policy is applauded by the wider public, but there is resistance to the costs that are involved in the energy transition and the measures that impinge on the immediate living and working environment. In addition, society needs transparency and participation (at local level). Security is another important theme where local developments in the energy transition are concerned. One of the reasons for this is the consequences of gas production in Groningen. If energy projects are to succeed,

it is particularly important that there is attention for good environmental and stakeholder management. We also believe it is important that central government keeps underlining the fact that measures are inevitable.

2.4 Strategic pillars

We gave substance to our vision and mission with our 2016 - 2022 strategy. The 2016 - 2022 strategy was supported by three pillars: New Energy, Return to Nature and Our Dutch Gas. These strategic pillars formed the basis for the activities that EBN developed for the current energy supply and the sustainable energy value chain of the future.

In late 2022, we set out the new strategy, in whch we focus on the energy value chains of gas, heating and CO_2 storage. The starting point is that we treat our energy system as a sustainable and integrated whole, with attention to broad social value creation.

The new strategy puts us in a position to support the Ministry of Economic Affairs and Climate Policy at system level in how they configure control of the transition. At value chain level we work in respect of gas, heating, CO_2 and energy storage together with all value chain partners to contribute to streamlining the required systems. And at project level, we act in concert with partners and local stakeholders.

For the purposes of this annual report, the objectives for the original three pillars still apply, and we report on the results of these pillars. In the following section we explain the refining of our strategy for the coming years.

New Energy

We are helping to accelerate the development of (ultra-deep) geothermal energy, and exploring other alternatives and sustainable energy sources.

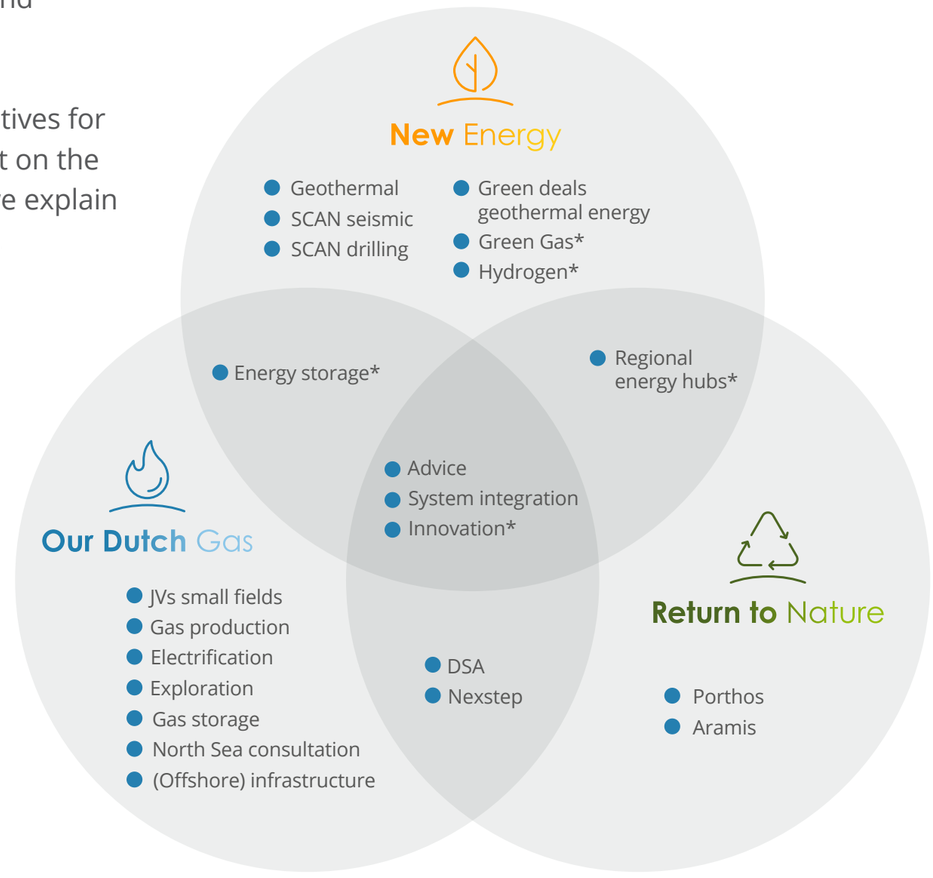
Return to Nature

We are fulfilling a pioneering role in the efforts to address the decommissioning challenge and making a contribution to the development of energy and CO_2 storage.

Our Dutch Gas

We make optimal use of Dutch energy resources and see gas as an essential element in the process of making the energy value chain more sustainable.

The concrete activities that are carried out in the context of the three strategic pillars are shown in the diagram below:



Activities per strategic pillar: implemented, under development and study, advising, *exploration activities

New Energy: Geothermal energy (storage of) hydrogen and gas

We contribute to the development of new, sustainable energy sources and value chains, such as those relating to geothermal energy. That is how we participate in geothermal energy projects. We do this to accelerate and boost the development of geothermal energy projects. We are also closely involved with exploration and feasibility studies in the field of energy storage and green gas.

Return to Nature: Decommissioning and repurposing existing infrastructure and storage of CO_2

EBN stands for responsible decommissioning and, where possible, reuse of infrastructure, not least for energy/CO_2 storage. EBN has a pioneering role in issues that are related to the decommissioning and conversion (reuse) of obsolete parts of the gas and oil infrastructure of the Netherlands. We investigate the innovative opportunities to be able to reuse specific parts and sites for sustainable energy production and storage. In addition, EBN plays a key role in all CO_2 storage projects in the Netherlands.

Our Dutch gas: Investment in and development of small gas fields

Natural gas still has a central role in the energy system in the Netherlands. 44% of the primary energy used in the Netherlands at this time is natural gas. As long as alternatives remain insufficiently available, natural gas will continue to be an important energy source. We view Dutch natural gas as an essential component of a more sustainable energy value chain. EBN primarily aims to stimulate exploration and produce Dutch natural gas from the small fields in the North Sea. Dutch natural gas is preferred to imports of natural gas, not least because of the benefits for the climate, economy and geopolitical independence. In 2022, security of supply has become a more relevant and topical subject due to the gas crisis and dependence on third parties.

In the results section, an overview is provided of the most important activities and objectives we achieved in 2022 for each strategic pillar. Also described is how they contribute to EBN's material subjects and the UN Sustainable Development Goals (SDGs).

Why	How	Strategy	Material themes	Objectives
A minimum of **55%** less CO_2 emissions in 2030	**Sustainability energy value chain**	**New** Energy	Reinforcing, accelerating and improving the Dutch geothermal energy sector	Strategic Goals for 2025 collected per theme, where possible, under one heading:
			Investigating and developing energy innovation in favour of system integrations in the Dutch energy transition	
		Return to Nature	Responsible decommissioning and where possible re-use of infrastructure	Energy production
			Use of underground space for a more sustainable energy system	Reduction of emissions, CO_2
		Our Dutch Gas	Encouraging and accelerating the exploration and production of small Dutch gas fields	
	Mission As the combined strength in the energy transition, EBN is deploying the value in the subsurface for a sustainable future aboveground **EBN delivers combined strength to the NL energy transition**			Reduction of costs
	Resilient flexible organisation		Creating combined strength	Connective power
			Maintaining financial stability and resilience	
			Active approach to risks	

N.B.: with reference to the Objectives, the focus is particularly on business/programme objectives related to making the gas value chain and the material themes associated with it more sustainable.

EBN Strategic Goals 2025

	1 Energy production	2 Reduction in emission of CO_2	3 Reduction of costs	4 Connective power
E&P Assets	**310 PJ (9 BCM GE 100%) production** • >700 PJ (20 BCM GE100%) of new gas in production up to 2025.	**25% CO_2 operational emissions reduction compared with 2018 levels**	**Reduction of OPEX per m^3 for gas produced to below the level of 2018 (6ct/m3)**	EBN has a leading role within Nexstep, INSPIRE, Clustering, Operating Service NewCo and (where necessary) DSA.
Exploration	**1200 PJ (33 BCM) identified before the end of 2025**			Offshore operators are of the opinion that EBN has made an important contribution to producing, generating and maturing 'drillable' prospects.
CCS		**2,500 kton/year reduction in CO_2 emissions**	**Reduction of costs of CO_2 storage to EUR 35 per ton or lower**	EBN is recognised as a major player that contributes to the realisation of CCS in the Netherlands.
Geothermal energy	**5.6 PJ of sustainable heat energy** • 23 projects in which EBN is either participating or for which an FID has been taken.	EBN Geothermal energy takes part in projects which, when carried out, help to generate **300 Ktons of CO_2 reduction** per year and for which the decision on investment will be taken in 2025 at the latest.	**Reduction in cost price of 10% (CAPEX & OPEX) compared to the benchmark of 2020.**	Partners in projects rate EBN's contribution as being positive.
GTO	**SCAN programme ready, including 10 drillings**			GTO is developing into a controller for high-quality subsurface data: satisfied stakeholders: structure, preservation and sharing of knowledge.
Advice & Innovation	**0.6 PJ (5,000 t) of green hydrogen** **3.5 PJ (0.1 BCM) of green gas**	**60 kton/year reduction in CO_2 emissions with green hydrogen** **150 kton/year reduction in CO_2 emissions with green gas**		EBN connects and stimulates, and is viewed by parties in the green gas, hydrogen and storage chains as a valuable party in the realisation of the goals of the energy transition.

New strategy

The changing social and (geo-)political context demands additional steps and a different emphasis in our stragegy. The pressure to refine the climate goals is getting stronger, for instance. The European Commission has presented the Fit for 55 programme. The Netherlands is aiming for 60% less in terms of greenhouse-gas emissions. Social groupings are more emphatically making themselves heard in an effort to help accelerate the energy transition. We have honed our position and ambition in response: we will scale back on projects that harm our climate, convert what we can and build up to 100% sustainable. Our climate promise is to be climate-neutral in 2040. This applies to scope I, II and III.

The war in Ukraine, too, is strengthening the call to be less dependent on energy and have greater security of supply. Moreover, there is an increasing demand for strong regulation from the government and robust collaboration between government agencies, network organisations and market parties. Finally, we notice that involvement and participation from the community is gaining in importance.

Due to all these developments, and EBN's ambition to step up its own contribution to the climate goals, in 2022 EBN worked on a strategic recalibration for the period from 2023 onwards. It is a strategy that is more in line with our public function, has more attention for affordability and security of supply, and making better use of the combined potential of land, sea and subsoil. More to the point, it is a strategy that stimulates the acceleration of the energy transition, one in which we commit to optimising integration of the various energy systems. In relation to EBN's position as a policy instrument of the Ministry of Economic Affairs and Climate Policy the strategy reflects the design of the Climate Policy Programme and the national plans and programmes that spring from this.

The new strategy was created in close collaboration with a wide range of stakeholders, on the basis of various external analyses. Stakeholders were asked what was needed to develop value chains that were key to making the gas value chain more sustainable. Then we asked which measures were needed for acceleration. Lastly, we asked our stakeholders what sort of contribution EBN could provide. The process led to the reformulation of the underlying reasons for EBN, and four strategic pillars. The substance of those reasons and the pillars is demonstrated by our exploration of new developments. We have visualised the strategy as follows:

The new strategy has also been translated into a suitable control and organisation model.

Societal motivations

Towards a sustainable energy system

Working towards a CO_2-neutral and integrated system

Security of energy supply

Ensure the energy system remains resilient to any uncertainties during the transition

Value creation for society as a whole

Contributing to a just transition, together with and on behalf of society as a whole

Mission

Together, faster, towards a sustainable energy system

In line with its public role, Energie Beheer Nederland (EBN) as a binding the force - deploys its knowledge and expertise to accelerate the implementation of Dutch energy and climate policy with the aim of achieving a sustainable, reliable and CO2-neutral energy system by 2050, at the lowest possible cost to society.

Strategic pillars

System development for the public interest

Contributing to achieving an integrated energy system that creates value for society as a whole

- Vision on the development of the energy system
- Vision on the North Sea and Dutch subsurface
- Cooperation with relevant public bodies
- Vision on the security of supply
- Towards a CO2-neutral EBN by 2040, scope I, II and III

A sustainable gas system

The transition from the natural gas system to a sustainable gas system

- Utilisation of existing gas reserves
- Storage of gas and hydrogen
- Responsible decommissioning and reuse

A sustainable heat transition

Implementing collective and sustainable heat systems

- Geothermal energy
- SCAN
- Heat systems
- Heat storage

Responsible CO_2 storage

The creation of a CO2 storage system that helps reduce the remaining CO2 emissions to zero, as quickly as possible.

- Porthos and Aramis
- Securing storage capacity

2.5 Transition dilemmas

To develop the strategy, we drew up a strengths, weaknesses, opportunities and threats (SWOT) analysis. This analysis gives an insight into the opportunities and threats facing EBN from their environment, on the one hand, and EBN's strong and weak points on the other.

Transition dilemmas

The dilemmas that EBN has to tackle and respond to generally involve making the existing gas value chain more sustainable. For that reason we call them our transition dilemmas.

Government regulation and/or market reordering

As a policy participation, EBN makes a contribution to the implementation of the energy and climate policy of the Ministry of Economic Affairs and Climate Policy. The government is focusing on market reordering. Public bodies such as EBN are active in new energy-supply markets. We do this to stimulate the development of them. And to represent the interests of society at large. It is important that systems are integrated in a smart way, that energy supply is safeguarded and that the costs remain low. The dilemma is whether activities in new markets should be implemented by the government, or be left to the market. In line with government policy, this leads to separate considerations being made for each market or any of various activities (not least depending on which phase the market in question is in). As a result of the extreme conditions within the energy market, the government has the opportunity of intervening directly, for instance in the filling of the gas storage facilities.

Identification of new activities versus existing mandate

There is demand for security and governance at system level throughout the energy sector. In that way, developments can be organised in a coherent way. All developments in the energy transition demand new knowledge, capabilities and strength. Creativity is also required to identify, develop and integrate new options. Being a public organisation, we can give substance to this through our experience with coordinating complex development processes that involve many different stakeholders. The dilemma for the organisation can be found in the choices relating to the structure of the organisation aimed at investigating and developing new options and getting parties on board at the required rate. EBN responds to this by fulfilling a linking role in the process of making the gas value chain more sustainable.

The following dilemmas are relevant specifically to us and our strategy:

Uncertainty about supply and demand of renewable energy is tempering the development of sustainable value chains and portfolio

We want to boost, accelerate and improve developments in the field of geothermal energy, green gas and hydrogen. To that end it is not only the development of sustainable sources, but specifically the development of sustainable chains that is important as well. In the run-up to the development of those chains there is, at present, still a lot of uncertainty in relation to both the range and the demand for geothermal energy and, for instance, hydrogen. That uncertainty is caused by confusion about a range of factors, such as timing, quantity and location. This makes it difficult, for instance, to reduce geothermal energy projects to a final investment decision. Particularly what is termed the 'swamping risk', the risk that heat does not keep up with the expected sales level is a decisive factor in this respect. The question facing our organisation is how, with our knowledge and existing assets, we can play a role in the development of new value chains, for instance in relation to district heating networks and geothermal energy sources. This is particularly a factor in projects in which a district heating network is installed only when a source has been tapped into, although there will only be investment in the source when there is certainty that the heat will actually be distributed through a district heating network.

SWOT 2022

Strengths

- **Focus on implementing policy.** As a policy participation we are in a position to act quickly on activities that are needed rapidly to fulfil the ministry's energy and climate policy. Specific examples of this are projects for CO2 storage such as Porthos and Aramis, and contributions to the storage of natural gas in the Bergermeer gas storage facility.
- **Central and unique position** in the Dutch energy system and knowledge about the Dutch subsurface (and enterprise opportunities related to that). Given its participation in around 200 joint ventures EBN has a unique overview position. We can deploy its combined knowledge and enterprise for the benefit of the energy system as a whole. Among other things, this translates into optimisation and efficiency on the basis of the combined data processes, e.g. Nexstep and INSPIRE (broad knowledge sharing with operators and combined reduction of OPEX).
- **Network.** EBN is in a position to bring stakeholders together and to make a link in an organised way so as to combine forces and accelerate specific developments in the energy transition together, such as with the implementation of the Master Plan Geothermal Energy, CCS projects and the study into energy storage.
- **Serving the public interest.** Able to undertake activities in situations in which, as a result of shortcomings in the market, systems or the transition, commercial parties are unable to do so as rapidly.
- **Good reputation.** In the eyes of its stakeholders EBN is sailing the right strategic course and is a reliable and specialist partner which makes a contribution to acceleration of the energy transition. This can be seen from the stakeholder monitor studies in 2020 and 2021.
- **Great Place to Work.** EBN is developing rapidly and offers good prospects to many different potential employees with a wide range of educational backgrounds. This can be seen in the Great Place to Work study 2021.

Weaknesses

- **Focus on technology versus urgent imperative of developing other skills.** Our focus lies primarily on technical knowledge of the subsurface, while this phase of the energy transition also demands more attention to the social aspects of the energy transition.
- **Split into silos.** EBN is split into different themes, as a result of which there is little synergy between them. The new organisational structure aims to turn this weakness around.
- **Inclusivity.** The EBN organisation is developing; not just in quantitative terms, but qualitatively too. EBN stands for equal opportunities and improving diversity among its employees. Stakeholders indicate that they do not yet sense EBN to be an inclusive organisation that adequately mirrors society.
- **Focus.** EBN has various roles in various fields. That makes EBN's position special and even means that the organisation sometimes presents a diffuse and less clear image to the outside world.

Opportunities

- **Sustainability of the gas value chain and reuse of infrastructure** for new energy applications (green gas, hydrogen, energy storage and CCS).
- **Substitution of gas as a source of heat.** Developing geothermal energy in the Netherlands by bringing parties together and making risk-bearing investments.
- **Dynamic gas market.** In 2022 the war in Ukraine, in particular, gave rise to a scarcity of resources, whereby the gas prices rose to unprecedented levels. This creates a different picture of the importance of the government in the regulation of the market. EBN, the sole public organisation active in energy production, can make an important contribution to stabilising the energy market.
- In its evaluation, Ecorys finds among other things that **cooperation between the Ministry of Economic Affairs and Climate Policy and EBN** has improved significantly in relation to the previous evaluation in 2015. Ecorys makes recommendations that could contribute to closer cooperation between the Ministry of Economic Affairs and Climate Policy and EBN, and to a more structured deployment of EBN within the transition.These developments also accord with the Ministry of Finance's new shareholdings policy paper.
- **North Sea Agreement.** This offers opportunities to show what EBN can contribute to the transition in the field of hydrogen, CCS and optimum deployment of existing energy stocks using existing assets.
- **Government's leading role and risk appetite.** There is an increasing awareness that the government needs to take the lead on matters concerning the transition.
- In addition to that the role of state-owned companies, such as EBN, may increase support within society by showing that the government is prepared to take risks.
- **Tightening of climate targets at European and national level.** The steps aimed at accelerating the energy transition add to the attention to the transition pathways in which EBN, among others, is active.
- **'Be willing to take the lead'.** Stakeholders believe that EBN could be more vocal on important themes and let its voice be heard in the public debate.

Threats

- **Obstacles to market organisation and state aid schemes.** By keeping the mandate of public parties limited, the opportunities to fulfil a pro-active role in the transition are restricted. This can have a major influence on the effectiveness of new business activities, the earning model, the role and organisation of EBN. As far as EBN is concerned, that is a factor in the field of oil & gas, CCS and geothermal energy, for example.
- **The nitrogen policy is a threat** to all activities that are carried out in relation to energy supply and the energy transition.
- **Pressure on financial sector to 'go green'.** The pressure on banks, pension funds and insurers to reduce their activities in relation to energy production from fossil fuels and to make their finance and insurance portfolio more sustainable is increasing. This makes activities in the production of energy from fossil sources by our partners in oil and gas participations more difficult to insure.
- **Financiers and insurers** have, on the one side, high levels of interest in sustainable projects but, on the other, a very risk-averse attitude as a result of great levels of uncertainty in the market. This applies to the financing and insuring of geothermal energy, for instance. This comes as a result of the fact that markets like this are still in a development phase.
- **Public support.** There is resistance to the costs that accompany the energy transition and measures that impinge on the immediate living and working environment, not least due to the settlement of the consequences (financial and otherwise) of gas production in Groningen. This may form a barrier to performance of the government's required leading role.
- **Emergencies and disasters.** During the work of our operators, safety emergencies and environmental disasters can occur.

We are also working in partnership with others on a portfolio approach. On the North Sea, we are assessing how we can contribute to production of green hydrogen from wind energy. That can then be fed to the land through existing gas pipelines. EBN is also working together in a number of projects for the production of blue hydrogen, from gas. In doing so, we are supporting the creation of a hydrogen system. EBN is also active in the field of hydrogen storage. Hydrogen does, after all, have a contribution to make in terms of security of supply when the role of natural gas decreases.

Safe decommissioning takes time, while reuse of installations demands speed

If a decision is made to remove obsolete installations and gas infrastructure, the installations cannot immediately be used for future CO_2 storage or other sustainable initiatives. This takes time. When safely and sustainably decommissioning obsolete oil and gas infrastructure, EBN works together with oil and gas companies and Element NL in Nexstep to realise an effective and cost-efficient working method. A key target is to save 30% of the clean-up costs of obsolete infrastructure. In order to hit that target, we need to get to work energetically. At the same time, we also want to keep some of the installations available for the energy transition, although it is not desirable to mothball the infrastructure.

New developments relating to CCS demand central governance and regulation

These are essential to the rapid and efficient development of CCS that is aimed at developing a new storage network at the lowest cost to society. In that development, it is important that the collective interest is safeguarded by having effective public-private partnership. For the development and realisation of CCS, control must be taken in the essential follow-up stages. The dilemma concerns the nature and scope of the role and position of EBN in this relatively new playing field. EBN responds to this by being involved in all CO_2 storage projects to safeguard the public interest. We are also involved in the Aramis project, which aims to create an open CO_2 infrastructure, to which various suitable storage sites can be connected. In the future there will also be the question of which gas sites and infrastructure need to be deployed for hydrogen distribution, storage or production.

Gas production is an essential part of the energy transition, but infrastructure is also needed for new energy

The production of Dutch natural gas will remain essential in the context of the transition as long as gas is still in use in the Netherlands. The government's preference is for gas production from small Dutch fields, rather than imports as this is better for the climate, among other reasons. However, public support for natural gas production, particularly on land, has fallen.

And the earning capacity of Dutch gas production is also under pressure. This is due to rising operational costs, falling yield as a result of the accelerated shut-down of the Groningen field and the ever faster fall in reserve volume from small gas fields. However, the current high gas prices are having a positive impact on earning capacity. But the process of making the gas value chain more sustainable demands the reuse of the infrastructure for other energy carriers, while natural gas still plays an important role in the energy supply.

In addition, the available space in the North Sea is becoming increasingly scarce. There are three challenges on the North Sea that each demand space: sustainable energy production, the food supply (including fisheries), and nature conservation and restoration. The number of offshore wind farms is rising rapidly. That may have a negative impact on the space available for food supply/ fisheries and nature conservation and restoration. In addition there are also users other than energy, food and nature that demand space in the North Sea area, such as shipping and sand extraction.

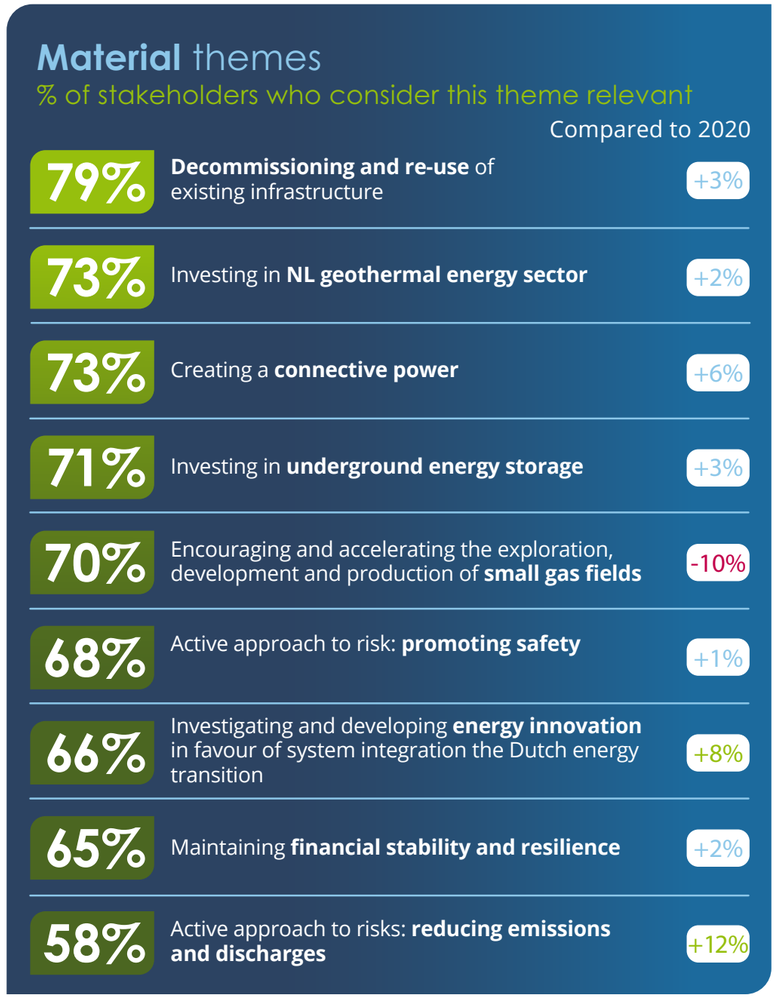
EBN responds to this by working together with operators in a joint programmatic approach to the exploration of Dutch natural gas. We also work closely with operators to reduce the operational costs of natural gas production.

EBN further participates in the North Sea Consultation, to which we have submitted information on the agreement to ensure there is coordinated development in the North Sea.

2.6 Material themes

In our annual report, we explain the subjects that have substantive importance for our stakeholders within the value chains in which EBN operates. We identify the themes that are material to EBN on the basis of relevance to our stakeholders, and their social impact. In 2019, we refocused the titles and definitions of our material themes. These themes were presented to a broad group of the stakeholder monitor of 2020 and 2021 and the extent to which these themes were found to be suited to EBN's role was accordingly reviewed. In the light of our new strategy that starts on 1 January 2023, we will be reviewing our themes once more and discussing with stakeholders whether any adjustments are necessary.

Stakeholders indicate that they find the themes below relevant to EBN and feel it is appropriate for EBN to focus on these them. Stakeholders were also asked to specify the themes that they believe are most important for EBN. This results in the prioritisation shown below:



In the table below we have shown how our material themes and the accompanying strategic pillars relate to the SDGs that are most relevant to EBN.

EBN's long-term strategy has been operationalised according to the Strategic Goals for 2025. These goals allow us to focus our activities on the field of the material subjects. The derived strategic annual objectives show EBN's activities in the year in question, and outline the concrete steps that EBN is taking to flesh out its material subjects. Teams for and within the themes and departments are themselves responsible for the content and implementation of the annual targets within their area of focus. Our value creation model states the impact that we make on these material themes. In chapter 4, we describe the progress and the results of these themes. The connectivity matrix shines a light on the relationship between the strategic pillars, material themes, strategic goals and KPIs. The reference table, the Global Reporting Initiative (GRI) Standards content index can be found here. Our impact per material theme is described in the value creation model.

Material issue	Definition	Explanatory notes	p.
Active approach to risks 1. Promoting safety 2. Reducing emissions and discharges	1. Guaranteeing that the current and future operational activities in which we participate (E&P, geothermal energy, CCS) do not exceed any risk limits thereby generating a risk for people and the environment. 2. In our collaborative ventures, we aim to achieve lower environmental impact and CO_2 footprint by reducing the emission of greenhouse gases and reducing or preventing discharges.	5.2 Main strategic risks; 4.7 Approach to risks	85 76
Maintaining financial stability and resilience	Financial strength and resilience are characterised by sufficient equity (including liquidity and solvency) available immediately for settling existing liquidity This is essential given the accelerated shut-down of the Groningen field and the Gasgebouw; as a result profitability has fallen, and the material nature of uncertain factors (e.g. earthquakes and remediation obligation) grows.	4.5 Financial results; 8. Financial statements	67
Creating connective power 1. Facilitating informed dialogue 2. Knowledge development and sharing 3. Connecting relevant stakeholders, internally and externally	We create connective power by participating in joint ventures and consultative bodies and using EBN's knowledge and skills to accelerate the energy transition in the Netherlands, so that social value is also created in the long term. 1 and 2. Facilitating informed and objective dialogue in society between stakeholders about the themes relevant to the energy transition (wherever possible with partners) so that we contribute to generating the appropriate image of energy supply in the Netherlands. Actively developing and sharing our knowledge of (operating in) the Dutch subsurface is a clear component. 3. EBN brings people together in respect of the energy transition and its organisation. Actively developing common themes and programmes to bring this about. EBN is also viewed as a Great Place to Work (GPTW). Employees working at EBN are dedicated, focused and closely tied to realising the organisation's objectives.	4.4 Our Dutch Gas; 4.3 Return to Nature; 4.2 New: 4.6 Creating connective power 10.1 Interaction with interested parties	64 60 53 69 180
Stimulating and accelerating exploration and production in small Dutch gas fields	Dutch natural gas is an essential component of a more sustainable gas value chain. Promoting and accelerating effective detection, development and extraction of gas reserves in the Netherlands in the most sustainable way possible.	4.4 Our Dutch Gas	64
Reinforcing, accelerating and improving the Dutch geothermal energy sector	Deploying our knowledge and expertise in operating in the Dutch subsurface for the benefit of developing geothermal energy in the Netherlands. In that framework, over the next few years, EBN will be implementing the SCAN survey programme, participating in Green Deals and, on behalf of the Dutch State as of 1 July 2022, participating financially in geothermal energy projects.	4.2 New Energy	53
Responsible decommissioning and, where possible, reuse of infrastructure	The decommissioning of disused oil and gas infrastructure at the lowest possible costs to society.	4.3 Return to Nature	60
Using underground space to make the energy system more sustainable	Facilitating and encouraging the effective reuse and/or deployment of subsurface space for the production, transport and/or storage of CO_2, renewable energy and heat.	4.3 Return to Nature	60
Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition	Investigating the possible applications for new, renewable gases within the Dutch energy transition (in the context of a sustainable gas value chain) and examining possibilities for accelerating this transition. In detail, together with partners, we will be investigating the possibilities for upscaling, application and storage of hydrogen and green gas within the Dutch energy transition. We also encourage reuse of obsolete installations and sites for the benefit of the energy transition.	4.2 New Energy	60

2.7 The contribution of EBN to the SDGs

EBN aims to contribute to achieving the Sustainable Development Goals (SDGs) of the United Nations. These sustainable development goals form the agenda for governments and companies to make the world a better place by 2030, by ending poverty, inequality and the climate crisis. The ambitions and targets for the climate are set out in the Climate Agreement.

EBN has identified four SDGs as being most relevant to our public role and mission, and the way in which we create value:

- SDG 7: Affordable and sustainable energy: Guarantee access to affordable, reliable renewable and modern energy for all;
- SDG 9: Industry, innovation and sustainable infrastructure: Build resilient infrastructure, encourage inclusive and sustainable industrialisation and encourage innovation;
- SDG 12: Sustainable consumption and production: Guarantee sustainable consumption and production patterns;
- SDG 13: Climate action: Take urgent action to counter climate change and its impact.

Together, these SDGs form the social framework within which EBN operates. Moreover, they emphasise the relevance of our vision, mission and ambition.

Within this framework, it is clear which themes are most material to EBN. The social context guides our strategy and our efforts to develop activities and bring parties together who together contribute to making the gas value chain more sustainable. We use our knowledge, expertise and (financial) stability, for instance, to create the conditions
for a CO_2-neutral energy system in 2050.

EBN's activities and contribution to connecting parties reach further than just the immediate interested parties in the energy value chain. We bolster social support for the energy transition, for instance, by actually making information available to a wider public and giving an overview of our energy system in the Netherlands. We also promote knowledge sharing and dialogue on the energy transition at schools by arranging informed and over-arching masterclasses for the upper levels of secondary education in conjunction with a not-for-profit organisation, Darel Educatie. In addition to the development of teaching modules and sponsoring, an increasing number of EBN staff are appearing as guest teachers.

In the table below, we have shown how our material themes and the accompanying strategic pillars relate to the SDGs that are most relevant to EBN.

We use the activities with which we make a concrete contribution to SDGs 7, 7, 9 and 13 to mitigate the negative impact of the Dutch energy system on the climate. To that end, we are working on CO_2 emissions reduction and the development of a 'future-proof' CO_2-neutral energy system. This includes, for instance, our activities in the field of geothermal heat, CO_2 storage and the development of hydrogen and green gas. As long as it is necessary, we will continue to focus on responsible production of Dutch natural gas.

Over the next few years, we want to better quantify what our measurable contribution to the SDGs is. For that reason, EBN will start impact reporting. This is not something that we can implement overnight; to do this we will have to configure new processes to collect information (and other aspects).

Pillar	Material theme	SDG	
Our Dutch Gas New Energy Our Dutch Gas/Return to Nature/New Energy	Small Dutch gas fields Geothermal energy Financial stability		SDG7: Affordable and sustainable energy: Guarantee access to affordable, reliable renewable and modern energy for all
Return to Nature New Energy	Use of underground space Innovation/system integration		SDG 9: Industry, innovation and sustainable infrastructure: Build resilient infrastructure, encourage inclusive and sustainable industrialisation and encourage innovation
Return to Nature Our Dutch Gas/ Return to Nature/New Energy	Decommissioning/reuse of infrastructure Approach to risks (safety/emissions)		SDG 12: Sustainable consumption and production: Guarantee sustainable consumption and production patterns
Our Dutch Gas/ Return to Nature/New Energy	Connective power		SDG 13: Climate action: Take urgent action to counter climate change and its impact.

2.8 Connectivity matrix

Explanatory notes to the connectivity matrix

For all material themes we have formulated strategic goals for the period through to 2025. For these strategic goals we have defined key performance indicators (KPIs). Due to the reformulation of the strategic goals, specific indicators have been changed to bring them more into line. These changes monitor new indicators that measure the material issue and, further, relate to the removal of moving of indicators in relation to the material issue due to its relevance. Where the indicators have remained the same we have left the results for 2021 and 2020 unchanged, so that it is possible to make clear the progress compared with previous years. See the results section. A number of issues are focused more on the future due to the phase in which the new sectors and projects in question find themselves (geothermal energy) and EBN's present role in the exploration of new options (hydrogen and green gas).

Connectivity matrix 2022

Strategic pillars	No.	Material issue	Strategic objective for 2025 (New)	KPI[1]	2022 result	2021 result	2020 result
	1	Active approach to risks 1. Promoting safety 2. Reducing emissions and discharges	Together with others, EBN is developing a widely-supported risk standard for induced seismicity; projects that fall short of the standard will not be developed; mitigating measures have been prepared in the event of the level specified in the standard being surpassed during operations.	Number of geothermal energy projects tested for seismic risks. ✅	0	1	3
				Number of occupational accidents in operations/participations resulting in absentiism (expressed in Lost Time Accidents or LTA) ✅	10	8	6
			The CO2eq emissions per cubic metre of gas produced dropped by 25% compared to late 2018.	Percentage change in the small gas fields' CO2eq emissions per cubic metre produced compared to 2018 ✅	5.9%	13.2%	9.7%
	2	Maintain financial stability and resilience	EBN's solvency has risen to 30% (before appropriation of profit), in line with the 'standard solvency requirement' imposed by the government of the Netherlands.	Solvency (Shareholder's equity / balance sheet total) ✅	34%	14%	7%
				Net debt (cash and cash equivalents plus derivatives, less borrowings in EUR m) ✅	11,453	4,053	2,614
				Results after tax (EUR m) ✅	4,290	656	-364

Connectivity matrix 2022

	3	Creating connective power 1. Facilitating informed dialogue 2. Knowledge development and sharing 3. Connecting relevant stakeholders, internally and externally	According to offshore operators, EBN is making a significant contribution to the generation and maturation of drillable prospects.	Number of gas futures from prospects and leads in bcm ✅	10.1	13.6	10.4
			EBN is developing into a controller for high-quality subsurface data: satisfied stakeholders: structure, preservation and sharing of knowledge.	Number of km of SCAN research dedicated to suitability of geothermal heat production ✅	30 (cumulative total: 1,601)	514 (cumulative total: 1,571)	797
			EBN is recognised as being a major player that contributes to the realisation of CCS in the Netherlands.	Number of participations in CCS projects ✅	2	2	2
			Partners in geothermal projects rate EBN's contribution as being positive.	Number of geothermal energy projects participated in ✅	6	4	3
			EBN connects and stimulates, and is viewed by parties in the green gas, hydrogen and storage chains as being a valuable party in the realisation of the goals of the energy transition.	Number of participations in joint ventures for green gas innovation ✅	0	0	0
				Number of participations in regional hubs for green gas ✅	1	1	1
				Number of participations in green hydrogen projects ✅	0	0	0
			EBN is seen as being a Great Place To Work (GPTW). Employees working at EBN are dedicated, focused and closely tied to realising the organisation's objectives.	Great Place to Work employee survey score (the so-called Trust Index). Carried out once every two years. ✅	n/a	7.8	n/a
			Talent retention	Outflow percentage ✅	10.6%	11.0%	8.0%
			EBN is transparent in its social reporting on its CSR policy and activities.	Position of the Transparency Benchmark in the sector ✅	n/a	3	n/a

Connectivity matrix 2022

			EBN is recognised by stakeholders generally and acknowledged in respect of its material themes as a party that brings connective power to the energy transition.	Stakeholder survey score Carried out once every two years. ✅	n/a	7.8	n/a
Our Dutch Gas	4	Stimulating and accelerating exploration and production in small Dutch gas fields	EBN produces 310 PJ (100%) of Dutch gas per year from small fields and will ensure that 1200 PJ of Dutch gas has been identified before the end of 2025.	Number of new natural gas wells drilled ✅	8	11	6
				SF production 100% billion m^3 TQ ✅	9.9	11.7	12.5
				SF maturation 100% billion m^3 TQ ✅	1.5	4.9	4.9
			EBN will focus on a reduction of the OPEX per m3 for gas produced to below the level of 2018 (6ct/m3)	OPEX unit in EUR ct/m3 GE ✅	8.5	6.6	6.2
			Achieving required level of filling, Bergermeer gas storage facility	Meeting the required filling demand of the storage facility by the end of the injection season. ✅	goal met	n/a	n/a
New Energy	5	Reinforcing, accelerating and improving the Dutch geothermal energy sector	In 2025, the SCAN - programme will be ready and 10 drillings will have been carried out in the Netherlands.	Number of SCAN drillings	0	0	0
			EBN participates in projects with operations which generate an annual yield of 5.6 PJ of sustainable heat, and for which the investment decision will be taken by 2025 at the latest.	Number of PJ generated by geothermal energy ✅	0.3	0.2	0
			EBN will focus on a reduction in cost price of 10% (CAPEX & OPEX) for geothermal energy compared to the benchmark of 2020.	Percentage change (compared to 2020) in costs per GJ delivered ✅	0%	0%	0%
			EBN participates in projects with operations which generate an annual yield of 300 Ktons of CO2 reduction, and for which the investment decision will be taken by 2025 at the latest.	Reduction of CO2 emissions per year due to geothermal energy in Ktons ✅	260	0	n/a

Connectivity matrix 2022

Return to Nature	6	Responsible decommissioning and, where possible, reuse of infrastructure	EBN has a leading role within Nexstep, which contributes to the decommissioning of gas infrastructure at the lowest possible cost, Operating Service NewCO and (where necessary) DSA.	Number of joint decommissioning campaigns included in operator WP&Bs for the next financial year ✅	2	1	1
Return to Nature	7	Using underground space to make the energy system more sustainable	2.5 MT of CO2 is stored offshore in the Netherlands each year.	Number of MT of CO2 in storage per year in the Netherlands and in projects in which EBN participates ✅	0	0	0
			EBN will focus on reducing the costs of CO2 storage to EUR 35 per ton or lower.	Costs of CO2 storage in EUR per ton of CO2-eq ✅	n/a	n/a	n/a
			EBN wants to achieve a 2.5 MT reduction in CO2 emissions per year by using CCUS.	Reduction of- CO2 emissions per year achieved by using CCUS ✅	0	0	n/a

1 Indicatoren gemarkeerd met het symbool ✅ vallen binnen de scope van het assurancerapport met beperkte mate van zekerheid van de onafhankelijke accountant. In hoofdstuk 9 'Verklaringen van de onafhankelijke accountant' vindt u de details ten aanzien van de scope van de controle en de uitkomsten.

3. Our position in the energy value chain

The origins of EBN are in the safe, sustainable and economically responsible creation of value from hydrocarbons from the Dutch subsurface. To this end we are investing in the exploration and production of gas and oil. Step by step, the current fossil fuel-based energy system is becoming more sustainable. EBN bears social responsibility for increasing the sustainability of the energy value chain and contributing to the necessary system integration that goes hand in hand with it. We play a major role in the process of bringing together parties and in the sharing of knowledge and expertise on aspects including the current and future gas (and other) infrastructure.

Production of natural gas and oil on land and at sea

EBN invests in the exploration, production and storage of forms of energy such as natural gas and oil. These 'upstream' activities belong to EBN's core operations. Our most important partners in this endeavour are the operators. They carry out the work. EBN invests jointly and takes a pro-active role in the exploration and organisation of partnership and clustering. As a partner in a joint venture, EBN (and thus indirectly the State) has a stake in the revenues. We are also responsible for our share of the costs incurred.

Sale of gas and oil

Oil and gas companies sell most of the produced natural gas and oil to wholesalers such as GasTerra, our main partner in this area. GasTerra sells gas to brokers and end users. As a result of gas production in Groningen being discontinued, GasTerra's core activity will eventually cease. GasTerra will therefore be gradually phased out in the years ahead. It is expected that GasTerra will cease to exist at the end of 2024. EBN is co-shareholder in GasTerra and has a say in the company's policy-making through two seats on the Supervisory Board and two seats on the Board of Delegated Supervisory Board members.

Geothermal energy

In addition, EBN invests in geothermal energy. EBN participates in geothermal energy projects and carries out the SCAN (Seismic Campaign for Geothermal Energy in the Netherlands) research into the potential of geothermal energy in the subsurface of the Netherlands. As the permit system for identifying sources of geothermal energy and production thereof has been adjusted, EBN participates in all new geothermal energy projects in the Netherlands. By participating, EBN will be able to collate experiences from the projects, using this 'bundled' knowledge for cost reduction, innovation, development of the subsurface, policy development and incentives.

Storage of gas

Depleted gas fields can be used for gas storage. EBN is the joint owner of four underground gas storage facilities. EBN is thus also involved in *'midstream'* activities. In the future, our dependence on capacity not under our control will become increasingly significant. As a result, the necessity of properly storing energy, for example hydrogen and green gas, will grow. This is necessary for the stability of the energy system and the balancing of supply and demand.

Carbon storage

EBN participates in joint ventures to realise CO_2 storage in depleted gas fields at sea. In this respect, EBN is a knowledge partner and brings parties together in joint ventures.

Energy storage, green gas and hydrogen

Energy storage is becoming increasingly important to the stability of the sustainable energy system, because natural gas can no longer act as a buffer. EBN is exploring the possibilities for underground energy storage (hydrogen and heat) and other building blocks to make the energy system more sustainable. We are also working together on reuse of existing coal-mining sites to make the production of green gas possible.. As joint owner (40%) of the gas fields, EBN is already playing a role in gas storage.

Integration of wind and gas

By linking gas infrastructure with offshore wind energy, we can arrive at solutions that can benefit the energy transition, specifically in the field of electrification and production of hydrogen.

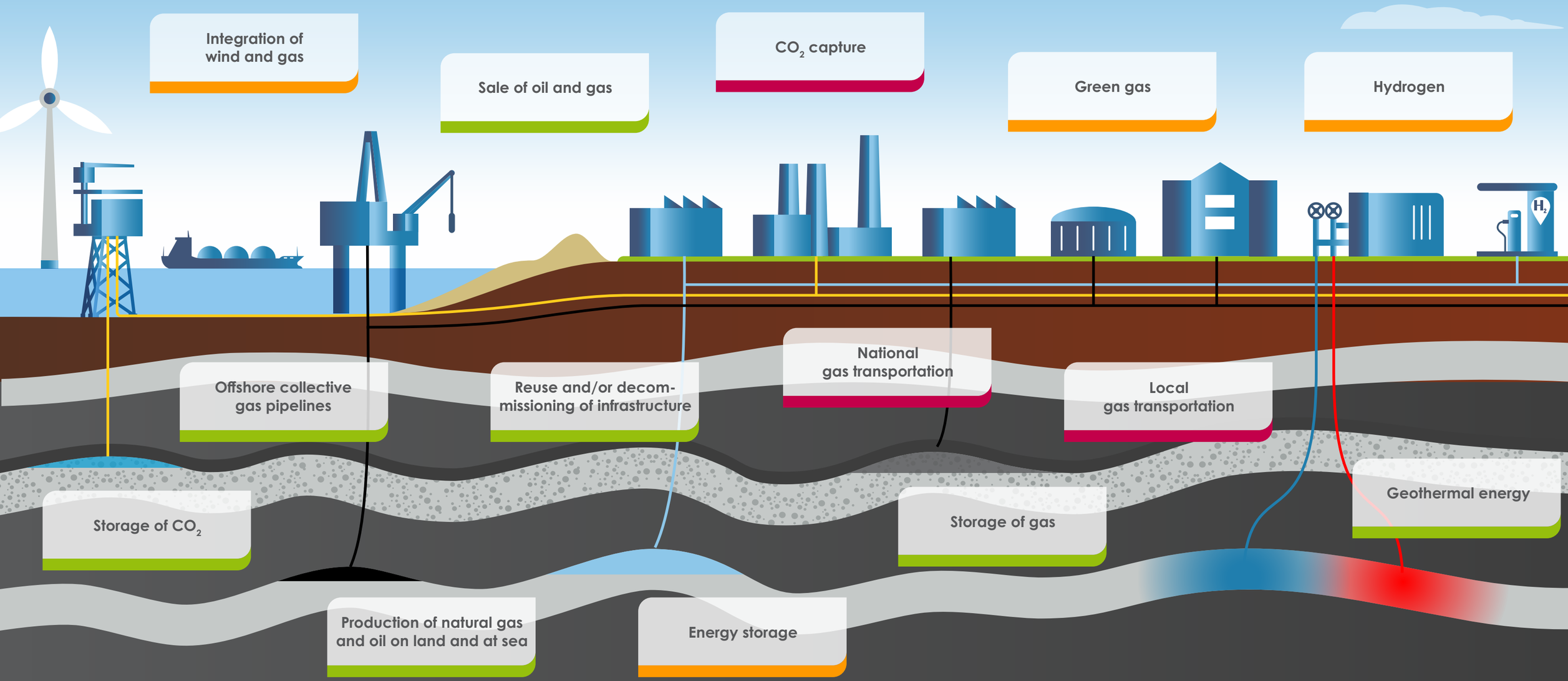
Use of energy sources

EBN has no role in the distribution of energy and therefore no involvement in ‘downstream’ activities.

Reuse and/or decommissioning of used infrastructure

EBN is the driving force in the effective reuse and sustainable dismantling of infrastructure at the end of production. EBN has a pioneering role in this. We are working together with oil and gas companies and the sector representative (Element NL) in Nexstep, the National Platform for Reuse and Decommissioning. Infrastructure, for example, can be reused for energy and CO_2 storage.

The illustration on the following page shows the sections of the energy value chain in which we are active.


Integration of wind and gas
Sale of oil and gas
CO_2 capture
Green gas
Hydrogen
H_2
Offshore collective gas pipelines
Reuse and/or decom-missioning of infrastructure
National gas transportation
Local gas transportation
Storage of CO_2
Storage of gas
Geothermal energy
Production of natural gas and oil on land and at sea
Energy storage
EBN is active in these activities
EBN is developing these activities
EBN is not active in these activities

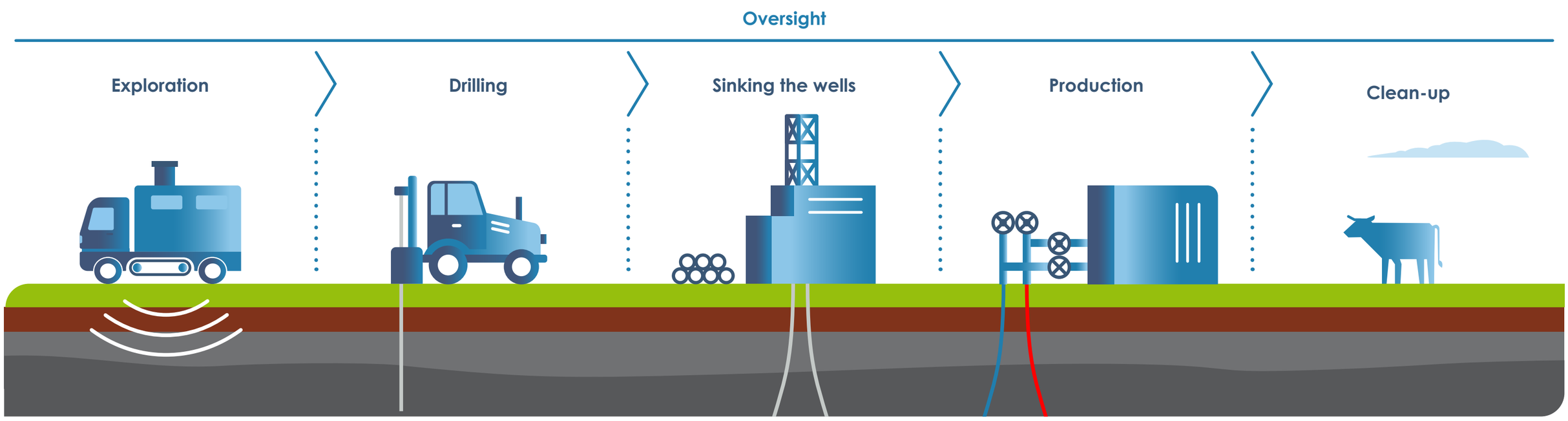
3.1 Development of geothermal energy

Making Dutch demand for heat more sustainable is a complex issue. The number of sustainable sources of heat is limited. Geothermal energy is one such sustainable heat source that could, potentially, make a contribution to making the demand for heat more sustainable in many parts of the country. To accelerate the development of geothermal energy projects and, as a consequence, accelerate the energy transition, EBN has had a mandate from the Minister of Economic Affairs and Climate Policy since March 2019 to participate in geothermal energy projects. A geothermal energy project can be divided into the following phases: exploration, drilling, creation, production and clean-up.

Exploration

The available data on the deep subsurface is used to determine whether soil strata are suitable for production of geothermal heat. In certain regions of the Netherlands, there is still little data or knowledge available on the suitability of the subsurface for geothermal energy production. Therefore, TNO and EBN have been working together since 2019 on the SCAN programme. The aim of this is to expand knowledge on the potential of geothermal energy production in the Dutch subsurface.

The results of the seismic study in the framework of the SCAN programme form the first step in charting geothermal potential. The data that SCAN publishes is made up of so-called 'worked seismic lines'. This data must then be analysed by external experts. This is not within the remit of the SCAN programme. The results from SCAN do not give a definitive answer on what the geothermal potential in an area is, or how much is available. Further research is always necessary.



The next step within the SCAN programme is to carry out additional test drilling. This test drilling yields important information on the temperature and permeability of a stratum of soil, for example. The location of the test drilling is determined so as to maximise the information (from different soil strata) that is applicable to as large an area as possible (the zone of influence). The test drilling sites cannot be used later as a production well; the heat off-take to the surface is not a factor in the choice of site for test drilling.

In addition to regional exploration via programmes such as SCAN, there is also local geothermal energy exploration ongoing that is directly linked to a geothermal energy project. In areas where there is already a lot of data and knowledge on the subsurface, an initial drilling may sometimes be planned without extra data collection.

Drilling

On the basis of data from the first exploration, a consortium of companies identifies a suitable site to drill for geothermal energy. To do this, the consortium solicits an 'exploration permit' from the Minister of Economic Affairs and Climate Policy. Once this has been issued, the observation well can be drilled. The consortium uses this well to evaluate whether an aquifer at the desired temperature is actually present in the subsurface. The well is also assessed in terms of its feasibility for economic operation. This is known as a slug test.

Sinking the wells

If the slug test is successful, a second well can be drilled. This is necessary for geothermal energy production. These two wells are jointly called a doublet and constitute the future production site. It may be the case that several doublets are created. Installation is always in accordance with the Industriestandaard Duurzaam Putontwerp (Industry Standards for Sustainable Well Design, IDP) developed by and on behalf of the industry. This is the best guarantee that any hazards for the surrounding area presented by drilling of the well are mitigated. The overground facilities too, including connection to the customer's heating network are constructed in this phase.

The required extraction and environmental permits are also solicited. The new Dutch Mining Act includes an amendment to the permits procedure to accommodate the specific requirements relating to geothermal energy. One of the requirements is that the geothermal energy company must be able to show that there is sufficient demand in its view for heating in and around the potential production site when the facility is complete. All permits and grants relating to activities above and below ground must work well together.

Production

In the production phase, hot water is pumped out of the well via the first well (the production well) and fed through a heat exchanger. The heat exchanger extracts the heat from the water and transfers it to the water in a heating

network. The heating network ultimately delivers the heat to the end user. In between times, the water from the first well flows from the heat exchanger to the other well (the injection well). The water is then pumped back into the ground via that well. The production phase for geothermal energy lasts an estimated 30 years.

Clean-up

There are various reasons why the party responsible for the extraction, that is to say the operator, may decide to seal off the wells. Examples of this are to allow a well to cool, the end of the service life of the installations, a significant drop in demand for heating or if the extraction of geothermal energy is no longer economically viable.

At that point the wells are (temporarily or otherwise) sealed and the installations above ground are removed. The surrounding area must be restored to its former state. The installations above ground (such as the pump house with the heat exchanger) may, if necessary, be retained and reused for another source of geothermal energy in the vicinity.

Oversight

State Supervision of Mines (SSM), the government agency that supervises such activities, ensures that the drilling and production of geothermal energy is conducted in a way that is safe for people and the environment. SSM also monitors compliance with prevailing legislation. It also oversees activities when a geothermal energy site is abandoned/cleaned up.

For more information about the development of geothermal energy, visit: www.ebn.nl/aardwarmte or www.allesoveraardwarmte.nl.
For more information about SCAN, visit: www.scanaardwarmte.nl.

3.2 Development of CO_2 storage

The Dutch government is stimulating CO_2 reduction. Capture and storage of CO_2 is one of the measures aimed at achieving the objectives of the Climate Agreement. CO_2 storage is intended for industries for which it is difficult to alter the production process to use a CO_2-free alternative at short notice. This is the case with refineries, for instance. These industries are often to be found in port areas, such as the Port of Rotterdam. This means that they are well-located in relation to the storage facilities, the exhausted gas fields under the North Sea.

Development

The development of a CO_2 storage project starts with a feasibility study into aspects including technical and financial feasibility. EBN maps out the locations and availability of exhausted gas fields in advance of exploration into the possibilities for pipelines and a compressor station. An inventory of potential partners and customers is also carried out. Demand and supply are determining factors for the size of the system.

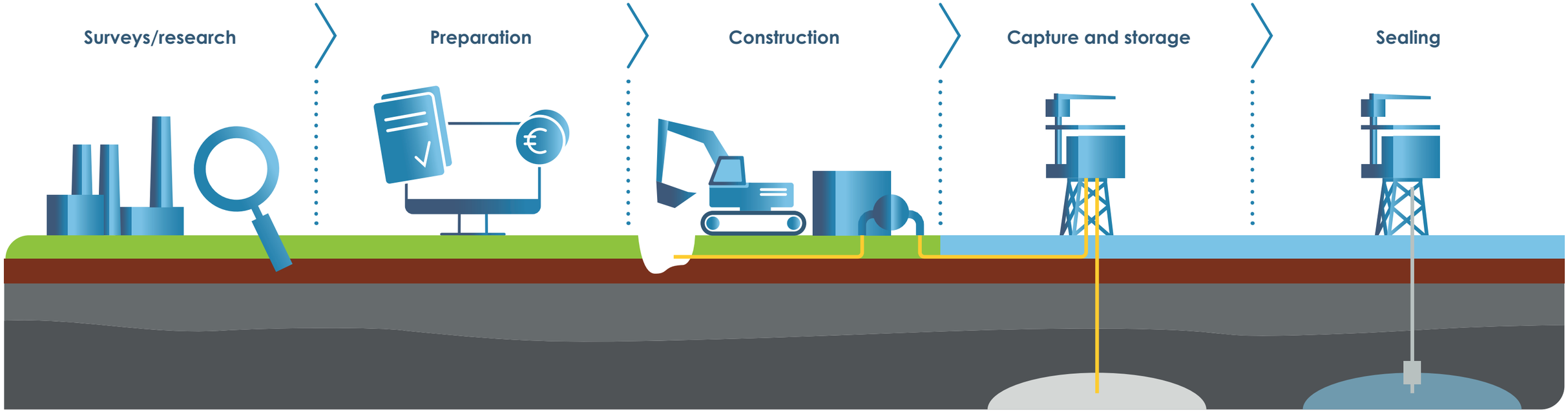
Preparation

As soon as a selection of exhausted gas fields has been made, it is important to apply for a storage permit. The parties that emit and capture CO_2 can also apply for a grant to cover the difference between EU ETS rights and the costs of storing CO_2. They use the grant to pay for the distribution and the storage of the captured CO_2.

The subsurface is mapped further for the construction of the system. Further research also takes place into environmental and safety aspects, and the required mitigating measures. A monitoring plan is also drafted.

Construction

The parties that emit CO_2 construct capture installations on their premises. It is necessary to lay pipelines onshore



and offshore to feed the gas to the compressor station and to the exhausted gas fields under the sea. It is also possible to deliver the CO_2 by boat to the compressor station. A new collector pipe is laid on land (in the ground) and a compressor station is built.

Capture and storage

Businesses capture the CO_2 that is released during their production processes. They feed the CO_2 into the collector pipe. The CO_2 is distributed via the collector pipe to the compressor station or to a customer that uses CO_2 in its operating process. The CO_2 is pressurised at the compressor station before being transported out to sea. The CO_2 is fed through a pipeline in the sea bed to a platform 20 km or more from the shore. From the platform, the CO_2 is then pumped into exhausted gas fields, more than 3 km under the bed of the North Sea.

Sealing

Once the gas fields are full, they are sealed and the filled gas fields are then monitored.

For more information on the development of CO_2 storage, visit: www.ebn.nl/co2-opslag.

3.3 Development of gas and oil

Our role and position in the value chain means that we can support the production of Dutch natural gas. We will continue to do this for as long as there is domestic demand for natural gas. EBN is developing tools for efficient production and systematic management that promote optimal, sustainable and safe use of gas fields. We encourage operators to improve their Health, Safety & Environment performance. We also offer the security of covering clean-up funds.

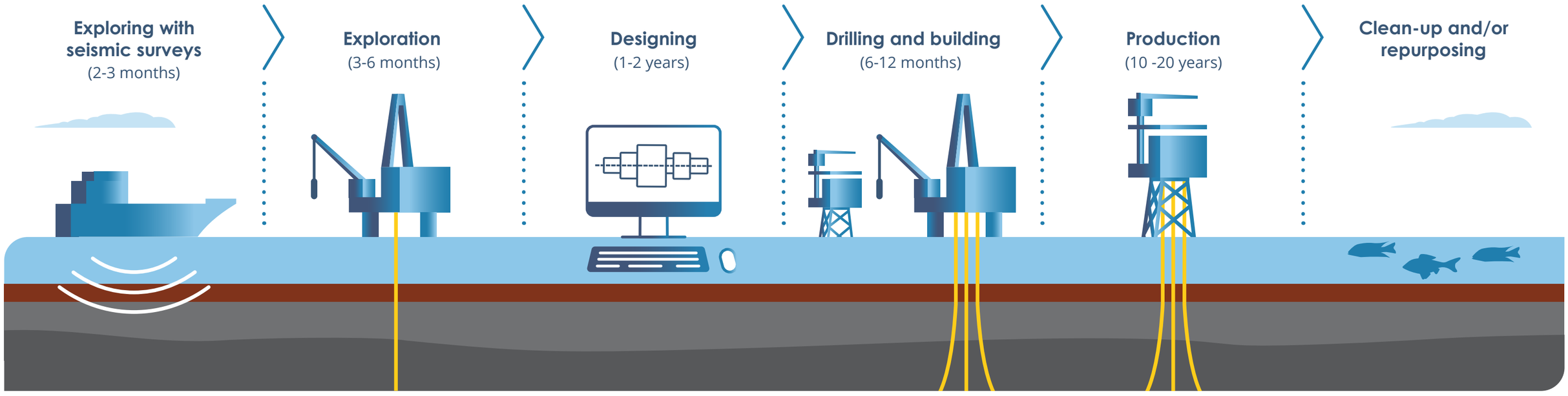
And we stimulate the process of increasing sustainability in the value chain, not least with emissions reduction, greening excipients (biochemicals) and electrifying offshore assets. In addition, EBN promotes cost awareness by clustering infrastructure and through mutual cooperation between operators (via the INSPIRE project). Finally, we are taking the lead in the effective decommissioning of infrastructure and disused oil and gas platforms or reuse for energy and CO_2 storage.

The illustration shows how the development of a geological energy source (such as oil and gas) takes place: from initial prospecting right through to reuse for new sustainable purposes or cleaning up the infrastructure.

Prospecting
EBN is conducting studies into potential new offshore oil and gas sites using regional subsurface knowledge and seismic images. The emphasis is on gas.

Exploration
Permit holders carry out exploratory drilling. That is how we test for potential gas sources.

Designing
Together with our partners, we are developing economically viable gas reserves.



Drilling and building

In this phase, the installation is built and the infrastructure is installed.

Production

Gas reserves are produced as long as they are economically viable. During this phase, the investments pay for themselves. The gas in the chain then finds its way to the end users.

Clean-up and reuse

Once a gas field has been exhausted the infrastructure may be suitable for reuse. An empty gas field can, for instance, be used for energy or carbon storage. Ultimately, the operator must permanently abandon the wells, decommission the infrastructure and restore the environment.

For more information on the development and production of natural gas, visit: www.ebn.nl/aardgas/gaswinning.

3.4 Responsibility for the chain

As a non-operator, EBN invests in the exploration for and production of oil and gas, the storage of CO_2 and in the exploration for and production of geothermal energy in the Dutch subsurface. We are involved as a partner in the projects in which we invest, but we are not the party who carries out the actual work. That is the exclusive task of the operator. This means that EBN can influence both its own and its partners' activities but, beyond that, its influence in the value chain remains limited.

Good conduct of operators in the energy chain

EBN shows its commitment to the energy chain as a whole by committing itself to good employment practices and by encouraging partners to safeguard good working practices in their part of the chain. In a survey by email, EBN explicitly asks its partners how they monitor the integrity of their suppliers, contractors and subcontractors, and whether codes of conduct and documentation have been drawn up. We publish the results of this survey each subsequent year in our OPI (Operational Performance Indicators) report. The 2021 survey did not give rise to any improvement plans in 2022. Should any abuses be identified, then EBN will discuss these with its partners during regular meetings with a view to drafting plans for improvement in consultation. EBN has not received any reports of abuses for 2022. EBN maintains an internal reports register, a complaints register and a damage register, specifically for the SCAN project. EBN maintains contact with the relevant stakeholders on the progress of the report, complaint and/or damage report. Contact may take the form of an oral or written report. In general, we regularly keep track of what those in the surrounding area think of our activities. We take these experiences into consideration in order to improve in future projects.

Compliance with the EBN code of conduct by suppliers

To do this, we have our General Terms and Conditions for Procurement of Goods and Services for third-party suppliers. Article 21 of these General Terms and Conditions includes a clause on aspects such as integrity, ethical standards and human rights. Suppliers are required to meet all their obligations to EBN, take responsibility for their own supply chain and encourage their own suppliers to observe ethical norms and human rights. These General Terms and Conditions for Procurement are published on our website and are available for our stakeholders. On the basis of the integrity clause in EBN's General Terms and Conditions for Procurement, EBN may carry out an audit whenever it sees fit. Suppliers are informed about this in good time. No audits were carried out in 2022.

Whistle-blower policy

If a complaint is submitted to EBN, or if there is a (damage or other) report on a specific situation, we will investigate it. Depending on the nature of the (damage or other) report, EBN ensures that the complaint is remedied. In the event of a report on damage (for example in the SCAN project), EBN will compensate the damage or loss so that the person or entity making the report can repair it. External parties may report alleged misconduct via EBN's general e-mail address, which can be found on its website. If necessary, EBN will proactively end any abuses stemming directly from our own operations (see also our main strategic risks). Its partners are responsible for their own activities over which EBN has no direct influence. EBN also makes use of opportunities to influence and encourage partners to improve their performance through knowledge, advice, encouraging cooperation and by organising, for example, the HSE benchmark from which best practices are shared. In this way EBN also contributes indirectly to good behaviour in the chain. EBN has a dedicated telephone number for the seismic survey within the SCAN programme that can be reached during office hours. In addition, EBN has a damage protocol for its SCAN seismic research.The damage protocol and form can be found on the SCAN website (www.scanaardwarmte.nl/schadeformulier/).

In relation to damage due to gas production activities in Groningen, those concerned may address any questions, applications or measures to the Instituut Mijnbouwschade Groningen (Groningen Mining Damage Institute, IMG) that was set up on 1 July 2020. The IMG has the duty of dealing with claims for damage created by movements in the ground as a result of the creation or use of a

mining structure for the purpose of production of gas from the Groningen field, or as the result of storage at the Norg gas storage facility. The IMG makes independent decisions on applications relating to compensation for damage (all forms). The IMG also deals with reports of situations that may pose an acute dangerous situation. IMG has a website where it provides information on claims handling. Any questions, requests or measures relating to the reinforcement of dwellings and other buildings can be put to Nationaal Coördinator Groningen (The National Coordinator for Groningen) (NCG), the agency responsible for reinforcement of dwellings and other buildings in Groningen. The National Coordinator for Groningen has a website with information about all relevant measures for those concerned. The website of the Committee on Mining Damage (Commissie Mijnbouwschade) is relevant to all damage/loss caused by mining activity.

4. Results

Business objectives 2022

	Subject	Material theme	Explanatory notes[1]	Objective	Realisation
1	Profit after tax	Maintaining financial stability and resilience	EBN's profit (+) or loss (-) after tax, shown in millions of euros ✅	≥ 516	4,290
2	Administration costs		EBN's costs for staff, hiring expertise, office, etc. Shown in millions of euros	≤ 38.1	33.6
3	Reserves for maturation	Stimulating and accelerating exploration and production in small Dutch gas fields	The net supplementation (maturation) of gas reserves in the Netherlands in PJ	75.0	54.31
		Reinforcing, accelerating and improving the Dutch geothermal energy sector	(FID)/acquisition, with expected cumulative production on completion of 2.0 PJ per year	2.7	2.8
4	CO_2 reduction	Using underground space to make the energy system more sustainable	The CO_2 reduction target is determined in accordance with the maturation in MT of CO_2 to 'reserves' on the basis of the PRMS or equivalent methodology for hydrocarbons	0	0
		Reinforcing, accelerating and improving the Dutch geothermal energy sector	CO_2 reduction: Geothermal energy development V	0.25	0.26
		Active approach to risks	CO_2 reduction: Reducing emissions and discharges	0.27	0.08
		Exploring and developing energy innovations for system integrations in the energy transition	CO_2 reduction: Development of sustainable alternatives for natural gas	0.66	0
5	CC(U)S Milestones	The gas value chain is changing from a traditional, fossil fuel dominated chain to a more sustainable energy chain. In that framework: Investigating and developing energy innovation in favour of system integration in the Dutch energy transition	Milestones have been developed for 2022 to develop CCS into a significant EBN activity	Porthos FID taken	Progress made in achieving Porthos FID Aramis pre-FEED
		Using underground space to make the energy system more sustainable			
		Responsible decommissioning and, where possible, reuse of infrastructure			

	Subject	Material theme	Explanatory notes[1]	Objective	Realisation
6	EBN as a strong partner in the North Sea	Creating connective power Responsible decommissioning and, where possible, reuse of infrastructure	Optimum deployment of assets and data knowledge, plus EBN's experience on the North Sea	Scheduled activities carried out	North Sea Consultation implementation agenda reached in consensus with other sectors on at least three action items
7	EBN's Fit for 55 strategy	Creating connective power	EBN strategy that contributes to the CO_2 reduction target of 55% with proper involvement of employees and external stakeholders	Approval by the Supervisory Board	Supervisory Board approval + Employee satisfaction score = 7.7
8	(Talent) retention	Creating connective power	Talent retention is an important pillar on which the company's stability and achievement of the objectives rests. Embedding the new intake in an organisation is an important factor in relation to talent retention ✅	Outflow < 12.0%	Outflow 10.6% + Outflow of personal within 1 year in service is 11.8% (outside scope of assurance report)

1 'Indicators marked with the ✅ symbol fall within the scope of the independent auditor's assurance report with limited assurance. In chapter 9, 'Independent auditor's report', you can find details relating to the scope of the audit and its results.'

For 2022, the Board of Directors along with the Supervisory Board has determined a number of general guiding business objectives for EBN.

In this section, we describe the activities and results that have contributed to our strategic goals and the development of our material themes in 2022.

4.2 New Energy

4.2.1 Material theme: Reinforcing, accelerating and improving the Dutch geothermal energy sector

42% of the energy demand in the Netherlands comes from the demand for heating. While Geothermal energy has the potential to provide around 2.6 million Dutch households with heating from sustainable sources. In order to realise this potential, EBN participates on a risk-bearing basis in various Geothermal projects on behalf of the Dutch State. In addition, we carry out research and innovation programmes (including SCAN) in collaboration with the sector and partners such as TNO. We also actively engage in bringing together all relevant parties in the chain.

All these efforts are required, because the task of making the demand for heating in the Netherlands more sustainable is one of the most complex issues in the energy transition. After all, a sustainable heat system demands more than ever thorough coordination between the demand for heat and the supply from the sources of heat. In 2022, the focus was on contributing to the further development of Geothermal Energy as a sustainable source of heat that is produced around the clock, in the Netherlands. EBN is using its extensive knowledge of the Dutch subsurface and its entrepreneurial expertise to this end.

We are aware that the heat transition is proceeding slowly at the moment. Furthermore, achieving collective heating via heating networks is not enough to accomplish the Dutch climate ambitions for 2030 and 2050. The number of households that is connected to a heating network is not keeping up with expectations. The development of heating networks is certainly not simple and demands a lot of time. A factor that complicates matters in this respect is the fragmentation within the heating network and the absence of a regulatory framework. There is also a sense of reluctance in partners to invest in Geothermal Energy. This is due to the high level of investment required in advance and the amount of time needed to recover costs. Furthermore, uncertainty as to whether or not heat can actually be extracted from the ground makes partners reluctant to invest. In 2022, other factors, such as the increase in inflation and the effects of the nitrogen deposition on natural areas.

The necessity for acceleration of the development of the collective heating demand is something that is widely supported and further amplified by the current geopolitical situation. The Minister for Climate and Energy opted to give public parties a majority stake in existing and future heating networks in his Letter to the Dutch parliament in October 2022 in relation to the reordering of the heating market. At the Minister's request, EBN drafted a recommendation letter on whether how the Dutch State can contribute public ability to deliver and further develop heating networks.

Geothermal Energy

At this point in time, Geothermal Energy is one of the few heat sources not comming from fossil fuels. This means that Geothermal Energy offers security in terms of availability of sustainable heating, even in the medium-long term. The conditions have been created on several fronts during 2022 to acceleration the heat transition. The development of Geothermal Energy has thus been given an extra impetus. Examples of this are the 'wet gemeentelijke instrumenten warmtetransitie' (Municipal Heat Transition Instruments Act), the announcement of the National Heat Transition Programme and the adoption of the amendment to the Dutch Mining Act in relation to Geothermal Energy. Also the Letter to the Dutch parliament from the Under Secretary of State for Mining on the policy for a sustainable way of dealing with the physical hazards and uncertainties in relation to Geothermal Energy and the results of the 'Mining (other) Seismicity Risk Policy' professors' panel recommendations, supporting the principle that Geothermal Energy projects can be carried out safely and responsibly. Additionally, we see increasing interest in Geothermal Energy as the base load for heating networks of the future from municipal authorities. That is in part due to the current geopolitical

situation and the increasing urgency of seeking new forms of energy from sustainable sources. There has also been a significant improvement in the regime related to Government Grants.

Our participation in Geothermal Energy projects

As a non-operator, EBN participates on a risk-bearing basis in Geothermal Energy projects in the Netherlands, with the approval of the Minister. We are involved in a significant portion of the Geothermal Energy projects currently in development in the Netherlands. As the Geothermal Energy Permit System (Amendment) Bill was adopted in 2022 and is expected to come into effect on 1 July 2023, EBN will have a stake in all future Geothermal Energy projects (including those which have not yet been given permission). The aim is to achieve an extensive portfolio of Geothermal Energy projects based on partnership with relevant operators.

New Partnerships and projects

In 2022, EBN farmed in to Haagse Aardwarmte B.V. with the acquisition of half the shares of Energiefonds Den Haag. Haagse Aardwarmte B.V. Created the Geothermal Energy project Haagse Aardwarmte Leyweg B.V. As a result, EBN has added actual production of Geothermal Energy to its portfolio for the first time. This acquisition means that we are also involved in the development of five other Geothermal Energy projects in and around The Hague.

Furthermore, in 2022 we established a partnership with Tulip Energy and Warmtebedrijf Amersfoort for a Geothermal Energy project in Amersfoort. It is expected that this project will deliver heat to the existing heating network in Amersfoort and has the potential to generate heat for 6,500 household equivalents. Finally, HVC, Stadsverwarming Purmerend (SVP) and Eavor have entered into an agreement to carry out a feasibility study into the use of so-called 'closed-loop' technology in the Purmerend region.

Existing projects

Existing projects in Leeuwarden and Delft made progress in 2022. In the Warmte van Leeuwarden project, for instance, technical preparations were made for the sinking of the required second well. As the geological conditions

The power of...

Being willing to take the lead

The Climate Accord states that 1.1 million dwellings will be connected to a heating network in 2030, a figure that rises to 3 million in 2050. A precondition for achieving this ambition is getting the heating network up and running. A large number of heating networks will have to be created, each fed from a mixture of heat sources. One of those being Geothermal Energy, a source to which we are committed. Geothermal Energy is local, sustainable and available round the clock. This last point means that it is always available. Our ambition is to have created 200 geothermal energy wells by 2030. Together with our partners, of course, but we will take the lead where possible. And the flexibility of a heating network offers possibilities in the future to apply a mixture of different sustainable heat sources, rather than just geothermal energy. In short: our response today to the system of the future.

for this project appear more challenging than expected, a lot has been learnt on how to deal with the unpredictability of the subsurface and the impact that has on the progress of a Geothermal Energy project. In the Geothermie Delft (Delft Geothermal Engery) project a pre-investment decision has been taken. The work in relation to the creation of the drilling site has been completed in 2022. The project was the sole Geothermal Energy project in 2022 for which an SDE++ grant was awarded in the 2021 round.

In 2022, EBN also laid the foundations for what should become the organisation's first high-temperature storage (HTS) project. We have signed a partnership agreement with the project partners in Warmte van Leeuwarden and have received permission to carry out exploratory drilling. An HTS facility has the potential to increase the use of a Geothermal Energy source, making the business case more attractive. An HTS facility allows excess heat in the summer to be stored deep in the ground, at a depth of around 500 metres. This stored heat can be used to absorb some of the peak demand for heat in the subsequent winter months. So an HTS has the potential to increase the use of a Geothermal Energy source, making the business case more attractive. This last point does, however, depend on the local context in terms of demand profile and resource capacity.

As of the end of 2022 there are twenty formal partnerships and projects in the field of geothermal energy in total. We expect that this amount will at least double in the coming years. This will create a portfolio that (assuming that the correct pre-conditions continue to be complied with) may lead to investment decisions in the period up to and including 2026 with a cumulative heat generation capacity of 5.6 PJ (see The long-term goals in section 2.4). The portfolio of Geothermal Heat projects for which an investment decision has been taken increased by 0.1 PJ in 2022. The amount of PJ developed within the portfolio now stands at 0.3 PJ. The reduction in CO_2 emissions, at 0.26 Mton is still limited (see connectivity matrix). During 2022 there have not been a decline in realised cost per delivered GJ, as the upscaling of Geothermal Energy still needs to gain traction.

Improving conditions for the use of Geothermal Energy

Together with the sector and the government, EBN contributed in many ways over the past year to improving the conditions for the application of Geothermal Energy.

Safe and responsible Geothermal Energy production

Geothermal Energy production must be safe and responsible. The revised Mining Act legislation and the Letter to the Dutch Parliament from the Under Secretary of State for Mining in relation to physical hazards and uncertainties in relation to Geothermal Energy forms a framework for the management and acceptance of risks and hazards involved in Geothermal Energy projects. The letter explains that the risk of seismic activity that causes damage or loss, or of leaks to the groundwater

Project sites, end of 2022*

* Certain project sites not (yet) listed due to confidentiality issues

is small in relation to the approach taken to Geothermal Energy in the Netherlands, in combination with the industry standards.

In 2022 TNO-AGE, commissioned by the Ministry of Economic Affairs and Climate Policy, worked further on the seismic hazard and risk analysis (SHRA) relating to seismicity induced by geothermal energy production. In 2022, the second and final part of this tool was further developed (see also section 4.7). In line with this, we conducted further talks with Geothermie Nederland, with State Supervision of Mines, and the Ministry of Economic Affairs and Climate Policy about a standard seismic risk-management system. This is ready in draft.

Damage and settlement

A second topic concerns the damage protocol and claims settlement. The national damage protocol scheme is ready in draft. All components for safe and responsible extraction in terms of risk management and damage control are expected to be ready by 2023. Implementation will take place when the Mining Act amendment comes into force. Transparent, clear and timely communication on risk management and damage control to those in the vicinity of projects is essential and requires constant attention.

Improving investment conditions

Several positive developments occurred in 2022 in terms of investment conditions around collective heating and Geothermal Energy. 200 million euros was granted from the National Growth Fund to the NewWarmteNu! consortium, of which EBN is part. The amount will be used to realise 12 collective heat projects from 2023 and the demonstration of six innovations, such as large-scale high-temperature heat storage. There will also be a comprehensive learning and development programme to share the experience of these projects with future projects.

EBN sees the availability in 2023 of a government grant to cover the inevitable losses for heating networks as a further positive development. This drives demand for heat sources and networks. Such increasing heat demand helps to reduce the build-up risk and hence uncertainty surrounding (geothermal) heat projects. EBN expects a lot from the adjusted SDE++ scheme for 2023 which will be more favourable for geothermal energy projects in the ranking.

Another way to improve geothermal energy's economic attractiveness is to broaden its applicability. In this context, EBN commissioned a study in 2022 into a generic business case for a low-temperature geothermal energy source (at a depth of 500 metres to 1,500 metres) in combination with a heat grid in the built environment. The results of this study were published via the WarmingUP knowledge collectives website by the end of 2022.

EBN's statutory participation in geothermal energy projects set out in the Dutch Mining Act

The Upper House of the Dutch parliament adopted an amendment to the Mining Act for geothermal energy on 11 October 2022. The amendment to the Act streamlines the regulations relating to geothermal energy and thus envisages an acceleration of the energy transition.

The amended Mining Act establishes the fact that EBN has a risk-bearing stake in all new geothermal energy projects. Participation in this way leads to a portfolio of geothermal energy projects that promotes knowledge development and sharing, among other things. In addition, EBN can jointly focus on the sustainability and quality of safe and responsible projects. This will also help safeguard the public interest.

The amendment to the Act is expected to take effect on 1 July 2023.

Innovation & knowledge

In 2022, a sequel to the Innovatie Inventarisatie Aardwarmte ('Geothermal Innovation Survey') was published. In cooperation with TKI New Gas, TKI Urban Energy and Geothermie Nederland, we worked on setting up a demand-driven geothermal innovation programme. We will start implementation in 2023. The development of a geothermal knowledge platform was also initiated in 2022 as part of EBN's mandate to promote knowledge sharing in the geothermal sector. Sharing lessons and best practices within the industry, potentially reducing risks and costs and helps improve QHSE (Quality, Health, Safety & Environment).

Support, acceptance and civic participation

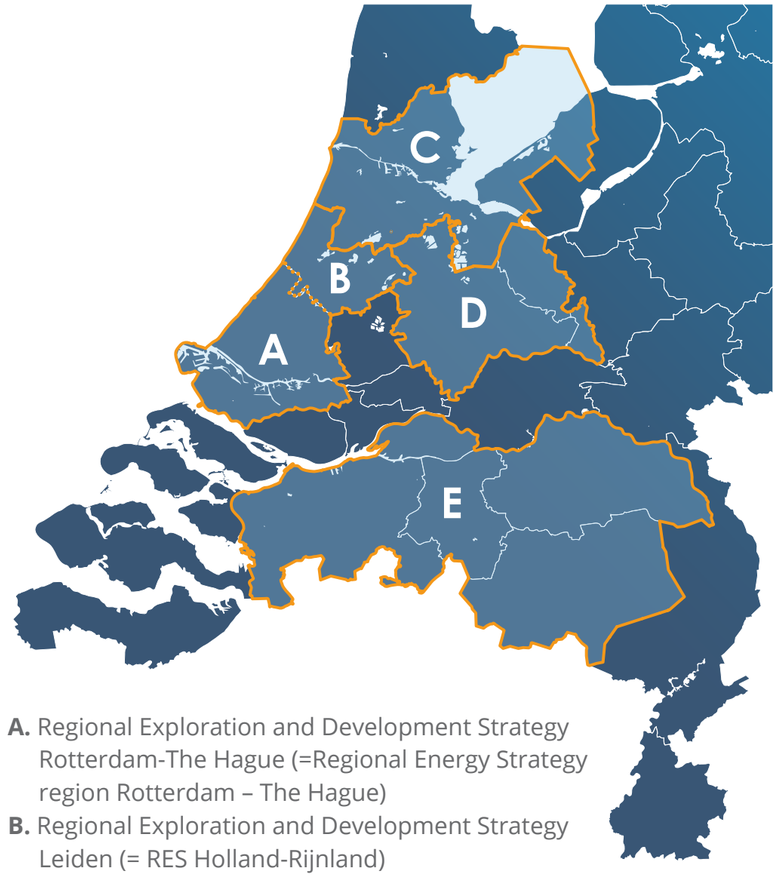
Based on our social motives, EBN wants to contribute to a socially responsible heat transition. Geothermal Energy is a locally extracted form of energy with direct use in the environment. Collaborating with the locality and showing the opportunities of geothermal energy are key factors in developing geothermal projects. Furthermore, the perception of the general public and local residents around Geothermal Energy needs to be properly addressed. This deals with the risks in subsurface activities. In 2022, EBN took the first steps with EnergieSamen, the umbrella organisation of energy cooperatives, to explore what cooperation with local energy initiatives might look like. This survey will be completed in the first half of 2023.

Integrated approach to developing heat demand and supply

Despite the improvement of many preconditions, the scaling-up of geothermal heat and collective heating grids required a longer period than initially desired in 2022. One factor is the complexity and fragmentation throughout the heating chain. To help accelerate this, we have been working with the so-called Regional Exploration & Development Strategy (REOS) since 2022. This is a proprietary approach in which we address the challenges within the heat transition in context. This involves area-based de-risking of the subsurface in combination with heating supply/demand development of the total heat sources.

In 2022, we focused on five regions with the REOS approach: Rotterdam - The Hague, Leiden, Amsterdam Metropolitan Region, Utrecht and North Brabant. These so-called REOS regions cover one or more Regional Energy Strategy (RES) areas. We see that the REOS approach is perceived by external partners as additional support in developing the Heat Transition Visions, among other things. Initial results include contributing to the Open Regional Energy Structure Leiden Evaluation, contributing to the development of a seismic survey subsidy scheme in North Holland and co-designing a study on the potential of a coordinating entity around heat transition in the Rotterdam - The Hague area.

Zoning Regional Exploration & Development Strategy (REOS)



A. Regional Exploration and Development Strategy Rotterdam-The Hague (=Regional Energy Strategy region Rotterdam – The Hague)
B. Regional Exploration and Development Strategy Leiden (= RES Holland-Rijnland)
C. Regional Exploration and Development Strategy Amsterdam Metropolitan Region (RES North Holland-South + municipalities of Uitgeest, Almere and Lelystad)
D. Regional Exploration and Development Strategy Utrecht (= RES U10 + RES U16 + municipalities of Renswoude and Veenendaal)
E. Regional Exploration and Development Strategy Brabant (= entire province of North Brabant)

In 2023, the REOS approach will be further intensified. The approach forms the basis for accelerating and making the heat transition more sustainable as part of the new EBN strategy 'Fit for 60'.

Positioning of Geothermal Energy

In 2022, the potential of Geothermal Energy for making heating demand more sustainable, has been further highlighted to relevant stakeholders. We are positioning Geothermal Energy as an important part of the energy transition. For the third time, EBN took the initiative to to initiate the Week of Geothermal Energy. The Week of Geothermal Energy is a collaboration with partners, such as Geothermie Nederland, and was made possible by a contribution from Interreg North-West Europe - DGE Roll-Out.

Based on the mission to share knowledge about the opportunities and application of geothermal energy, EBN was actively involved in setting up and contributing content to meetings with relevant stakeholders. We also contributed to the Heat Expertise Centre's yet-to-be-published Geothermal Energy Guide for municipalities. Additionally, EBN collaborated with Natuur & Milieu to produce their white paper "Geothermal energy, a crucial heat source in a sustainable heating supply".

SCAN

By 2022, SCAN will have completed the national seismic campaign for regional data. A total of 1,601 kilometres of new data has been collected since 2019. Furthermore, 160 kilometres of data has been collected in a separate partnership with the Amsterdam Metropolitan Area. In addition to collecting new seismic data, the equivalent of almost 4,200 kilometres of seismic data from the 1970s and 1980s has been reprocessed into high-quality subsurface data since the start of the project. Based on the good results, it was decided to additionally reprocess about 1,600 km of existing subsurface data. Reprocessing of the total set of selected data will be completed in 2023. All SCAN data and results will be made public on the website NLOG.nl.

Preparations for test drilling

SCAN activities now continue locally to seek locations for test drilling. SCAN is preparing a series of seven to ten survey wells. A total of eight different search areas have now been identified for this purpose. An initial test drilling site was found in 2022 in the Amstelland search area. For this site, the necessary exploration licence has been applied for and the environmental permit have been submitted. Exploration drilling in Amstelland is expected to take place in autumn 2023.

Based on the regional SCAN seismic data, for a number of locations we see more complexity in the subsurface than initially expected. In these places, additional seismic data is needed to further reduce uncertainty to realise safe and responsible Geothermal Energy projects. In light of this, EBN has committed to organising and funding the so-called SCAN Zoom project. SCAN Zoom provides greater certainty about the subsurface through specific seismicity. We expect further clarity on funding and implementation in the course of 2023.

SCAN communication to the locality

In 2022, we concentrated on local communication for the SCAN programme and the provision of information to stakeholders, such as municipalities and local residents. The focus here was on the search areas and intended drilling locations of the exploration wells. For this purpose, six different drop-in meetings were organised to which over 1,500 residents were invited by letter. Additionally, over 145,000 letters were sent to local residents in the vicinity of the seismic survey. Since the launch of the programme, almost half of the municipalities in the Netherlands have been informed.

4.2.2 Material theme: Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition

Gaseous energy carriers and energy storage have an important role to play in a future sustainable energy system. EBN believes it is important to explore the application possibilities of new, renewable gases within the Dutch energy transition. These applications can further accelerate the transition over time. In more detail, we are exploring scaling up and storing hydrogen and green gas with partners.

EBN advises the Ministry of Economic Affairs and Climate Policy, conducts studies and develops pilot projects together with partners. In doing so, we contribute our knowledge of the gas value chain and gas production projects to partnerships. We are looking for opportunities to repurpose existing oil and gas infrastructure, so that costs can be saved and synergies achieved. In the case of energy storage, we also provide knowledge of the Dutch subsurface. Furthermore, EBN safeguards the public interest in the development of pilots for the new energy value chains.

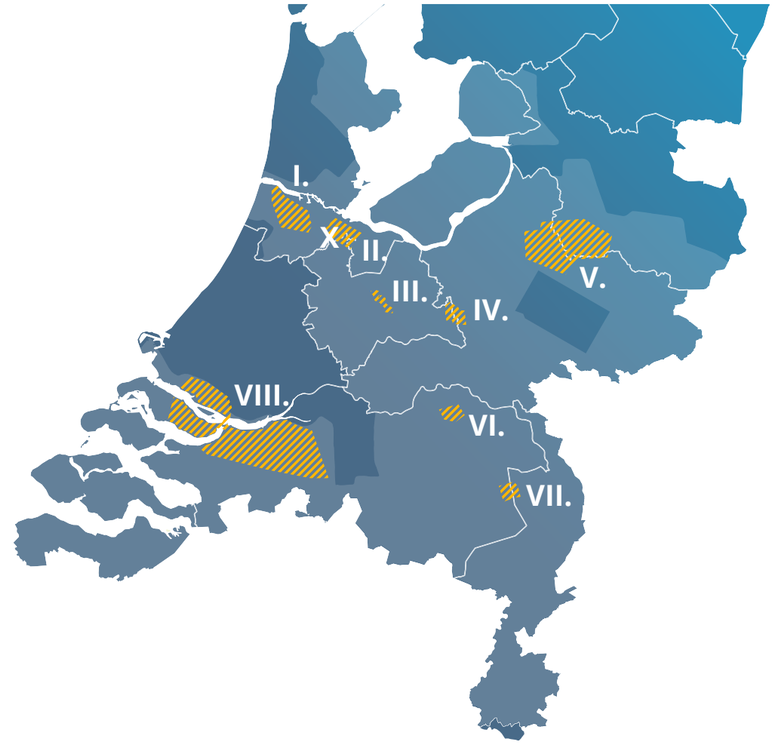
In these projects, much new experience is gained and new challenges and developments also emerge, making lead times difficult to estimate in advance. As a result, projects often come to fruition later than previously estimated. This also applies, for example, to our green gas and hydrogen projects.

Green Gas

Together with a solar park (12 MW), an electrolyzer and hydrogen filling station, North Star is one of the building blocks of the green energy hub GZI Next at the former mining site GZI in Emmen. The plant will soon produce up to 39 million m^3 of green gas per year. An initial environmental impact assessment procedure was approved by the Groningen Environment Agency in 2022. However, based on the process in similar permit applications in other places in the country, it was chosen to follow the full procedure, too. This is expected to be completed in 2023. As a result, EBN, Engie and Shell's application for the SDE++ has been delayed.

The North Star development is a model for how existing mining sites can be used to accelerate green gas production. Besides North Star, EBN is involved in the development of green gas installations at five other mining sites in the North of the Netherlands. The knowledge and experience we gain from these projects is of great importance in the development of other mining sites for green gas production.

SCAN search areas forproject sites, end of 2022*



I. Haarlem – Amsterdam-West search area
II. Amstelland search area
III. Utrecht search area
IV. Ede – Veenendaal search area
V. Apeldoorn – Deventer search area
VI. Oss search area
VII. Deurne search area
VIII. West-Brabant Noord search area

X. Site(s) already selected for test drilling

* No rights may be derived from this map. The numbering of the search areas does not represent a ranking in terms of site preference.

The power of...

Contributing to society

The underground storage of hydrogen at sea seems a technically feasible and relevant option for the future energy system. EBN is creating social value through a total commitment to the repurposing of existing assets for the purpose of energy transition. By coming together to think about the sustainable energy system and exploring how existing infrastructure can be smartly and efficiently repurposed and linked to, for example, Wind at Sea, we are putting the puzzle pieces together for the new system. This creates new value from existing assets. EBN staff are preoccupied with such issues on a daily basis. About how to preserve the existing situation for the future, convert it where necessary and thus contribute to society.

Survey of mining sites

Commissioned by the Ministry of Economic Affairs and Climate Policy, EBN issued an advisory report on the potential of mining sites for green gas development in 2020. At the request of the ministry, EBN developed this further in 2022. The report will be shared with the Lower House of the Dutch Parliament in early 2023.

Hydrogen

Hydrogen will become an essential component of the future climate-neutral and flexible energy system in the Netherlands and globally. Many steps still need to be taken to get the development of the hydrogen chain off the ground. With the technical expertise that EBN developed in-house and continues to develop in the field of hydrogen, EBN contributes to the integration of hydrogen in the energy value chain. As a public organisation, EBN can play a role as an explorer and catalyst. We know the gas value chain inside-out and want to make it more sustainable. As a co-owner of much of the offshore infrastructure, EBN is involved in exploring the possibilities of repurposing offshore pipelines for hydrogen transport. We are doing this together with Gasunie, the Ministry of Economic Affairs and Climate Policy and operators.

In 2022, we further expanded the portfolio of projects to explore various possibilities and participation or consultancy in various pilot projects in the field of hydrogen production. Representing Nexstep and being a joint venture partner of Q13-A, EBN is involved in the PosHYdon project, a pilot project where offshore green hydrogen will be produced using an electrolyzer. EBN is also involved as a consultant in the H2opZee project, a demonstration project of 300–500 MW offshore hydrogen production for 2030.

4.3 Return to Nature

4.3.1 Material theme: Responsible decommissioning and wherever possible repurposing infrastructure

How do we make it possible to decommission disused oil and gas infrastructure responsibly, at the lowest possible social cost? And how can that infrastructure then be optimally repurposed for the energy transition? EBN has been considering these issues over the past year.

Decommissioning

In decommissioning disused oil and gas infrastructure safely, sustainably, effectively and cost-efficiently, EBN is working with oil and gas companies and Element NL in the Nexstep initiative. EBN plays a driving role in promoting greater cooperation and bundling of activities. We also encourage the exchange of relevant information and experiences and the development of new cost-saving methodologies. Nexstep's main goal is to achieve cost savings of 30% over the period 2020–2025

compared to the 2016 cost estimate (for decommissioning infrastructure) of €7 billion, or an average of 5% per year.

Within Nexstep, a decommissioning campaign of some 30 (mostly) older exploration wells, once temporarily abandoned on the seabed, has been prepared with six operators. A joint tender has been issued in 2021 for the final decommissioning of these exploration wells. In 2022, the contracts were signed and a sub-sea inspection was carried out. Actual decommissioning will begin in 2023. The campaign took shape under the Nexstep umbrella, and includes the necessary contracts between operators and relevant exteranl requests. This joint decommissioning campaign yields significant cost savings; an estimated 10–30% depending on the complexity of the well. The campaign is also a model for other future joint operations for decommissioning or under the INSPIRE programme (see Section 4.4 Our Dutch Gas).

Furthermore, more cost-efficient methodologies for decommissioning and shutting down disused wells are being investigated through Nexstep in collaboration with EBN. Last year, pilot projects were carried out. Finally, EBN discusses annually with the (larger) operators the decommissioning strategy for their own portfolio, with the aim of ensuring a planned and optimal implementation of the decommissioning obligation.

Repurposing

Repurposing parts of the current gas infrastructure for the energy transition offers some major advantages. It accelerates new developments and reduces social costs. However, close coordination between involved parties remains required. It is also necessary to make the right decisions for repurposing in good time, otherwise infrastructure will be dismantled and gone forever.

4.3.2 Material theme: Deployment of subsurface space for a more sustainable energy system

CO_2 Storage (CCS)

The importance of CO_2 Storage in the energy transition is being increasingly endorsed. The December 2021 Coalition agreement reaffirmed the importance of CO_2 Storage. Following this, the Government sent several letters on CCS related topics to the House of Representatives and the Dutch Parliament during 2022. This has further fuelled interest in CCS and helped underline the importance for various market players from the market to develop CO_2 transport and storage projects.

For EBN, this growing interest in storage confirmed that developing CCS was the right path, based on its focus on the public interest. Thus, in 2022, we continued to build a CCS community for sharing knowledge and expertise within the energy sector. Through the 'Carbon Storage Dialogues' event, EBN brought together partners, industry, operators, suppliers, knowledge institutes, NGOs and the Ministry of Economic Affairs and Climate Policy for various presentations and workshops to share knowledge and information on market developments. The white paper 'CO_2 Storage in the Netherlands: it is necessary and it can be done safely' was published subsequently. We shared additional information on CO_2 transport and storage through our website.

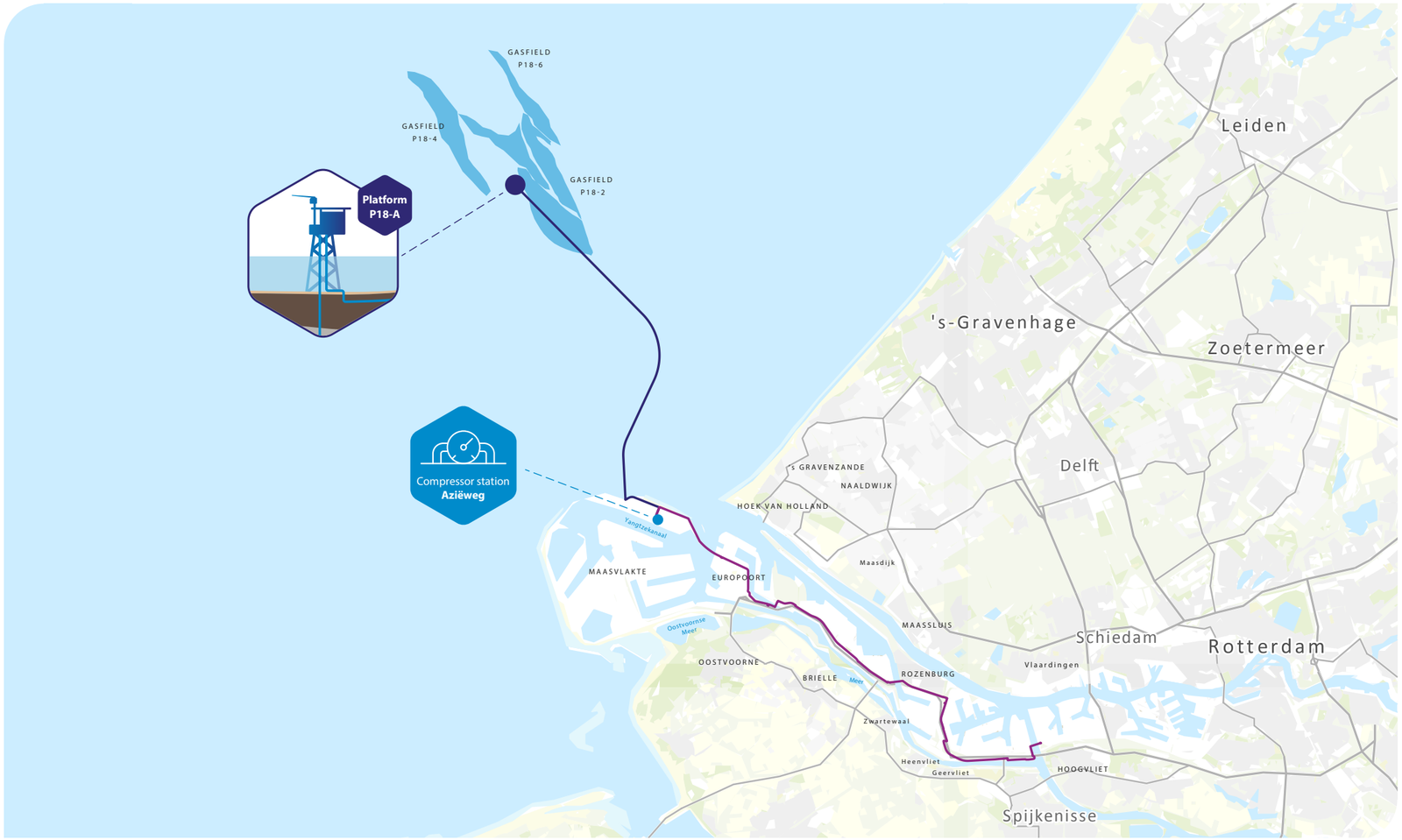
We also received a contract from the Ministry of Economic Affairs and Climate Policy last year to develop a subsurface hazard & risk analysis for CO_2 Storage. That we completed this task was partly because the government described its vision for EBN's new role in CCS in a parliamentary letter dated 5 July 2021.

EBN is working to achieve the Dutch CO_2 reduction target by participating in the development of a CO_2 transport and storage system through two projects: Porthos and Aramis. This is in line with the long-term goal. Asset repurposing plays an important role here. For example, EBN signed a cooperation agreement with Neptune Energy, ExxonMobil's subsidiary XTO Netherlands Ltd and Rosewood Exploration Ltd to store CO_2 on a large scale in empty gas fields in the Dutch L10 block. EBN also held exploratory talks with other operators, where thoughts about storing CO_2 in aquifers were shared en discussed.

Porthos

In the Porthos CCS project (a Joint Venture between Gasunie, Port of Rotterdam and EBN), we continued to work towards obtaining all permits required for the construction and use of the infrastructure and installations in 2022. Once the permits are in place, a final decision can be taken to realise the project. In mid-September 2022, the storage permits for the P18-2 and P18-4 fields became irrevocable. These are the first two fields in the Netherlands where CO_2 can be stored permanently.

One appeal was filed with the Council of State during the public inspection of the final decisions on the inclusion plan and the environmental permits at the end of 2021. The appeal of 'Mobilisation for the environment' (MOB) was heard on 29 March 2022. MOB argued that the partial construction exemption scheme, which is being used, is ineffective. In its interim ruling on 2 November 2022, the Council of State found that the generic construction exemption for nitrogen does not comply with European nature protection law and should therefore not be used in construction projects. As a result, the Porthos project is being delayed. The individual nitrogen impact assessment that had already been submitted has been included in the proceedings with this interim ruling. The objector was given an opportunity to respond to this in December. The Council of State is expected to issue a final ruling in spring 2023. Due to the delay, a final investment decision could not be taken in 2022. To reduce delays, tendering procedures already under way were continued and contracts were entered into with suppliers and contractors. The government has submitted a bill to the House of Representateives of the Dutch parliament to provide a guarantee for part of the risk of delay.



Overview of the spatial route of Porthos

Aramis

Major steps were taken in 2022 with the Aramis project (a partnership of TotalEnergies, Shell Netherlands, Gasunie and EBN) to develop a large-scale CO_2 transport

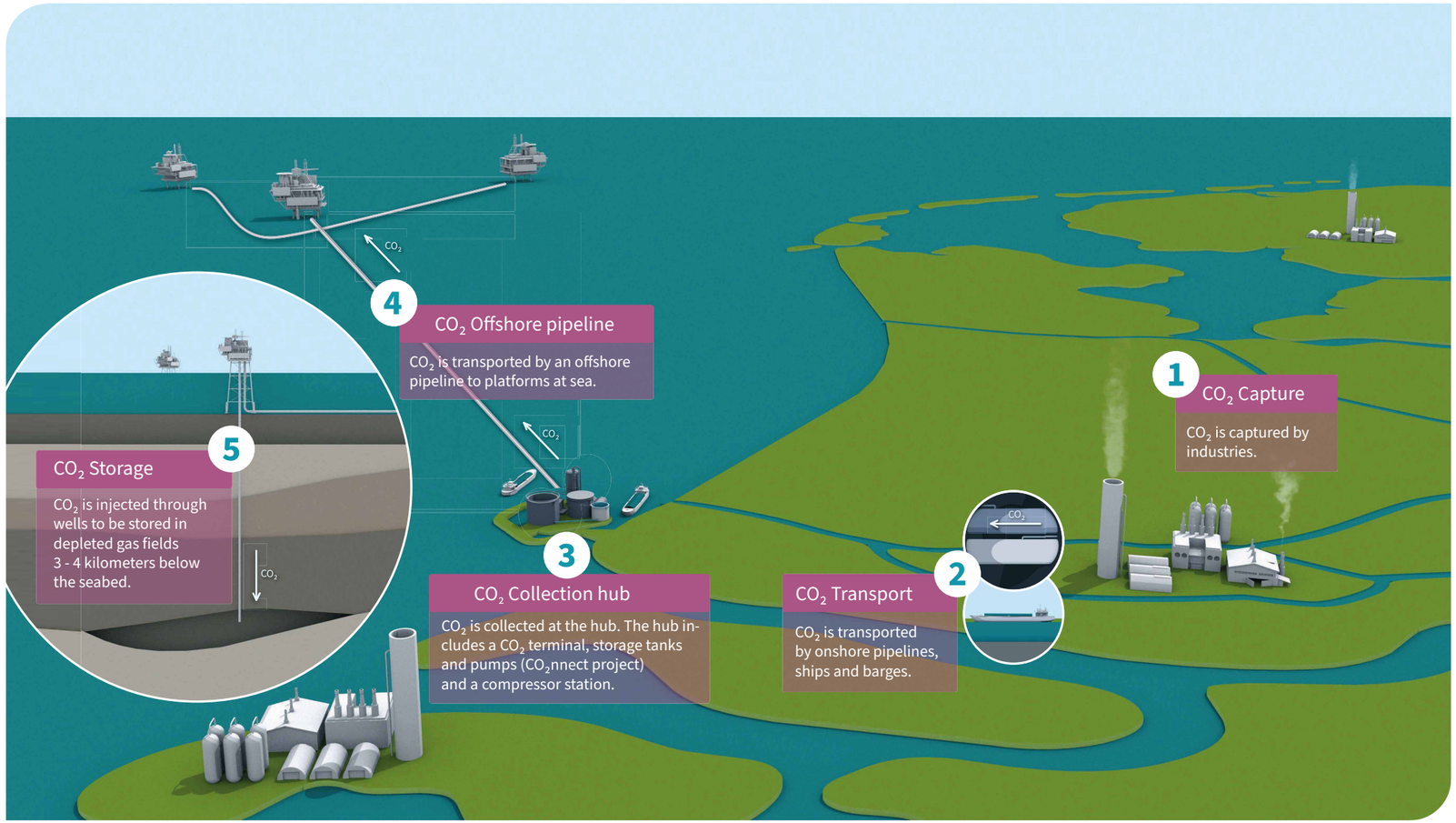
infrastructure. Thus, in January 2022, the permit process was launched with the publication of the project's intention and proposal for participation. Subsequently, the Range and Detail Memorandum was prepared and adopted. This gave the go-ahead to carry out various studies to prepare an environmental impact assessment.

Progress on the technical concept, the commercial model and the conditions allowed Aramis to issue transport declarations to interested parties, enabling them to apply for an SDE++ subsidy in the June 2022 round.

Additionally, the project obtained European PCI status, making it part of a category of projects identified by the European Commission as a key priority for interconnecting energy system infrastructure. Finally,

in December 2022, the project was added by the cabinet to the Multi-year Programme for Energy and Climate Infrastructure (MIEK). This makes Aramis a climate and energy project of national importance.

By enabling optimal combination of offshore fields, Aramis is helping to reduce the cost of storing CO_2.



Greater transparency of the CO_2 system Aramis is working on.

Energy Storage

The need for large-scale, underground energy storage is growing as more wind and solar power is generated and the development of thermal energy networks continues. EBN plays a natural role in knowledge development and bringing parties together around energy storage. We assume that role partly because of our share in existing assets, our knowledge of the subsurface and our experience with existing underground gas storage facilities.

In 2022, EBN developed a business case for HTO (thermal energy storage). At two sites, we have investigated whether it is possible and profitable to store high-temperature thermal energy there. Furthermore, as a follow-up to the study 'Underground Energy Storage in the

The power of...

CCS is the example of working together

Working together at all levels, day in and day out. With partners in projects, with the government, with customers, with Brussels. Speed is of the essence. To meet the 2030 climate targets, it is obvious that we need to consume less energy. Additionally, CO2 storage is seen as one of the most feasible, quick and cost-effective methods to reduce CO2 emissions on a large scale. We see it as our duty to make a substantial contribution to that. through, for example, the Porthos and Aramis projects. One (Porthos) is a public partnership, the other (Aramis) is a public-private partnership. However, the goal and ambition remain the same: to jointly contribute to achieving the climate goals.

Netherlands 2030–2050; Technical evaluation of supply and demand, 2021', we worked with TNO to investigate the possibility of storing hydrogen underground in the Dutch part of the North Sea. Commissioned by the Ministry of Economic Affairs and Climate Policy. The conclusion is that it seems technically feasible, but that further research is needed. The study was sent to the House of Representatives of the Dutch Parliament in July 2022.

In addition, we have further developed several scenarios for underground hydrogen storage (UHS). We made transparent and concrete what is involved in rolling out hydrogen storage in gas fields. Here, we focused on technology, economic perspective and embedding in society. The next step is to work towards a pilot for UHS in the Netherlands.

To increase knowledge about energy storage, we organised the 'Week of Underground Energy Storage' for business contacts, knowledge partners and other stakeholders last year. Through knowledge sessions, we focused on the development and realisation of underground storage of natural gas, thermal energy and hydrogen.

4.4 Our Dutch Gas

4.4.1 Material theme: Stimulating and accelerating Exploration and Production in small Dutch gas fields

We see Dutch natural gas as a component of a more sustainable gas value chain. Promoting and accelerating effective detection, development and extraction of gas reserves in the Netherlands in a very sustainable and responsible way.

In 2022, EBN worked with operators to ensure cost-efficient and economically responsible production and exploration of Dutch natural gas. In this context, EBN has been working with operators to intensify cooperation in the energy sector and reduce operational costs. Additionally, EBN worked with Element NL and operators on CO_2 emissions reduction in several projects (see section Approach to risks). In all our activities, we focus on strengthening cooperation, merging activities and assets and sharing data, knowledge and expertise.

Gas production from existing fields

Gas prices rose to historically unprecedented levels in 2022 due to the imbalance between global supply and demand, exacerbated by the geopolitical situation. Despite this fact, the production of natural gas from the so-called small Dutch gas Fields remained at 9.0 bcm (100%) in 2022. In 2021, this was 11.7 bcm (100%). The main reason for this is the combination of the natural decline in existing gas reserves and lagging exploration investment in previous years. In July 2022, the government came out with the so-called 'Acceleration letter' to slow down the decline in domestic gas production. An additional advantage of domestic production is the lower contribution to global CO_2 emissions than imported gas. Despite high gas prices, the level of investment in 2022 was disappointing. There were also uncertainties

around obtaining permits. In 2023, in cooperation with the Ministry of Economic Affairs and Climate Policy and Element NL, a number of measures from the 'Acceleration letter' will be implemented to boost gas production in the coming years and thus reduce dependence on import from foreign countries.

A major field development started in 2022; ONE-Dyas took the investment decision for field N05 North of Schiermonnikoog. From 2024/2025, a substantial volume of natural gas could be extracted here. EBN remains committed to extracting as much natural gas as possible from the small Dutch gas fields with as few emissions as possible, where this can be done safely and responsibly, to contribute to security of supply.

New development projects

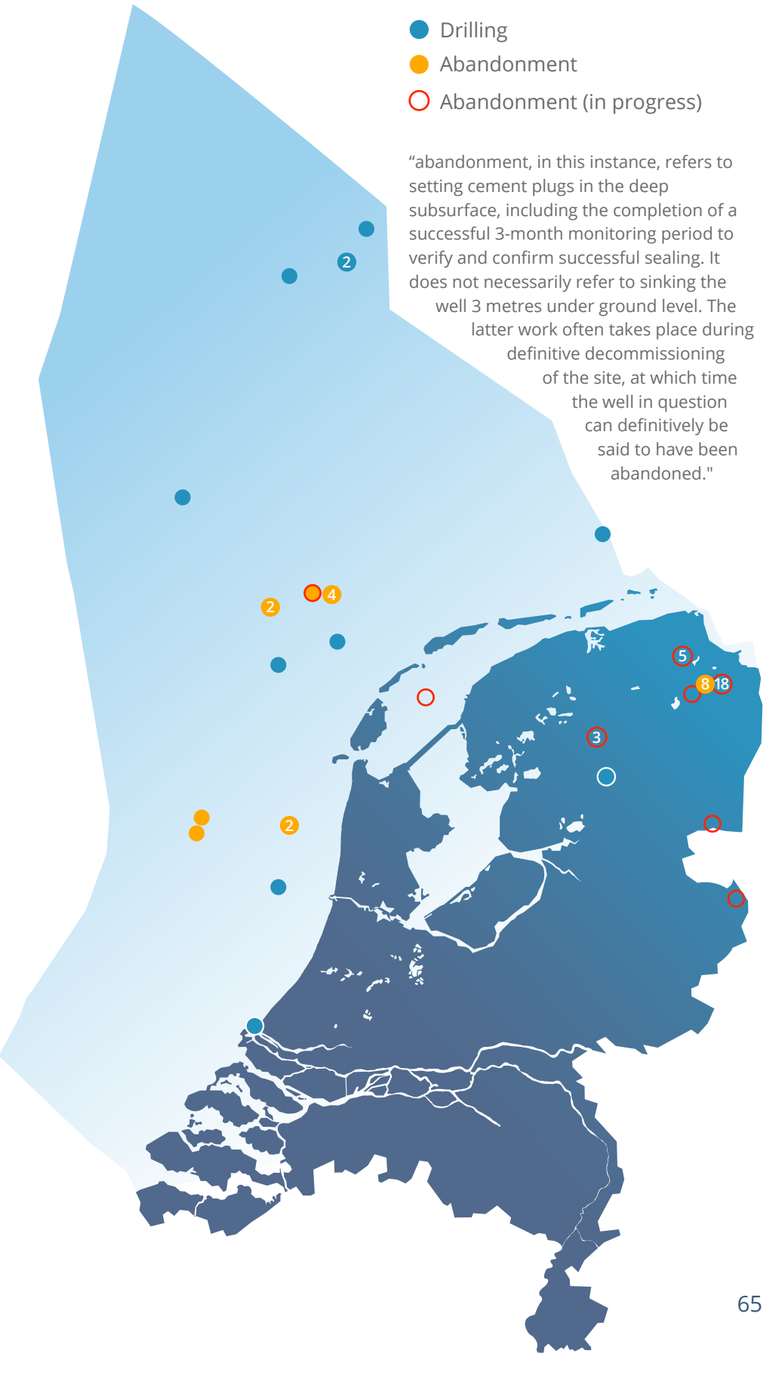
EBN aims to have defined 9.0 bcm of so-called prospects by 2025. These are potential natural gas projects that could be matured and drilled in the years towards 2030. This will ensure that we can continue to meet domestic demands in the coming years. It also extends the economic life of our offshore infrastructure. This benefits recycling through more sustainable alternatives (see also Section Return to Nature). To achieve this goal, operators in cooperation with EBN need to identify and mature these prospects to eventually actually start producing from these new fields. EBN keeps a close eye on the operators' portfolio of prospects in order to specifically encourage operators to mature and tap into this portfolio and remove any bottlenecks. In 2022, this resulted in the addition of several prospects to the portfolio. Maturing new development projects from the portfolio also led to concrete investments.

North Sea Consultation

EBN is one of the parties participating in the North Sea Consultation. We also represent within that the interests of the gas industry, CO_2 storage and future hydrogen storage activities. In the North Sea Agreement, it was agreed that the North Sea would remain accessible to the Exploration & Production sector, including wind farms (in the future). Among other things, EBN is working in consultation with stakeholders and other space users to define so-called multifunctional area passports. The aim is to keep the North Sea accessible to all users wherever possible to enable the intended energy transition, nature transition and food transition. Our commitment here is that EBN and its partners can both meet domestic natural gas demand as much as possible, as well as carry out newer activities such as CO_2 storage.

CO_2 reduction plan

Together with Element NL, EBN has the ambition to achieve a significant reduction (25% compared to 2018) of CO_2 emissions in 2025 versus 2019. We mainly consider technical solutions, both at the portfolio level (all platforms and pipelines together) and at the individual platform/ plant level. This is a challenging task specifically for assets with declining output, due to their limited remaining



lifetime, increasing CO_2 emissions and (legal) barriers to electrification. We call this plan the MACH10-CO_2 reduction project. The projects include pressure reduction in the main transmission pipeline system and electrification of platforms.

Decommissioning Security Agreement (DSA)

EBN has an important role to play in the system of guarantees, where we provide financial security to permit holders for the costs they incur in decommissioning plants and restoring production sites. EBN's monitoring role in the Decommissioning Security Agreement process stated above is defined in the Decommissioning Security Monitoring Agreements (DSMA), concluded between licensees and EBN. With the amendment of the Mining Act in 2022, the DS(M)A financial assurance system has also become a legal obligation. By 2022, the DS(M)A regime will be fully implemented and applied for both offshore and onshore assets.

Joint portfolio-driven approach to exploration

In 2022, EBN further shifted the strategic focus for its exploration activities from active promotion to attract new investors to its existing portfolio and current operators. This focus aims to help current operators work up their portfolio by working together to identify, mature and eventually tap into potential natural gas projects.

EBN further investigated opportunities in 2022 to deploy new or uncommon technologies. The aim is to mature material prospects that cannot be drilled using current technology to drill-worthy status. A good example of innovative seismicity is the Ocean Bottom Node (OBN). OBN is advanced seismic acquisition and associated data processing. Together with NAM and Wintershall, EBN took further steps to deploy OBN in 2022. In addition, a conventional 3D seismic acquisition was completed on land as the final phase of a larger acquisition in South Friesland.

GEODE: Sharing data, knowledge and expertise with industry

By sharing knowledge and converting data into information, EBN encourages subsurface evaluation. It also helps to identify, quantify and mature interesting sources of oil and gas. A key milestone is the launch of the GEODE platform, containing data and information for at least five plays. For this purpose, in collaboration with TNO, many decades of studies have been converted into useful information. All products have been made publicly available online and now contribute to subsurface exploration of the Netherlands. The GEODE platform could potentially be set up for alternative uses such as storage and reuse in the future.

Reducing operational costs with INSPIRE

To reduce operational costs (OPEX; around EUR 1 billion total in 2022), EBN has been working with operators on the INSPIRE project, which started as early as 2020. INSPIRE is the project name under which operators and EBN are working together to reduce operational costs through increased cooperation, pooling of assets and through joint operations. Significant cost increases in 2022 due to increased prices for energy, materials and works underline the importance of continuing to work on efficiency gains where possible. EBN further developed

three INSPIRE workflows that delivered OPEX reductions in 2022:

1. a tender for joint pipeline inspection work, followed by a joint Pipeline Inspection Campaign in 2022;
2. investigation into operator desires for governance in joint campaigns and analysis of options for different types of operations;
3. implementation of an online application (an E&P Marketplace) where operators gain insight into each other's inventory levels of (standard) equipment and spare parts.

4.4.2 Ensuring Energy Security

To ensure gas supply security for the winter months of 2022/2023, it is important that the Gas Storages are sufficiently filled. However, gas market conditions last year did not provide sufficient incentives for market players to store gas. To still achieve the required fill rate in line with EU obligations (80% fill rate for the total Netherlands storage facilities), the cabinet took two measures in April 2022 regarding the Bergermeer Underground Gas Storage Facility.

The power of...

Being committed to the public cause

Geopolitical developments over the past year have put the Netherlands and the rest of the world on edge in terms of our import dependence. Besides all the efforts to ensure greater sustainability and savings, these developments have also shaken the assumption that there is enough gas. Until sustainable alternatives are sufficiently available, natural gas will remain necessary to meet our energy demand in the coming years. As a public company, EBN is happy to take responsibility for our energy security where it can. We do this, for example, by filling the Underground Gas Storage Facility Bergermeer at the Minister's request. This is necessary to meet so-called peak demand in winter. And as long as it is necessary, we will continue to do so to fulfil our public and social mission. Meanwhile, we continue to work hard on the future sustainable energy system.

First of all, a subsidy measure has been put in place that gives market players an incentive to fill the Bergermeer Gas Storage. Market participants could compete in a tender scheme for a subsidy that compensates for the negative difference (if any) between gas prices during purchase and sale (the so-called summer-winter spread) and the associated costs, such as capacity, financing and injection costs.

Second, for the remaining fill requirement, which is thus not filled by market players, the Government has appointed EBN as designated party to store gas at the Bergermeer Underground Gas Facility. The Ministry of Economic Affairs and Climate Policy issued a maximum Government grant of EUR 257 million for this purpose. Following additional filling request an additional EUR 223 million was added in September, bringing the maximum grant to EUR 480 million. Of this, EUR 98 million is budgeted for management costs, such as injection, transport, and financing costs. The remaining EUR 383 million is to potentially cover any negative trading results arisen from the filling activities. By mid-April 2023, it will be known how much eligable cost will be received under this Government Grant. In the event of a positive trading result, EBN will pay an interim dividend to it's Shareholder in May 2023. The filling of the Underground Gas Storage Facility went so well that Bergermeer was (slightly more than) 100% filled by November 2022, thus providing an excellent buffer for the winter months to come.

At the end of December, the total gas supply in the Bergermeer gas storage facility was 35.2 TWh. This is a 77.1% fill rate compared to the 45.65 TWh total capacity of this facility. EBN's share of gas supply at the end of December was 7.2 TWh. This is 15.8% of the total 45.65 TWh of working gas capacity of this facility. Other parties' share at the end of December was 28.0 TWh. This is 61.3 % of the total 45.65 TWh of working gas capacity of the Facility.

The Minister is also again calling on EBN to fill the Underground Gas Storage Facility ahead of next winter (2023–2024). The Ministry of Economic Affairs and Climate Policy issued a maximum Government grant of EUR 520 million for this purpose. Of this, EUR 177 million is budgeted for management costs, such as injection, transport, and financing costs. The remaining EUR 343 million is to cover any negative trading results.

4.5 Material theme: Financial stability and resilience

EBN's financial strenght and vigor are characterised by high equity (including liquidity and solvency) that is readily available to settle existing obligations. This is important given the accelerated phase-out of the Groningen gas field and Gasgebouw, which reduces profitability. The focus on uncertain factors such as earthquake settlement and remediation obligations is increasing. Furthermore, the comapy's strong equity position may be used for investment in the energy transition.

4.5.1 Financial Developments

Revenue for 2022 is up 306% amounting to EUR 12 billion. In 2021, this was EUR 3 billion. This increase is caused by historically high gas prices and the incorporation of a number of exceptional revenues during 2022. The total revenue for the filling of the Bergermeer Underground

Gas Storage Facility (EUR 1.1 billion), reimbursements from the 'Norg Akkoord' for the gas years 2019/2020, 2020/2021 and 2021/2022, and an accrual for the first three months of gas year 2022/2023 amounting to EUR 3.2 billion. Operating costs amounted to EUR 1.6 billion, including EUR 1.0 billion for filling of the Underground Gas Storage Facility Bergermeer. Regular operating costs amounted to EUR 699 million (2021: 568 million). Costs due to earthquakes in Groningen amounted to EUR 73 million. (2021: EUR 1.1 billion). Additionally, depreciation costs totalled to EUR 608 million (2021: EUR 416 million). This is mainly due to lower depreciation charges on capitalised decommissioning and restoration costs. For the reason stated above, net profit increased to EUR 4.3 billion (EUR 2021: 656 million). For 2022, EBN owes a total of EUR 5.5 billion to the Dutch State (2021: EUR 0.3 billion). This remittance to the Dutch state consists of EUR 3.0 billion in Solidarity Contribution and EUR 2.5 billion in regular levies and Corporate Income Tax. Of this, EUR 1.5 billion has already been paid in 2022 (2021: EUR 0.2 billion).

EBN's excellent creditworthiness, both long-term and short-term, is reflected in the highest possible credit rating, being Aaa / P-1 at Moody's.

EBN is able to comfortably meet its outstanding current financial obligations because of the significant and due to the high free cash flows. At the end of 2022, EBN had a position in terms of short-term (invested) liquidities of in total EUR 10.9 billion (2021: EUR 3.8 billion). Additionally, at the end of 2022, EUR 959 million (2021: EUR 809 million) has been invested in long-term investment instruments. This means that the term of the invested liquidities is aligned with the term of the liabilities. Indeed, part of the liquidity is earmarked to meet long-term obligations. Long-term investment instruments are included in 'other financial assets on the balance sheet due to their long-term nature. In 2023, a repayment on the long-term loans of EUR 125 million, being the euro-leg of the related cross-currency interest-rate swap, will be made from existing liquidity. Under normal market conditions, EBN generates a significant free cash flow every year because of strong positive cash flows from operating activities, which are higher than the investment expenses. This is also expected to be the case in 2023.

EBN has a commercial paper programme of EUR 2 billion. EBN has a committed revolving credit facility at two reputable banks, which allows it to withdraw up to EUR 0.3 billion for general business purposes. This credit facility runs initially until December 2026, with EBN having the option to request the banks to extend the maturity by one year each time, for a total of two years, in 2022 and 2023. In 2022, EBN exercised the first option and the credit facility was extended until December 2027. As at year-end 2022, EBN has not utilised the commercial paper programme or the credit facility and therefore no loans are outstanding below.

4.5.2 Investments

A total of EUR 165 million of investments in extraction and storage licences took place in 2022, an increase of EUR 64 million compared to 2021. EBN expects to invest EUR 405 million in exploration and production activities, CCS and geo-energy in 2023.

4.5.3 Sales

Gas and storage capacity

The war in Ukraine, an ongoing gas crisis and concerns over security of supply have pushed the Title Transfer Facility (TTF) to an average record high of EUR131/MWh in 2022.

The volume-weighted average selling price for the EBN gas portfolio was approximately seven percent higher than in 2021: namely EUR 30/MWh). Total sales grew by approximately 16% to 7.5 billion Nm^3 (2021: 9 billion Nm^3). This is explained by a further reduction in production from the Groningen system and as a result of an overall declining production profile of gas fields in the North Sea.

EBN has been designated by the Ministry of Economic Affairs and Climate Policy to fill the Bergermeer Underground Gas Storage Facility in 2022 to help ensure security of supply in the Netherlands. EBN injected a net total of 12.2 TWh into the Underground Storage Facility in 2022, which will be fully sold in the period up to the end of March 2023. The total realised revenue in 2022 amount to EUR 1.1 billion. On 31 December 2022, EBN still has 7.3 TWh of gas in storage.

Oil, natural gas condensate and LPG

The average price for a barrel of crude oil (Brent) rose further to EUR 96 per barrel in 2022 (2021: EUR 60 per barrel), up 60% from last year's average price level. Total sales of oil, natural gas condensate and LPG in 2022 amounted to 0.6 million barrels, (2021: 1.7 million barrels), down 65% compared with last year. This is mostly explained by a production stop at Schoonebeek in 2022. Total realised revenue in 2022 totalled to EUR 56 million (2021: EUR 91 million).

4.6 Material theme: Creating connective power

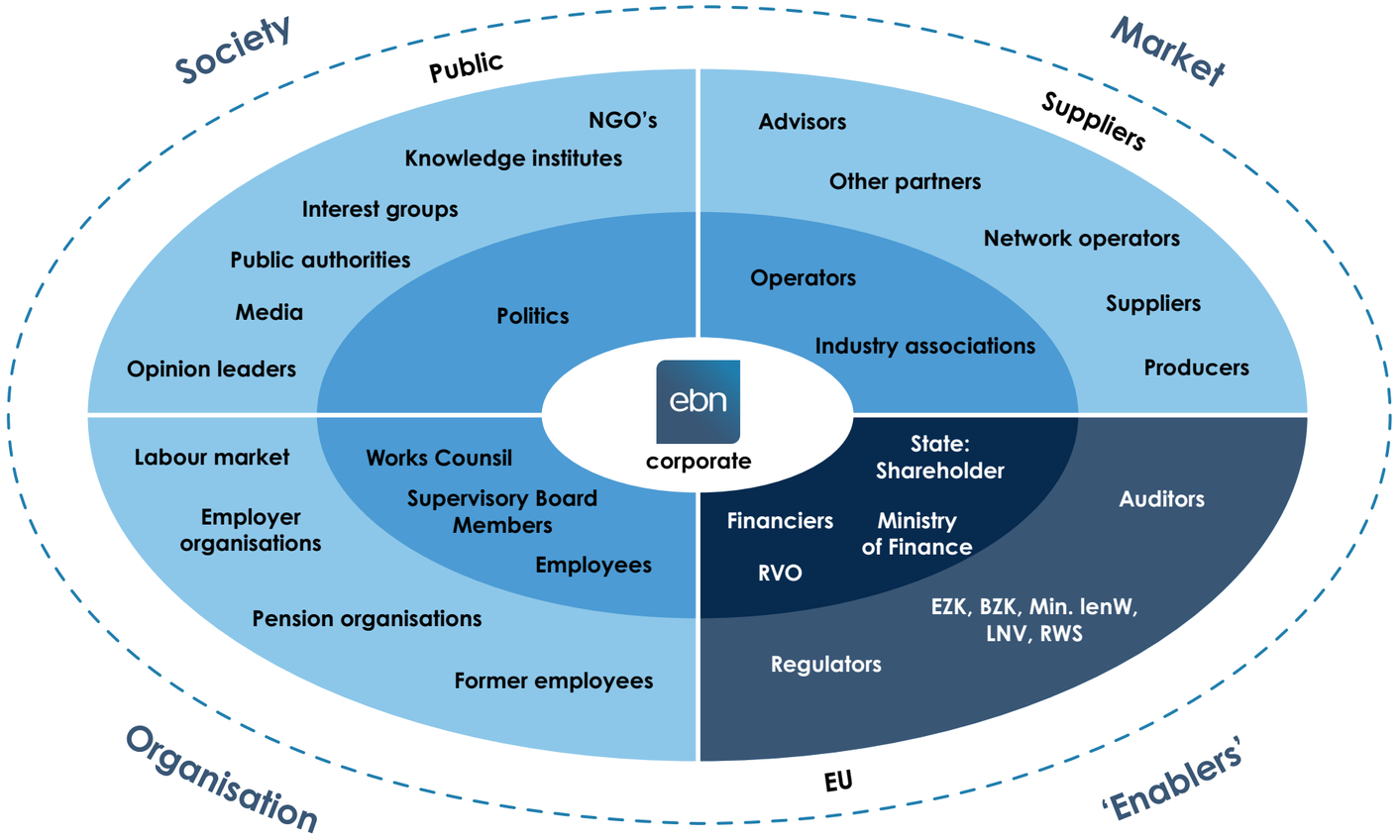
Based on its public mission, EBN deploys knowledge and connective power to (help) accelerate the implementation of Dutch energy and climate policy. A material theme for this is creating connective power. We do this by participating in Joint Ventures and consultative bodies and using our knowledge and skills to accelerate the energy transition in the Netherlands, so we can also create social value in the long term.

We facilitate so-called informed dialogue in society between stakeholders about the themes relevant to the energy transition (wherever possible with partners) so that we contribute to generating the appropriate image of energy supply in the Netherlands. Actively developing

and sharing our knowledge of the Energy transition is a clear component.

EBN additionally brings people together in respect of the energy transition and its organisation. Actively developing common themes and programmes to achieve this, such as leadership and culture programmes, strategy days, a strong commitment to internal communication, so-called lunch&learns, the annual EBN day and a walking day development. EBN is therefore considered a so-called Great Place To Work (GPTW). Employees working at EBN are dedicated and driven, and are closely tied to realising the organisation's objectives.

This section describes how we monitor stakeholder interests and expectations and how EBN, as part of its mission 'creating connective power for the energy transition', connects external stakeholders and gives substance to informed dialogue.



4.6.1 Dialogue with stakeholders

As a policy participation, EBN serves a social interest: contributing to safe, sustainable, reliable, affordable and achievable energy production in the Netherlands. We shape our role by delivering connective power to the energy transition. To implement this properly, we are in continuous and intensive dialogue with our stakeholders.

EBN reports transparently on its interaction with stakeholders: who they are, how we structure our dialogue and what issues are discussed. For 'interested parties' we use the definition of the word 'stakeholders' in the Global Reporting Initiative. We have constant contact with our stakeholders on various material issues on a regular basis and at various levels. We identify our stakeholders on the basis of the extent to which our activities influence them and the extent to which they can influence our organisation or business operations.

- Our key stakeholders: Ministry of Economic Affairs and Climate Policy (as policy maker and shareholder), partners in our participations/industry, EBN employees, (local) government bodies.

- Our other stakeholders: local residents, regulators, related ministries such as the Ministry of the Interior and Kingdom Relations, Ministry of Finance and Ministry of Infrastructure and Water Management, research and educational institutions, financial institutions, industry organisations, media and social interest groups, suppliers and other stakeholders.

Interaction

We have personal contact with our stakeholders on various material issues on a regular basis and at various levels. A full overview of this is shown in the table about our stakeholder contact. This table describes who our stakeholders are, what form the interaction with these parties takes and what the points for discussion were in 2022. Our Board of Directors is also directly involved and has frequent contact with various stakeholders during the year.

We implement the discussions with our shareholder and Supervisory Board about the long-term strategy of EBN and the associated objectives. Naturally, discussions are also held at Board of Directors level with industry partners, for example within Nexstep, SPG, elements NL, operators and the CCS projects.

EBN has a public interest and therefore strives to create added value in the short and long term. Together with all our stakeholders, we are taking steps to make the Netherlands' energy supply more sustainable. This is done by participating in joint ventures and consultative bodies and using EBN's knowledge and skills to accelerate the energy transition in the Netherlands, so that social value is also created in the long term. Examples of this are the North Sea Consultation (Noordzeeoverleg), KVGN, New Energy Coalition and TKI.

We also create added value in the short and long term in relation to the SDGs. We see them as important benchmarks that help to shape our strategy of making the gas value chain more sustainable and to make a constructive contribution to the energy transition. The SDGs are the social framework for our strategy and material themes, they are implemented in the strategic goals and set the direction for our strategic objectives for 2022. Also check out the connectivity matrix.

In 2022, we updated our CSR statement. In it, we address value creation with regard to making the gas value chain more sustainable, dialogue with stakeholders, improvement of our own organisation and operations and good employment practices.

We offer both internal and external stakeholders the opportunity to report abuses in the chains in which we operate. You can read more about this in the section Responsibility for the chain.

In 2022, EBN has the following strategic associates and Joint Ventures:

- Nederlandse Vereniging voor Duurzame Energie (NVDE)
- KVGN (Netherlands Royal Society for Natural Gas Producers)
- CIEP
- New Energy Coalition TKI
- SPE
- Geothermie Nederland
- EAGE
- World Energy Council (WEC)
- North Sea Energy
- North Sea Consultation (Noordzeeoverleg)
- Nexstep

Stakeholder monitor

EBN's modus operandi considers contact and cooperation with its stakeholders as paramount. As part of our stakeholder management, we developed a stakeholder monitor in 2020. The stakeholder survey conducted in 2020 was a benchmark measurement on three components (Prioritisation of material themes; Assessment of performance on material themes; Assessment of performance on reputation themes). We repeated the survey in 2021, with EBN achieving an overall score of 7.8. In the coming years, we will continue to monitor how EBN is progressing on the strategic themes in the eyes of its stakeholders and we will further flesh out the permanent stakeholder dialogue. The next stakeholder monitor will be held in 2023.

Actively developing and sharing knowledge

EBN connects people to the energy transition and develops common themes and programmes to make this happen. EBN thus facilitates informed dialogue between stakeholders on energy transition topics. Actively developing and sharing our knowledge of (doing business in) the Dutch soil and of assets is part of this. EBN does the latter by bringing together, developing, preserving and sharing data, information and knowledge. By 2022, for instance, 156 masterclasses were held in 47 different schools, reaching 3,850 students.

Added value from data

In 2020, we launched the 'Added value from data' programme with the aim of unifying the way data is captured, making data exchange more efficient and creating value from data by sharing data and information for the benefit of energy transition activities. Data and information from oil and gas extraction on oil and gas fields, wells and infrastructure will be reused and supplemented with new data for the development of geothermal heat, CO_2 storage and hydrogen.

The 'Added value from data' programme was further embedded in EBN's business projects by 2022. We make EBN datasets available within the energy value chain for e.g. policy advice to our shareholder, the Ministry of Economic Affairs and Climate Policy on e.g. storage and green gas. Additionally, the data are available for project development and support the development of, for example, the CO_2 storage projects Porthos and Aramis and geothermal energy projects.

In addition, we make data available by putting it in portals, such as www.geodeatlas.nl. EBN is working with stakeholders to develop public portals that showcase the subsurface and topsoil, such as TNO/NLOG (Dutch substrate, https://www.nlog.nl), Basis Registratie Ondergrond (BRO, https://basisregistratieondergrond.nl) and Vivet (built environment, https://www.regionale-energiestrategie.nl/vivet_info/default.aspx).

EBN also encourages cooperation and the exchange of knowledge and best practices. See for example the section 'Our Dutch Gas' which describes how we map potential gas reserves under the North Sea and share the data with operators. Consider also the cooperation within Nexstep or the way EBN collaborates in the SCAN study.

Platform for informed dialogue

We expanded the platform for informed dialogue in 2022. In doing so, we worked on connecting a broad group of stakeholders to a common agenda on energy transition themes, such as:

- **Transition talks:** EBN launched the periodic talkshow on the progress of the energy transition in 2021. Where do we stand in the Netherlands when it comes to energy transition? What is going well? And what could or should be better? Sharing knowledge, best practices and gaining inspiration are key pillars. In 2022, we introduced Transition Talks on Tour. The first edition of this took place during Climate Agreement Day on 3 November.
- **Energy podium:** EBN is lead partner of EnergiePodium and supports it with collaborative partners GasTerra, PwC, Element NL and KVGN with content input for the purpose of balanced coverage of current developments in the field of work.
- **Week of Geothermal Energy:** The Week of Geothermal Energy took place for the third time in 2022. An initiative of EBN in collaboration with Geothermie Nederland and other partners. Using themes, we offered insights into the opportunities that Geothermal Energy offers in the energy transition.
- **Week of the North Sea:** From Campus @Sea in Scheveningen, North Sea Week. With table discussions, knowledge sessions, excursions and masterclasses on the role of the North Sea in energy transition and cooperation with all other parties and activities at sea.
- **Week of Underground Energy Storage:** For the first time, this Week took place with plenty of room for gas, heat and hydrogen storage.
- **Energy Breakfast and Infographic:** The energy breakfast where EBN launched the infographic Energy in Figures for the sixth time. The 2022 breakfast took place at Aramis in The Hague. Owing to coronavirus it was an online gathering with nearly 700 viewers.
- **Zo Werkt Energie in Nederland (ZWEIN):** This programme, which presented the book of the same name in 2021, was followed up in 2022 with and

number of partners in sub-areas, and specifically worked on the themes of hydrogen and nuclear energy.
- **Energy Transition Master Class:** Made possible by EBN, DAREL provides master classes on the energy transition at secondary schools specifically. This increases the level of knowledge about energy and the transition. By spring 2023, 10,000 schoolchildren will have been taught in this way. DAREL also provides a customised masterclass for people working in the energy field.

Update to Energy infographic 2022

In 2022, we released for the sixth time the infographic Energy in Figures on the Dutch Energy System based on the latest available figures from CBS. We create the infographic, last year with the theme 'De knop om', because of the importance of the availability of facts and figures for an informed discussion on energy in the Netherlands. The infographic will be actively disseminated and highlighted to also promote public involvement in the energy transition. Thus, the infographic facilitates an informed discussion about the energy system. Go here to see more about the EBN infographic.

4.6.2 The people of EBN

EBN is staffed by a committed, driven workforce. We recognise the importance of employee loyalty and development. As employees continue to develop fundamentally and acquire experience in the sector, the level of knowledge in our organisation rises in step with

the capacities of our workforce in the short term. In the long term, we attract talented young individuals, who develop the right skills to boost acceleration of the energy transition within EBN thanks to traineeships or work placements. Last year, we managed to attract 33 new professionals. This is a good result, especially given the tight labour market.

The past year started with working from home for many employees. That was because of coronavirus restrictions. As soon as government advice allowed, office work was started again. Especially in the initial phase, a lot of energy was put into encouraging employees to come to the office to connect with each other and get to know new employees. To combine the positive effects of working from home and working in the office, a form of hybrid working has been introduced. It has been agreed

that employees work at least 50% in the office. This agreement is based on internal research on preferences in the organisation.

Recruiting new talent

For EBN to continue to be of value in the next 50 years, it is important that we recruit new colleagues with commitment to the energy transition. We further developed the labour-market campaign 'Connecting tomorrow with today' in 2022. This campaign connects new employees to EBN's activities in making the gas value chain more sustainable. EBN employees have a strong desire to contribute to the energy transition. When recruiting new employees, we use their enthusiasm and stories. In 2022, EBN hired 33 new employees. We grew from 155 (145.3 FTE) employees to 169 employees (158 FTE). In addition, 18 employees left EBN. With an outflow rate of 10.6%, we achieved our corporate target of no more than 12%. The average age of employees rose from 43.8 to 44.0 years. EBN employees are not subject to an overarching Collective Labour Agreement (CLA). EBN has an Employment Conditions Scheme with a performance-management and salary system. Scales are indexed annually. This takes into account CPI indexation, developments within the E&P sector, the State and business services.

A focus on corporate culture

We also focused on our corporate culture, as we did in previous years. Each quarter, the culture committee highlighted a key value of EBN and brought it to the attention of employees in various ways. Thus, inspiring tips were shared to kick-off conversations with each other.

Investing in Young Professionals, Trainees and Interns

EBN offers valuable and challenging work experience to young people. We see it as our social responsibility to train young people, both with traineeships and challenging internship assignments. In 2022, 10 interns fulfilled their assignment at EBN, a slight decrease compared to 2021. We also employ 15 trainees; six of them started in 2022. Trainees follow an intensive three-year programme in which they gain both relevant challenging work experience and appropriate (technical) training courses. They also develop competences and skills in the Young Professional Programme together with Young Professionals as a basis for their further career.

EBN leadership

EBN believes it is important to encourage leadership and internal promotion. To this end, a broad development path has been set up for management, professionals, young and support professionals in the areas of (personal) leadership, skills, impact and interaction with stakeholders. In 2022, one part of the programme, 'leading sustained performance' was further shaped. This section looks at how taking responsibility for EBN's performance helps to form a 'high performance' culture. The programme builds on the content of Leading with Purpose and/or Leading for Impact and focuses on how to achieve optimal performance through taking ownership and having effective conversations. There is plenty of room to practice and coach each other on how to have conversations that lead to better performance. Management followed this programme component, as did the group that was already completing the leadership path, thus completing the full programme. This meant new employees could join and get to know colleagues outside their own department or team. New employees may also participate in the leadership programme in 2023.

Encouraging diversity and inclusion

As a public organisation, we see diversity and inclusion as a clear prerequisite for our business. Increasing diversity within EBN is therefore our focus. In 2021, we started policy-making on diversity and inclusion. As one of the first steps, we commissioned a diversity and inclusiveness survey by an independent consultancy. Additionally, EBN had students from Utrecht University conduct interviews with employees on the subject. The results will be known in early 2023. Also, EBN committed to the SER's Diversity Charter in 2022. Diversity and inclusion at EBN are about fair gender distribution, but also about promoting diversity of thought, background and education.

In terms of gender distribution, EBN has the following targets for the Board of Directors: at least 40 per cent women, at least 40 per cent men. Due to the limited size of the Board of Directors, the target is at least

one-third women and at least one-third men. For the hierarchical layer below, the target is at least 40 per cent women and at least 40 per cent men. [1]The percentage of women in senior management positions including board of directors increased from 50.0% to 53.3%. The percentage of women employed at EBN increased from 40.0% to 40.2%. Furthermore, we have a target of having at least a third of our workforce consisting of employees under 35 years old.

Employee satisfaction

EBN is active in many ways to be a good employer for its employees. Every two years, EBN tests this through the Great Place To Work survey. The last survey took place in 2021. In 2022, we worked on several initiatives to give greater substance to the outcomes. Examples include partnering with The Colour Kitchen as a service provider for healthy, varied and affordable lunch dishes, fresh ginger and mint alongside the espresso coffee machines, space for hybrid working, loan of hardware and office chair if needed, sports instruction and chair massage, a prayer room, supporting various initiatives such as a sustainability committee, policy-making around diversity and inclusion and efforts made to improve in-team collaboration.

1 EBN defines the Top (N) in 2022 as the board of directors (CEO, Director of Finance and, until 1 October, Director of Strategy & Technology) and the layer below (N-1) are the executives who report directly to the Board of Directors.

Absenteeism rates fell

The absenteeism rate fell slightly to 3.3% in 2022 from 3.5% in 2021. Short-term absence increased slightly from 0.4% in 2021 to 0.9% in 2022. In long-term absenteeism, EBN has seen a decrease from 2.8% in 2021 to 2.1% in 2022. EBN continues to invest in coaching and reintegration of employees who have dropped out. We invest in prevention with a strong focus on vitality. Thus, we offered online sports training during lockdown and physical training after lockdown. We also offer healthy choices in the company restaurant. We partner with The Colour Kitchen for catering for our employees. The social aspect of this service provider suits EBN. Furthermore, there is individual coaching when needed. In addition, EBN contributes to good home offices by lending office chairs and other office supplies.

HR is digitalising

The large influx of new employees and the dynamics in the organisation call for better digital support for the HR department. Based on an assessment in 2021, an upgrade of systems took place in 2022. A new E-HRM system has also been implemented. Additionally, processes have been better streamlined, achieving administrative efficiencies, and better steering data will be available to management.

Adapting the management of the organisation

The review of EBN's strategy prompted a parallel review of the organisational structure and other changes in the organisation needed to effectively implement this strategy.

We also analysed what obstacles existed in the structure from the point of view of optimal and unambiguous service quality (operational excellence).

In the end, EBN chose an organisational structure that best aligns with the four pillars of the strategy and supports its implementation. The model includes:

- three business lines: gas transition, carbon management and sustainable heat, which are formed as value chains in line with the strategy;
- establishment of a development unit: energy systems;
- a unified and high-quality way of working under the headings of operational & project excellence and commercial excellence.

Subsequently, a new leadership structure was designed to fit the strategy and business model. Main changes therein:

- The Management Board becomes a Board of Directors with a CEO, CFO and a new position, COO;
- the work of the six programmes is bundled into three business units and a development unit with a director at the head of each unit;
- unified management structure within the business units with a clear separation of management tasks;
- securing an EBN-wide focus and initiatives within corporate departments through specific allocation to EB members;
- central management of operational, project and commercial excellence and business control;

- a smaller leadership team (reduced from 15 to 10 members) that aligns organisational priorities and discusses EBN-wide leadership issues, internal direction and resource allocation. This team consists of Executive Board members, Directors, Managers HR & CPA and the Legal Counsel.

To make this new structure <link to organogram> effective from 1 January 2023, two work streams were started in autumn 2022; one for staffing and one for processes and systems. This new structure took effect on 1 January 2023.

4.6.3 Employee Participation

Work Council Annual Report 2022

The year 2022 was the third and also the last year of the three-year term of the current Works Council (WoCo). WoCo members Annelieke Beukenkamp, Walter Eikelenboom and Abdul Hamid have left the WoCo. WoCo members Thijs Huijskes and Audrey Roustiau decided to run for a new term, making the following people the new WoCo board (2023-2025): Eva van Hees, Mark Hooftman, Sabine Korevaar, Gerben Schram, Ruud Schulte, Thijs Huijskes and Audrey Roustiau.

The Works Council and the director have regular consultation meetings four times a year, two of which are so-called 'Section 24 WOR meetings'. At these meetings, Supervisory Board member Jan Willem Weck attended once and Supervisory Board member Jaap Huijskes once.

Apart from the first quarterly meeting, all meetings this year have again taken place in the office with also the hybrid-working option of dial-in via Teams. Besides the regular WoCo board meetings, the monthly informal meetings between the WoCo and HR manager were also continued. The WoCo found both regular and informal consultations to be very constructive.

The WoCo conducted an annual survey of employees. This time the focus was on collaboration between the different themes and the role of principals, among other matters. The survey response rate was very good with 122 responses (78% response rate). On 10 February 2022, the results of the annual Works Council survey were presented to EBN employees. The presentation was online and was attended by around 80 colleagues. The results were also shared with management and HR in a separate session on 16 February.

A 'Meet the WoCo' session was also organised for the new employees in 2022. The aim of this session is to introduce new employees to the WoCo. These sessions explain what WoCo stands for and how to reach us. Over 40 colleagues who have been with EBN for less than a year were invited to this session.

Furthermore, the WoCo had several informal discussions during the first quarter of 2022 with the working group that was developing the new 'Fit For 60' strategy. The Works Council was updated on the state of play. The WoCo also had an interview with BCG, with the WoCo being updated on the 'Fit For 60' strategy process and its role in it. Additionally, the Works Council's key focus of the year was on the structural change of the organisation. During the third quarter, the Works Council was heavily involved in dealing with the Adjustment of Leadership Structure request for advice. After several consultations with the director and HR, on 5 October the Works Council issued a positive recommendation on the request for advice.

Finally, starting this year, the WoCo also has its own intranet page with all information about the WoCo and our work.

During 2022, the Works Council dealt with three requests for advice:

- Advice on adjustment leadership structure
- Advice on research & advice on leadership structure
- Amendment to EBN's Articles of Association

4.7 Material theme: Active approach to risks

Actively addressing risk is a material theme for EBN. This means that promoting safety and reducing emissions are priorities for EBN. Safe exploration for and extraction of energy sources in the Dutch subsurface is of great social

importance. This is all about safety for the environment and safety in the operations themselves. By monitoring, sharing knowledge and best practices, and working in partnerships on concrete measures, EBN makes every effort to ensure that the current and future operational activities in which we participate (oil and gas, geothermal, CCS) do not exceed risk limits to pose a danger to people and the environment.

In our partnerships, we steer towards a lower environmental impact and CO_2footprint by reducing greenhouse gas emissions. Operational emission reduction refers specifically to the operational activities of the Dutch oil and gas producing industry. The following paragraphs explain this in more detail.

HSE in oil and gas operations

Operational results for Dutch oil and gas producing industry

In the exploration, extraction and storage of gas and oil, as a non-operating partner EBN has no direct active role in the HSE (Health, Safety & Environment) field. EBN promotes and monitors safety in the oil and gas operations in which we participate, and brings the topic to the table, solicited and unsolicited, within each joint venture in which EBN participates.

With the OPI report, EBN reports annually on the operational HSE results in its participations for the previous year. These are the so-called operational performance indicators that provide insight into the sustainability performance of EBN's share in Dutch gas production and annual drilling operations. The Dutch operators add their environmental and energy performance to the electronic Annual Environmental Report (eMJV). These data form the basis for the performance we describe.

Energy consumption

EBN's share of the Dutch oil and gas producing industry's total energy consumption will decrease due to falling production in 2021 compared to the years 2016 to 2020 inclusive. The energy efficiency ratio fell for the first time in years, reaching 3.5% in 2021. This is the proportion of energy from hydrocarbon production that is used in the production process itself. In relative terms, this share has increased since 2010. This sharp increase after 2012, compared to the minimal downward trend of previous years (2007 to 2010), was caused by the declining reservoir pressure of the gas fields approaching the end of their production period. The decreasing reservoir pressure and the associated increase in depletion compression mean that it takes more energy to produce the natural gas, and energy consumption rises while gas production remains the same. This process consumes by far the most energy. Increasing use of more efficient measures and equipment, such as the reduction in the use of ships and helicopter flights or the increasing use of more efficient gas engines, as well as the use of renewable energy such as green electricity from wind and solar power, contributes to flattening the required energy consumption.

Other small gas field CO_2eq emissions per cubic metre extracted are currently showing an upward trend. Other small gas field production decreases more than CO_2eq emissions because compressors that are major contributors to emissions continue to operate unabated even at lower production. This has the effect of increasing emissions per cubic metre of extracted gas.

Greenhouse gases in our operations

The increase in CO_2 emissions during the period was related to the course of gas production and annual drilling operations. In the Netherlands, many reservoirs are in advanced stages of depletion. Because of reduced reservoir pressure due to reservoir depletion, the deployment of compression is necessary. Consequently, energy consumption increases because more energy is needed to bring the produced natural gas up to the required pressure (by compression). The increasing use of compression energy goes hand-in-hand with higher CO_2 emissions. The use of energy efficiency measures helps to reduce emissions. In 2021, the number of drilled kilometres was reduced by about 42% versus 2020. Emissions from drilling activities amount to only a very small percentage compared to emissions caused by production activities. The EBN share of emissions fell further in 2021 from 558 kt in 2020 to 523 kt

Operational performance indicators up until 2021[1]	2021	2020	2019	2018	2017
Energy consumption (production) ✅	12.7 PJ	14.0 PJ	15.5 PJ	17.1 PJ	18.9 PJ
Energy-efficiency improvements (result vs. target)[2]	n/a	15.1% v. 17.5% (2020 v. 2021 target[3])	16.1% v. 17.5% (2019 v. 2021 target[3])	16.6% v. 17.5% (2018 vs. 2021 target[3])	12.7% v. 16.6% (2017 vs. 2021 target)
Energy consumption as a percentage of energy-related carbon production ✅	3.5%	3.8%	3.7%	3.6%	3.26%
CO_2 emissions (drilling and production)	523 Ktons	558 Ktons	580 Ktons	626 Ktons	685 Ktons
Methane emissions ✅	2.1 Ktons	2.9 Ktons	3.5 Ktons	3.6 Ktons	4.9 Ktons
Fatal accidents ✅	0	0	0	0	0
Industrial accidents that led to absenteeism ✅	10	8	6	7	16
Industrial accidents that did **not** lead to absenteeism ✅[4]	11	7	6	8	9

1 Operational performance indicators are reported based on operator statements. These figures relate to the calculated EBN share in Dutch gas production and annual drilling activities. Figures for 2022 will only be available later this year and will be published on the EBN website in the summer of 2023.

2 Since 1996, the Dutch oil and gas producing industry and the Ministry of Economic Affairs and Climate Policy have agreed on three multi-annual agreements (MJA3). The current multi-annual energy efficiency agreement (MJA3) runs until 2020. By signing the MJA3, the Dutch oil and gas producing industry has committed itself to improving energy efficiency. In order to fulfil the MJA3 objective, the sector has committed itself through the individual energy efficiency plans (EEPs) to take measures that will lead to annual savings of 8,043 Terajoules (TJ) for the current participants in 2020. EBN's share in this amounts to 3,153 TJ. After three years, the annual impact of the savings measures is 6,953 TJ. EBN's share in this amounts to 3,121 TJ. Consequently, 86% of the savings target for the period 2017-2020 has been met. The objective relates to the cumulative effect of individual ambitions. For 2017 it has been agreed within the covenant 2018 to report in absolute values (Joules) and to carry out an annual evaluation of the achievability of the sector target.

3 The 2017 target of 16.6% was based on estimated energy consumption for 2016, as stated in the operators' Energy Efficiency Plans (EEP). This plan, based on the estimate, was approved by the Netherlands Enterprise Agency in 2017. In 2017, the industry target for 2017-2020 was determined based on actual energy consumption in 2016. Monitoring in 2018 included the actual energy consumption in 2016, as reported by the operators in the e-MJV. The result was that the target rose to 17.5%.

4 Indicators marked with the ✅ symbol are included in the scope of the assurance report to show a limited level of certainty on the part of the independent auditor. In chapter 9, 'Independent auditor's report', you can find details relating to the scope of the audit and its results.

in 2021. EBN takes CO_2 emissions into account in its investment decisions.

Reducing methane emissions

Methane (CH_4) emissions, in the form of unburned natural gas being released, occur both onshore and offshore during drilling, production and transport activities. Total methane emissions are mainly determined by 'venting' and 'flaring' and are related to the volume of annual production and drilling operations. Venting means the controlled venting of hydrocarbons in the event that the system needs to be de-pressurised in order to carry out maintenance, for example. When flaring takes place, gas is burned off (flared off) and methane emissions occur due to incomplete combustion.

EBN's share of CH_4 emissions related to production and drilling operations decreased from 2,916 tonnes in 2020 to 2,133 tonnes in 2021. Venting volumes declined further in 2021. CH_4 emissions from production activities (flaring and venting) showed a decrease from 2,222 tonnes in 2020 to 1,553 tonnes in 2021. Of this, 1,523 tonnes came from venting operations (98.1%).

Occupational accidents

In the area of safety, the number of industrial accidents are a measure to monitor company performance. Once again, in 2021, as in 2020, we see an increase in the number of workplace accidents and hence the frequency of accidents at work (per million man-hours) to 3.2. For

2020, we were still seeing a strong downward trend in the number of workplace accidents resulting in a workplace accident frequency rate (per million man-hours) of 2.3 in 2017, 1.3 in 2018 and 1.2 in 2019. The total number of workplace accidents in the Dutch oil and gas producing industry rose to 21 from 15 in 2020. In previous years, it was still dropping from 25 in 2017, 15 in 2018 and then 12 in 2019.

Analysis by State Supervision of Mines (SodM) has demonstrated that the increase in accident frequency has two causes. When analysing the hours worked in 2021, SodM found that office hours were also counted and reported to SSM. However, this does not comply with SodM's request: only hours worked on installations subject to the Mining Act should be reported, i.e. excluding office hours. As a result, the number of hours worked is lower (and the frequency higher) in 2021. If office hours did count, the accident frequency would have been 2.5. The number of accidents is also higher in 2021 compared to the period 2018 – 2020. This also contributes to the higher accident frequency. It is not clear what caused the higher number of accidents.

EBN ambitions and activities

Reduction of CO_2 emissions

To realise the CO_2 emission reduction ambitions for the oil and gas operations, EBN has been working with Element NL and the operators since 2020 with the industry-wide CO_2 reduction programme for the entire portfolio of oil and gas operations. The aim of the programme is to achieve CO_2 emission reductions using a pragmatic and economic strategy. We achieve this by looking at technical solutions, both at platform and plant level as well as at system level (i.e. all platforms and pipeline together). Led by a third party, the CO_2 reduction programme is drawn up and implemented with the entire industry, under the supervision of the Element NL EXCOM. The main pillars of the programme are:

- Source measures for individual plants.
- Electrification by shifting compression from sea to land through pressure reduction of offshore transmission pipelines (Pipeline Pressure Reduction 'PPR'). This reduces emissions from the relatively inefficient gas engines on the platforms and instead uses onshore electricity for part of the compression required to feed the pressurised gas into the Gasunie system.
- Electrification by connecting offshore platforms to the onshore grid, offshore grid or own offshore wind turbines. This has the same advantage as PPR, but the electricity is now transmitted to the platform via a power cable to be laid on the seabed.

In 2022, it was decided to merge the Electrification programme with the CO_2 reduction programme.

HSE- Seismic campaign geothermal energy Netherlands (SCAN)

EBN is and feels responsible for the work performed for or on behalf of our organisation. To avoid unsafe, unhealthy and environmentally damaging situations, we want to be aware of the risks associated with our operations. Then we can take preventive (control) measures to avoid unwanted events. If something does go wrong, we want to limit the consequences and learn from the undesirable event to prevent its recurrence. We take corrective control measures to this end.

The HSE Management System (HSE-MS) was set up to identify the risks of the SCAN programme and determine the (effectiveness of the) control measures. The HSE-MS is for the whole of EBN and is supplemented by project-specific components where necessary.

The SCAN programme maps the Dutch subsurface to accelerate the energy transition in the field of geothermal energy. This research programme is an initiative of EBN. We are carrying it out in collaboration with TNO with funding from the Ministry of Economic Affairs and Climate Policy. Between 2019 and early 2022, EBN filled the role of investigator (see Mining Decree Article 9 part 2). This made EBN, together with the contractor, responsible for conducting the seismic survey in a safe, sound and environmentally conscious manner. The national seismic campaign will have been completed by mid-2022. However, local seismic surveys will still be conducted where necessary in preparation for exploratory drilling. During the seismic survey (including the test line in early 2019), more than one million hours of work were completed without any serious work-related incidents.[1]

Additionally, preparations have started for SCAN drilling. Here, EBN will for the first time fill the role as operator and be responsible for carrying out an expected eight exploration wells. Drilling is expected to start in the third quarter of 2023. The HSE management system has been supplemented for this activity. An external review (independent audit) of EBN's readiness for the operator role will take place in 2023.

Strengthening the Geothermal Energy sector

As part of strengthening the Geothermal Energy sector, EBN is working closely with the industry to ensure the safe extraction of geothermal heat in the Netherlands. An updated generic methodology for a seismic threat and risk analysis (SHRA) around induced seismicity in geothermal energy extraction is being developed on behalf of the Ministry of Economic Affairs and Climate Policy. In collaboration with TNO-AGE, EBN submitted the first part of the updated threat and risk analysis in draft form to the Ministry of Economic Affairs and Climate Policy in 2021. In 2022, the second and final part of this tool was further developed. Contrary to earlier expectations, completion will not take place until the first quarter of 2023, prior to the introduction of the new Mining Act. This delay relating to the SHRA stems, on the one hand, from a decision to take more time for careful coordination with all stakeholders involved in this file. On the other hand, this provided the opportunity to take into account the Under Secretary of State for Mining's letter to parliament regarding policy on the responsible handling of physical risks and uncertainties in geothermal energy, as well as the results of the 'Professorial panel on seismicity risk policy for other mining' on Geothermal Energy, in finalising the SHRA.

In addition to carrying out a risk analysis, it is important that potential seismicity is measured prior to and during project implementation, that adequate action is taken if a seismic event occurs, and that damage claims are handled quickly, reliably and independently and that any damages are compensated. In 2021, at EBN's initiative, it was decided that the discussions to reach these agreements were to be held in a broader and more intensive context. in this regard, EBG held follow-up discussions in 2022 with Geothermie Nederland, SodM and the Ministry of Economic Affairs and Climate Policy. The aim here is to arrive at a standard seismic risk management system. Furthermore, the draft version of the national damage protocol scheme is complete. damage protocol ready in draft form.

Number of eothermal Energy investments tested for seismic risk

State Supervision of Mines (SodM) oversees seismic risks around Geothermal Energy. However, before EBN makes an investment decision in a geothermal project, its own seismic risk analysis is conducted internally at some point in the development process. This is to determine whether a project can safely produce geothermal energy in seismic terms and thus whether a future positive investment decision is possible. In 2022, none of the projects was at such a point in the development path that a seismic risk analysis was carried out.

Industry standards for Geothermal

EBN is committed to developing industry standards for geothermal energy to ensure safe and responsible application. In 2021, the 'Industry Standard for Sustainable Well Design' (IDP) emerged from this commitment. This industry standard describes what the design of new geothermal wells must comply with. All members of Geothermie Nederland are required to use this industry standard when designing new wells. To complement the IDP, EBN started developing, in consultation with the industry, the *Geothermal Well Management System* (GWMS) and the *Well Design Risk Assessment Methodology* (WDRAM). The GWMS provides a standard for the technical management of geothermal wells based on the IDP, considering the entire lifecycle (from design phase to well closure and abandonment). The operator will be able to use the WDRAM to independently perform risk assessments based on the IDP. This is expected to lead to further professionalisation of the geothermal sector. Completion of the development of both supplements to the IDP is planned for 2023.

1 Lost Workday Case (a person is absent for one or more days after the day of injury or onset of illness, or when days absent are prescribed by a doctor or authorised healthcare professional) or more serious.

A key reason for developing industry standards, such as the IDP, is to further build the confidence of various stakeholders in geothermal energy. For example, operators who adhere to the IDP operate safely, comply with Dutch laws and regulations, consider their surroundings and environment, and have a sustainable well design for the entire service life of the well.
The drinking water industry is one of the stakeholders around safe and responGsible geothermal energy. The geothermal energy and drinking water sectors set up a technical working group in 2022. The aim of this working group is to gain mutual understanding of technical issues and aspects, and together arrive at supported solutions.

HSE risk management in developing and exploring new activities

In the development of CCS projects in which EBN is a partner and in the development of future activities, HSE risk management is given shape in consultation with stakeholders within the project concerned or, where necessary, EBN's HSE management system is adapted and supplemented.

Safety culture at EBN

EBN is working towards a proactive safety culture. This includes addressing unsafe situations and behaviour. This is how we show our commitment to the safety and health of colleagues, visitors and others who work for, or on behalf of, EBN. Showing exemplary behaviour by our management contributes to this safety culture. Additionally, the management supports initiatives for continuous attention to safety, health and the environment and provides the necessary resources. These include HSE management system design, HSE policies and targets, Golden Rules and HSE leadership training. The importance of effective and appropriate HSE management is propagated by management.

4.8 Reflection & future prospects

EBN recalibrated its strategy in 2022 to match its changed role in the energy transition. This strategy, and the corresponding organisational adjustment, will be operational from January 2023. Furthermore, EBN has developed a number of internal improvement plans in recent years, including in the areas of crisis management and communication and data management. These have been implemented effectively. The internal organisation is thus increasingly better equipped for the future.

Our value is created in cooperation with our stakeholders: from energy companies to knowledge institutions, interest and industry organisations and stakeholders in the political-administrative domain. What role do our stakeholders see for us in the energy transition? Do stakeholders find the issues we prioritise also relevant to EBN? And how can EBN optimally contribute to accelerating the energy transition, both now and in the future? We commissioned stakeholder surveys on this in 2020 (baseline measurement) and 2021. This survey will be repeated in 2023. The outcomes offer us valuable insights and give us direction for the future, giving EBN the needed tools to further strengthen and accelerate our impact in the energy transition in the coming years.

Because the past year has seen significant internal and external developments relevant to measuring and reporting impact within EBN. From an internal perspective, 2023 is dominated, as mentioned, by the entry into force of the new 'Fit for 60' strategy. There is therefore a greater focus on our role as a public company and on social value creation that we create with stakeholders, complementary to financial value.

Moreover, EBN is celebrating its 50th anniversary this year, a great occasion to deepen the dialogue with stakeholders. Additionally, external developments in European and domestic legislation are prompting us to accelerate and improve our impact reporting. Both the new Corporate Sustainability Reporting Directive (CSRD) and the Policy Document on State Shareholdings require companies, including EBN, to lead the way in this. As a result of these developments, EBN wants and needs to take its impact reporting to the next level in 2023: we want to get a clear picture of our impact on our environment in terms of material themes, as well as provide insight into the impact of social developments (within the material themes) on our organisation.

This also plays into the fact that new activities and stakeholders will require new skills. In addition to financial and technical expertise, EBN increasingly needs to develop expertise on the social aspects of the transition. In geothermal energy development, for example, we are increasingly dealing with our immediate neighbours. This calls for attention to local communication and more participatory forms of work. As a non-operator, we are developing a view on whether and how we can set a standard in this that parties we work with should adhere to.

EBN participates as a partner in the CCS projects Porthos (together with the Port of Rotterdam and Gasunie) and Aramis (with Gasunie, Shell and TotalEnergies). In November 2022, the Council of State ruled on the so-called construction dispensation in relation to nitrogen emission. For Porthos, this means a delay in the project. Based on an individual nitrogen impact assessment, a final ruling will follow in spring 2023.

5. Risk & Corporate Governance

Events inside or outside EBN may pose a risk to our continuity or strategic objectives. For each risk, we assess the probability of its occurrence and the effect it could have on our activities. We take steps to protect our company values and improve our performance. We are transparent about internal and external risks. We closely monitor the development of risks. In this way it is easier to make quick adjustments, to create and retain value, to improve performance and to comply with the demands made on us by legislation. We periodically report the development of key strategic risks to the Supervisory Board. We have included specific mitigating measures in the long-term plans of our corporate departments and themes, and the management actively monitors the strategic risks.

5.1 Risk management

Enterprise Risk Management (ERM) makes it possible for us to achieve our objectives in a responsible manner, and to account for the same. Our risk-management policy focuses on all facets of the business, from strategic and operational risks to the reliability of reports (financial and otherwise), and compliance with legislation.

To determine the probability and effect of the various risks, we use the EBN Risk Assessment Matrix (RAM). This is a methodology for unambiguously identifying risks at the project, business and strategic levels.

EBN has organised risk management as follows:

1. Directors and departmental managers are themselves responsible for identifying risks and implementing timely control measures. Devolved responsibility of this kind is an essential part of EBN's approach to risk management.
2. The Treasurer (in our new organization: the Manager Business Control) works with the Business Controllers and the Administrative Organisation and Internal Control Co-ordinator to co-ordinate the risk-management process.
3. The Business Controllers support management.
4. The Board of Directors monitors risks.

In our Strategic Risk Analysis (SRA) we identify events that may threaten the continuity of our business or the achievement of our strategic objectives. We quantify the identified risks by naming the probability of an event occurring and the impact this event has on our operations. During annual sessions, the Board of Directors and the Supervisory Board update and determine strategic risks and risk appetite.

At the level of our (business) units and departments, management annually links strategic risks to (business) unit and departmental objectives. Every year, the teams conduct a Business Risk Assessment (BRA).

During these self-assessment sessions, each (business) unit and department updates the business risks. The teams also review the design and operation of the identified control measures. Where necessary, they adjust (business) unit and departmental objectives and appoint action holders for this purpose. These action holders follow up on any findings and take action to ensure that the control measures adequately cover the risks.

The proper functioning of IT and related control measures also has our attention. Based on the SRA and BRA we carry out internal audits to review the operation of significant business processes. Based on the findings, we identify actions. We assign these to owners. We discuss the most important findings from these internal audits with the Audit committee of the Supervisory Board.

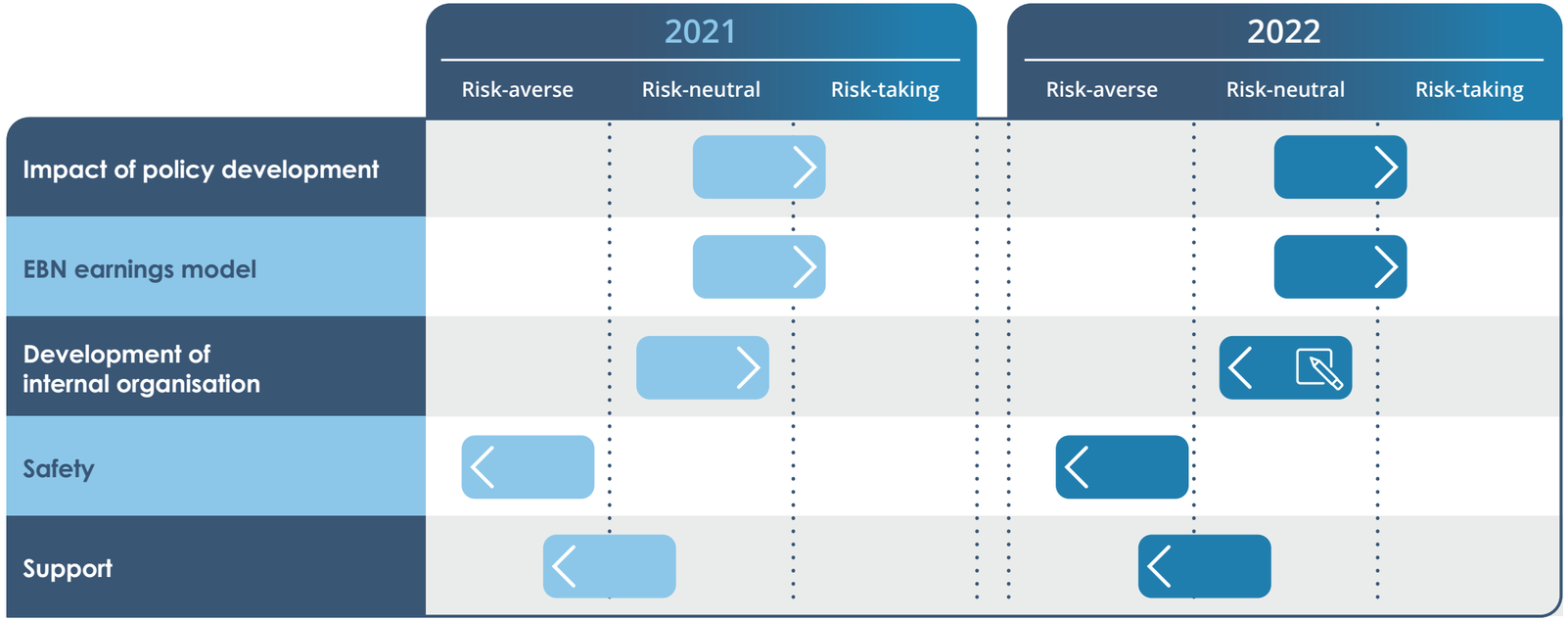
The nature of the findings largely relates to new activities within EBN and its further professionalisation. We made organisational improvements, such as setting up a Procurement department, reviewing our grant processes (including grant audits), the ‘Added value from Data’ programme and setting up a crisis management system. These improvements have sufficiently mitigated the risks.

In addition to the internal audits, EBN also conducts ‘joint-venture audits’ on the costs that operators pass on to our organisation as part of the various collaborative efforts in which it is involved. We discuss the findings of these audits with the operators. Where necessary, they

make corrections and/or adjustments to their allocation (system). An external review of the process for quantifying our oil and gas reserves and resources is also carried out annually. This involves an in-depth review of fields in which there have been substantial changes and/or are material to the EBN portfolio. The recommendations from the review are implemented and followed-up to guarantee continual improvement of this process.

5.2 Risk appetite

The figure below shows the risk appetite for the main strategic risks. The risk appetite for financial and operational risks that are included in other chapters is neutral. This is risk-averse in relation to compliance risks.



Importance of good internal control. Internal controls and administrative organisation increase as the organisation becomes more complex.

5.3 Main strategic risks

In 2022, we assessed the risks in detail together with the Supervisory Board. We added ‘Gas market disruption’ after the events surrounding European gas infrastructure and unstable pricing on TTF. In the Risk Assessment Matrix below, we have projected the strategic risks by likelihood and severity.

Main strategic risks 2022

SRA 2021

SRA 2022

Likelihood (kans)

	A	B	C	D	E
	Zeldzaam	**Onwaarschijnlijk**	**Mogelijk**	**Waarschijnlijk**	**Zeer Waarschijnlijk**
	Nog nooit voorgekomen bij EBN projecten / operaties / industrie	Kan wel eens voorkomen bij EBN projecten / operaties / industrie	Doet zich jaarlijks voor bij EBN projecten / operaties / industrie	Komt enkele keren per jaar voor bij EBN projecten / operaties / industrie	Komt meerdere keren per jaar voor bij EBN projecten / operaties / industrie
	Rare	**Unlikely**	**Possible**	**Likely**	**Very Likely**
	Never heard of in EBN projects / operations / industry	Heard of in EBN projects / operations / industry	Has happened in EBN projects / operations / industry	Happens a few times a year in EBN projects / operations / industry	Happens several times a year in EBN projects / operations / industry

Consequences (effect)

Severity (ernst)	People	Environment	Impact on stakeholders	Assets & economics
5	**Massive impact** (enorme impact)			
4	**Major, national impact** (grote, nationale impact)			
3	**Moderate, local impact** (matige, lokale impact)			
2	**Minor impact** (kleine impact)			
1	**Slight impact** (geringe impact)			

Support

Disruption of gas market

EBN earnings model

Impact of policy development

Safety

Development of internal organisation

Main strategic risks 2022

	Description	Appetite	Control measures
Impact of policy development	• The State sets the frameworks for EBN. However, the development of energy policies has been undergoing significant change in recent years (role of natural gas, policies on geothermal energy, etc.). There is a risk that: - EBN is a policy participation and implements the policy of the Ministry of Economic Affairs and Climate Policy. There is a risk that unclear or changing policies are difficult for EBN to apply in the strategy. Close coordination is therefore essential; - the necessary political support and mandate and improvement of the E&P investment climate fails to materialise, preventing exploration activities in the Netherlands (in a timely manner); - due to a complex field of tension, a lack of consensus around usefulness and necessity, and adequate fulfilment of preconditions by politicians, the thermal energy transition has difficulty getting off the ground and that the future market organisation, financial support and sector organisation are not appropriate for developing a new value chain that represents mainly long-term social value and less short-term commercial value in the coming years.	• In this respect, EBN's risk appetite is risk- neutral, where this fits within the policies the government is developing with respect to the energy transition.	• EBN remains in close contact with the Ministry regarding the official line to be followed. Where possible and necessary EBN provides advice, so that optimal decision-making takes place in The Hague, taking the interests of all stakeholders into account.
Support	• There is a risk of insufficient support for the role, strategy and (new) activities of EBN from the public or among (existing and potential) partners • Projects incur delays or are cancelled because of little or no support from locals. There is a risk that as a result of the negative sentiments surrounding gas extraction, EBN's position could come under pressure.	• On balance, EBN assumes a risk-neutral to risk-averse position.	• EBN contributes to the energy debate in the Netherlands with factual information. • EBN frequently discusses the content and perception of current and future activities with its stakeholders. • EBN and the partners/contractors it works with are taking ever more notice of the effects of their activities on the environment (and other interested parties) and increasingly acting in the common interest.
EBN earnings model	• Uncertain market conditions due to geopolitics, war and/or overheated market leads to scarcity of commodities and rising prices (inflation). This causes cost escalations, such as in relation to development costs and investments for new projects. This creates the risk that they will not arrive at a profitable business case and will not get off the ground. The business environment is an important factor for the success of new business. Getting a project off the ground where there is no market yet is a challenge. EBN's earnings model is undergoing a transition from high profit margins with relatively few resources (E&P) to low profit margins with relatively many resources (geothermal, CCS etc.).	• EBN takes a risk-neutral to hungry, risk-taking position with respect to external factors that may influence the business case during the implementation phase of investments; • However EBN is risk-averse where fulfilling commitments by partners is concerned.	• EBN maintains a robust dividend policy aligned with the shareholder, aiming for a solvency of 25%. This gives EBN sufficient buffer capacity to absorb any financial setbacks. EBN evaluates various scenarios for the impact of external factors on its various current and future activities/products; • For funding and financial robustness, there is frequent contact with the State. EBN requests additional securities (DSA or PCG) for partners or activities with a high risk profile or takes additional measures in the Cooperation Agreement (Geothermal energy);

Continued key strategic risks 2022

	Description	Appetite	Control measures
EBN earnings model (continued)	• Higher standards for decommissioning and removing plant or changing market conditions are either driving up decommissioning costs or limiting their reduction. The new activities are strongly dependent on grants, which makes them vulnerable to changing priorities in the bodies which fund them and, in addition, EBN is vulnerable to risks associated with working with smaller companies: safety, financial robustness, and funding opportunities from partners.		• EBN carries out ongoing peer reviews and sensitivity analyses within individual projects and will minimise the impact of low gas prices through commodity hedging.
Safety	• During the work carried out by our operators as well as our own activities it is possible that environmental and safety-related disasters can occur that have an impact on the surrounding area. As a result, EBN should be able to terminate activities. There is also the risk of system failure and loss of valuable EBN data (ransomware).	• On balance, EBN assumes a risk-averse position.	• For all activities, EBN develops a Safety, Health and Environment management system and benchmark. • EBN engages with operators to positively influence Safety, Health and Environment performance. • EBN applies 'Security Information and Event Management' (SIEM) and carries out regular technical security audits.
Gas market disruption	• Uncertain market conditions due to geopolitical developments lead to scarcity of gas and oil and sharply rising gas and oil prices (inflation). This is a threat to security of supply and affordability of gas.	• On balance, EBN assumes a risk-averse position.	• EBN has been commissioned by the Ministry of Economic Affairs and Climate Policy to fill the Gas Storage Bergermeer with working gas to the target fill level in the run-up to the winter of 2022/2023 and is in ongoing discussions with the Ministry of Economic Affairs and Climate Policy about additional mandates that could contribute to the security of gas supply in Europe.

5.4 Corporate governance

Shareholder:

General principles

EBN is a private limited company with the Dutch State as its sole shareholder. Share management lies with the Ministry of Economic Affairs and Climate Policy. EBN is a policy participation. A policy participation is a company in which the roles of shareholder and policy maker cannot (at this point) be separated. Within the Ministry, the shareholdership lies with the Secretary-General who is supported in this by civil servants from the Enterprise Directorate (part of the Directorate-General (DG) Enterprise and Innovation). The substantive policies are fleshed out by the DG Climate and Energy together with the Groningen and Subsurface and Groningen Project Directorates.

The subscribed and paid-up capital of EBN is EUR 128,137,500, divided into 284,750 ordinary shares with a par value of EUR 450 per share.

EBN's governance has been based on an enlightened two-tier entity regime since April 2022. The shareholder appoints the CEO and Supervisory Board of EBN. The Supervisory Board makes a nomination for the appointment of the CEO to the shareholder. The shareholder appoints a Supervisory Board member upon nomination by the Supervisory Board with the works council having an enhanced or ordinary right of recommendation. The shareholder appoints a chair from the midst of the members of the Supervisory Board.

EBN's articles of association include the stipulation that the CEO requires prior approval from the Supervisory Board or from the shareholder for certain decisions. In relation to the approval of the Supervisory Board, please see section 6.5 on Supervisory Board approvals. The approval of the shareholder may be required, for instance, for:

- entering into or breaking a lasting cooperation (other than a cooperation agreement as referred to in the Mining Act) or making disinvestments or investments with a value of more than EUR 200 million;
- liquidation of the company or significantly curtailing its operational activities, or those of a subsidiary or of an important unit of the company;
- decisions made by the Board of Directors on a significant change to the identity or character of the company.

General Meeting of Shareholders

The annual General Meeting of Shareholders was held on 30 March 2022. The CEO, the Finance Director, the Strategy & Technology Director and the Supervisory Board were present at this General Meeting of Shareholders.

During the annual General Meeting there are several fixed points on the agenda:

- the debate on the annual report of the CEO on the company's affairs and its management;
- the adoption of the annual accounts and appropriation of profit;
- discharging the CEO of liability for his management over the previous financial year;
- discharge for the members of the Supervisory Board for their supervisory duties over the previous financial year.

The annual accounts for 2021 were adopted and the CEO and Supervisory Board were granted discharge for their duties.

Informal consultation shareholder and policy-maker

In addition to the General Meeting of shareholders, the representatives of the shareholder from the Ministry and the Finance Director of EBN have regular informal meetings. The purpose of such informal meetings is to provide the shareholder with all relevant financial information needed in good time so that they can fulfil their duties. The Board of Directors is obliged to provide all relevant information. The director, the chairman of the Supervisory Board and the secretary-general also hold strategic consultations (two to three times a year) on topical shareholder issues.

We also have informal meetings with policy makers on a regular basis. There are several scheduled consultation sessions, such as the Strategic Consultation, the

Management Consultation and the Mining Consultation. In these scheduled consultation sessions we share information on developments within both organisations, any changes to energy policy and relevant developments in the field of the duties and operations of EBN. In addition to members of the Board of Directors, other EBN employees are also present at these consultation sessions. In addition to the CEO, the chair of the Supervisory Board is also present at the Strategic Consultation.

Supervisory board

The Supervisory Board is charged with supervision of the policy of the CEO, and general day-to-day business within EBN, and assists the CEO in an advisory capacity where necessary or desired. In turn, the Board of Directors provides the Supervisory Board with all required and relevant information, so that the Supervisory Board can optimally fulfil its duties and responsibilities. EBN's articles of association include the stipulation that the Board of Directors requires prior approval from the Supervisory Board for certain decisions.

Among other things, this is the case for:

- drawing up or changing the operating budget, or the investment and finance plan;
- appointment of authorised signatories;
- carrying out other legal transactions to a value in excess of EUR 50 million;
- establishing or changing the strategy.

No changes were made to the composition of the Supervisory Board in 2022.

Mr Weck resigned from EBN's Supervisory Board on 1 March 2023 (end of second term). With effect from 13 March 2023, the shareholder appointed Ms R.M. Bergkamp as EBN's Supervisory Board director.

CEO

EBN has a single director in the position of CEO. The CEO is responsible for overall policy and strategy, with the appropriate risk profile of the company. The CEO is also responsible for achieving the company's targets, results and aspects of corporate social responsibility relevant to the company. Where necessary, the CEO submits decisions to the shareholder or Supervisory Board for approval. In addition the CEO shall ensure that the internal risk-management and control system is working properly.

Board of Directors / Executive Board

The CEO is assisted by two titular directors who, together with the CEO, form the Board of Directors. The CEO is the chair of the Board of Directors. In addition to director Jan Willem van Hoogstraten (CEO), the Board of Directors comprised the following people until 1 October 2022: Berend Scheffers (Strategy & Technology Director) and Bas Brouwer (Finance Director). Berend Scheffers stopped as Director Strategy & Technology per is per 1 October 2022. Due to an organisational change from 1 January 2023, his position has not been refilled.

With effect from 1 March 2023, Yolande Verbeek will start as COO at EBN. Together with Jan Willem van Hoogstraten as CEO and Bas Brouwer as CFO, the COO forms the Board of Directors. The COO and CFO are titular directors and the CEO is chairman of the Board of Directors. Also take a look at the new organisation chart.

EBN has long operated with an Executive Committee as referred to in the corporate governance code. The Executive Committee is formed by the Board of Directors (the CEO and two titular directors). The Board of Directors / Executive Board operates on the basis of joint responsibility with a division of tasks by functional areas (see the governance table for further explanation of the division of tasks). governance table for a more detailed explanation of the distribution of tasks). This division of tasks is also laid down in the Board of Directors / Executive Board regulations. Each member of the Executive Board is responsible for the preparation of policy matters and decisions. After decision-making within the Executive Board, board members ensure timely implementation of the decisions taken. The CEO remains ultimately responsible for all tasks and decisions of the board of directors and the members of the Board of Directors report to the CEO.

Appointment, suspension and dismissal of titular directors requires prior consultation by the CEO together with the Supervisory Board. The titular directors routinely attend the meetings of the Supervisory Board and the

meetings of the Supervisory Board's Audit committee; this contributes to the adequate provision of information to the board.

In the annual report, the CEO describes the primary risks that are related to EBN's strategy, and how the internal risk-management and control system is set up and works. the management also indicates any significant changes made and any important improvements planned. See Section Risk management.

Recruitment and selection of Supervisory Board and Board of Directors

When recruiting a new Supervisory Board member, use is made of the Supervisory Board profile as adopted by the shareholder (both general requirements and specific requirements per profile, including competences). It is usual to have contact with the shareholder about the specific vacancy before the start of recruitment, but there is also contact with the shareholder during the search process about the long-listed and short-listed candidates. In recruitment, diversity is a focus (see also the Supervisory Board's Diversity policy) and for independence, the Supervisory Board adheres to the corporate governance code. Diversity policy In recruitment, diversity is a focus (see also the Supervisory Board's Diversity policy) and for independence, the Supervisory Board adheres to the corporate governance code.

From left to right: Bas Brouwer, Jan Willem van Hoogstraten, Yolande Verbeek

The shareholder appoints the CEO and determines at that time the criteria to be applied for that purpose. In accordance with the 2022 Policy Document on State Shareholdings, the shareholder considers for each vacancy what knowledge, skills and competences are required and to what extent a candidate has them. Assessments are made as to whether a candidate is aware of the social context in which the company operates and the public interest involved.

Remuneration

The shareholder establishes the policy for the remuneration of the CEO. Within the framework of that policy, the Supervisory Board determines the actual level of remuneration for the CEO, including bonuses. The Supervisory Board's remuneration report explains the remuneration of the CEO.

The fixed remuneration of the other members of the Management Board is determined by the CEO, in accordance with the remuneration policy as determined by the Supervisory Board. The realisation of variable remuneration and the adjustment of fixed remuneration is determined by the Supervisory Board. The variable remuneration is made up of two components: a target component (achievement of business objectives and annual strategic objectives) and an additional component (discretionary authority of the Supervisory Board).

The EBN objectives are described here; one of these objectives relates to reducing CO_2.

For other EBN employees (including other senior management), variable remuneration depends on EBN targets, individual performance goals, personal development and overall performance.

EBN is going to use *sign on* fees (when entering into an employment contract with EBN) or other fees to new employees. EBN employees participate in an ABP pension scheme. *Clawback* provisions are not part of an EBN employment contract (with the exception of the director's employment contract, see the Remuneration report). EBN does not have a general policy on whether to grant termination payments; this is assessed on a case-by-case basis.

Governance table

The governance tableincludes the following data of the Board of Directors and Supervisory Board: age, additional functions, terms of office, profiles/specific knowledge and duties within EBN.

Conflicts of interest

EBN endorses principle 2.7 of the Corporate Governance Code (see 'Compliance with the Corporate Governance Code' below), which aims to ensure that all forms of conflict of interest between the company and the management or its Supervisory Board members are prevented. The articles of association, the management regulations and the Supervisory Board regulations each have a clause relating to potential conflicts of interest between the company and the management or members of the Supervisory Board. The premise here is any conflict of interest between EBN and a Supervisory Board member. Any (potential) conflict of interest, of a Supervisory Board member or a member of the Board of Directors, must be reported immediately to the chairman of the Supervisory Board. The Supervisory Board shall decide, without the relevant supervisory director or executive director being present, whether the relevant supervisory director or executive director has a conflict of interest. If deliberations or decisions are subsequently taken on a subject in respect of which a supervisory director has a conflict of interest, that supervisory director may not participate in these deliberations.

Regarding the CEO, Board of Directors resolutions in respect of which the Supervisory Board has determined that the CEO has a conflict of interest, can only be taken if EBN enters into the transaction on terms customary in the market and these Board of Directors resolutions require the approval of the Supervisory Board.

In 2022, no reports were made by the CEO or a member of the Supervisory Board. By including reports of disclosures in the annual report of (potentially) conflicting interests, these reports are transparent to all stakeholders.

External auditor

The shareholder appoints the external auditor, for which the Supervisory Board can make a nomination. In late 2019, EBN went through a European tender procedure to select an auditor to audit its annual accounts for 2020 and beyond. The Supervisory Board nominated PwC as auditors and the shareholder appointed PwC to audit the annual accounts for 2020 to 2023 inclusive.

Compliance with the Corporate Governance Code of the Netherlands

EBN highly values good corporate governance. For that reason, EBN voluntarily subjects itself to the principles and best practices of the Dutch Corporate Governance Code (where applicable to EBN). In doing so, EBN is following the policy of the government in relation to companies with government participations and the Code. The Dutch Corporate Governance Code and information

on this can be found at: EBN has set out in a report how it applies these for each principle and best practice. This implementation report can be found at www.ebn.nl/ebn-over/corporate-governance/.

Diversity of Supervisory Board, executive and sub-top

With effect from 1 January 2022, the Balanced Gender Ratio Act applies to both supervisory and executive boards. EBN has set the following targets on this basis:

- Supervisory Board (2022): at least two female members, at least two male members (in line with existing diversity policy). As at the end of the financial year, the Supervisory Board consisted of two women (40%) and three men (60%).
- CEO (2022, 2023): no target set as there is only one CEO (Jan Willem van Hoogstraten, male).
- Board of Directors (2022): at least 1/3 women, at least 1/3 men. This target has not been formally met as of the end of the 2022 financial year. With the departure of Berend Scheffers from the Board of Directors, a recruitment and selection process was launched for a new CEO. Given the composition of the Board of Directors, a woman was sought. On 1 March 2023, Yolande Verbeek will start as COO and with this, the Board of Directors that started on 1 January 2023 will consist of one woman (1/3) and two men (Jan Willem van Hoogstraten and Bas Brouwer, 2/3).
- Executive Board (2023): at least 1/3 women, at least 1/3 men.
- Sub-top (2022, 2023): at least 40% women, at least 40% men. At the end of the financial year, EBN's sub-top consisted of 43% men and 57% women. The sub-top is defined as the executives who report directly to the Board of Directors.

EBN has also determined measures to achieve the targets. Measures include conducting a number of external surveys (on remuneration, policy documents and employee perceptions on diversity and inclusion), determining a male-female split when hiring new employees. Also EBN has drawn up a plan of action to achieve more diversity in the workforce and a more inclusive corporate culture. Further measures are described in the action plan.

Governance and sustainability

EBN, as the policy arm of the Ministry of Economic Affairs and Climate Policy, is committed to accelerating the energy transition in addition to a reliable and affordable energy supply. In the activities to make the gas value chain more sustainable and in internal operations, we want to act in such a way that there is no negative impact on people, environment and society. At the same time, we want to increase our positive impact by working with partners to ensure a reliable and affordable energy supply and the necessary acceleration in the development towards a future-proof and sustainable energy system for current and future generations.

EBN is discussing sustainability with its environment and stakeholders. In the joint ventures, EBN aims to reduce its environmental impact and carbon footprint. One way we do this is by annually requesting the environmental and energy performance (so-called Operational Performance Indicators) of operators in the oil and gas sector and reporting on it in the OPI report. EBN promotes safety; we strive to ensure that current and future operational activities in which we participate (E&P, geothermal, CCS, renewable gases) do not exceed any risk limits thereby generating a risk for people and the environment. We have an HSE benchmark for the oil and gas operations in which we participate and an HSE management system for SCAN. If necessary, we will expand the HSE management system for new activities

EBN also focuses on active good employment practices or 'prudent operatorship'. We also encourage our partners to take social responsibility and show good behaviour in their part of the chain. We ask our suppliers to take responsibility for their own supply chain and encourage adherence to ethical standards and human rights among their suppliers.

EBN's CSR statement, as well as other policy documents, require Board of Directors approval in accordance with internal processes. All work processes are periodically audited in accordance with the internal audit schedule. The audit committee of the Supervisory Board is informed annually about the core audit results. Quarterly, EBN

reports on the progress of all its activities in the quarterly report. The quarterly report includes all strategic objectives and these are linked to EBN's material themes. EBN discusses the quarterly report with the Supervisory Board and EBN explains it to the ministry's shareholder representatives. The quarterly report is available to all employees.

Stakeholder engagement

EBN's activities involve many different stakeholders and interested parties. Contact with stakeholders takes place at all levels of the organisation: from the Board of Directors / Executive Board to individual employees who are in contact in projects with, among others, the Ministry of Economic Affairs and Climate Policy, partners with whom EBN participates in projects, provincial and local authorities and non-profit organisations. Contact with stakeholders can be general in nature or specifically focused on a project or investment decision of EBN.

Through the chairman of the Supervisory Board, there is regular contact with the Ministry of Economic Affairs and Climate Policy. The other members of the Supervisory Board maintain little or no contact with stakeholders. At Supervisory Board meetings, EBN employees inform the board about their contacts with stakeholders. EBN also informs the board about the annual stakeholder survey.

In 2022, EBN completed a strategy process that increased the Board of Directors's and Supervisory Board's knowledge of sustainable development. EBN is committed to a carbon-neutral energy system by 2050 and sustainability is a key topic of conversation in all projects. In drafting the 2020–2023 strategy, EBN used external support, and sustainability was again a key theme.

Integrity

Code of Conduct, Complaints Committee and Confidential Counsellor

We value transparency and clarity in our external communication as well as internally. Integrity is one of EBN's sustainability themes. The areas that EBN identifies as part of the 'integrity' theme are human rights, non-discrimination, corruption, competition and transparency. EBN gives voice to its endeavours to act in a principled and responsible manner not least through its Code of Conduct. The Code of Conduct applies to all employees and is accessible to all. It forms a guideline for making personal choices and individual decisions. In addition, we use the Code of Conduct to review the actual behaviour of our organisation and employees.

Where employees have complaints about matters within the organisation, they can report them to a Confidential Counsellor or to the Complaints Committee. In 2022, the Complaints Committee did not receive or deal with any complaints.

The confidential counsellor did not have any talks with employees in 2022. The Code of Conduct can be consulted at: www.ebn.nl/ebn-over/corporate-governance.

Employees can also discuss any complaint with their manager or the board.

Stakeholder engagement

Stakeholders have so far not been directly asked to contribute to the design of grievance mechanisms. If certain complaints warrant it, EBN will adjust its procedures. Specifically on the impact of the Groningen earthquakes on residents, EBN evaluated its own role in the context of the parliamentary inquiry into gas production in Groningen and formulated lessons for the future; EBN also considered the impact of this on its role in current and future projects.

Twice a year, EBN's Board of Directors meetings discuss all proceedings and claims involving EBN. Individual proceedings and/or claims will be discussed separately if warranted.

For the SCAN project, EBN has drawn up a specific complaints procedure. Prior to the work, EBN will inform the municipality concerned about this complaints procedure. In case of a complaint or report, a staff member from the project contacts the person who made a complaint or report as soon as possible (on site or

by phone, depending on the time and nature of the complaint or report).

Procurement policy

The EBN procurement policy has the following objectives:

- Comply with primary and secondary legislation in relation to national and European tender procedures;
- Ensuring the best price for the desired quality; ensuring proper delivery terms and P2P conditions are established (payment terms, call-off obligations, approval of delivery service/hours, etc.);
- Reduce supply risks;
- Increase the product and supplier quality level;
- Reduce procurement costs;
- Improve purchasing function;
- Add value by contributing to the EBN objectives.

Given EBN's increasing procurement and the wish to further professionalise the procurement process, in 2021 EBN set up a Procurement department. The Procurement department focuses on the procurement process in the widest sense, from purchase up to and including calling orders, plus the processing of the invoices.

EBN's general purchasing terms and conditions form part of its procurement policy. Where possible, these terms and conditions are applied to goods or services that EBN purchases. These purchasing conditions can be found on the website under www.ebn.nl/over-ebn/juridisch/. Where a supplier acts in breach of these purchasing terms and conditions we will take steps to address this.

Compliance legislation and regulations

EBN received no fines for non-compliance with laws or regulations in 2022. EBN also received no summonses for non-compliance with laws or regulations.

Whistle-blower scheme

The whistle-blower scheme is a mechanism for employees to report alleged abuses in the organisation to the management or the Supervisory Board. The current whistle-blower scheme can be found at: www.ebn.nl/ebn-over/corporate-governance/.

International conventions and guidelines

As a policy participation, EBN naturally respects the conventions and guidelines ratified by the state of the Netherlands, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

5.5 Governance statement

The Management Board is responsible for the effectiveness of the design and operation of EBN's internal risk management and control system. This system aims to monitor the achievement of strategic, operational and financial objectives and focuses on all facets of the business. from strategic and operational risks to the reliability of reports (financial and otherwise), and compliance with legislation.

Section 5 Risk & Corporate Governance describes our internal risk-management and control system and our risk profile.

No single system can ever give absolute certainty that we will achieve our business objectives or prevent material errors, losses, fraud or breaches of legislation in our processes and reporting (financial or otherwise). The CEO evaluated the set-up and functioning of the internal risk-management and control system during 2022, among other things on the basis of the Business Risk Assessments, 'Letters of Representation', and reports from the internal auditor. The results of this evaluation and the risk profile have been discussed with the Supervisory Board's Audit committee, in the presence of the internal and external auditors.

We hereby confirm that:

- this report contains the material risks and uncertainties that are relevant to the expected continuity of business operations for a period of twelve months from the publication of the present report;
- given the current state of affairs, it is justifiable that the reporting (financial or otherwise) was drafted on a going concern basis;

- this report gives sufficient insight into shortcomings in the functioning of the internal risk-management and control system;
- the aforementioned system offers a reasonable amount of certainty that reporting (financial and otherwise) does not contain any inaccuracies of material significance.

Events after balance-sheet date

The past year also featured a parliamentary inquiry into natural gas extraction in Groningen, which EBN naturally assisted with. The committee of inquiry also heard evidence from a number (former) EBN staff members in this respect. The Report of the 'Groningers boven Gas' Parliamentary Inquiry Committee was published on 24 February 2023.

EBN has considered the extent to which this – the report published after the balance sheet date – constitutes grounds for adjusting the financial positions set out in these financial statements (including the provision for decommissioning and restoration). In this respect it has been determined that the report does not constitute grounds for this. For the 2023 financial year, EBN will of course reassess this based on the facts and circumstances then available.

On 13 January 2023, in a shareholder resolution, the State of the Netherlands granted approval to EBN to continue filling activities at the Bergermeer gas storage facility for the period 1 January 2023 to 1 November 2023. EBN will store up to 20 TWh in gas storage Bergermeer, to the extent not filled by market parties, until at least 90% of the storage is filled. EBN will work to keep a total of 7 TWh in the Bergermeer gas storage facility until the end of Q1 2023. The total subsidy provided by EZK for the filling activities amounts to EUR 520 million and is largely to compensate for possible negative trading results.

CEO, Utrecht 10 March 2023

Ir. J.W. van Hoogstraten

6. The Supervisory Board's report

6.1 General Principles

Serving in the role of the CEO's employer, the Supervisory Board oversees the policy pursued by the CEO and the general state of affairs prevailing within EBN. In this report the Supervisory Board explains how it has structured its oversight and has provided the CEO with advice.

In accordance with the Nota Deelnemingenbeleid Rijksoverheid 2022 (Policy Document on State Shareholdings 2022), EBN applies the Corporate Governance Code to the extent relevant and applicable. The section on Risks and Corporate Governance in this annual report addresses the application of the Corporate Governance Code in greater detail. The Corporate Governance Code 2016 was published in December 2016; it was enshrined in the Civil Code in September 2017. EBN reports on EBN's application of the 2016 Corporate Governance Code in this annual report. EBN will report next year on its implementation of the Corporate Governance Code 2022. The Corporate Governance Code 2022 will take effect from financial year 2023.

6.2 Composition of the Supervisory Board

There were no changes in the composition of the Supervisory Board in 2022. Mr Weck resigned from EBN's Supervisory Board on 1 March 2023 (end of second term). The Supervisory Board thanks Mr Weck for the pleasant cooperation and for his valuable contribution as supervisory director. With effect from 13 March 2023, the shareholder appointed Ms R.M. Bergkamp as EBN's Supervisory Board director.

The profiles comprising part of the Supervisory Board's profile approved by the General Meeting of Shareholders in June 2015 are used for the purposes of vacancies on the board. The Board's profile has been published on the EBN website.

The Supervisory Board's profile sets out the characteristics which its individual members and the Supervisory Board as a whole need to possess. The Supervisory Board needs to be made up of members who are capable of acting independently of and critically in relation to each other, the CEO and every subsidiary interest. For the purposes of the composition of the Supervisory Board consideration is given to the nature of EBN's operations, its mission and objectives, the Supervisory Board's duties and the expertise of the Board's other members.

The Supervisory Board chair, Mr Huijskes, serves as the first point of contact for the EBN's CEO. The full Supervisory Board bears joint responsibility. All Supervisory Board members are members of the Remuneration and Selection and Appointment committees and the Audit committee.

The governance table shows the membership and chairmanship of the Supervisory Board and its committees. Gender, age, nationality, main position, relevant additional functions, time of first appointment and current term can also be found in this governance table. The personal details, relevant secondary functions of SB members and the retirement schedule are also published on the company's website under Corporate Governance – Supervisory Board.

The members of the Supervisory Board do not maintain any other business relations with the company. There was no evidence of any conflict of interest between the company and SB members in 2022. EBN's Articles of Association and Supervisory Board regulations include provisions on dealing with a conflict of interest. The guiding principle here is that any form of conflict of interest between the company and a supervisory director should be avoided. Any (potential) conflict of interest must be reported immediately to the chairman of the SB, with the relevant SB member providing all relevant information. The SB will then decide, without the relevant SB member being present, whether that SB member has a

conflict of interest. In case of a genuine conflict of interest, the relevant supervisory director may not participate in the deliberations or decision-making on this subject. This supervisory director is then not entitled to vote on the issue.

A similar rule applies to a (possible) conflict of interest of the CEO or a member of the Executive Board. This regulation is included in the board's regulations.

The full Supervisory Board satisfies the requirements for independence set out in the Corporate Governance Code (Best Practice Clauses 2.1.7 to 2.1.9).

6.3 Composition of the Executive Board

On 1 March 2016 the General Meeting of Shareholders appointed Mr Van Hoogstraten to serve as the CEO. EBN has a single director in the position of CEO. The Supervisory Board consulted with the shareholder as part of the appointment procedure and the Works Council was also involved in it. Simultaneously with the appointment of Mr Van Hoogstraten, the shareholder adopted the policy on the CEO's remuneration. The Supervisory Board decided on Mr Van Hoogstraten's remuneration and other terms of employment in accordance with that remuneration policy. The Works Council presented advice on the remuneration policy.

	Supervisory Board (4 regular meetings, 5 interim meetings)	Audit committee (2 meetings)	Remuneration committee / Selection & Appointments committee (4 meetings)
Mr Huijskes	100%	100%	100%
Ms Gehrels	78%	100%	75%
Ms Kneppers-Heijnert	100%	100%	100%
Mr De Vries	100%	100%	100%
Mr Weck	100%	100%	100%

On 1 March 2020, Mr Van Hoogstraten was appointed to serve as the CEO for a second term, with the 2016 remuneration policy remaining unchanged.

The section of this annual report about corporate governance deals with the tasks of Executive Board in greater detail.

6.4 Meetings of the Supervisory Board

The Supervisory Board held four regular meetings. In addition to the four regular meetings, five additional meetings were held and two informal consultations were held. Meetings and other consultations took place at EBN's offices or online.

Apart from the members of the Supervisory Board, those of the EBN Board of Directors attended these meetings. The external auditor attended the Audit committee's meetings in March and September 2022. EBN staff also attended a number of meetings at the Supervisory Board's request to explain projects in which they are involved. In this way, the Supervisory Board stays abreast of developments within EBN.

In 2022 the Supervisory Board attended two consultation meetings of the CEO and the Works Council.

The table below shows the attendance rate of each Supervisory Board member at Supervisory Board and committee meetings.

6.5 Supervisory Board approvals

In 2022, the Supervisory Board approved or issued a favourable recommendation on the following matters, among others:

- In March 2022 the Supervisory Board concurred with a positive recommendation which the Audit committee had made in respect of the financial statements for 2021 and it recommended that the shareholder approve the financial statements for 2021 and that it discharge the CEO from liability in respect of the policy which it had pursued and the Supervisory Board in relation to its oversight.
- The Supervisory Board issued a favourable recommendation concerning EBN's key figures for the first half of 2022.
- The Supervisory Board approved a financing agreement between EBN and GasTerra.
- The Supervisory Board issued a positive recommendation on an amendment to the joint venture agreement and the Supervisory Board approved two interim budget requests for Porthos (see below, Section 6.8.2).
- The Supervisory Board approved an investment proposal by OneDyas for the development of the N5-A gas field.
- The Supervisory Board approved EBN's activities to fill gas storage facility Bergermeer (see below,Section 6.8.3).
- The Supervisory Board approved the 2022 strategy update including the roadmaps.
- The Supervisory Board approved the internal audit work plan for 2022.
- The Supervisory Board approved an amended version of EBN's authorisation and power of attorney scheme.
- The Supervisory Board approved an amended version of the rules of procedure for the Management Board with effect from 1 January 2023.
- The Supervisory Board approved EBN's implementation of a stop-loss commodity hedge strategy (to protect EBN from the negative implications of low gas prices, should they occur) and the update of the Treasury Charter.
- In December 2022, the Supervisory Board approved EBN's (including subsidiaries) 2022 work programme and budget, including the financing plan.

6.6 Cooperation between EBN and the Ministry of Economic Affairs and Climate Policy

EBN and the Ministry of Economic Affairs and Climate Policy regularly consult each other. A distinction is drawn between issues concerning shareholdership and policy-related energy matters. EBN informs the Supervisory Board of contact involving both. Shareholder topics in 2022 included EBN's role in filling gas storage Bergermeer, the policy evaluation of EBN by an external party, the recruitment of a new supervisory director to succeed Mr Weck, and EBN's financial development including the dividend policy.

The Chair of the Supervisory Board and the CEO met several times with the secretary-general (Ms L.M.C. Ongering, who was succeeded later in 2022 by Ms G.M. Keijzer-Baldé as acting secretary-general) at the Ministry of Economic Affairs and Climate Policy in 2022, and they held three so-called strategic consultations with the director-general of Energy and Climate (Mr S. Gaastra) and/or the director-general of Groningen & Subsoil (Ms E. Pijs). Such strategic talks focus on the exchange of information and consultations concerning strategic issues and developments pertaining to energy policy in general. The policy and other objectives and priorities of the ministry and EBN during the year ahead are also discussed during these talks. EBN's role in the energy transition was a regular topic of discussion in these talks, as well as EBN's involvement in Porthos and other CCS projects, the filling rates of gas storage facilities in the Netherlands and developments in gas production (including the acceleration plan for gas production in the North Sea).

The Supervisory Board feels that the visits to the Ministry are important for the purposes of maintaining good relations.

6.7 EBN strategy

The Supervisory Board discussed EBN's strategy with the CEO in two informal sessions. The Supervisory Board considered the strategic context of EBN, the possible roles and implications for EBN and discussed the bottlenecks and interventions needed per value chain. In addition to the Supervisory Board, EBN met with other stakeholders, including the Ministry of Economic Affairs & Climate Policy. The Supervisory Board also participated in a session with some representatives of the ministry.

Based on an external analysis, EBN reformulated its strategy based on a reliable, affordable and CO2-neutral energy supply in which the following social drivers guide EBN's activities as a public organisation: towards a sustainable energy system, security of energy supply and social value creation. EBN's activities are thus grouped into four strategic pillars: sustainable gas transition, sustainable heat transition, sustainable CO2 storage and system integration from a public interest perspective. EBN distinguishes hereby between three business horizons (improve core business, develop new business and explore new options). The interpretation of new activities will take place in consultation with Supervisory Board and the ministry as policy-maker and shareholder. Where required, EBN will seek required approvals for specific activities. This may involve approval from the Supervisory Board and/or shareholder, or consent from the Minister of Economic Affairs & Climate Policy under the Mining Act.

The Supervisory Board approved this strategy. The Supervisory Board sees this strategy as a logical continuation of the 2016 strategy with additions and different emphases driven by the changing social and (geo)political context. The Supervisory Board hereby noted that EBN faces a challenging sustainability challenge.

The Supervisory Board also took note of the roadmaps drawn up from the various programmes to provide greater insight into what is needed in the period 2021–2030 to best contribute to the energy transition. For a further explanation of EBN's strategy, the Supervisory Board refers to section 2.1.

6.8 Matters discussed in 2022

The CEO notifies the Supervisory Board of relevant developments within EBN with the aid of quarterly reports. These quarterly reports are sent out before the quarterly meetings. The quarterly reports contain updates on movements in turnover and net profit, the production of gas, oil and condensate during the relevant quarter, recent prices and other developments. Through the quarterly report and by putting individual elements of the strategy on the agenda, the Supervisory Board also monitors the implementation of EBN's strategy. EBN provides an overview of its operations in relation to each theme in its quarterly reports (its successes, points requiring improvement and progress made in relation to its strategic objectives).

6.8.1 Gas production in Groningen

The Supervisory Board was informed about the developments in Groningen, both over developments in the partnership and developments at GasTerra, at all meetings in 2022. In connection with the termination of GasTerra's operations due to the cessation of extraction from the Groningen gas field, EBN regularly informed the Supervisory Board about, among other things, the status of GasTerra's sale of purchase and sales contracts. In 2022, particular consideration was given to the sharp rise in gas prices, the turmoil in the gas market partly due to Russia's invasion of Ukraine and its impact on security of supply.

The Supervisory Board noted that there are discussions between NAM and the State over invoices and charges for damage and reinforcement costs and that this has led to an arbitration between these parties. The Supervisory Board took note of a number of criminal cases against NAM (for earthquake damage and wastewater injection).

The parliamentary inquiry into gas extraction in Groningen continued in 2022. The CEO of EBN was cross-examined in a public hearing. The survey is of great importance

to the residents of Groningen and their feelings. EBN is fully cooperating so that truth can be established and the committee of inquiry can learn lessons for the future. The report of the commission of inquiry is expected in the first quarter of 2023.

6.8.2 CC(U)S

During the meetings of the Supervisory Board discussions were regularly held concerning initiatives for carbon capture, transport and storage of CO_2, in which EBN is involved.

In 2022, the Supervisory Board very regularly discussed the developments of the Porthos project (Port of Rotterdam CO_2 Transport Hub & Offshore Storage). This project is aimed at the realisation of a storage and transport system for CO_2 storage in empty gas fields deep in the North Sea seabed. Various industries and companies in the Port of Rotterdam can join this project. In 2021, the joint venture structure between the Port of Rotterdam Authority, Gasunie and EBN was established and the Porthos project entered into the (follow-up) agreement with Porthos customers. EBN informed the Supervisory Board during 2022 about the preparations for the final investment decision for this project, including the necessary permits and agreements. It was a challenging year for the Porthos project, partly due to the Council of State's ruling in October 2022 on the nitrogen construction dispensation, which prevented the final investment decision from being made in 2022. This ruling has lead to a delay in the project. The Porthos parties requested a guarantee from the state, and in December 2022, the minister announced that the state intended to provide it.

Based on EBN's Articles of Association, the SB issued a number of positive recommendations or approval for parts of this project (including an amendment to the joint venture agreement, two budget requests and the agreements between the Porthos project and offshore parties for the transfer of the P18-A platform and associated wells).

See Section 4.3.2 See section 4.3.2 for further details on the Porthos project and the other CCS projects in which EBN is involved.

6.8.3 Bergermeer gas storage

The war in Ukraine has had a major impact on the European gas market. To maintain security of supply, the government has designated EBN to store gas in the Bergermeer gas storage facility, in addition to filling by market parties, to achieve minimum fill levels in line with European obligations. EBN has signed an agreement for this with TAQA Energy, the operator of the gas storage facility. To encourage market players, the government has introduced a subsidy measure. EBN has also been awarded a grant to make this possible. EBN will remit the proceeds from this to the state. The Supervisory Board gave approval to EBN to carry out this activity. In 2022, this mission was further expanded; this was also approved by the Supervisory Board. The Supervisory Board noted that TAQA, EBN and the Ministry of Economic Affairs & Climate Policy were able to implement the government's wish in a short period of time.

6.8.4 Miscellaneous

The Supervisory Board also considered a multitude of other topics in its meetings, including:

- the new 2022 shareholdings policy paper;
- EBN's strategic risk analysis;
- the consequences of Russia's invasion of Ukraine, including concerns about security of supply in Europe and sharply higher gas prices.
- The stakeholder and reputation survey;
- The policy evaluation of EBN by a third party commissioned by the ministry,

6.9 Evaluation of the CEO and board self-assessment

The Supervisory Board conducts an annual self-assessment. During the self-assessment for the year 2022, the functioning of the Supervisory Board itself, of the separate committees and of the individual supervisory directors was considered. The Supervisory Board members reflected on these issues in the presence of an external facilitator. Besides the Supervisory Board

members, the CEO was also present at this discussion. The Supervisory Board has identified a number of focus areas for 2023: the Supervisory Board will pay extra attention to '*safety & security*'; the Supervisory Board will ensure that the implementation of the new organisational structure delivers the envisaged goals and it will pay extra attention to EBN's role at Bergermeer and EBN's role at GasTerra. The Supervisory Board also reflected on the outcomes of the 2021 self-assessment; a number of topics require continued attention (such as team spirit, contacts with the shareholder and future composition of the Supervisory Board and retention of knowledge and experience on topics relevant to EBN). The Supervisory Board will hold a number of additional informal meetings to go into depth on certain topics, including new energy and cyber security, and/or working visits.

In 2022, the Supervisory Board also carried out an evaluation of the CEO (without a questionnaire, based on the experiences of the individual Supervisory Board members). Two of the Supervisory Board members shared the conclusions of the evaluation with the CEO. The conclusions of this evaluation will be followed up by the CEO.

6.10 Meetings of the Audit Committee

The duties and modus operandi of the Audit committee are set out in the Regulations Governing the Supervisory Board's Audit committee. Amongst other things, the Audit Committee's duties include the exercise of oversight and control over the CEO and the provision of advice to the latter in relation to the operation of the internal risk management and control systems, and the exercise of oversight over the company's provision of financial information.

The Audit Committee held two meetings in 2022. In addition to the members of the Audit Committee, EBN's Board of Directors, Corporate Controller and Secretary also attended these meetings. The external auditor attended both of the meetings.

During the first meeting the Audit Committee mainly devoted attention to the Annual Report and Financial Statements for 2021 and their audit. The Auditor's Report was discussed extensively with the external auditor. After discussing the Annual Report and Financial Statements for 2021, the Audit Committee recommended that the Supervisory Board approve them.

The Audit Committee was informed of the results of the next audits conducted in 2021 at the same meeting: (1) legal risk analysis – new business 2) Treasury (cash management, long-term financing, credit risk and insurance) and (3) preparation and application of commercial assumptions and WACC. Key findings and recommendations and follow-up audits were also explained. Two initially planned audits were not carried out.

The structure and operation of the internal risk management and control systems were also discussed during those meetings. In addition, the internal audit plan for 2022 was discussed with the following audits: SCAN drilling readiness, re-audit crisis management and communication, soft control audit on the contribution of EBN culture to achieving objectives, Porthos set-up, risk analysis and compliance control measures, DS(M)A audit (decommissioning security monitoring agreement), billing and invoicing audit and a counterparty risk audit.

At its second meeting in 2022, the Audit Committee considered the following topics: EBN's half-yearly report, the evaluation of the external auditor, the progress of the internal audits and the evaluation of the internal audit function and the possibility of interim dividends. The Audit committee issued a favourable recommendation concerning EBN's key figures for the first half of 2022. The Supervisory Board concurred with this favourable recommendation.

During that second meeting the external auditor presented an explanation of the audit schedule for

2022 (the plan for auditing EBN's Financial Statements for the 2022 financial year). Before the audit schedule was presented to the Audit Committee, the external auditor discussed the draft audit schedule with the Board of Directors. The external auditor discussed the audit schedule with the Audit Committee, devoting special attention to its scope and material nature, the accountant's fee and the most important risks pertaining to annual reporting, which the accountant has mentioned in the audit schedule. The Supervisory Board also took note of the audit plan.

PricewaterhouseCoopers Accountants to serve as the external auditor

In 2019 the General Meeting of Shareholders engaged PricewaterhouseCoopers Accountants N.V. to audit EBN's Financial Statements for the 2020 to 2023 financial years.

EBN's credit rating

In 2022 EBN informed the Supervisory Board of Moody's credit rating of EBN. On 26 October 2022 Moody's set EBN's credit rating at Aaa (with the prospect of 'stable').

Design and operation of risk management and control systems

The Supervisory Board has asked the CEO to issue it with a statement supporting the customary reports for the Board of Directors in respect of 2022. The CEO issued such statement, which serves to support Clause 1.4.3 of the Corporate Governance Code. The Supervisory Board has discussed the following matters with the Board of Directors in accordance with that clause: the company's strategy, the main risks associated with the business and the findings of the CEO's assessment of the structure and operation of the internal risk management and control systems. This matter is explained in greater detail in the section Risk & Corporate Governance.

6.11 Meetings of the Remuneration Committee and the Selection and Appointment committee

The duties and modus operandi of the Remuneration committee are set out in the Remuneration committee Regulations and those of the Selection and Appointment committee are set out in the Regulations Governing the Supervisory Board's Selection and Appointment committee. These committees' duties include, amongst other things, presenting a proposal for the remuneration of the CEO to the Supervisory Board, preparing selection criteria and appointment procedures for the CEO and the members of the Supervisory Board, and periodically evaluating the performance of the CEO and the members of the Supervisory Board. The meetings of these committees are held together and are then referred to as meetings of the Remuneration committee.

In 2022 the Remuneration committee met on four occasions in the presence of the CEO, the secretary and the HR Manager In 2022, the committee's work included setting the 2022 targets to be achieved for EBN and for the Board of Directors, achieving the 2021 targets for EBN and the Board of Directors, and recruiting and selecting a supervisory director to succeed Mr Weck. Succession planning was also discussed with the remuneration committee and EBN discussed the organisational changeeffective from 1 January 2023 with the remuneration committee several times.

The General Meeting of Shareholders adopted the remuneration policy for the CEO simultaneously with the appointment of Mr Van Hoogstraten on 1 March 2016. After preliminary discussions in the Remuneration committee, the Supervisory Board nominated Mr Van Hoogstraten for reappointment; with Mr Van Hoogstraten's reappointment as of 1 March 2020, the remuneration policy remained unchanged (see the Remuneration report).

6.12 Financial Statements

The Supervisory Board has taken cognisance of the Annual Report, the Financial Statements, the declaration and the external auditor's report. The Supervisory Board can reconcile itself with those documents and recommends

that the General Meeting of Shareholders approve the Financial Statements accordingly. The Supervisory Board recommends that the General Meeting of Shareholders discharge the CEO from liability for the policy which he has pursued and the Supervisory Board for its oversight.

Supervisory Board, Utrecht, 10 March 2023

Mr J.G. Huijskes (voorzitter)
Ms C.G. Gehrels
Ms E.M. Kneppers-Heijnert
Mr W.S. de Vries

From left to right: Mr W.S. de Vries, Ms C.G. Gehrels, Mr J.G. Huijskes (Chair), Ms E.M. Kneppers-Heijnert

7. About this report

In this annual report, EBN reports on its financial and non-financial performance for the financial year 2022. This financial year runs from 1 January to 31 December 2022. The report is intended for every stakeholder that is directly or indirectly involved in our activities. In the 'Dialogue with stakeholders' section, we elaborate on the dialogue with stakeholders on relevant topics. In the 'Dialogue with stakeholders'section, we elaborate on the dialogue with stakeholders on relevant topics.

7.1 Scope

EBN's activities are confined to the Netherlands. The economic performance covered in this report concerns EBN and its share in its associates. We report on this in the section on Results on page 43 and in the Financial Statements on page 106. Social performance is primarily about EBN. These presentations are described in greater detail in the section 'The people of EBN' on page 66. Section 4.6 'Active approach to risks' reports on the risks we monitor at our associates.

The environmental performance of EBN's own organisation is not material given our small size. We do take responsibility for environmental performance throughout the value chain. These concern, for example, emissions, energy consumption, waste, discharges and compliance with laws and regulations mainly in our oil and gas holdings. They are related to the performance of the entire sector operating in the Netherlands. The guidelines are provided by the individual environmental reports that oil and gas operators publish each year under the terms of the Ministry of Economic Affairs and Climate Policy's 'Declaration of Intent, Execution of Environmental Policy Oil and Gas Producing Industry'. The Dutch operators add the environmental and energy performance figures to the electronic Annual Environmental Report. These data constitute the basis for the performance presented in this report and the 2021 OPI report.

The OPI report incorporates operational performance indicators. These indicators are largely based on data from the electronic Annual Environmental Report. The 2022 figures are not yet known at the time of publication of this annual report. These are expected to be published on the EBN website in the OPI report after the summer.

7.2 Reporting policy and process

Reporting policy

The EBN Annual Report for 2022 is an integrated report that brings together financial, operational and social sustainability information. EBN's intention in producing an integrated annual report is to demonstrate how the organisation creates both financial and social value. We use the International Integrated Reporting Council (IIRC) framework for our value creation model and its disclosures.

Annually, EBN prepares its financial performance in accordance with International Financial Reporting Standards (IFRS). The social and sustainability performance is prepared by EBN based on the standards of the Global Reporting Initiative, 2021 edition (GRI 2021). We thereby provide transparency to our stakeholders and give greater insight into how we fulfil our social role.

EBN has decided for this year to report 'with reference to' the GRI 2021 standard and is not yet reporting 'in accordance with' GRI 2021 this year. Compared to the 2021 reporting year, EBN reports a similar scope, namely the indicators in the connectivity matrix supplemented by the new GRI 2021 general disclosures from GRI 2. EBN decided to report 'with reference to' because the materiality analysis was not prepared in accordance with GRI 2021. Furthermore, EBN cannot yet implement the requirements from the Oil and Gas Sector Standard (GRI 11), partly because, as a 'non-operating partner', EBN depends on information from operators to apply the Oil & Gas Standard. This does not meet the requirements set by 'in accordance with'. The GRI content index shows which GRI disclosures EBN does report 'with reference to' GRI 2021 and where in the report the relevant disclosures can be found.

In 2023, EBN plans to conduct a new materiality analysis, also in line with the requirements from GRI 2021. The new materiality analysis will include the topics from the Oil & Gas Sector Standard.

Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy

As a result of the European Green Deal and the Sustainable Finance Action plan, EBN will face legal obligations on sustainability reporting from 1 January 2025. The Corporate Sustainability Reporting Directive (CSRD) requires companies to report in line with the European Sustainability Reporting Standards (ESRS) in their annual report. The EU Taxonomy Regulation (EU Taxonomy) is a classification system by which companies and organisations map their sustainable activities and indicates how they should be reported.

EBN is legally obliged to comply with the CSRD from 1 January 2025. This means that the annual report in 2026 for reporting year 2025 must be in line with the ESRS. Also, EBN will then have to report on the EU Taxonomy for the first time.

A key principle within the CSRD/ESRS is that of double materiality. This includes reporting on both the impact of sustainability issues on the company (financial materiality) and the impact of the company on economy, people and environment (impact materiality).

In 2022, EBN drew up a roadmap for the coming years to be ready for the obligations arising from the CSRD and EU Taxonomy by 2025.

Acquisitions and investments

With regard to acquisitions and divestments, if these took place during the reporting year, we adjust the scope and delineation of both financial and social information in the annual report in the year in which the acquisition or divestment took place. Relevant acquisitions and divestments are disclosed in the 'Financial Results section ' or in the financial statements. There were no acquisitions or divestments in 2022. The scope and delineation of the financial and social information in this report therefore remained unchanged from the previous reporting year.

Quality assurance

The quality of our annual report is assured by our internal processes and source systems. The review on our annual report is done by the external auditor.

This annual report mainly relies on information from our Record-to-Report processes, risk-assessment processes, policies and guidelines which are part of our integral management system. With these processes and internal audits by external parties, internal control over operations, material themes and the environment is given greater substance.

In this annual report, we report on the efforts and achievement of the targets set for 2022. To this end, this annual report relies on information from various source systems. Part of these source systems are the monthly and quarterly reports and financial and personnel data from our finance and HR system. We also look ahead to the future and outline our plans and vision. The external auditor provides no assurance on the realisation of future plans.

Process of producing the annual report

The annual report is split into a static part (no year-end data required) and a dynamic part (which does require year-end data). At the end of November/beginning of December, information was collected internally for the dynamic part of the annual report, including the results section.

The annual report was written by the project team. The CEO and our shareholder provided feedback on the texts at various times, both in writing and orally. Changes in the text based on this feedback were then submitted for verification to the EBN employees who had supplied the information, and subsequently approved. In this way, EBN has ensured the quality of the content of the annual report.

Finally, the static and dynamic parts of the annual report were merged into a complete core & more report consisting of this core report and various other details.

The social part of the annual report has been assessed by an external auditor; the assurance report is included in this annual report in section 9. The external auditor has also audited the Financial Statements; see also the Auditor's Report.

The annual report was submitted to and discussed at the Supervisory Board meeting on 10 March 2023. On 30 March 2023, the annual report was discussed and adopted by the shareholder in the presence of the Board of Directors at the Annual General Meeting of Shareholders (AGM).

7.3 Analysis and determination of materiality

The principle of materiality is the key element of both the Integrated Reporting (IR) framework and the GRI standards. EBN thereby considers both its environmental and social impact within its own organisation and operations, and further down the value chain.

EBN has a significant financial stake in oil and gas activities and in an increasing number of geothermal energy projects. It is also a partner in the Porthos CO_2 storage project. The material aspects of these activities therefore have a place in EBN's reporting. However, it is important to note that EBN's role and position in the chain is not that of the operator in oil and gas production. The SCAN research that EBN carries out forms an exception to this. EBN will thus be the executing party. The value creation model provides a description of our core activities and our position in the energy chain.

Determination of materiality

The three-yearly determination of materiality forms the basis for the content of the annual report. A comprehensive materiality analysis was carried out in summer 2018. First, the material topics were identified based on desk research. Several internal and external sources were used in the process. Based on the results, a list of themes was created and validated by the EBN board of directors. This short-list of topics was then submitted via a survey to 70 external stakeholders divided into seven external stakeholder groups and to EBN's Supervisory Board, Executive Board and leadership team.

This was followed up in 2019 and the material themes were further refined internally by the EBN board of directors based on the Strategic Risk Assessment (SRA) and insights from stakeholder dialogues. The set of material themes concerns a list of eight themes with a clear connection to the mission and vision and to the strategic pillars and activities of EBN.

In 2020, EBN conducted a survey among its stakeholders. A total of 154 of the 437 invited stakeholders participated in the survey via an online questionnaire. The participants in the survey included stakeholders from energy companies (mainly operators), industry associations, interest groups, knowledge-research institutions and government bodies.

The respondents were mainly directors and managers of these organisations.

The stakeholder survey of 2021 was, once more, an opportunity for EBN to carry out a thorough quantitative review of its material themes. Stakeholders indicated that they found EBN's material themes relevant and felt it was appropriate for EBN to focus on these themes. The material themes that stakeholders find most appropriate for EBN coincide with EBN's strategic pillars - Our Dutch Gas, Return to Nature and New Energy (for the ranking of the themes, see section 2.6).

Given internal and external developments including the arrival of the Corporate Sustainability Reporting Directive (CSRD) and the drafting of the new EBN strategy 2023–2030, EBN has decided to apply a major update of the material themes for reporting in 2023. The strategy process involved extensive discussions with stakeholders. The insights from these conversations have been translated into our new strategy.

Steering and reporting

The CEO is ultimately responsible for steering all material aspects that affect EBN's strategy and social policy.

Our strategy team coordinates the creation of annual strategic objectives and long-term goals set by the board. The Executive Committee is jointly responsible for policy and performance. The Supervisory Board assesses the strategic goals against the strategy.

The strategic annual objectives are formulated by the theme teams and departments themselves. These are the activities that contribute to the long-term goals linked to our material themes. More information on the actions and results in 2022 can be found in Chapter 4. Two progress supervisors from the Strategy and Accounting & Reporting departments monitor progress in the strategic annual goals and material subjects. Each quarter, they interview each theme team and department and report the results to the Board of Directors. The CEO evaluates this and makes any adjustments it considers necessary.

The material theme 'Creating connective power' is relevant to all teams and departments within EBN because this theme deals with EBN's mission and role as a public organisation in the energy transition.

The connectivity matrix in Section 2.8 provides insight into how the material themes are linked to our strategic pillars and how they relate to the long-term strategic goals. Objectives and one or more KPIs have been set for each material theme, and co-ordinated with the departments involved. The impact our material themes have on society is described in section 2.2.

7.4 Transparency

EBN considers transparency in accountability and consequently reporting on its business activities of paramount importance. From that perspective, it participates in this biannual study into the content and quality of social reporting.

In 2021, EBN ranked seventh nationally in the Transparency Benchmark and third in the sector (energy companies). EBN had a score of 84.2%. EBN uses the GRI Standards for its sustainability reporting and applies the revised Dutch Corporate Governance Code (http://commissiecorporategovernance.nl).

Disclaimer forward-looking information

This report concerns the efforts and achievements in meeting our objectives in 2022. In addition, we present our plans and vision for the future. Forward-looking information can be recognised from the use of words such as continue, wish, intend, predict, expect, target, objective, vision, planning, ambition, scenario, intention and forecast. Inherent to future expectations is that outcomes are subject to risks and uncertainties, and that their achievement is not assured.

Assurance sustainability information

EBN asked PwC to assess the Critical Performance Indicators on the material themes as included in the connectivity matrix and issue an assurance report on them with limited assurance. See the assurance report.

GRI Standards Content index

Annex 10.5 contains the GRI Content Index.

Publication date of 2022 Annual Report

EBN's annual report for 2022 was published on 31 March 2023.

7.5 Frameworks

The performance described in this report are all based on specific frameworks. For instance, a number of indicators have a clear link to annual oil and gas production. And for some indicators, there is a relationship with the number of drillings. Laws and regulations also provide frameworks for EBN. If relevant, these frameworks will be described in greater detail.

The results provide an overview of EBN's share in the performance of the entire oil and gas production industry, unless otherwise stated. When we talk about Dutch gas, oil and condensate production, we are talking about operators' reported gas, oil and condensate production figures before fiscal considerations. The gas is reported for tax purposes at the moment it is delivered to third parties. The energy consumption of drilling activities is not

included, the CO_2 and CH_4 emissions from drilling activities are.The injection and production volumes in gas storage facilities are regarded as internal company activities.

EBN's share is calculated as its percentage of the production of gas, condensate and oil in total Dutch production in the environmental and economic performance results. The industry-wide share (100%) is presented for social performance specific to operators' activities. We do this because it is not relevant to mention an EBN part for this purpose.

7.6 Measurement methods for material issues

The refocused strategic goals in 2022 were reworked into changes to the KPIs for each material issue. A number of KPIs reported in 2021 are therefore no longer relevant and not included. A number of new KPIs have been added, which are further explained below along with the existing KPIs. We have formulated strategic goals for the period through to 2025 for all material themes. For these strategic goals we have formulated key performance indicators (KPIs). A number of topics such as hydrogen and green gas production are more forward-looking and at an exploratory stage. EBN's exact role in this is not yet known.

Material issue	Indicator/KPI	Method of measurement
Promoting safety	Number of geothermal energy projects tested for seismic risks.	Number of geothermal energy projects tested for seismic risk over 2022. As tested, these risks are recorded in a seismic risk analysis.
	Occupational accidents that led to absenteeism (expressed in Lost Time Accidents or LTA) at operators.	The indicator relates to occupational accidents that occur in the operations in which we participate as a non-operating partner. The measurement method for this is the number of days of absence over 2022 and is measured from the first day the workplace accident is reported. We rely on the information obtained from the SodM (State supervision of Mines).
Reducing emissions and discharges	Percentage change in the small gas fields' CO2eq emissions per cubic metre produced compared to 2018	Percentage change of the CO2-eq emissions per produced cubic metre in 2021 2018 based on the conversion factor for network losses derived from the IPCC Fourth Assessment Report 'Climate Change 2007'.
Maintaining financial stability and resilience	Solvency	Solvency is calculated by dividing equity by total assets. Both are taken from the balance sheet in EBN's Consolidated Financial Statements.
	Net debt (EUR million)	Net debt is calculated by subtracting the ending balances of long-term and short-term liabilities from cash, derivatives and other securities. These are reflected in the balance sheet in the Consolidated Financial Statements.
	Profit after tax (EUR million)	This is taken from EBN's consolidated statement of comprehensive income.
Facilitating informed dialogue & knowledge development and sharing	Number of gas futures from prospects and leads	The number of gas futures from prospects and leads is measured using the Petroleum Resources Management System (PRMS). This is the system for indicating production profiles. It is recorded by the Society of Petroleum (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE). In the context of the PRMS, a prospect or lead means reserves in the category 8 and 9.
	Number of km of SCAN research into suitability of geothermal heat extraction, completed (third parties can use this information)	The number of kilometres of SCAN research, measured on the basis of the field data supplied by the contractor. These data also contain the navigation data (of shot points and receiver points). The navigation data are used to determine the exact line length and calculate the number of kilometres of seismic research conducted.
	Number of participations in CCS projects	Counted among the number of participations in CCS - projects in 2022 are those where: 1. The project is already running 2. A shareholder agreement has been signed 3. Sub-projects of a CO2 storage system are not included separately in the calculation of this indicator

Material issue	Indicator/KPI	Method of measurement
	Number of geothermal energy projects participated in	Counted among the number of participations in geothermal energy projects in 2022 are those where: 1. The project is already running 2. A shareholder agreement has been signed
	Number of participations in joint ventures for green gas innovation	To be determined by the number of shareholder agreements signed for participation in a green gas innovation joint venture.
	Number of participations in regional hubs for green gas	To be determined by adding up the number of shareholder agreements signed for participation at regional hubs for green gas.
	Number of participations in green hydrogen projects	Counted among the number of participations in green hydrogen projects in 2022 are those where: 1. The project is already running 2. A shareholder agreement has been signed
	Position on the Transparency Benchmark in the sector	The Ministry of Economic Affairs and Climate Policy ascertains the Transparency Benchmark every other year. This is an audit into the transparency of CSR reporting covering around 500 of the largest companies with a public rank per sector.
	Score stakeholder survey. Carried out once every 2 years	Outcome of stakeholder survey conducted by external agency (Reputatiegroep).
Encouraging commitment of employees	Great Place to Work employee survey score (the so-called Trust Index)	Public rating of employee satisfaction survey conducted among EBN's own employees by the Great Place to Work organisation.
	(Talent) retention percentage	The outflow (headcount) minus the outflow due to retirement or medical reasons divided by the total number of employees (headcount) is the retention and talent-retention rate.
Stimulating and accelerating exploration and production in small Dutch gas fields	Number of new natural gas wells drilled	Number of new natural gas wells drilled in the Netherlands with EBN participation in any year. The overall figure is consolidated according to the number of new production, exploration and evaluation wells.
	SF production 100% billion m^3 TQ	Based on the latest data from operators, the 100% field production of small fields (SF production) is calculated, measured on the basis of the TQ measurement standard used in the sector. The gas volume is reported in Nm3 (0°C at 1.01325 bar).
	SF maturation 100% billion m^3 TQ	Based on the latest data from operators, the 100% field maturation of the reserves of small fields (SF maturation) is calculated on the basis of the standard measurement (TQ) used in the sector. The gas volume is reported in Nm3 (0°C at 1.01325 bar).

Material issue	Indicator/KPI	Method of measurement
	Unit OPEX in EUR ct/m^3 GE	Based on data from operators, the operating costs (or OPEX) are calculated and compared to the number of cubic meters of gas produced, measured in Groningen Equivalent (GE).
Reinforcing, accelerating and improving the Dutch geothermal energy sector	Meeting the required filling demand of the storage facility by the end of the injection season.	To what extent EBN fulfilled its role in achieving the desired fill rate according to consent decree with the Ministry of Economic Affairs and Climate Policy. This looks at the reported fill rate according to AGSI (https://agsi.gie.eu/), whether it achieved the desired fill rate, and whether or not EBN played a role in this.
	Number of SCAN drillings	The number of drillings carried out by the contractor in order to collect subsurface data, with a view to being better able to assess geothermal potential and, as a result, to accelerate the development of geothermal energy projects.
	Number of PJ developed	This refers to the sum of all geothermal energy projects since 2020 to date for which EBN Geothermal B.V., as co-investor and developer with its partners, has taken an FID (Final Investment Decision) and a SOK (Joint Operating Agreement), or whether these projects are already further along the path to realisation and exploitation. The number of PJ per project refers to the amount of heat that is expected to be delivered per year by the time the doublet is past any transitional phase. The measurement points of the relevant KPI are the energy representation when signing the FID and SOK.
	Percentage change (compared to 2020) in costs per GJ delivered	As part of the follow-up to the Geothermal Energy Master Plan in the Netherlands (2018), the Integral Geothermal Energy Cost Reduction Programme is now running. The aim of this is to reduce the cost per GJ of geothermal energy over time, with costs being expressed in the LCOE (Levelised Cost Of Energy); this variable captures both the impact of cost-reducing and return-enhancing improvements. EBN has commissioned the development of a model to quantify all this.
	Reduction in CO_2 emissions per year due to geothermal energy	The measurement method is the expected cumulative geothermal energy produced in GJ * 55.825 kg CO2 / GJ of projects that came into production during the financial year, for which FID has been taken or for which at least budget has been released. In the previous year, these projects were not yet allowed to be in the mentioned project stages; production, FID or budget. The saving of 55.825 kg CO2 per GJ of geothermal energy produced is in line with the TNO white paper 'Sustainability of geothermal energy in heat networks'. Here, EBN uses an average saving for the Perm & Jurassic/Cretaceous formations for the years 2020 and 2030.
Responsible decommissioning and wherever possible repurposing infrastructure	Number of joint decommissioning campaigns included in operator WP&Bs for the next financial year	On the basis of the operator WP&B, it is determined whether a budget has been set aside for joint decommissioning campaign.
Using underground space to make the energy system more sustainable	Number of MT of CO_2 in storage per year in the Netherlands and in projects in which EBN participates.	In 2022, there was no CO_2 storage in the Dutch subsurface, although reserves were matured by projects in which EBN holds a stake. The matured volumes are based on dynamic reservoir simulation and classified as per the Storage Resource Management System (SRMS). The measurement method is under development and will be included next year.

Material issue	Indicator/KPI	Method of measurement
	Costs of CO2 storage in EUR per ton of CO2-eq	EBN has yet to store CO_2 in 2022, so there is no measurement method available. The measurement method is under development and will be included next year.
	Reduction in CO_2 emissions per year due to CCUS	In 2022, there was no CO_2 storage in the Dutch subsurface, although reserves were matured by projects in which EBN holds a stake. The matured volumes are based on dynamic reservoir simulation and classified as per the Storage Resource Management System (SRMS). As yet, this does not include an adjustment for the CO_2 emissions that occur when storing the CO_2. The measurement method is under development and will be included next year.
Other OPI Indicators		
	Energy consumption	Total energy consumption * EBN share of 40%
	Energy consumption as a percentage of energy-related carbon production	Total energy consumption (PJ) / (oil and condensate production + gas production) * 100%
	CO2 emissions	Total CO2 emissions from drilling and production * EBN share of 40%
	Methane emissions	Total CH4 emissions from drilling and production * EBN share of 40%
	Fatal accidents	Based on the information obtained from the SodM (National Mines Inspectorate).

8. Financial Statements

Consolidated Statement of Comprehensive Income

in EUR million

	note	2022	2021
revenue	2	11,967	2,956
other income	2	31	21
operating expenses			
levies		-6	-6
operational costs	3	-1,568	-1,710
depreciation	4	-608	-416
operating expenses		-2,182	-2,132
operating result		**9,816**	**845**
financial income	5	83	28
financial expense	5	-148	-52
share of profit from investments in associates and joint ventures	6	29	32
profit/(loss) before income tax		**9,780**	**853**
tax	7	-5,490	-197
profit/(loss) for the period	8	**4,290**	**656**
other comprehensive income		-1	-
total comprehensive income for the period		**4,289**	**656**

Consolidated Statement of Financial Position

in EUR million

ASSETS	note	31 December 2022	31 December 2021
Non-current assets			
property, plant and equipment	9	1,064	1,931
investments in associates and Joint Ventures	10	152	110
other financial assets	11	959	809
deferred tax asset	7	116	93
derivatives	19	40	53
		2,331	**2,996**
Current assets			
inventories	12	1,429	26
trade- and other receivables	13	1,084	707
tax receivables	7	5	259
derivatives	19	27	25
other financial assets	11	7,666	3,171
cash and cash equivalents	11	3,277	596
		13,488	**4,784**
Total		**15,819**	**7,780**

in EUR million

LIABILITIES	note	31 December 2022	31 December 2021
Shareholder's equity	14		
share capital		128	128
share premium		450	450
retained earnings		470	-186
result of the year		4,289	656
		5,337	**1,048**
Non-current liabilities			
provisions	15	3,392	4,348
borrowings	16	339	397
other non-current liabilities	17	67	78
		3,798	**4,823**
Current liabilities			
provisions	15	825	863
borrowings	16	177	204
tax payables	7	3,871	-
trade payables	18	1,106	47
other current liabilities	18	705	795
		6,684	**1,909**
Total		**15,819**	**7,780**

Consolidated Statement of Changes in Equity

in EUR million

	share capital	share premium	retained earnings	earnings for the year	total equity
balance at 1 January 2021	128	450	-186		392
profit for the period				656	656
other comprehensive income					
total comprehensive income for the period	**128**	**450**	**-186**	**656**	**1,048**
final dividend previous year					
special profit levy					
distribution retained earnings			656	-656	
balance at 31 December 2021	**128**	**450**	**470**		**1,048**
result for the period				4,290	4,290
other comprehensive income				-1	-1
total comprehensive income for the period				**4,289**	**4,289**
dividend previous year					
balance at 31 December 2022	**128**	**450**	**470**	**4,289**	**5,337**

Consolidated Statement of Cash Flows

in EUR million

	note	2022	2021
Operating activities			
total result for the period	8	4,289	656
adjustment for:			
- deferred and current tax	7	5,490	197
- decrease/(increase) in property, plant & equipment (excluding investments)	21	1,032	190
- share of profit of Joint Ventures and associates	6	-29	-32
- decrease/(increase) in current receivables and inventories	12, 13	-1,780	-534
- (decrease)/increase in liabilities (excluding borrowings and Government payments)	21	971	385
- changes in provisions	15	-994	810
- unrealized financial income and expenses	21	-12	18
interest paid		-63	-34
interest received		79	8
payments for corporate tax		-1,388	-152
		3,306	856
net cash from operating activities		**7,595**	**1,512**

in EUR million

	note	2022	2021
Investing activities			
investments in property, plant and equipment (excluding RoU)	9	-165	-100
investments in associates and Joint Ventures	10	-44	-5
dividend received from associates and Joint Ventures	10	31	32
change in other financial assets	11	-4,645	-1,461
net cash used in investing activities		**-4,823**	**-1,534**
Financing activities			
paid dividend and special profit levies	14	-	-
repayment of borrowings	21	-181	-
settlement of derivatives of borrowings	21	36	-
proceeds from borrowings	21	61	5
increase/(decrease) in collateral derivatives	21	-8	13
net cash used in financing activities		**-92**	**18**
Change in cash and cash equivalents		**2,681**	**-4**
Balance cash and cash equivalents at 1 January		596	600
Balance cash and cash equivalents at 31 December		3,277	596

Notes to the Consolidated Financial Statements

1 General

EBN B.V. has its registered principal office at Daalsesingel 1, 3511 SV Utrecht, in the Netherlands. The company is registered with the Trade Register of the Chamber of Commerce under number 14026250. The consolidated Financial Statements for the year ended 31 December 2022 include EBN B.V. and its subsidiaries; EBN Capital B.V., EBN Aardwarmte B.V., EBN CCS B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V. (collectively referred to as EBN). All shares of EBN B.V. are held by the Dutch State.

EBN focuses on participation in oil and gas exploration and production activities in the Netherlands and on the Dutch Continental Shelf. EBN also participates in Geothermal Energy Projects, Underground Gas Storage Facilities, as well as in Transport- and Gas Treatment Facilities and CO_2 Capture- and Storage Projects.

Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable on 31 December 2022 and as endorsed by the European Union, and, where applicable with Part 9, Book 2 of the Dutch Civil Code, applicable in the Netherlands.

The Parent Company Statement of Comprehensive Income has been prepared using the exemption in Section 2:402 of the Dutch Civil Code. The Financial Statements of EBN B.V. as at 31 December 2022 were prepared by the Board of Directors and authorised by the CEO and five Supervisory Board Members on 10 March 2023. The Annual General Meeting of Shareholders intends to adopt the Financial Statements on 30 March 2023.

Basis for consolidation

The consolidated Financial Statements include the figures of EBN and of the entities controlled by EBN. EBN controls a subsidiary if, based on its involvement with the entity, it is exposed to, or entitled to, variable results and has the ability to influence those results through its control over the entity. The Financial Statements of the subsidiaries are prepared on the same accounting principles as EBN's. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiaries acquired or disposed during the year are included in the Consolidated Statement of Comprehensive Income as of the date of acquisition of control or the date of disposal.

EBN Capital B.V. ('EBN Capital'), EBN Aardwarmte B.V. ('EBN Aardwarmte'), EBN CCS B.V. ('EBN CCS'), EBN Porthos Deelnemingen B.V. ('EBN Porthos Deelnemingen') and EBN CCS LP B.V. ('EBN CCS LP') in Utrecht are the only subsidiaries of EBN. EBN Capital (100% owned subsidiary) participates in aggregate pipelines for gas transport (F3/A6 extension pipeline, K13-Den Helder pipeline, K13 extension pipeline, NGT-extension and NOGAT), the Bergermeer Gas Storage facility and CCUS Project Aramis. EBN Aardwarmte (100% participation) participates in geothermal projects. EBN CCS (100% owned subsidiary) participates in several CO_2 Capture and storage activities. EBN Porthos Deelnemingen and EBN CCS LP participate in one or more companies involved in the development and implementation of the 'Porthos' Project.

Collaborative Ventures

EBN conducts its activities through partnerships that are governed by contractual agreements (cooperation agreements or 'Joint Operating Agreements'). EBN has assessed the control, voting rights, duties and obligations arising from these agreements. In conclusion - with the exception of the NGT-Extension - EBN has Joint Control with one or more partners in the agreements and therefore qualifies them as Joint Operations under IFRS 11. EBN, together with the other parties to the joint agreement, is entitled to the assets and liabilities related to the agreements. EBN's Financial Statements reflect its interest in those joint operations by recognising the assets, liabilities, income and expenditure for its share. The most important Joint Operations, based on the carrying value of property, plant and equipment as at 31 December 2022, are as follows:

Name	Interest	Operator	Operator's place of business
JDA Unit	40%	NAM	Assen
Groningen	40%	NAM	Assen
Schoonebeek	40%	NAM	Assen
A&B Unit	40%	PETROGAS	Rijswijk
K04ab & K05ab	50%	TOTAL	The Hague
Bergermeer UGS	40%	TAQA	Alkmaar
Noord Friesland	40%	NAM	Assen
L05a	40%	NEPTUNE	The Hague
Q10 & Q13 unit	40%	DANA	The Hague
M07 & L09	50%	NAM	Assen

Associates and Joint Ventures

EBN has a 40% share in GasTerra B.V. ('GasTerra'), which is based in Groningen and whose main activity is trading in natural gas. In addition, EBN has a 45% Participation in NOGAT B.V. ('NOGAT') is based in The Hague and its main activity is the transport of natural gas from the North Sea.

Together with its partners, EBN has invested in a total of six Geothermal Energy companies: Warmtebron LEAN B.V. ('Warmtebron LEAN'; 40% participation) in Bunnik, Geothermie Plukmade B.V. ('Geothermie Plukmade'; 30% participation) in Breda, Geocombinatie Leeuwarden B.V. ('Geocombinatie Leeuwarden'; 30% participation) in Dokkum, Warmtebron Zwolle B.V. ('Warmtebron Zwolle'; 30% participation) in Zwolle, Geothermie Delft B.V. ('Geothermie Delft'; 40% participation) in Dordrecht and Haagse Aardwarmte B.V. ('Haagse Aardwarmte'; 25%) in The Hague. The main activity of these six Geothermal Joint Ventures is the research and development of Geothermal Energy in respectively Utrecht, North Brabant, Friesland, Overijssel and South Holland.

In order to participate in the 'Porthos' project, EBN established EBN Porthos Deelnemingen B.V. in Utrecht and EBN CCS LP B.V. in Utrecht on 12 December 2021. Both have a share in the following associated entities: Porthos CO_2 Transport and Storage GP B.V. (33.3%) in Rotterdam, Porthos Offshore Transport and Storage GP B.V. (50%) in Rotterdam and Porthos System Operators B.V. (50%) in Rotterdam. In addition, these associates have a total (direct & indirect) share in the Joint Ventures established specifically for these 'Porthos' activities. These are: Porthos CO_2 Transport and Storage C.V. (33.3%) and Porthos Offshore Transport and Storage C.V. (50%).

For the NGT-Extension Joint Venture, EBN does not have Joint Control as defined by IFRS 11, as a result of which its interest is recognised in accordance with IAS 28. EBN exerts significant influence over the business and financial policies of the participation. The 12% interest in the NGT-Extension is recognised using the Equity Method and presented as an Associate. NGT-Extension is based in The Hague and its main activity is the transport of natural gas from the North Sea.

EBN as designated party

The Ministry of Economic Affairs and Climate Policy (EZK) has appointed EBN as designated party to ensure the target fill rate of the Bergermeer Gas Storage Facility is achieved during the winterperiod 2022/2023. This is important for ensuring the security of gas supply in the Netherlands. The Ministry has appointed EBN as designated party to fill the commercial Gas Storage Facility for the period 24 June 2022 to 31 March 2023.

EBN has contracted TAQA as the Bergermeer Filling Agent to purchase gas on behalf of EBN in the injection period (period up to 1 November 2022) and sell in the production period (1 October 2022 to 31 March 2023). During the injection period, EBN injected a net total of 12.2 TWh into the Underground Gas Storage. As per 31 December 2022, a total of 7.3 TWh remains in the Gas Storage Facility.

Market price risks on purchased gas has been fully hedged, as EBN has entered into forward contracts. The inventory recognised at balance sheet date has been fully sold and will be delivered in the period up to 31 March 2023.

Any positive trading results are remitted to the shareholder at the end of filling activities. For any trading losses, management costs and other expenses incurred by EBN, EZK has granted a government grand up to maximum EUR 480.5 million.

Key accounting estimates and judgements

The preparation of Financial Statements requires estimates and judgements. These have consequences for the carrying amount of assets and liabilities, reported income, costs items and the related reporting of contingent assets and liabilities at the date of the Financial Statements. The results can be influenced by such estimates and judgements. The paragraphs below explain the matters that management considers most important and which, due to intrinsic uncertainties, are often the most difficult to estimate. In addition, we refer to the 'Impairment' section which also includes information about assumptions and estimation uncertainties underlying the recoverable amount of non-current assets.

Decommissioning and restoration costs

The provision for decommissioning costs and the capitalisation of decommissioning costs on the balance sheet is based on information from operators. EBN assesses this information based on its own knowledge and experience and amends it where deemed necessary. The ultimate decommissioning and restoration costs are uncertain and cost estimates can vary as a result of numerous factors, such as market prices, changes in legal requirements, new decommissioning techniques or experience. The anticipated timing and scope of the costs can change as a result of, for example, changes in oil and gas reserves and changes to legal and regulatory requirements and their interpretation. Significant estimates and assumptions are made when establishing the provision for decommissioning and restoration costs. Substantial revisions of the provision can therefore influence future results (refer to note 15).

Reserves and depreciation

The Unit of Production (UOP) method is based on EBN's estimates of the oil and gas reserves and production profiles. EBN determines the oil and gas reserves in accordance with the definitions laid down by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE) in the Petroleum Resources Management System 2020 (PRMS). The reserves used for depreciation are based on EBN's current estimations of proven and probable developed reserves (PRMS category 1) and the associated production profiles. Estimates of reserves are - by definition - inaccurate and based on interpretations that can, over time, change on the basis of new information obtained from drilling new wells, reservoir production behaviour and changes in economic factors (such as price expectations). This can result in upward or downward revisions to the reserves. Changes in reserves have an effect on the future depreciation and the recoverable amount of production assets (see also notes to the significant accounting policies of 'property, plant and equipment' in note 9).

Provision for earthquake-related costs

The provision for costs as a result of earthquakes in the province of Groningen is based on information from the operator and public information. This provision relates mainly to damage repair as a result of earthquakes, architectural reinforcements of buildings, strengthening the infrastructure, compensation measures and decline in value. The assumptions used for the estimates for the provision are based on payments already made, experience, statistical information and calculation models, internal and external investigations and information from the operator. Changes in laws and regulations, expected resource outflows and the discount rate used affect the nominal value of the provision. The ultimate amount of the costs depends among other things on the extent of the damage and advice, valuation by experts and/or bilateral agreements and can therefore differ from the current expected cost (see note 15).

Recoverable amount

The calculation of the recoverable amount of assets is partly based on estimates of reserves, production profiles, future selling prices, operating costs, exploration potential, expected future investments, and earthquake-related expenditure and the discount rate. Future events may have an impact on these forecasts and estimates which may change the recoverable amounts.

2 Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the historical cost convention, and on a 'going concern' basis, unless stated otherwise.

International Financial Reporting Standards (IFRS)

The following standards, amendments to standards and interpretations have been approved by the European Commission and are mandatory for the financial year starting on 1 January 2022.

Amendments to IAS 37: Onerous contracts

The amendments apply a 'directly related cost approach'. These are costs directly related to a contract to supply goods and/or services and include both incremental costs and allocated costs directly related to the contract in question. Changes due to the amendment in IAS 37 are adjusted prospectively for relevant contracts. This adjustment has no impact on EBN's 2022 Financial Statements.

Amendments to IAS 16: Proceeds before Intended Use

The amendment prohibits entities from deducting proceeds from the sale of items produced prior to commissioning from the cost of property, plant and equipment. Instead, the proceeds from selling such items, and the costs of producing those items, are recognized in profit or loss. This may relate to oil & gas revenue realised before a well has entered production. EBN will assess this on a case-by-case basis in consultation with relevant operators. The total impact in 2022 is nil.

New and amended standards which are not yet effective

The new standards, amended standards and interpretations that are not yet effective or have not yet been ratified by the European Union are not applied by EBN (e.g. implementation of IFRS 17). It is expected that this will not apply or have limited consequences for EBN's Financial Statements from the year of application.

Foreign currency translation

The functional currency and presentation currency of EBN is Euro. Commercial transactions and borrowings in foreign currencies are converted at the spot exchange rates as applicable on the transaction dates. Monetary balance sheet items denominated in foreign currencies are converted at the exchange rates applying on the balance sheet date. Differences in exchange rates resulting from settlement of these transactions and conversion of balance sheet items are recorded directly in the Statement of Comprehensive Income.

Distinction between current and non-current assets and liabilities

An asset is classified as current if it is expected to be realised within 12 months after the balance sheet date. A liability is classified as current if it will be settled within 12 months of the balance sheet date. If an unconditional right to postpone payment for at least 12 months exists then such a liability is classified as non-current.

Comparison with previous reporting period

The principles applied of valuation and result determination remained unchanged compared to the previous reporting period. Where necessary, the comparative figures for the previous financial year have only been adjusted in terms of classification for comparative purposes.

Property, plant and equipment

Property, plant and equipment are stated at the acquisition cost less depreciation and any impairment losses. Replacement investments are capitalised in accordance with the IAS 16 general capitalisation criteria.

The estimated costs for decommissioning, dismantling and removal of platforms and other underground installations are capitalised as part of the acquisition costs of the applicable property, plant and equipment.

Property, plant and equipment is no longer included in the balance sheet when it is disposed of or when no future economic benefits are expected from its further use, or in case the licence is relinquished or sold. Any profit or loss from the asset that is no longer included in the balance sheet is generaly recognized in income.

Assets under construction

Expenditure for the following activities is capitalised as part of the exploration and evaluation assets under construction: acquisition of exploration licences, exploration drilling including test, sampling and activities in relation to evaluation of the technical and commercial possibility of extracting hydrocarbons. If it turns out that an exploration well is dry, then costs incurred are charged to the consolidated statement of comprehensive income and disclosed under write-downs in the operating costs (note 3).

The following costs are not capitalised: topographical, geological, geochemical and geophysical surveys, unless they are related to existing and proven reserves.

Exploration and evaluation costs that are on the balance sheet for more than 12 months are charged to the result (under depreciation, classified under note 3 'Operational costs') unless:

- they are in an area where substantial investments are required before production can start, or
- commercially recoverable quantities have been found, or
- further exploration or evaluation activities take place, i.e. additional exploration wells are drilled or firm plans to do so in the near future exist.

EBN regularly assesses whether capitalization of the expenditure for exploration drilling still meets the criteria listed above and whether the drilling activities are expected to continue. Exploration wells that have been on the balance sheet for more than 12 months are re-evaluated to determine whether any facts or circumstances have changed and whether the above criteria still apply.

Exploration and evaluation costs under construction and investments under construction are categorised as drilling or production, transport and storage facilities from the start of production or commissioning.

Reimbursements

Reimbursements of 'farm in' costs in exploration licences are capitalised and depreciated based on the Unit of Production (UOP) method.

Depreciation

Property, plant and equipment are depreciated on the basis of the Unit for Production method or on a straight-line basis over the expected useful life. The depreciation method per category is as follows:

Categories	Depreciation method
Production	Unit of Production method
Drilling	Unit of production method
Transport and Storage	Straight-line basis
Decommissioning Assets	Unit of Production method and straight-line basis
Other Assets	Straight-line basis

Property, plant and equipment for gas and oil drilling are depreciated based on the Unit of Production method (UoP).

This method is based on EBN's estimates of the proven probable to be developed reserves (PRMS category 1) and production profiles in accordance with the definitions laid down by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE) in the Petroleum Resources Management System 2018.

The UOP rates for the financial year indicate the ratio between the production over the year and the proven and probable developed reserves (PRMS category 1) at the beginning of the year. These reserves are determined by increasing the reserves as established at the end of the financial year with the production for the year.

The other property, plant and equipment are depreciated over the estimated useful life on a straight-line basis. Twenty years is taken as the initial basis for main transport pipelines and thirty years for facilities for underground storage of natural gas. A ten-year useful life applies to industrial buildings. Land is not depreciated.

The estimated remaining useful life of property, plant and equipment is reviewed each year based on the future pattern of use. If changes occur, the depreciation method is adjusted in order to reflect the adjusted useful life and the associated future usage pattern. The effect thereof is incorporated in the income statement of the current and/or future periods (prospective).

Borrowing costs

Borrowing costs of projects are capitalised. The interest rate used for the financial year is based on the average interest rate applicable to non-current borrowings in the financial year under review.

Leases

For each lease agreement, EBN assesses whether it contains a lease component. A contract is, or contains, a lease if, in exchange for consideration, the contract grants the right to exercise control over the use of an identified asset for a specified period of time. For each lease agreement where EBN is a lessee, EBN calculates a right of use and a corresponding lease obligation, except for short-term lease agreements (defined as leases with a lease term of 12 months or less) and lease agreements with a value of € 5,000 or less. For these lease contracts, EBN recognises the lease payments on a straight-line basis as operating costs in the income statement.

The right to use a lease is initially valued at the present value of the lease payments and is amortised on a straight-line basis over the lease term. The right of use asset is presented under property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease. If this percentage cannot be easily determined, the lessee uses the marginal interest rate. The marginal interest rate is determined on the basis of the risk-free market interest rate, plus a specific risk premium for EBN for the same duration and with the same certainty as that at which EBN Group would finance the acquisition of a comparable asset.

Associates and Joint Ventures

An associate is an interest in an entity on which EBN has significant influence, but not control or joint control. A Joint Venture is an interest in which EBN, together with its partner(s), has joint control.

Associates and Joint Ventures are accounted for using the equity method. This means that EBN's share in an associate is initially recognised at cost and adjusted thereafter to recognise EBN's share in the net assets of this entity, less any impairment.

EBN's share in the profit or loss of an associate or Joint Venture is included in the result. When EBN's share in the loss of an associate or Joint Venture exceeds the carrying amount of that associate or Joint venture – including any other long-term receivables that are part of the net investment – the carrying amount is reduced to zero. No further losses are accounted for unless EBN has assumed responsibility for the associate or Joint venture through a guarantee or other commitments. Unrealised gains and losses on transactions with associates and Joint Ventures are eliminated in proportion to EBN's share in these associates or Joint Ventures.

Impairment

Annually at balance sheet date an assessment is made as to whether the carrying amount of a non-current asset (property, plant and equipment or investment in associates or Joint Ventures) exceeds its recoverable amount (higher of fair value less cost to sell and value-in-use). In that case, an analysis to identify possible impairment requirements is carried out.

When an asset does not generate sufficient independent cash flows, the recoverable amount (see also section 'Estimates and judgements') is determined for the cash flow generating unit (CGU) to which the asset belongs. In general, for property, plant and equipment, EBN's cash-

generating unit is a sales contract. In addition, 'hubs' (main platform and satellites) can be used as a cash generating unit. For value-in-use, estimated future cash flows are discounted at a discount rate before taxes, based on the market interest rate plus a mark-up for the asset specific risks. EBN uses the WACC (Weighted Average Cost of Capital) for this calculation, for exploration and production activities the WACC is determined at 6.5% (pre-tax). The WACC for midstream operations is 5.0% (pre-tax).

When the recoverable amount of an asset is less than the carrying amount, the carrying amount is written down to the recoverable amount. An impairment can be reversed, either wholly or partially, in the event of a change in the estimate that is of significance for determining the recoverable amount. Impairment is presented as a separate item in the Consolidated Statement of Comprehensive Income.

For more detail about the assumptions, uncertainties in estimates and a sensitivity analysis with respect to impairments we refer to note 9.

Financial instruments

Classification

All financial assets are stated at amortised cost, fair value through other comprehensive income or fair value through profit and loss. The classification depends on the business model that EBN uses for holding these financial assets and the characteristics of the cash flows generated with the financial assets.

Initial recognition

Purchases and sales of financial instruments are recognised on the transaction date. EBN no longer recognises a financial asset in the balance sheet if the contractual cash flows from the asset expire, or if EBN transfers the contractual cash flows from the financial asset by means of a transaction, resulting in the transfer of all ownership-related risks and benefits. The initial recognition takes place at fair value.

Financial assets and liabilities stated at amortised cost.

This category of financial instruments comprises deposits, money market funds, bonds (including commercial paper), trade receivables and other receivables, loans granted, loans taken out and other financing obligations, trade payables and other payable items. These financial instruments are recognised at fair value upon initial recognition. Subsequent measurement is based on amortised cost and on the effective interest method.

Financial assets and liabilities at fair value through other comprehensive income

EBN does not hold any interests that are classified at fair value through other comprehensive income.

Financial assets and liabilities at fair value through profit and loss

EBN only holds derivatives within this category.

Derivative financial instruments (derivatives)

EBN uses derivative financial instruments to hedge the risk of changes in future periodic interest cash flow payments or risks resulting from foreign currencies. These changes in cash flows can be the result of developments in the market interest rates or in the exchange rates of foreign currencies.

Valuation of derivatives takes place at fair value. The fair value of interest rate derivatives is determined by discounting future cash flows. The fair value of currency derivatives is determined by discounting future cash flows converted at market rates. The discount is determined based on the market interest rate at the end of the financial year. The cash flows are determined on the basis of the contractually agreed upon interest rates, due dates and nominal amounts.

Derivatives are classified under current or non-current other financial assets if the fair value is positive and under current or non-current financial liabilities if the fair value is negative

Impairment losses

Any impairment losses are identified by the generic or simplified method. The generic method uses the following model:

- 12 months' expected credit loss; or
- Lifelong expected credit losses for financial assets when the credit risk increases significantly due to circumstances. All expected credit losses are recognised for the life span of the asset; or
- Lifelong expected credit losses, where interest is calculated on the net receivable less impairment losses.

The expected credit loss is determined on the basis of a long-term average credit loss rating based on a risk profile assigned by credit rating agencies. The simplified method is applied to the debtors and receivables.
The lifelong expected credit losses are immediately recognised, determined on the basis of a historical set of average irrecoverable amounts (based on historical collection data).

Inventories

Supplies of materials are valued at the lower of cost on a weighted average basis and net realisable value. Inventory of oil and condensate is valued at the lower of average purchase prices or net realisable value.

Inventories resulting from Bergermeer filling activities are valued at the lower of cost or net realisable value.

Receivables

Receivables are recognised at amortised cost less any adjustment for doubtful debts. On first recognition, receivables are presented at fair value.

Other financial assets

Other financial assets are short-term and/or long-term in nature. Long-term securites are bonds and deposits that cannot be converted into cash within one year without additional costs and/or loss of return. This also relates to long-term receivables from loans granted. Short-term securities are short-term money market instruments that can be converted into cash over three months but within one year. Short-term receivables from financing provided are also presented as other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current bank balances and short-term money market instruments that can be converted into cash in the short term (within three months), of which the amount is known.

Shareholder's equity

EBN's equity consists of share capital, share premium and retained earnings. The Dutch State is EBN's sole shareholder.

Provisions

Provisions are recognised in the balance sheet if the following conditions are satisfied:

- there is a legal or constructive obligation as a result of a past event, and
- it is likely that cash outflow will be required to settle the present obligation, and
- a reliable estimate of the amount of the obligation can be made.

When the effect of the time value of money is material, provisions are determined by calculating the present value of the expected cash flows at a discount rate (before tax). Once the present value has been calculated, any increase in provisions as a result of the passing of time is presented as interest expense.

The provision for decommissioning and restoration costs is designed to cover the estimated costs of decommissioning, dismantling and site recovery based on the current requirements, technology and cost estimates. The amount of this provision is based on information from the operators, and any changes in estimates will, after EBN has made its own assessment, usually result in a corresponding change in the capitalised decommissioning and restoration costs of the relevant property, plant and equipment. Any changes in the provision, other than the periodic unwinding of discount or utilization of the provision, that result in changes in the present value or expected outflow of resources are adjusted to the carrying amount of the related asset.
If case reversal of decommissioning provision exceeds the carrying amount of the related asset, the excess

amount is recognized in the Statement of Comprehensive Income. The depreciation charge of the related asset, is depreciated prospectively over its intended useful life.

The provision for costs as a result of earthquakes in the province of Groningen is based on information from the operator and public information. This provision relates mainly to damage repair as a result of earthquakes, architectural reinforcements of buildings, strengthening the infrastructure, compensation measures and decline in value. The amount of this provision is based on payments already made, experience, statistical information and models, internal or external studies and information from the operator.

The provision for subsidence addresses certain additional liabilities that arise during the extraction phase.

Pensions

The pension obligations of EBN are established at the pension fund: Stichting Pensioenfonds ABP ('ABP').

In line with IFRS this plan can be classified as a defined benefit plan. However, as the pension fund is not able to break down the share of EBN in a consistent and reliable manner in the underlying pension obligation, plan assets and cost of the plan, the plan is classified as a defined contribution plan.

The pension contribution payable is a percentage of the premium base. The premium base is the pensionable income minus a franchise. The contributions are determined by ABP in accordance with the relevant applicable regulations in the manner as described in the Actuarial and Operating Memorandum ('ABTN') and at a cost-covering level.

If ABP has a coverage ratio below 126%, then there is a shortfall. In this case, ABP must prepare and submit a recovery plan to the regulator (De Nederlandse Bank). This recovery plan must show that the financial position will improve within a maximum of 10 years with the coverage ratio back above 126%. Any adjustment of pension contributions (surcharge) as a result of this recovery plan is applied prospectively and within a certain bandwidth

The coverage ratio of ABP as at 31 December 2022 was 114.9% (2021: 112.2%). The expected pension costs for 2022 are EUR 2.5 million (2021: 2.3 million).

Operating Segments

The Board of Directors has been identified as the highest-ranking officer or Chief Operating Decision Maker (CODM), responsible for resource allocation and the assessment of Company performance. EBN does not apply the principles of IFRS 8 segmentation because the CODM bases its decisions on consolidated information.

Contingent assets and liabilities

Contingent assets and liabilities are not included in the balance sheet.

Revenue

Revenues from oil and gas production generated from assets in which EBN participates with other producers are accounted for in proportion to EBN's relative interest in these assets.

For its 'own' contracts, the transportation of natural gas is seen as inextricably linked to the supply of gas, as a result of which both obligations are treated as one performance obligation. Subsequent price corrections and settlement of more / less delivery can be considered as a variable component. The transaction price includes transport costs (net) and the sales will be disclosed net. Delivery of natural gas is characterised by a transfer at specific moments; the revenues from the sale of gas are therefore recognised at the time of delivery to the buyer.

Revenue related to the sale of gas on behalf of the Bergermeer Filling Operations is recognised at the contractually agreed pricing at the time of delivery. All revenue arising from these forward contracts are recognised as revenue from contracts with customers.

Revenue arising from the 'Norg Akkoord' as well as revenue realised from the acquisition of the working gas in respectively the Norg and Grijpskerk Underground

Gas Storages are recognised when the performance obligations have been met and are accounted for as revenue from contracts with customers. As part of the 'Akkoord op Hoofdlijnen' (AoH) and 'Norg Akkoord', EBN will receive compensation for gas years 2019/2020 through 2023/2024 for the modified deployment of the Norg Underground Gas Storage Facility.

Other income

Other income consists of Government Grants as well as revenues that do not fall within the scope of IFRS 15. These are recognised at fair value if there is reasonable assurance that the grants will be received and that all related conditions are met. Grants are recognised as other income and allocated to the same period in which the related costs are recognised.

Financial income and expense

Financial income and expense are recognised on the basis of the effective interest method. This item also includes periodic costs relating to the unwinding of provisions.

Valuation at fair value

EBN recognises its derivatives on the balance sheet date at fair value. The fair values of the interest-bearing liabilities are explained in note 19 'Risk management'. Fair value is the price that would be received if the asset were sold at the measurement date or that would be paid to transfer a liability if regular transactions between market participants took place. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- in the most important market for the asset or liability; or, if there is none,
- in the most advantageous market for the asset or liability.

The fair value of an asset or liability is determined using the assumptions that market participants would assume when valuing the asset or liability, assuming that market participants act in their economic interest. The valuation of a non-financial asset at fair value takes into account the ability of an economic market participant to generate economic benefits by using the asset to the maximum and optimally or by selling it to another economic operator that would maximise and optimally utilise the asset.

EBN uses valuation techniques that are appropriate in the given circumstances and for which sufficient data is available to determine the fair value, and whereas many relevant observable inputs as possible and as few unobservable inputs as possible are used. All assets and liabilities for which the fair value is determined or stated in the Financial Statements are classified in the following fair value hierarchy, based on the input of the lowest level that is significant for the entire valuation:

- Level 1: The fair value is equal to quoted prices in an active market.
- Level 2: The fair value is based on parameters that can be observed directly or indirectly in the market.
- Level 3: The fair value is based on parameters that are not observable in the market.

For assets and liabilities that are recognised on a recurring basis in the Financial Statements at fair value, EBN determines at the end of each reporting period by reassessment whether there are any changes in the level classification of the hierarchy (based on the input from the lowest level that is significant for the entire valuation).

For the purpose of reporting fair values, EBN has determined categories of assets and liabilities based on the nature, characteristics and risks of the assets and liabilities and the level in the fair value hierarchy as explained above.

Share of profit from investments in associates and Joint Ventures

The share in the profit from associates is recognised as the share of the profit for the year under review corresponding with EBN's interest, after deduction of taxes.

Taxation

Income tax is determined according to the 'balance sheet method'. Tax expense is recognised in profit or loss except to the extent that it relates to an item recognised directly in other comprehensive income.

Current income tax expenses are taxes that are expected to be payable on the taxable profit for the year, based on the tax rates applying on the balance sheet date, net of any adjustments for taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognised based on the expected tax consequences of temporary differences between the carrying amounts of assets and liabilities relating to the ground subsidence and restoration costs for financial reporting purposes and their tax bases. Deferred tax assets and liabilities are calculated on the basis of the tax rates that are applicable or materially enacted on the balance sheet date, and in accordance with the tax regulations expected to apply when the specific deferred assets and liabilities are settled. Deferred tax assets and liabilities are settled on a net basis.

Solidarity contribution

On November1, 2022, the Deputy Minister of Finance submitted a bill to the House of Representatives aimed at introducing a temporary solidarity contribution for companies with crude oil, natural gas, coal and oil refinery activities (Temporary Solidarity Contribution Bill). These companies are expected to pay a contribution based on their 2022 profits. This bill was signed on December 21, 2022 and the solidarity contribution was introduced retroactively for the year 2022.

The solidarity contribution is a separate tax; it is imposed in addition to corporate income tax. The solidarity contribution is payable on the excess profit, being the portion of the taxable corporate income tax (CIT) profit realized in the contribution year that exceeds 120% of the average taxable profit for the four previous fiscal years prior to the contribution year (the reference profit).

When the calculation results in a contribution being due, it will result in an increase in the current tax expense for 2022 and thus, in an increase in the effective tax rate since the temporary solidarity contribution should be considered an income tax for IFRS purposes. When the calculation results in a contribution being due, it will result in an increase in the current tax expense for 2022 and thus, in an increase in the effective tax rate. The solidarity contribution is payable at a rate of 33%. It is not deductible for corporate income tax purposes.

Notes to the Consolidated Statement of Comprehensive Income

1 General information

All amounts in these explanatory notes are in millions of euros unless otherwise stated.

2 Revenue and other income

EBN's revenue is generated by its contribution in partnerships, related to the exploration and production of oil and gas. All revenue is realised in the Netherlands. The assets in which EBN participates are all located in the Netherlands. Information on the main debtors can be found in note 13.

The 2022 sales from operations amounted to EUR 11.9 billion. Compared to 2021, this is an increase of EUR 9.0 billion. This increase is explained on the one hand by revenue realised from the Bergermeer Filling Activities and on the other by modified deployment of the Norg and Grijpskerk Underground Gas Storages as well as the compensation resulting from the 'Norg Akkoord'. The increase in regular oil and gas sales is caused by sharply higher oil and gas prices in 2022 offset by lower sales volumes compared to 2021.

The table below shows the split of sales and other income by activities:

In EUR million

	2022	2021
revenue: exploration, storage and transportation of natural oil and gas	11,967	2,956
other income: government grants and other income	31	21
total	**11,998**	**2,977**

Sales

Revenue realised from the Bergermeer Filling Activities amounts to EUR 1.1 billion.

By redeploying the Norg and Grijpskerk Underground Gas Storages, GasTerra took over the remaining Working Gas from EBN in 2022. Total revenue recognised from this transaction is EUR 1.1 billion. Revenue arising from the 'Norg Akkoord' contract amounts to EUR 3.2 billion.

Other Income

The government grants mainly relate to the SCAN-, Porthos- and Aramis project and consist of contributions from the European Union (CEF and INTERREG) and the Ministry of Economic Affairs and Climate Policy.

3 Operational costs

In EUR million

	2022	2021
G&G costs	28	10
write-offs (unsuccessful wells)	12	15
earthquake related costs	73	1,132
production, transport and other costs	1,699	568
remeasurement of provision for decommisioning costs	-244	-15
total	**1,568**	**1,710**

Geological and geophysical (G&G) costs comprise the cost of geological, geochemical and geophysical surveys and studies (including seismic surveys). The earthquake-related costs relate to both actual costs and additions to the provision as a result of earthquakes and subsidence in the province of Groningen. For further explanation, see note 15.

The production, transport and other costs also include the labour costs of the operators from the cooperation agreements or 'Joint Operating Agreements'. Total operating costs on behalf of the Bergermeer Filling activities are accounted for under production, transport and other costs and amount to EUR 1.1 billion. Cost eligible for government grants amount to EUR 49 million and are expensed against the related cost for which the grants intend to compensate.

EBN's total salary costs as included under operational costs can be specified as follows:

In EUR million

	2022	2021
gross salaries	17	14
social securities	1	1
pension related costs	3	2
other costs	7	5
total	**28**	**22**

The average number of FTEs in 2022 is 152.3 (2021: 130.4). The total number of FTEs at the end of 2022 is 158 (2021: 145.3), of which 108.2 FTEs work in the Business Units and 49.8 FTEs work in Corporate departments, all working in the Netherlands.

4 Depreciation

In EUR million

	2022	2021
depreciation of property, plant and equipment	608	416
total	**608**	**416**

See note 9 for further details on the depreciation of property, plant and equipment.

5 Financial income and expense

In EUR million

	2022	2021
interest income on cash, cash equivalents and securities	16	2
interest income on derivatives	6	5
revaluation results on derivatives	26	21
interest income on external loans	3	-
interest income related to Filling Agreements Gas Storage	31	-
other financial income	1	-
total financial income	**83**	**28**
interest costs on cash, cash equivalents and securities	-15	-14
interest costs on derivatives	-6	-6
exchange differences on other financial instruments	-32	-22
interest cost on external borrowings	-11	-5
interest cost related to Filling Agreements Gas Storage	-3	-
other finance expense	-4	-
unwinding of discount provisions	-77	-5
total financial expense	**-148**	**-52**
net financial expense	**-65**	**-24**

The revaluation income on derivatives and the exchange rate differences on bond loans mainly concerns the revaluation results on the long-term loans and the directly related derivatives. In 2022 the net result realised amounts to EUR -6 million (2021: EUR 1 million), of which EUR 26 million revaluation income on derivatives and EUR -32 million exchange differences on other financial instruments. This result on revaluations of loans and related derivatives is mainly due to developments in the CHF yield curves against the euro. Interest income and expense arising from the filling orders of Gas Storage Facilities relate to the financing result for the filling of the Bergermeer and Norg Gas Storage Facilities.

6 Share of net profit from associates and Joint Ventures

In EUR million

	2022	2021
GasTerra B.V.	14	14
NOGAT B.V.	15	15
NGT-Extension	2	3
Porthos Group	-1	-
Other	-1	-
total	**29**	**32**

See note 10 for further details regarding the result of associates and Joint Ventures.

7 Taxation

In EUR million

	2022	2021
current income tax on results for the year	2,479	197
income tax related to results prior year	60	-
solidarity contribution	2,974	-
current tax	**5,513**	**197**
deferred tax arising from carry forward tax losses	-	16
deferred tax arising from temporary differences	-23	-14
effect enacted change in tax rate	-	-3
deferred tax	**-23**	**-**
total	**5,490**	**197**

The effective tax rate for 2022 is 56.1% (2021: 23.2%). The higher effective tax rate in 2022 is mainly due to the effect of the solidarity contribution introduced in 2022. On November1, 2022, the Deputy Minister of Finance submitted a bill to the House of Representatives aimed at introducing a temporary solidarity contribution for companies with crude oil, natural gas, coal and oil refinery activities (Temporary Solidarity Contribution Bill). These companies are expected to pay a contribution based on their 2022 profits. This bill was signed on December 21, 2022 and the solidarity contribution was introduced retroactively for the year 2022.

The solidarity contribution is a separate tax; it is imposed in addition to corporate income tax. The solidarity contribution is payable on the excess profit, being the portion of the taxable corporate income tax (CIT) profit realized in the contribution year that exceeds 120% of the average taxable profit for the four previous fiscal years prior to the contribution year (the reference profit).

The balance of deferred tax assets and liabilities increased by EUR 23 million to an amount of EUR 116 million.

In EUR million

	2022		2021	
	EUR million	%	EUR million	%
result before income tax	9,780	-	853	-
taxation based on Dutch tax rate	2,523	25.8%	213	25.0%
solidarity contribution	2,974	30.4%	-	-
participation exemption	-7	-0.1%	-7	-0.8%
effect tax rate change	-1	0.0%	-3	-0.3%
prior year adjustment	-	0.0%	-6	-0.7%
total	**5,490**	**56.1%**	**197**	**23.2%**

In EUR million

	property, plant and equipment	provisions	carry forward tax losses	gas year settlement	total
balance at 1 January 2021	**-51**	**126**	**19**	**-**	**94**
prior year adjustment	5	1	-	-	6
charged to the statement of comprehensive income	-24	34	-19	-	-9
effect future tax rate change	-2	4	-	-	2
balance at 31 December 2021	**-72**	**165**	**-**	**-**	**93**
prior year adjustment	-	-	-	-	-
charged to the statement of comprehensive income	28	-131	-	126	23
effect future tax rate change	-	-	-	-	-
balance at 31 December 2022	**-44**	**34**	**-**	**126**	**116**

The deferred tax liability relates to the tax valuation of property, plant and equipment. The deferred tax asset relates, on the one hand, to the commercially and fiscally different treatment of the provision for decommissioning. On the other hand, a deferred tax asset has been recognised on a difference in timing of taking the 'Norg Akkoord' into account. As part of the 'Akkoord op Hoofdlijnen' (AoH) and 'Norg Akkoord', EBN will receive compensation for gas years 2019/2020 through 2023/2024 for the modified deployment of the Norg Underground Gas Storage Facility. For fiscal purposes, the grant for gas year 2022/2023 will be processed in the 2022 return. The calculation of the current tax charge as well as the deferred tax asset arising from the Norg grant relies on an estimate based on the same assumptions used commercially for expected revenue for the 2022/2023 gas year.

A deferred tax asset has arisen in 2020 due to the portion of the accrued tax loss that cannot be carried back against the 2019 taxable profit. This deferred tax asset was settled as carry-forward in 2021.

The tax liability for 2022 is EUR 3.9 billion (2021: 259 million tax asset) and arises, on the one hand, from the tax on profit in 2022 offset by the prepaid corporate tax that was based on the expected budgeted taxable loss, as well as the additional tax charge arising from the solidarity contribution.

In EUR million

	2022	2021
current tax debt	897	-259
solidarity contribution	2,974	-
total tax debt	**3,871**	**-259**

8 Result of financial year

The total result from continuing operations in 2022 is EUR 4.3 billion. This is EUR 3.6 billion higher compared to the 2021 result.

Notes to the Consolidated Statement of Financial Position

9 Property, plant and equipment

In EUR million

2022	Assets under construction	Producing Assets	Drilling	Transport and Storage	Decommissioning Assets	Other Assets	Total
cost							
balance at 1 january 2022	47	8,293	4,533	972	2,186	35	16,066
investments	158	7	-	-	-	-	165
transfers	-78	62	15	1	-	-	-
revision/adjustments in decommissioning and restoration cost	-	-	-	-	-412	-	-412
sale, retirement and other changes	-12	-180	-49	-	-50	-1	-292
balance at 31 December 2022	**115**	**8,182**	**4,499**	**973**	**1,724**	**34**	**15,527**
depreciation and impairments							
balance at 1 January 2022	-	7,777	3,968	747	1,635	7	14,134
depreciation	-	138	122	30	317	1	608
revision/adjustments in decommissioning and restoration cost	-	-	-	-	-	-	-
sale, retirement and other changes	-	-180	-49	-	-50	-	-279
balance at 31 December 2022	**-**	**7,735**	**4,041**	**777**	**1,902**	**8**	**14,463**
carrying amount at 31 December 2022	**115**	**447**	**458**	**196**	**-178**	**26**	**1,064**

In EUR million

2021		assets under construction	producing assets	drilling	transport and storage	decommissioning assets	other assets	total
cost								
	balance at 1 January 2021	50	8,241	4,497	973	1,982	33	15,776
	investments	100	1	-	-1	-	1	101
	transfers	-89	52	36	-	-	1	-
	revision/adjustments in decommissioning and restoration cost	-	-	-	-	241	-	241
	sale, retirement and other changes	-14	-1	-	-	-37	-	-52
balance at 31 December 2021		**47**	**8,293**	**4,533**	**972**	**2,186**	**35**	**16,066**
depreciation and impairments								
	balance at 1 January 2021	-	7,649	3,865	718	1,518	6	13,756
	depreciation	-	128	103	29	154	1	415
	revision/adjustments in decommissioning and restoration cost	-	-	-	-	-	-	-
	sale, retirement and other changes	-	-	-	-	-36	-	-36
balance at 31 December 2021		**-**	**7,777**	**3,968**	**747**	**1,636**	**7**	**14,135**
carrying amount at 31 December 2021		**47**	**516**	**565**	**225**	**550**	**28**	**1,931**

Total investment in 2022 amounts to EUR 165 million, an increase of 63% compared to 2021. Of these investments, onshore investments amounted to EUR 18 million (2021: EUR 24 million) and offshore investments totalled EUR 147 million (2021: EUR EUR 76 million). The right-of-use asset (IFRS 16) with a carrying amount of EUR 8 million (2021: EUR 9 million) is presented under Other Assets and relates to an office building and vehicles.

The decrease in the capitalisation of estimated decommissioning and restoration costs in 2022 is EUR -412 million (2021: EUR 241 million). Due to revisions in the provision for decommissioning and restoration costs, total capitalised decommissioning and restoration costs may have a positive or negative value at the balance sheet date. At the end of 2022, the carrying amount of the decommissioning asset is EUR -178 million (2021: EUR 550 million), which is a direct consequence of

the movements in the decommissioning and restoration provision mentioned above. Changes in decommissioning assets are directly related to investments in construction, production, drilling and transport and storage, but are not recognised separately for these assets categories as they are not individually identifiable. For a further explanation of the provision for decommissioning and restoration costs, please refer to note 15.

The cumulative acquisition value of assets already fully depreciated but still in use is EUR 2.4 billion (2021: EUR 818 million).

No triggering events for impairment were identified for property, plant and equipment.

10 Associates and Joint Ventures

Associates comprise of the 40% share in GasTerra, the 45% share in NOGAT and the 12% share in the NGT-Extension Joint Venture.

Joint Ventures in CCUS activities relate to the 33.33% share in Porthos CO_2 Transport and Storage GP B.V., the 50% share in Porthos Offshore Transport and Storage GP B.V., the 50% share in Porthos System Operator B.V., the 33.33% share in Porthos CO_2 Transport and Storage C.V and the 50% share in Porthos Offshore Transport and Storage C.V., collectively known as 'Porthos Group'.

Other Joint Ventures relate to partnerships in Geothermal Energy and consist of the 40% share in Warmtebron LEAN B.V., the 30% share in Geocombinatie Leeuwarden B.V., the 30% share in Geothermie Plukmade B.V., the 30% share in Warmtebron Zwolle B.V., the 40% share in Geothermie Delft B.V. and the 25% share in Haagse Aardwarmte B.V. The Joint Ventures for the purpose of Geothermal Energy are not further specified due to their limited size and are disclosed under the category Other Joint Ventures.

Associates as well as participations in Joint Ventures are accounted for using the equity method. The result is distributed annually.

In EUR million

	associates			Joint Ventures		total	associates			Joint Ventures	total
	GasTerra	NOGAT	NGT-Extension	Porthos Group	Other	2022	GasTerra	NOGAT	NGT-Extension	Other	2021
balance at 1 January	86	13	4	1	6	110	86	13	5	-	104
				-	-		-	-	-	-	-
profit share	14	15	2	-1	-1	29	14	15	3	-	32
dividend received	-14	-15	-2	-	-	-31	-14	-15	-4	-	-33
investment				41	3	44	-	-	-	7	7
				-	-		-	-	-	-	-
balance at 31 December	**86**	**13**	**4**	**41**	**8**	**152**	**86**	**13**	**4**	**7**	**110**

The following table provides summary financial information on the associates GasTerra, NOGAT and NGT on a 100% basis.

In EUR million

		associates			Joint Ventures		total	associates			Joint Ventures	total
		GasTerra	NOGAT	NGT-Extension	Porthos Group	Other	2022	GasTerra	NOGAT	NGT-Extension	Other	2021
assets	Short-term	16,030	36	52	27	5	16,149	4,524	40	-	3	4,567
	Long-term	4	59	76	62	35	237	4	58	33	14	109
liabilities	Short-term	15,789	4	4	4	5	15,805	4,286	8	-	1	4,295
	Long-term	30	63	88	1	13	194	26	28	-	-	54
Equity Value		216	28	36	85	22	387	216	28	33	16	293
EBN's share		40%	45%	12%				40%	45%	12%	42%	
equity value		**86**	**13**	**4**	**41**	**8**	**152**	**86**	**13**	**4**	**7**	**110**

In EUR million

	associates			Joint Ventures		total	associates			Joint Ventures	total
	GasTerra	NOGAT	NGT-Extension	Porthos Group	Overige	2022	GasTerra	NOGAT	NGT-Extension	Overige	2021
Revenue	35,501	65	57	-	3	35,626	13,144	63	38	-	13,245
Net Result (100%)	36	33	19	-4	-3	81	36	34	24	-	94
Other non-realised results (100%)	-	-	-	-	-	-	-		-	-	-
Total result	36	33	19	-4	-3	81	36	34	24	-	94
EBN's share in total result	**14**	**15**	**2**	**-1**	**-1**	**29**	**14**	**15**	**3**	**-**	**32**

11 Other financial assets, cash and cash equivalents

Part of the liquidity is intended for future long-term obligations, such as repaying long-term loans, decommissioning the mining installations and meeting earthquake damage obligations. The average term of these obligations is usually longer than one year, for which there were investments in bonds with a remaining term of more than one year in order to optimally align them with the term of the long-term obligations.

In EUR million

	2022	2021
securities (non-current assets)	755	480
issued loans (non-current assets)	204	329
securities (current-assets)	3,262	2,972
issued loans (current assets)	664	199
amounts due from associates	3,740	-
cash and cash equivalents	3,277	596
total at 31 December	**11,902**	**4,576**

Other financial assets (current assets) include a receivable from GasTerra under the Working Gas Loan Facility Agreement (WGLFA) amounting to EUR 3.6 billion, as well as a receivable from GasTerra under the Deposit and Loan Facility Agreement (DLFA) totalling EUR 140 million. See note 22 for further explanation.

12 Inventories

In EUR million

	2022	2021
gas	1,396	-
oil and condensate	11	4
materials	22	22
total at 31 December	**1,429**	**26**

The total gas inventory position refers to inventories arising from the Bergermeer Filling Operations. This position will be fully sold by 31 March 2023.

13 Trade receivables and other current receivables

In EUR million

	2022	2021
trade receivable related associate	366	342
other trade receivables	9	310
total trade receivables	**375**	**652**
other receivables and deferred items	709	55
total at 31 December	**1,084**	**707**

The trade receivable from associates refers to GasTerra, in which EBN has a 40% stake. The fair value of the trade receivables and other current receivables is approximately equal to the carrying amount. The other receivables consist mainly of sales to be invoiced from regular activities.

In EUR million

oil and gas	provision matrix	current	>30 days	31-60 days	>90 days
31 December 2022	expected loss rate	0%	0%	0%	0%
	gross carying amount- trade receivables (EUR million)	375	-	-	-
	loss allowance (EUR million)	-	-	-	-
31 December 2021	expected loss rate	0%	0%	0%	0%
	gross carying amount- trade receivables (EUR million)	652	-	-	-
	loss allowance (EUR million)	-	-	-	-

The table above shows the ageing of the trade receivables (all in the Netherlands). For the oil and gas activities the percentage for doubtful debt (taking account of forward looking information) is rounded off to 0%. There is no provision for doubtful debts recorded as per balance sheet date.

14 Equity

In EUR million

	2022	2021
balance at 1 January	**1,048**	**392**
net result	4,290	656
other comprehensive income	-1	-
total result for the period	**4,289**	**656**
balance at 31 December	**5,337**	**1,048**

Share capital

The authorised, also issued and paid-up share capital in 2022 amounts to EUR 128 million (2021: EUR 128 million) and consists of 284,750 shares (2021: 284,750 shares), each with a nominal value of EUR 450.

Retained earnings and profit for the year

Retained earnings consists of the balance of accumulated results that have not been distributed to the shareholder. Under Article 23 part 2 of the articles of association, profits are at the free disposal of the General Meeting; under Article 23 part 3, the company may only make distributions to the extent that its equity exceeds the statutory reserves. The retained earnings reserve totalled EUR 470 million at the end of 2022 (2021: EUR -186 million). The net result of EUR 4.3 billion will be added to the result for the year before profit appropriation.

The total realised trading result from the Bergermeer filling activities as at the balance sheet date amounts to EUR 34 million and has been added to the company's equity position. This amount is at the full disposal of the shareholder and -after offsetting against any subsidies to be received- is paid out as a dividend at the end of the filling order.

The result for the financial year is EUR 15,601 per share (2021: EUR 2,304 per share).

Share premium reserve

The share premium reserve of EUR 450 million consists of a Capital Contribution from EBN's shareholder, the Ministry of Economic Affairs and Climate Policy, to strengthen the company's equity and solvency position.

15 Provisions

Total provisions have been reduced by EUR 994 million in 2022.

Out of the total provision, EUR 825 million is expected to be short-term (2021: EUR 863 million).

Provision decommissioning and restoration

The provision for decommissioning and restoration costs covers obligations with a term depending on the useful life of the fields. The provision for decommissioning and restoration costs is based on information from operators at 31 December 2022 and EBN's own analyses performed. These analyses were determined by estimating costs on the basis of the current price level, taking into account an inflation rate of 2.11% (2021: 2.5%) and discounted at a nominal interest rate of 3.632% (2021: 0.443%). The equivalent of the provision stated at the present value is recognised under property, plant and equipment and depreciated (depending on the asset) based on the UOP method or on a straight-line basis. An average discount rate of 2.3% (2021: 0.2%) is used to unwind the discount rate.

In EUR million

	decommissioning and restoration	subsidence	earthquakes	total
balance at 1 January 2021	**2,766**	**226**	**1,409**	**4,401**
additions	29	42	948	1,018
amount charged against provision	-44	-4	-322	-370
release	-	-	-81	-81
remeasurements and other movements	197	39	-	236
unwinding of discount (accretion)	5	-	-	5
balance at 31 December 2021	**2,953**	**303**	**1,954**	**5,210**
additions	8	29	290	327
amount charged against provision	-54	-1	-415	-470
release				
remeasurements and other movements	-664	-72	-192	-928
unwinding of discount (accretion)	67	10		77
balance at 31 December 2022	**2,310**	**270**	**1,637**	**4,217**

The revision in the provision for decommissioning and restoration is partly caused by an adjustment of the discount rate and inflation numbers (impact: EUR -752 million). Additionally, the estimated costs for decommissioning and removing installations have been updated resulting in an increase of the estimated costs and new insights regarding cut-off production dates (amount: EUR 88.9 million).

Subsidence provision

The provision for ground subsidence also includes obligations with a duration depending on the lifespan of the gas fields. The Soil Subsidence Commission was established in 1984 as a result of an agreement between the province of Groningen, the Dutch State and NAM, with the aim of regulating the compensation for damage resulting from subsidence caused by gas extraction in the province of Groningen The accelerated phasing out of the Groningen gas field results in an adjustment to this

provision as at end of 2022. The reduction in the provision is mainly explained by a higher discount rate used in 2022 of 3.504% (2021: 0.04%) as well as the effect of a decrease in the expected inflation rate to 2.11% (2021: 2.5%). The total unwinding of the provision is EUR 10 million (2021: EUR nil).

Earthquake provision

The provision for costs as a result of earthquakes in the province of Groningen is based on information from the operator and public information. This provision relates to damage repair as a result of earthquakes related to production up to and including the balance sheet date (including the 'remweg' provision), structural reinforcements of buildings, reinforcement of the infrastructure, compensation measures and depreciation. The provision for costs as a result of earthquakes is expected to run until 2028.

The portion of the provision for damage claims is based on the number of outstanding claims as at 31 December 2022 as specified by the TCMG (Tijdelijke Commissie Mijnbouwschade Groningen) and an estimate of the expected claims based on historical information and internal models of the operator. The expected average pay-out amount is based on historical data. The provision for damage claims decreased due to payments over the year as well as new estimates for an amount of EUR 119.7 million.

The part of the provision for 'remweg' is based on the estimate of possible future claims related to the production up to and including 31 December 2022. An estimate is made of the delay ('remweg') between production and the earthquake and an estimate of the time required to submit a claim.

The part of the provision for strengthening is based on an estimate of the costs for the number of objects to be strengthened. Based on the 2018 Outline Agreement ('Akkoord op Hoofdlijnen'), the Dutch State has set up an independent body to handle strengthening claims. Following the advice of the Mining Council (Mijnraad), the NCG presented an action plan (basis for the number of addresses). An amount of EUR 160.4 million has been added to the provision for changes in reinforcement standards that will result in higher reinforcement costs, including implementation costs. Also, these costs were reassessed and further indexed during the year. During the year, a total of EUR 161 million was charged against the provision. Our shareholder has indicated that, if necessary, it will strengthen EBN's balance sheet to meet all obligations under the Outline Agreement it entered into in 2018.

The part of the provision for compensation measures, including value loss and compensation for immaterial damage and loss of living enjoyment, is based on the expected number of households that are entitled to the compensation. The estimate of the expected compensation amount is based on internal and/or external information.

As at the balance sheet date, based on the expected outflow of funds, the provision is discounted over the period up to 2028 at a discount rate of 3.504%. The total discounting effect is EUR 151 million (2021: nil), with the effect of unwinding of the provision first recognised in 2023.

In view of the range of the various scenarios that could lead to a possible positive or negative effect on the amount to settle the obligations, EBN has assessed that the provision as included in the annual accounts is the most plausible and substantiated outcome based on the currently available information.

16 Current and non-current borrowings

No collateral has been provided for the outstanding loans. The bond loan agreements contain clauses limiting the provision of collateral. EBN has a commercial paper programme of EUR 2 billion. This is unchanged from 2021. As of year-end 2022, no commercial paper has been issued.

In 2019, a loan facility was agreed upon with the Ministry of Economic Affairs and Climate Policy, for a maximum private loan of EUR 48 million. This loan facility is specifically intended for investments in geothermal energy projects. This loan facility is withdrawn in instalments. Drawdowns on this loan facility are transferred by EBN as capital contributions to the share premium reserve of EBN Aardwarmte B.V. At year-end 2022, an amount of EUR 20 million was withdrawn and paid in four annual instalments. Collateral has not been provided for this facility and the relevant agreement does not include financial ratio covenants. The fixed interest rate is 0% per year. Repayment of this facility will take place in six annual instalments from 2027.

In 2020, a loan facility was agreed upon with the Ministry of Economic Affairs and Climate Policy for a maximum private loan of EUR 53.4 million. This loan facility is specifically intended for investments in the CCS project Porthos. This loan facility is withdrawn in total in 2022 and is paid through to the share premium reserve of EBN Porthos Deelnemingen B.V. as a capital contribution.

In EUR million

	2022			2021		
	total	**non-current**	**current**	**totaal**	**non-current**	**current**
debenture loans	402	252	150	555	386	169
private loans	87	87	-	12	12	-
total borrowings	**489**	**339**	**150**	**567**	**398**	**169**
cash loans	-	-	-	-	-	-
collateral on derivatives	27	-	27	35	-	35
total at 31 December	**516**	**339**	**177**	**602**	**398**	**204**

Of this, EUR 53.0 million was paid through as a capital contribution to the share premium reserve of EBN CCS LP B.V. Collateral has not been provided for this facility and the relevant agreement does not include financial ratio covenants. The fixed interest rate is 1.89% per year. Repayment of this facility will take place in 12 annual instalments starting from 2027.

The collateral on derivatives concerns money deposited by banks in the amount of the difference between the market value of the portfolio concerned and the limit amount agreed per bank. This collateral deposited is interest-bearing and is included in cash and cash equivalents and will not be used for commercial purposes. Agreements on the exchange of collateral are set out in Credit Support Annexes (CSA's) as an addendum to the International Swaps and Derivatives Association (ISDA) agreements with the relevant banks. CSA's have been agreed with all banks with which current derivatives have been concluded.

On 15 December 2021, a committed revolving credit facility was agreed with two banks (ING Bank and BNP Paribas) for a period of five years. This facility offers EBN the possibility to make withdrawals up to EUR 300 million in credit for general businesses purposes. The interest charge on any drawn portion of the credit facility depends on the EURIBOR rate applicable for the relevant credit period, plus a margin. Because of the facility made available, an annual commitment fee is payable to the banks on the outstanding and unused portion of the facility. Collateral has not been provided to the banks for this facility and the relevant agreement does not include financial ratio covenants. Clauses are included in the

relevant agreement that limit the provision of collateral. There are two extension options, both for one year.

As at FY2022, the non-current part of the NOGAT provision loan agreement has been classified as non-current in the amount of EUR 13 million.

Long-term loans, including those maturing within 1 year, are as follows:

In EUR million

currency	principal	interest	type	tenure	2022	2021
CHF	150 million	1.625%	debenture loan	2011/2023	150	145
CHF	125 million	1.125%	debenture loan	2012/2024	126	120
CHF	175 million	0.500%	debenture loan	2014/2022	-	169
CHF	125 million	0.875%	debenture loan	2014/2026	127	121
EUR	48 million	0.000%	private loan	2019/2032	20	12
EUR	53 million	1.890%	private loan	2022/2038	53	-
total at 31 December					**476**	**567**

The movement in the outstanding non-current borrowings compared to prior year, mainly relate to exchange differences occurred. Exchange differences are directly recorded in the Statement of Comprehensive Income (see note 5). For an overview of the estimated fair value, we refer to note 19.

By contracting derivatives for these borrowings, the currency and interest rate risk is hedged by means of an economic hedge. The average interest rate of all non-current borrowings outstanding at year-end, including the effects of the cross currency interest rate swaps, is 1.53% (2021: 1.27%).

With the exception of the cross currency interest rate swaps related to the CHF 2014/2022 and CHF 2014/2026 loans, the interest type of the cross currency interest rate swaps is fixed. At year-end 2022, 31% (year-end 2021: 51%) of the loans had a variable interest rate after hedging by means of cross currency interest rate swaps.

The following table provides an overview of the private and listed bond loans drawn down by maturity date.

In EUR million

	2022	2021
within 1 year	150	169
within 1 to 2 years	126	145
within 2 to 3 years	-	120
within 3 to 4 years	127	-
within 4 to 5 years	4	121
after 5 years	69	12
total	**476**	**567**

Of the total of these borrowings, 42% have a remaining term of more than three years. Loans due within one year are included under current liabilities.

17 Other non-current liabilities

Other non-current liabilities totalled EUR 67 million at the end of 2022 (2021: EUR 78 million). Other long-term debt concerns, on the one hand, the long-term lease liability for the 'right of use asset' (IFRS 16) for an amount of EUR 7.2 million (2021: EUR 8.2 million) and, on the other hand, the reservation for the payments for National Programme Groningen following the agreement between the State and NAM and is included under non-current liabilities for EUR 60 million (2021: EUR EUR 70 million). EUR 10 million is recognized under current liabilities (2021: EUR 10 million).

18 Trade payables and other current liabilities

Trade payables amount to EUR 1.106 million at the end of 2022 (2021: EUR 47 million), and mainly relate to joint interest billings positions to be paid to operators relating to the month of December as well as compensation under the Volume Independent Compensation (VIC) to GasTerra.

Other current liabilities consist of:

In EUR million

	2022	2021
interest payments due	4	4
other liabilities	701	791
total per 31 December	**705**	**795**

The other liabilities include short-term debt of EUR 10 million (2021: EUR 10 million) relating to the National Programme Groningen, EUR 45 million of Government grants received (2021: EUR 35 million) and EUR 469 million (2021: 682 million) of operator reserves. The remaining amount mainly relates to accruals.

Policy to control financial risks

19 Risk management

General

The main financial risks for EBN are liquidity, (re)financing, credit, interest rate, currency and market price risks. EBN's financial policy focuses on limiting the effects of currency and interest rate fluctuations on assets and liabilities. EBN uses financial derivatives to manage interest and currency risks, specifically those relating to the funding of its operations. The company does not take any speculative positions using financial derivatives.

Liquidity and (re)financing risks

A liquidity or (re)financing risk is the risk that EBN does not have, or cannot raise, sufficient financial resources to meet its financial obligations. The objective is that EBN will always have the cash required for its operational processes at its disposal under normal circumstances at all times.

The selection of the (duration of) cash management and financial instruments ensures that at all times sufficient immediately retrievable liquidity is present or can be made available to meet financial obligations.

Profound trust in EBN on the part of the capital and money markets, and financial institutions, is crucial for optimal funding. The following are important tools for this:

- the optimal management of all financial stakeholders; and
- maintaining EBN's considerable level of creditworthiness in the long and short term, among other things, by means a focused credit rating and dividend policy, and

In EUR million

					2022
	borrowings loans	net interest loans & derivatives	payment at redemption	cash flow derivatives	total
within 1 year	150	-8	-150	25	-133
within 1 to 2 years	126	-4	-126	22	-108
within 2 to 3 years	-	-1	-	-	-1
within 3 to 4 years	127	-1	-127	23	-105
within 4 to 5 years	4	-	-4	-	-4
after 5 years	82	-	-69	-	-69
total	**489**	**-14**	**-476**	**70**	**-420**

In EUR million

					2021
	borrowings loans	net interest loans & derivatives	payment at redemption	cash flow derivatives	Total
within 1 year	169	-	-169	24	-145
within 1 to 2 years	145	-8	-145	20	-133
within 2 to 3 years	120	-8	-120	16	-112
within 3 to 4 years	-	-	-	-	-
within 4 to 5 years	121	1	-121	17	-103
after 5 years	12	-	-12	-	-12
total	**567**	**-15**	**-567**	**77**	**-505**

- continuously monitoring and controlling financial credit ratios.

EBN has a commercial paper programme of EUR 2 billion. EBN also has a committed revolving credit facility with reputable and creditworthy banks in the amount of EUR 300 million. For further information, please see note 16. This enables quick and sufficient short-term funding where necessary. When determining the duration of new non-current borrowings an effort is made to prevent the concentration of redemptions within a specific future year so as to spread the maturity profile.

EBN's solvency target is in line with the 'standard solvency requirement' of the Dutch government of 25%. Thanks to net profit, the reserves were raised to EUR 4.3 billion in 2022 and solvency climbed to 34%.

The table shows the expected annual contract-based cash flows from the repayments of and interest payable on borrowings and the associated derivatives. In addition to the above-mentioned cash flows from borrowings and related derivatives, there are cash flows from trade payables and other current liabilities. They will expire within one year.

Credit risks involving financial instruments

A credit risk is the risk for EBN that a counterparty cannot fulfil its contractual financial obligations. Credit risk involving a counterparty may occur as a result of a cash management transaction. This may occur in the case of bank balances, deposits, bonds (including commercial paper), money market funds, derivatives and receivables from funding. As a result of the pronounced liquidity position and market values of derivatives too much of a concentration of funds amongst too limited a number of parties would amount to a significant financial risk for EBN. Our policy is therefore focused on reducing counterparty risk by only doing business with parties with a healthy credit rating to a level deemed acceptable in relation to the creditworthiness of the relevant counterparty.

The limits allowed in the case of each counterparty that apply to the overall balances on bank accounts, and of deposits and (short-term) bonds (including commercial paper) plus the market value of derivatives less associated collateral, depend on the counterparty's credit rating. If funds are to be invested in these instruments, at least a P-1, A-1 or F1 short-term rating from Moody's, Standard and Poor's or Fitch respectively and a minimum long-term rating of A2 from Moody's or A from Standard & Poor's or Fitch applies. In addition and subject to additional conditions, funds may be invested in fully public companies that have a long-term and short-term credit rating which is one level lower than the level shown above.

Money market funds have a minimum credit rating of AAA from Moody's and AAA from Standard & Poor's or Fitch, while EBN's investment in the case of each money market fund amounts to a maximum of 5% of the relevant fund. Where derivative transactions are carried out in the context of long-term financing, this is only done with counterparties that have at least an A2, A or A long-term rating from Moody's, Standard & Poor's or Fitch respectively and with whom EBN is party to an International Swaps and Derivatives Association (ISDA) agreement. New long-term derivatives are agreed to with a credit support annex (CSA). This is an agreement by means of which it is agreed with a counterparty that collateral will be tendered if a derivatives position has a substantial value in order to reduce the counterparty risk.

As in 2021, no credit losses on financial instruments occurred in 2022.

CSA's have been agreed to with the relevant counterparties in relation to all the cross currency interest rate swaps with a nominal value of EUR 333 million (CHF 400 million) that were current as at 31 December 2022. Based on this, banks had deposited collateral with EBN amounting to EUR 26 million on balance by the end of 2022 (year-end 2021: EUR 35 million). The collateral on derivatives involves funds deposited by banks amounting to the difference between the market value of the relevant portfolio and the limit stipulated in the CSA. Most of this collateral is interest-bearing, is included in cash and cash equivalents, and will not be used for commercial purposes. The corresponding liability is accounted for as part of current liabilities. The maximum credit risk on the

outstanding derivatives at the end of 2022 amounted to EUR 59 million (consisting of derivatives with a market value of EUR 84 million less collateral of EUR 25 million).

When valuing derivatives, allowances are made for the credit risk on counterparties in the event of a favourable market value and the credit risk for the banks on EBN in the event of an adverse market value. Where the market value of the total derivatives is positive or negative in the case of each counterparty (IFRS 13.48 – portfolio exception), a credit valuation adjustment (CVA) or a debit valuation adjustment (DVA) is accounted for in the valuation. These adjustments are based on credit default swap (CDS) spreads related to the weighted average remaining term of the portfolio and the market value of the derivatives in the case of each counterparty. On balance, the value of the derivatives was reduced by EUR 0.77 million for this purpose at the end of 2022 (in 2021 the decrease was EUR 0.06 million).

Credit risk on receivables

The credit risk on receivables and those from associated companies is low. EBN mainly sells to highly creditworthy counterparties. GasTerra (long-term credit rating – Standard & Poor's AA +) accounts for 99,6% of the receivables, per balance sheet date no recievables are outstanding with NAM (Joint Venture Shell and ExxonMobil). The corresponding figures were 52% and 46% in 2021. EBN periodically monitors the creditworthiness of all customers and applies credit limits per customer.

Interest rate risk

Interest rate risk is the risk of financial results or changes in the balance sheet due to fluctuations in market interest rates. EBN's interest rate risk policy is aimed at limiting interest rate risks associated with the financing of the company and at the same time achieving minimal net interest charges. In accordance with internal guidelines, a maximum of 60% of long-term loans and financial derivatives is held as variable interest-bearing. At year-end 2022, 31% (2021: 51%) of the loans were subject to a variable interest rate after hedging.

The table shows the interest rate sensitivity of the financial instruments in relation to shareholders' equity and the result. The analysis of the sensitivity of borrowings and related financial derivatives to interest rate movements assumes an immediate variation of interest rates by 2% compared to the level on 31 December 2022. All other variables are held constant in this respect. A reduction of interest rates by 2% would produce an estimated decline of net funding charges by EUR 11 million based on the portfolio of financial instruments as at 31 December 2022. An increase in interest rates by 2% would result in an estimated increase in net financing charges of EUR 10 million. These effects would mainly arise because any change in the market value of the derivatives occasioned by an interest rate variation is directly recognised in the result.

Currency risks

A currency risk is the risk of financial results or changes in the balance sheet due to fluctuations in a foreign exchange rate in the currency market. EBN's objective is to eliminate or reduce such fluctuations.

The tools for foreign currency management include spot currency transactions, forward currency transactions as well as currency swaps. EBN fully hedges currency risks arising from sales and purchases when trade receivables or trade liabilities arise. Expected transactions that have not yet taken place are not hedged. Where an investment or financing occurs in a foreign currency, the currency risk is fully hedged immediately after the time of the investment or financing transaction. When financing in a foreign currency, the currency risk is fully hedged in terms of both principal and all future interest liabilities.

Currency risks in relation to short-term loans in foreign currencies are hedged with forward exchange contracts. At the end of 2022 there were no current foreign exchange forward contracts related to short-term loans provided in a foreign currency (year-end 2021: nil).

Currency risks pertaining to long-term loans in foreign currencies are hedged with cross currency interest rate swaps.

The adjacent table shows the sensitivity of the financial instruments to exchange rate changes reflected in equity and the result. This assumes a 10% variation in all exchange rates against the euro based on the rates as at 31 December 2021 with all other variables held constant. A variation of +10% means that the relevant foreign currency becomes stronger against the euro. A variation of -10% means that the relevant foreign currency becomes weaker against the euro.

Fair value of financial instruments

Derivatives that serve to hedge long-term instruments (and are therefore also long-term) are accounted for under fixed assets or non-current liabilities.

The adjacent table provides an overview of the carrying amount and estimated fair value of financial instruments.

The fair values of listed non-current loans are based on published prices (level 1 in accordance with the IFRS). The other fair market values are calculated on the basis of available market information, including interest rates and price levels (level 2 in accordance with the IFRS). All financial assets and liabilities carried at fair value that varies in accordance with the result are classified as level 2. These valuation techniques are assessed annually. The valuation techniques were not adjusted in 2022.

The fair value of the non-current loans amounted to EUR 247 million as at 31 December 2022 (2021:

In EUR million

2022	carrying amount	fair value	effect change interest rate +2%	effect change interest rate -2%
cash and cash equivalents	3,277	3,277	-	-
investments (current assets)	7,666	7,663	-	-
receivables	1,084	1,084	-	-
investments (non-current assets)	959	884	-	-
current borrowings	-150	-151	-	-
other current and non-current liabilities	-27	-27	-	-
non-current borrowings	-339	-334	-	-
cross currency swaps positive used for non-current borrowings	40	40	-9	10
cross currency swaps positive used for current borrowings	27	27	-1	1
total	**12,537**	**12,463**	**-10**	**11**

In EUR million

2021	carrying amount	fair value	effect change interest rate +1%	effect change interest rate -1%
cash and cash equivalents	596	596	-	-
securities (current assets)	3,171	3,171	-	-
receivables	707	707	-	-
securities (non-current assets)	809	809	-	-
current borrowings	-169	-170	-	-
other current and non-current liabilities	-12	-12	-	-
non-current borrowings	-386	-402	-	-
cross currency swaps positive used for non-current borrowings	53	53	-12	12
cross currency swaps positive used for current borrowings	25	25	-1	1
total	**4,794**	**4,777**	**-13**	**13**

EUR 402 million). The valuation is in accordance with level 1 (as in 2021). The carrying value of the above-mentioned non-current loans amounted to EUR 252 million as at 31 December 2022 (2021: EUR 386 million). The fair value of the current component of these loans amounted to EUR 151 million as at 31 December 2022 (2021: 170 million). The associated carrying value amounted to EUR 150 million (2021: EUR 169 million. These foreign currency loans are recognised at mid-market rates as published by Refinitiv. The associated derivatives are stated at their market value. As a result, fluctuations in market interest rates of the different currencies against each other may create temporary unrealised results in the income statement. Current receivables, cash and cash equivalents and current liabilities are stated at amortised cost. Given the short term of these instruments, the amortised cost approximates their fair value.

Market price risks pertaining to investments in bonds and commercial paper comprising part of other financial assets are hedged in that these securities are held until the end of their term.

The adjacent table provides an overview of the carrying amount of financial derivatives, broken down by type and purpose.

In EUR million

2022	carrying amount	fair value	effect change in exchange rate +10%	effect change in exchange rate -10%
cash and cash equivalents	3,277	3,277	-	-
securities (current assets)	7,666	7,663	-	-
receivables	1,084	1,084	-	-
securities (non-current assets)	959	884	-	-
current borrowings	-150	-151	-17	14
other current and non-current liabilities	-27	-27	-	-
non-current borrowings	-339	-334	-28	23
cross currency swaps positive used for non-current borrowings	40	40	28	-23
cross currency swaps positive used for current borrowings	27	27	17	-14
total	**12,537**	**12,463**	**-**	**-**

In EUR million

2021	carrying amount	fair value	effect change exchange rate +10%	effect change exchange rate -10%
cash and cash equivalents	596	596	-	-
securities (current assets)	3,171	3,171	-	-
receivables	707	707	-	-
securities (non-current assets)	809	809	-	-
current borrowings	-169	-170	-19	15
other current and non-current liabilities	-12	-12	-	-
non-current borrowings	-386	-402	-45	37
cross currency swaps positive used for non-current borrowings	53	53	45	-37
cross currency swaps positive used for current borrowings	25	25	19	-15
total	**4,794**	**4,777**	**-**	**-**

In EUR million

	total
cross currency interest rate swaps	67
forward currency contracts	
Balance at 31 December 2022 for the total financial derivatives in relation to borrowings	**67**

Market price risk

EBN has a policy of not hedging against the risk of fluctuations in oil and gas prices in the oil or gas markets. Such market price fluctuations can have a significant impact on EBN's results. However, since these risks arise directly from EBN's core activities, this risk is not hedged.

Market price risks arising from the purchased gas related to the Bergermeer Gas Storage Facility is mitigated and sold directly through forward contracts.

In EUR million

	31 December 2022		31 December 2021	
	carrying amount	fair value	carrying amount	fair value
assets				
other financiel assets	8,625	8,547	3,980	3,980
current receivables	1,084	1,084	707	707
non-current financial derivatives	40	40	53	53
current financial derivatives	27	27	25	25
cash and cash equivalents	3,277	3,277	596	596
liabilities				
non-current debenture loans	252	247	386	402
other non-current borrowings	87	87	12	12
non-current financial derivatives	-	-	25	25
current debenture loans	150	151	169	170
other current borrowings	27	27	35	35
other current and non-current liabilities	81	81	920	920

Other notes

20 Contingent Liabilities and Commitments

Investment commitments

As indicated in the principles of valuation and the determination of profit, EBN participates in a multitude of joint ventures. The basis of these partnerships is laid down in cooperation agreements or joint operating agreements, from which multi-year financial rights and obligations arise. Investment commitments totalled EUR 250 million at the end of 2022 (2021: EUR 212 million) at the end of 2022, the bulk of them falling due within one year.

Share of gas reserves

Furthermore, EBN's (in)direct share of the proven and probable gas reserves in the fields in which it participates amounted at 31 December 2022 to: 26 billion Nm^3 GE (2021: 32 bn Nm^3 GE).

As is customary in the industry, through the associate GasTerra, amongst others, continuous renegotiations are taking place about the pricing of sales contracts. The outcome of this can have a significant favourable or adverse effect on EBN's future results. It is impossible to provide a reliable forecast of the outcome of these renegotiations or related arbitration proceedings.

Provision

Future commitments have arisen as a result of earthquakes caused by gas extraction in Groningen. These commitments mainly relate to damage repair, the preventive reinforcement of buildings and infrastructure, compensatory measures to improve safety and making the earthquake zone more liveable.

A provision has been included for damage claims, a number of structural strengthening operations for buildings and infrastructure, compensatory measures, value impairment and compensation for immaterial damage and disturbed enjoyment of residence (see note 15). The costs involved in the structural strengthening of buildings and the compensatory measures cannot always be reliably forecasted. As a result, a provision is only set aside when concrete agreements are under negotiation or in the case of ongoing legal proceedings as a result of which there is a more than 50% chance that EBN will be ordered to pay for earthquake-related expenses. As such, the overall amount of these costs could be higher. EBN will contribute 40% to these costs by virtue of its participation in the Groningen licence.

Corporate guarantee

On 30 June 2022 EBN issued a corporate guarantee to TAQA Gas Storage B.V., pursuant to which EBN B.V. is to provide credit support to TAQA in relation to the trading operations which involve filling the Bergermeer Gas Storage Facility.

Gas supply commitments

As part of its responsibility as designated party for the purpose of filling the Bergermeer Underground Gas Storage Facility. EBN enters into various forward contracts, where purchased natural gas is directly hedged, reducing the price risk of EBN's existing position. These forward contracts are short term in nature and will be exercised no later than 31 March 2023. The total value of these contracts amounts to EUR 1.5 billion and consist of in total 7.3 TWh committed natural gas delivery. The above-mentioned forward contracts do not meet the criteria for financial instruments for accounting purposes. They do, however meet the requirements for the 'own-use exemption'. In this respect, the forward contracts are recorded as executory contracts and are therefore accounted for once the contractual obligations has been satisfied.

OBN study

Together with several partners, EBN conducted a seismic acquisition study during 2022, in several parts of the North Sea for the purposes of reducing the geological uncertainties in the region. Initially, EBN will carry the majority of the costs incurred for this project. When the consortium decides to continue with these operations and drill one or more wells, the other partners will have the responsibility to compensate EBN accordingly. As at 31 December 2022 this contingent asset has an estimated value of approximately EUR 15.5 million.

21 Notes on the cash flow statement

For reporting purposes the indirect methdod of the Cash Flow Statement has been used. Movements that do not result in an in- or outflow of cash were subsequently eliminated. Information on movements in the cash flow statement may be derived from the breakdown of movements in the relevant balance sheet items and concerning notes. See the tables below for a more detailed breakdown.

In EUR million

	note	2022	2021	delta
balance sheet decrease / (increase)				
property, plant and equipment	9	1,064	1,931	866
excluding investments	9			165
total				**1,031**

In EUR million

	note	2022	2021	delta
balance sheet (decrease) / increase				
other non-current borrowings	17	67	78	-11
trade payables	18	1,106	47	1,059
other payables	18	718	795	-77
total		**1,891**	**920**	**971**
excluding non-cash items				
right of use liability		-1	1	-2
total		**1,890**	**921**	**969**

In EUR million

	non-current	current	total
total loans at 1 January 2021	**540**	**22**	**562**
cash flows	5	13	**18**
other changes	-147	169	**22**
total loans at 31 December 2021	**398**	**204**	**602**
cash flows	61	-153	-92
other changes	-120	126	6
total loans at 31 December 2022	**339**	**177**	**516**

22 Related parties

EBN has a 40% stake in GasTerra and they are therefore related parties under IFRS. EBN is party to 51 active (2021: 56) gas sales contracts with GasTerra. Of the turnover of EUR 11.9 billion, GasTerra accounted for EUR 4.5 billion (2021: EUR 1.7 billion). In 2022 receivables from supplies to GasTerra accounted for a sum of EUR 366 million (2021: EUR 342 million). Due to the modified deployment of the Underground Storage Facilities Norg and Grijpskerk, GasTerra took over the remaining working gas in April 2022. This transaction amounted to EUR 1.1 billion in total and has been accounted for as revenue from contracts with customers. This revenue was entirety sold by GasTerra at the end of 2022 and, as such, is eliminated as a 'downstream transaction'.

In addition, together with the Nederlandse Aardolie Maatschappij B.V. (NAM), EBN has entered into a Working Gas Loan Facility Agreement (WGLFA) with GasTerra to finance the latter's purchase of working gas for the underground gas storage facilities in Norg and Grijpskerk. Under this agreement GasTerra can propose to EBN and NAM (as joint parties) that they place a sum of money as a fixed term deposit with EBN and NAM for a term of three days to three months. In accordance with this agreement GasTerra may also request a loan from EBN and NAM (as joint parties) for a similar term subject to a maximum of EUR 160 million (EBN's share) to satisfy its need for working capital and of EUR 600 million (EBN's share) for clearing commitments. Neither facility is committed in the DLFA. The term of the working capital facility is indefinite in the DLFA. The clearing facility is scheduled to terminate on 31 December 2024 under the DLFA subject to an option to renew it.

Together with the Nederlandse Aardolie Maatschappij B.V. (NAM), EBN has entered into a Working Gas Loan Facility Agreement (WGLFA) with GasTerra to finance the latter's purchase of working gas for the underground gas storage facilities in Norg and Grijpskerk. In accordance with this agreement GasTerra may submit a request for a term deposit to EBN and NAM (as joint parties) for a term of 14 days to 12 months subject to a maximum of EUR 4 billion (EBN's share) and it is to be processed identically to how this occurs under the DLFA. The WGLFA provides for a committed facility of no more than EUR 1 billion with an expiry date of 31 December 2024, including a option to renew it for three years and an uncommitted facility of no more than EUR 3 billion subject to an expiry date of 1 June 2023. As a follow-on to this agreement EBN has entered into a finance service agreement together with NAM and GasTerra. This agreement runs until 31 December 2024. The annual fee for the services provided amounts to EUR 2 million per annum.

In its capacity as a shareholder, the Dutch State may be deemed to be a related party. Levies, corporation tax and distributions of profit after tax are remitted to the State. You are referred to Note 7 and 14 of the Financial Statements in this respect. In addition, EBN received a loan from its shareholder subject to market conditions (see note 16).

In their capacity as associated companies NOGAT and NGT-Extension may be deemed to be related parties. EBN pays transport costs to NOGAT and NGT-Extension within the framework of its joint business operations. This takes place as part of normal business operations subject to market conditions.

Geothermie Plukmade B.V., Geocombinatie Leeuwarden B.V., Warmtebron LEAN B.V., Warmtebron Zwolle B.V., Porthos Development B.V., Porthos Offshore Transport and Storage GP B.V., Porthos CO_2 Transport and Storage GP B.V., Porthos System Operators B.V., Porthos Offshore Transport and Storage C.V., and Porthos CO_2 Transport and Storage C.V. are also related parties and are in the start-up phase.

In 2021 the EBN CEO joined Bonaire Brandstof Terminal B.V. (BBT), a company established by the state, with the state as its sole shareholder. In 2002 he held this position alongside his position on EBN's Board of Directors. On 1 February 2023 Jan Willem van Hoogstraten resigned as a member of the BBT executive board.

For an additional explanation we refer to Note 10 to the consolidated Financial Statements. All transactions with related parties or under joint management are conducted at arm’s length and pertain to normal business operations.

23 Key Management

The overall charges for remuneration, pensions and other salary costs of Key Management team (three members of the executive board, of which one is a an executive director and five supervisory directors) amounted to EUR 0.9 million as at 31 December 2022 (2021: EUR 0.9 million). Regular remuneration includes compensation for fiscal pension cap.

The total remuneration costs of the Board of Directors is as follows;

In EUR

	2022	2021
regular remuneration	824,133	789,797
reteriment benefits	67,017	65,373
total	**891,150**	**855,170**

The gross remuneration of the Supervisory Board (excluding VAT) is as follows;

In EUR

	2022	2021
Ir. J.G. Huijskes	24,500	24,500
Prof. Mr. E.M. Kneppers-Heijnert	20,000	20,000
Drs W.S. de Vries	20,000	20,000
Mr. J.W. Weck (resigned as per 1 march 2023)	20,000	20,000
Drs. C.G. Gehrels	20,000	1,667
total	**104,500**	**86,167**

In addition to their gross remuneration, each Supervisory Board member receives an expense allowance of EUR 2,400 per year.

24 Events after the balance sheet date

The past year featured a Parliamentary Inquiry into natural gas extraction in Groningen, which EBN naturally assisted with. The committee of inquiry also heard evidence from a number (former) EBN staff members in this respect. The report produced by the Parliamentary Committee of inquiry, 'Groningers boven Gas', was published on 24 February 2023.

EBN has considered the extent to which this – the report published after the balance sheet date – constitutes grounds for adjusting the financial positions set out in these Financial Statements (including the provision for decommissioning and restoration). In this respect it has been determined that the report does not constitute grounds for this. In the case of the 2023 financial year EBN will naturally assess this again on the basis of the facts and circumstances available at the time.

On 13 January the State of the Netherlands took a shareholder's decision to give its approval for EBN to continue Filling the Bergermeer Gas Storage Facility during the period from 1 January to 1 November 2023. EBN will store no more than 20 TWh in the Bergermeer Gas Storage Facility until no less than 90% of it has been filled in so far as market parties are unable to do so. EBN will commit to holding a total of 7 TWh in the Bergermeer Gas Storage Facility until the end of Q1 2023. The overall subsidy which EZK has provided for the filling operations amounts to a maximum EUR 520 million and largely serves as compensation for potentially unfavourable trading results.

Utrecht, 10 March 2023

Board of Directors
Ir. J.W. van Hoogstraten

Supervisory Board
Ir. J.G. Huijskes
Prof. Mr. E.M. Kneppers-Heijnert
Drs. W.S. de Vries
Drs. C.G. Gehrels

Parent Company Financial Statements

Company Statement of Comprehensive Income

In EUR million

	2022	2021
share of profit from associates	70	23
other results, after tax	4,220	633
profit/(loss) for the period	**4,290**	**656**
other comprehensive income	-1	-
total comprehensive income for the period	**4,289**	**656**

Company Statement of Financial Position (before profit appropriation)

In EUR million

ASSETS	note	31 December 2022	31 December 2021
non-current assets			
property, plant and equipment	2	979	1,809
financial fixed assets	3	468	306
other financial assets	4	959	809
deferred tax asset	5	116	92
derivatives	3	40	53
		2,562	**3,069**
current assets			
inventories	6	32	26
trade and other receivables	7	2,180	700
tax receivables	5	5	263
derivatives	3	26	25
other financial assets	4	7,666	3,171
cash and cash equivalents	4	3,225	413
		13,134	**4,598**
total		**15,696**	**7,667**

In EUR million

LIABILITIES	note	31 December 2022	31 December 2021
shareholder's equity	8		
share capital		128	128
share premium		450	450
retained earnings		470	-186
result of the year		4,289	656
		5,337	**1,048**
non-current liabilities			
provisions	9	3,355	4,281
borrowings	11	326	397
other non-current liabilities		67	78
		3,748	**4,756**
current liabilities			
provisions	9	825	863
borrowings	11	177	204
tax payables	7	3,871	-
trade payables	10	1,106	48
other payables	10	632	748
		6,611	**1,863**
total		**15,696**	**7,667**

Notes to the Parent Company Financial Statements

1. General

EBN's unconsolidated financial statements are prepared in accordance with the principles for financial reporting generally accepted in the Netherlands and the legal provisions governing financial statements set out in Part 9, Book 2 of the Dutch Civil Code. The unconsolidated income statement has been drawn up subject to the exemption stipulated in Article 2:402 of the Civil Code.

The option stipulated in Article 2:362(8) of the Civil Code is relied on for the purposes of determining the policies governing the valuation of the assets and liabilities, and the result in the unconsolidated financial statements. This means that the policies governing the valuation of the assets and liabilities, and the result for the purposes of the unconsolidated financial statements are identical to those applied in the case of the consolidated financial statements. In this respect, group companies are recognised on the basis of their net asset value and associates in accordance with the equity method.

The consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

You are referred to pp. 121 to 130 for a description of the policies employed.

2. Property, plant and equipment

Property, plant and equipment which are related to regular oil and gas operations are held in EBN B.V. and represent an amount of EUR 979 million in total. For a breakdown of the Property, plant and equipment we refer to the movement schedule in note 9 to the Consolidated Financial Statements.

Difference in relation to the Consolidated Financial Statements pertain to assets relating to transport and storage operations. These activities and related assets are included in the Financial Statements of EBN Capital B.V. The capitalised decommissioning and restoration costs pertaining to transport and storage operations amount to EUR 4.6 million.

3. Financial fixed assets

Financial fixed assets cover the following components:

In EUR million

	group company	associates	loans	total
balance per 1 Januari 2022	194	86	26	306
changes	61	-	31	92
profit share	70	14	-	84
dividend paid	-	-14	-	-14
balance per 31 December 2022	**325**	**86**	**57**	**468**

In EUR million

	group company	associates	loans	total
balance per 1 Januari 2021	166	86	30	**282**
changes	5	-	-4	**1**
profit share	23	14	-	**37**
dividend paid	-	-14	-	**-14**
balance per 31 December 2021	**194**	**86**	**26**	**306**

The financial fixed assets comprising part of the unconsolidated balance sheet include, amongst other things, the fully owned associated companies, EBN Capital B.V., EBN CCS B.V., EBN Aardwarmte B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V., which have been accounted for as group companies in the Consolidated Financial Statements.

Associated companies refers to the value of the participating interest held by EBN B.V. in GasTerra B.V. For more details we refer you to Note 10 of the Consolidated Financial Statements.

A position held with EBN Capital B.V. for investments in the Bergermeer Gas Storage Facility are accounted for under loans. This loan facility is subject to a maximum of EUR 200 million and its term runs from 1 January 2013 to 31 December 2041. No security has been tendered. The annual interest rate is annually determined based on the 12-month EURIBOR plus a markup of 250 basis points. The total outstanding amount as per balance sheet date amounts to EUR 21.7 million. In addition, EBN B.V. provided a loan to EBN CCS LP B.V. in connection with investments in CCS operations representing a maximum facility of EUR 252.1 million. The total outstanding loan amounted to EUR 34.7 million at the end of 2022. No security has been issued. The annual interest rate is annually determined based on the 12-month EURIBOR plus a markup of 325 basis points.

Derivatives mainly involve cross currency swaps used for current and non-current loans. For additional explanation we refer to Note 19 of the Consolidated Financial Statements.

4. Other financial assets, cash and cash equivalents

For more detail relating to other financial assets, cash and cash equivalents we refer to Note 11 to the Consolidated Financial Statements.

5 Taxation

The deferred tax asset (EUR 116 million) comprises of temporary differences arising as a result of the valuation of property, plant and equipment and related decommissioning and restoration provision. In addition, a tax receivable has been recognised in the case of the modified deployment of the Underground Gas Storage Facility in Norg. For an overview of the deferred tax position and current tax liabilities we refer to Note 7 to the Consolidated Financial Statements.

6. Inventories

In EUR million

	2022	2021
oil and condensate	11	4
material	21	22
total per 31 December	**32**	**26**

7. Trade and other receivables

In EUR million

	2022	2021
amounts due from associates	366	342
other trade debtors	2	310
total trade receivables	**368**	**652**
other receivables, deferred income and accruals	213	48
amounts due from group companies	365	-
total per 31 December	**946**	**700**

In connection with financing the filling operations for the Bergermeer Underground Gas Storage Facility a credit facility was made available in the form of Tranche 2. This credit facility is subject to a maximum amount of EUR 2 billion and its term runs from 24 June 2022 to 31 May 2023. The annual interest rate is annually determined based on the 6-month EURIBOR plus a markup of 20 basis points. This credit facility is of a short-term nature and amounted to EUR 1.2 billion as per balance sheet date.

8. Equity

The profit after tax for 2022 is included in the result for the year, as part of equity. For more details, we refer you to Note 14 to the Consolidated Financial Statements.

9. Provisions

The provisions consist of those for decommissioning and restoration costs, soil subsidence and earthquakes related cost. Differences in comparison the Consolidated Financial Statements pertain to the provision for decommissioning and restoration related to transportation and storage assets representing a total sum of EUR 37 million (2021: EUR 67.3 million).

10. Trade payables and other current liabilities

Trade payables totalled EUR 1.1 billion at the end of 2022 (2021: EUR 48 million), mainly relation to joint interest billings to be paid to operators for the month of December, as well as compensation under the Volume Independent Compensation (VIC) to GasTerra.

Other non-current liabilities totalled EUR 632 million at the end of 2022 (2021: EUR 748 million) and consist mainly of reserves for operators amounting to a sum of EUR 469 million (2021: EUR 686 million), a current debt payable under the Groningen National Programme amounting to a total of EUR 10 million (2021: EUR 10 million), as well as a total sum of EUR 45 million (2021: EUR 35 million) in received Government grands. Additionally, other liabilities includes a total payable relating to the 'Norg Akkoord' for the gas year 2019/2020 for an amount of EUR 86.3 million. Other remaining items mainly related to accruals.

11. Borrowings

For a breakdown of the borrowings including their classification as current or non-current, we refer you to Note 16 to the Consolidated Financial Statements.

Proposed appropriation of profit

A total net profit of EUR 4,3 billion was realised in 2022. It is proposed that the net result for 2022 be added to retained earnings.

Security

EBN has issued a declaration of liability in respect of EBN Aardwarmte B.V. and EBN Capital B.V. in accordance with Article 403 of Book 2 of the Civil Code.

Fiscal Unity

EBN B.V. constitutes a fiscal unity together with EBN Capital B.V., EBN Aardwarmte B.V., EBN CCS B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V. for the purposes of Corporate and Value Added Tax. Together EBN and its subsidiaries constitute a Fiscal Unity and are jointly and severally liable for any taxes owed by the entity. Any tax liabilities are calculated on the basis of the commercial result that has been achieved as set out in the subsidiaries' Financial Statements. EBN B.V. settles these tax liabilities with its subsidiaries through a current account.

Events after the balance sheet date

Refer to Note 24 to the consolidated Financial Statements.

Fees paid to external auditors

The total fee charged by the external auditors, PricewaterhouseCoopers Accountants N.V., for their statutory auditing services amounted to EUR 417,000 in 2022 (2021: EUR 405,000). Fees for assurance and non-audit services (e.g. subsidy audits) amounted to a total of EUR 63,800 in 2022 (2021: EUR 26,700). PricewaterhouseCoopers Accountants N.V. did not provide any tax services in 2022.

Directors' Remuneration

The remuneration of the Company's Directors is in line with the remuneration policy adopted by the Shareholder and was as follows.

In EUR

J.W. van Hoogstraten	2022	2021
regular remuneration	300,319	293,182
variable remuneration	47,380	39,484
pension	21,419	20,911
total	**369,118**	**353,577**

The remuneration shown in the table above includes compensation for retirement benefits. See section 10.4 of the remuneration report for more information.

In 2022 the remuneration of the Supervisory Board Members amounted to EUR 104,500 (2021: EUR 86,167). See Note 23 for additional details concerning the remuneration of the individual supervisory Board Memebers.

Utrecht, 10 March 2023

Board of Directors
Ir. J.W. van Hoogstraten

Supervisory Board
Ir. J.G. Huijskes
Prof. Mr. E.M. Kneppers-Heijnert
Drs. W.S. de Vries
Drs. C.G. Gehrels

Other information

Appropriation of profit

Profit is appropriated in accordance with the provisions of Article 23(2) of the Company's Articles of Association and any current arrangements with the Shareholder.

9. Independent Auditor's Report

9.1 Independent Auditor's Report

This Auditor's Report is an unofficial translation of the original Auditor's Report accompanying the original Annual Report 2022, both stated in Dutch. In case of any conflict between this translation and the original assurance report, the latter will prevail. The original Auditors Report can be found on the website of EBN B.V.

To: the General Meeting and Supervisory Board of EBN B.V.

Report on the Financial Statements 2022

Our opinion

In our opinion:

- the consolidated Financial Statements of EBN B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2022 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company Financial Statements of EBN B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying Financial Statements 2022 of EBN B.V., Utrecht. The Financial Statements comprise the consolidated Financial Statements of the Group and the company Financial Statements.

The Consolidated Financial Statements comprise:

- the Consolidated statement of Financial Position as at 31 December 2022;
- the following statements for 2022: the Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The Company Financial Statements comprise:

- the Company Statement of Financial Position as at 31 December 2022;
- the Company Statement of Comprehensive Income for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the Financial Statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated Financial Statements and Part 9 of Book 2 of the Dutch Civil Code for the company Financial Statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the Financial Statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of EBN B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We have determined our audit procedures in the context of the audit of the Financial Statements as a whole. Our findings and observations with respect to the individual key audit matters, audit approach for fraud risks and audit approach for going concern should be viewed in that context and not as separate opinions or conclusions.

Summary and context

As stated in the annual report EBN B.V. is a company that invests in the exploration, extraction and storage of gas and oil on behalf of the Dutch State. EBN is a partner in participation with various oil and gas companies. EBN's share in these joint arrangements is generally 40% and comprises non-operates ventures (NOV's). As partner EBN is involved in projects in which they invest, however the operator is responsible for the day to day operations. EBN's core activities are investing in and managing NOV's and the development and application of knowledge for these NOV's. EBN also participates in Geothermal Energy projects, Underground Gas Storage Facilities and in transport and gas treatment installations and in CO_2 capture and storage projects. EBN has a 40% interest in Gasterra B.V. Via this gas wholesaler the gas production of EBN is sold.

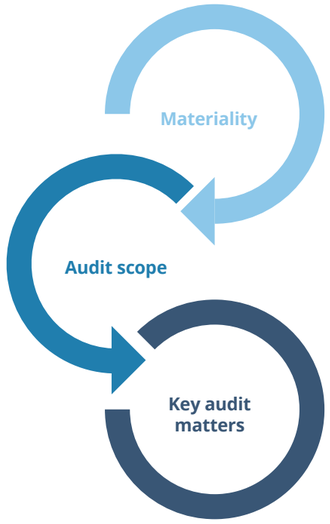
EBN is dependent on the development of oil- and gas prices, as a result of which volatility in the annual results can occur. In addition, the results are impacted by the filling activities from EBN in the Underground Gas Storage Facility Bergermeer, earthquake related expenses and movements in the decommissioning provision. At the same time the volume and scale of the business operations are impacted in an important manner by the number of joint arrangements and financing activities. The financial performance of the Company is reflected in the total assets. These aspects have influenced the determination of our materiality as described in the section 'Materiality' of this audit opinion. The Financial Statement line items related to property, plant and equipment and earthquake related expenses that cause volatility of the results have been subject to specific focus in our audit, reference is made to the section 'Key audit matters' of this audit opinion.

The group comprises of six components, EBN B.V. and EBN Capital B.V., EBN CCS B.V. and EBN Aardwarmte B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V. Our group audit scope is set out in the scope of our group audit section.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 'key accounting estimates and judgements' of the Financial Statements the Company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty in the impairment assessment of property, plant and equipment and the determination of the provision for decommissioning and restoration and costs as a result of earthquakes we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a company operating in the energy industry with non-operated venture interests. We therefore included specialists in the areas of the oil & gas industry, treasury, IT and taxation in our team.

The outline of our audit approach was as follows:



Materiality
- Materiality: €158,190,000 based on 1% of total assets.

Scope of the audit
- We audited EBN B.V., EBN Aardwarmte B.V., EBN Capital B.V., EBN CCS B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V.

Key points
- Valuation of property, plant and equipment and the underlying triggering event analysis include significant management estimates
- Determination of the provision for decommissioning and restoration and costs as a result of earthquakes include significant management estimates

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the Financial Statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the Financial Statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the Financial Statements as a whole and on our opinion.

Overall group materiality	€158,190,000 (2021: €38,750,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 1% of total assets.
Rationale for benchmark applied	We have used the total assets as primary, generally accepted, benchmark based on our analysis of the common information needs of users of the Financial Statements. On this basis we believe that the selected benchmark is an important key indicator for the financial performance of the Company.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €7,909,500 (2021: €1,935,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our Group Audit

EBN B.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated Financial Statements of EBN B.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the Financial Statements for us to be able to give an opinion on the Financial Statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The audit is performed on a consolidated level by the group audit team, whereby the financial information of all consolidated components was included in the audit procedures. As a result we were able to obtain sufficient and appropriate audit evidence with respect to the financial information of the Group the basis for our opinion on the Financial Statements.

Audit approach to Fraud Risks

We identified and assessed the risks of material misstatements of the Financial Statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises

Identified fraud risk	Our audit work and observations
The risk of management override of controls The Directors are in a unique position to commit fraud, as they are able to manipulate the administrative records and to draft fraudulent financial overviews by overriding controls that otherwise seem to operate effectively. That is why in all our audits, we pay attention to the risk of management override of controls, with respect to • Journal entries and other adjustments made during the preparations of the Financial Statements. • Estimates. • Significant transactions outside the normal course of business. We pay particular attention to tendencies arising from possible interests or stakes of the Board of Directors.	Where relevant to our audit, we evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of the measures in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. We have selected journal entries based on risk criteria and conducted specific audit activities for these entries. We also performed specific audit procedures related to important estimates of management, including the valuation of property, plant and equipment and the valuation of the provisions for decommissioning and earthquake related costs. For these procedures we refer to the key audit matters. We specifically paid attention to the inherent risk of potential bias of management in estimates. Our audit procedures did not identify any material misstatement in the information provided by management in the Financial Statements and the directors' report. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of the internal controls.

oversight, as well as the outcomes. We refer to section 5.1 of the Directors' Reportfor management's risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying risks of material misstatements in respect to the Financial Statements as a result of fraud, we assessed fraud risk factors. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach Going Concern

As disclosed in section 4.5.1 of the Directors' Report, management performed their assessment of the entity's ability to continue as a going concern for the foreseeable future and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks).

We determined our audit procedures in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon. The following information should be read in this context and not as a separate opinion or conclusion.

Our procedures to evaluate management's going concern assessment include, amongst others:

- considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit and inquire with management regarding management's most important assumptions underlying their going concern assessment;
- analysing the financial position per balance sheet date in relation to the financial position per prior year balance sheet date to assess whether events or circumstances exist that may lead to a going concern risk;
- evaluating management's current budget including cash flows in comparison with last year, current developments in the industry and all relevant information of which we are aware as a result of our audit;
- performing inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to management's assumptions and judgements used in the application of the going concern assumption.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the Financial Statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Key audit matter

Valuation of property, plant and equipment and the underlying triggering event analysis include significant management estimates

Please refer to "Key accounting estimates and judgements" and note 9 'Property, Plant and equipment'

During the annual review process of the valuation of assets, management determined if there were indications that the carrying value of a fixed asset is higher than the realisable value. EBN carried out analyses to determine if there are any triggering events per balance sheet date. Based on these analyses no triggering events for impairments have been identified.

Each analysis includes various variables that are subject to (significant) estimates, including the determination of a cash generating unit, the most recent budgets, price scenarios, expected recoverable reserves, available gas storage capacity, production profiles, compensation for the changed deployment of Norg, expected operational and earthquake-related costs, long-term contracts, the discount rate and when applicable capital expenditures.

The available gas reserves include a certain amount of estimation uncertainty. Estimates of reserves are by definition inaccurate and based on interpretations that can, over time, change, on the basis of various factors. Critical assumptions used in these estimates are the development of gas prices and production profiles. In addition to the impact on the recoverable amount of the asset, available reserves also impact the Unit of Production (UoP), the basis for depreciations.

We have marked this area as key audit matter due to the material importance of the property, plant and equipment and given the analysis of potential valuation adjustments and the assessment of available oil and gas reserves require significant estimates.

Our audit work and observations

In our audit we have given attention to managements' analyses to identify if there are triggering events that indicates that the carrying value of a property, plant and equipment is higher than the realisable value. We have performed substantive audit procedures to verify the information used by management in the analysis to identify triggering events for an impairment. We have discussed and tested the reasonableness of estimates and assumptions made by management. We have received sufficient and appropriate audit evidence supporting these assumptions and estimates. Based on current contracts and agreements we have verified that there are no changes to the determination of the cash generating unit compared to previous year. We have assessed that EBN's price scenarios are in line with the market and are within the accepted bandwidth. We have analysed the process related to the estimation of available gas reserves and production profiles and have evaluated whether these are classified in accordance with Petroleum Resources Management System. The value of the long-term contracts, the available gas storage capacity, compensation for the changed deployment of Norg are assessed based on relevant letters to the parliament, accompanying appendices and other relevant correspondence between involved parties Next to that we have assessed the reasonableness of the disclosures and the uncertainties included in those disclosures.

Key points

Determining of the provision for decommissioning and restoration and costs as a result of earthquakes include significant management estimates

Please refer to "Key accounting estimates and judgements" and note15. Provisions'

The valuation of provisions for decommissioning and restoration and costs as a result of earthquakes is complex. Provisions related to these costs are 25% (EUR 3,957 million) of EBN's balance sheet total. Significant estimates and assumptions of management are needed to determine these provisions.

The main estimates in the provision for decommissioning and restoration are the

expected costs per individual asset and the timing of the decommissioning activities; which is dependent on the expected end date of the production of the field to which the asset is related. In 2022 the provision is reduced with €643 million. The most important change is the remeasurement of €664 million, predominantly due to an increase in the discount rate to 3.6% (2021: 0.4%)

Estimates and assumptions for costs as a result of earthquakes comprise the total number of expected claims and the amount of these claims, the expected payment of compensation for the decrease in value of real estate and immaterial damage, the expected amount that needs to be paid for building new / strengthening of schools

and infrastructure, the expected amount that needs to be paid for strengthening of houses and the expected organisation, inspection and engineering costs. Expected costs as a result of earthquakes are dependent on cost estimations from various sources and the outcome of (ongoing) legal procedures.

Due to the long duration of the provision, the provision is discounted using a discount rate of 3.5%

We have marked this area as key audit matter due to the material importance of the provisions compared to the balance sheet total and given the valuation requires significant estimates.

Our audit work and observations

Our audit procedures for the provision for decommissioning and restoration comprise

amongst others the evaluation of estimates and assumptions of management. We have done this by reconciling the information used by management to information received from operators for estimated costs, comparing cost estimates between operators and reconciling to information with regards to oil and gas reserves. We have assessed the reasonableness of the used discount rate and have evaluated managements process for adjusting operator information and obtained audit evidence for adjustments made.

We have verified cost estimates for earthquake damages, based on the operator information, to external available information from other sources. Next to that we have analysed the process related to the assurance engagement on the estimation of costs as a result of earthquakes as reported by the operators and evaluated the results of this assurance engagement. We have assessed the acceptability of the supporting information from operators and assessed the reasonableness of the used discount rate.

Next to that we have re-performed managements' calculations and assessed whether these are performed in accordance with the standards and consistent with prior periods. Finally, we have assessed the reasonableness of the disclosures and the uncertainties included in those disclosures.

Report on the Other Information included in the Annual Report

The annual report contains other information. This includes all information in the annual report in addition to the Financial Statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the Financial Statements and does not contain material misstatements; and
- contains all the information regarding the Directors' Report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the Financial Statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the Financial Statements.

The Directors are responsible for the preparation of the other information, including the Directors' Report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on Other Legal and Regulatory Requirements

Our appointment

We were appointed as auditors of EBN B.V. on 16 November 2015 by the Supervisory Board. This followed the passing of a resolution by the shareholders at the Annual General Meeting held on 16 November 2015. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of seven years.

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors and the Supervisory Board for the Financial Statements

The Directors is responsible for:

- the preparation and fair presentation of the Financial Statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Directors determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the Directors should prepare the Financial Statements using the going-concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so. The Directors should disclose in the Financial Statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibility for auditing the Financial Statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 10 March 2023

PricewaterhouseCoopers Accountants N.V.

J. van Hoof RA

Appendix to our Auditor's Report on the Financial Statements 2022 of EBN B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the Financial Statements and explained what an audit involves.

The responsibilities for the audit of Financial Statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the Financial Statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluding on the appropriateness of the Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the Financial Statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Financial Statements, including the disclosures, and evaluating whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated Financial Statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

9.2 Limited Assurance report of the Independent Auditor

This Assurance Report is an unofficial translation of the original Assurance Report accompanying the original Annual Report 2022, both stated in Dutch. In case of any conflict between this translation and the original assurance report, the latter will prevail. The original Assurance Report can be found on the website of EBN B.V.

To: the Board of Directors and the Supervisory Board of EBN B.V.

Assurance report for the selected sustainability indicators in the annual report 2022

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected sustainability indicators in the annual report over 2022 of EBN are not prepared in all material respects, in accordance with the Sustainability Reporting Standards as set by the Global Reporting Initiative (GRI, reporting method 'in reference to') and the additionally applied reporting criteria as set out in the section 'Applicable criteria'.

What we have examined

The object of our assurance engagement containts the selected sustainability indicators in the annual report 2022, as indicated with the symbol '✅' (hereafter: the indicators). We have examined the indicators that are included in the annual report 2022 of EBN B.V., Utrecht. The following indicators have been examined:

- Number of geothermal energy projects tested for seismic risks.
- Occupational accidents that led to absenteeism (expressed in Lost Time Accidents or LTA) at operators.
- Percentage change in the small gas fields' CO2eq emissions per cubic metre produced compared to 2018.
- Solvency.
- Net debt (EUR million).
- Profit after tax (EUR million).
- Number of gas futures from prospects and leads.
- Number of km SCAN research into suitability of geothermal heat extraction, completed (third parties can use this information)
- Number of participations in CCS projects.
- Number of geothermal energy projects participated in.
- Number of participations in joint ventures for green gas innovation.
- Number of participations in regional hubs for green gas.
- Number of participations in green hydrogen projects.
- Position of the Transparency Benchmark in the sector.
- Score stakeholder survey. Carried out once every 2 years.
- Great Place to Work employee survey (the so-called Trust Index).
- Talent retention percentage.
- Number of new natural gas wells drilled.
- SF production 100% billion m3 TQ.
- SF maturation 100% billion m3 TQ.
- Unit OPEX in EUR ct/m3 GE.
- Meeting the required filling demand of the storage facility by the end of the injection season.
- Number of SCAN drillings.
- Number of PJ developed.
- Percentage change (compared to 2020) in costs per GJ delivered.
- Reduction in CO2 emissions per year due to geothermal energy.
- Number of joint decommissioning campaigns included in operator WP&B's for the next financial year.
- Number of MT of CO2 in storage per year in the Netherlands and in projects which EBN participates.
- Costs of CO2 storage in EUR per ton of CO2 eq.
- Reduction in CO2 emissions per year due to CCUS.
- Energy consumption.
- Energy consumption as a percentage of energy-related carbon production.
- CO2-emissions.
- Methane emissions.
- Fatal accidents.
- Occupational accidents that led to absenteeism.
- Occupational accidents that did not lead to absenteeism.

The basis for our conclusion

We conducted our examination in accordance with Dutch law, including the Dutch Standard 3000A Assurance engagements, other than audits or reviews of historical financial information (attestation-engagements). This engagement is aimed to provide limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the examination' of our report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We are independent of EBN B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

PwC applies the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

Applicable criteria

The applied criteria for compiling the indicators are the Sustainability Reporting Standards as set by the Global Reporting Initiative (GRI, reporting method 'in reference to') and the additionally applied reporting criteria as set out in the paragraphs '7.1 scope' and '7.6. Measurement methods for material issues' of section '7. About this report' of the annual report 2022. The applied GRI-standards are included in the GRI Content Index as disclosed in appendix '10.5 GRI-index 2022' supplied with the annual report 2022.

The absence of an established practice on which to draw, to evaluate and measure the indicators allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Consequently, the indicators needs to be read and understood together with the reporting criteria used.

Responsibilities for the indicators and the examination thereof

Responsibilities of the Board of Director's and the Supervisory Board

The Board of Directors of EBN B.V. is responsible for the preparation of the indicators in accordance the Sustainability Reporting Standards as set by the Global Reporting Initiative (GRI, reporting method 'in reference to') and the additionally applied reporting criteria as set out in in the paragraphs '7.1 scope' and '7.6. Measurement methods for material issues' of section '7. About this report' of the annual report 2022, including the identification of the intended users and the criteria being applicable for the purpose of these users.

Furthermore, the Board of Directors are responsible for such internal control as it determines is necessary to enable the preparation of the indicators that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the EBN's reporting process on the indicators.

Our responsibilities for th examination

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Our conclusion aims to provide limited assurance. The procedures performed in this context consisted primarily of making inquiries with officers of the entity and determining the plausibility of the information included in the indicators. The level of assurance obtained in a limited assurance engagement is substantially lower than

the assurance that would have been obtained had a reasonable assurance engagement been performed.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the examination in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our examination consisted, among other things of the following:

- Evaluating the appropriateness of the reporting criteria used and their consistent application. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Board of Directors.
- Through inquiries, obtaining a general understanding of the control environment, processes and information relevant to the preparation of the indicators, but not for the purpose of obtaining assurance evidence about their implementation or testing their operating effectiveness.
- Identifying areas of the indicators with a higher risk of misleading or unbalanced information or material misstatement, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the indicators responsive to this risk analysis. Those other procedures consisted amongst others of:
  - Interviewing Board of Directors (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results.
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the indicators.
  - Obtaining assurance evidence that the indicators reconciles to underlying records of the company.
  - Reviewing, on a limited test basis, relevant internal and external documentation.
  - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level.
- Reconciling the relevant financial information to the financial statements.
- Reconciling the operational performance indicators with the overviews provided by the operators and the consolidation in the e-MJV platform of the Dutch Ministry of Infrastructure and Water Management ('I&W') and with the information provided by the Dutch State Supervision of Mines (SSM).
- Evaluating the consistency of the indicators with the information in the annual report, which is not included in the scope of our review.
- Evaluating the overall presentation, structure and content of the indicators.

We communicate with the Supervisory Board among other things on the planned scope and timing of our examination and the significant findings forthcoming of our examination.

Rotterdam, 10 March 2023

PricewaterhouseCoopers Accountants N.V.

J. van Hoof RA

10. **Annexes**

10.1 Interaction with our stakeholders

Stakeholder	Organisation	Form of interaction	Discussion points
National government	Shareholder: Ministry of Economic Affairs and Climate/ Secretary General	Annual AGM Informal meetings Biannual alignment & strategy update Stakeholder monitor	Annual report, results, dividend Corporate governance Current developments
	Policy maker: Ministry of Economic Affairs and Climate Policy / (Director-General of Climate and Energy)	Regular: Strategic consultations and Management consultations Mining and Gasgebouw consultations Ad hoc consultations Stakeholder monitor	Information to assess feasibility with respect to planned energy policy Collaboration/Joint ventures Current developments Decommissioning and Repurposing
	Policy maker: Ministry of Infrastructure and Water Management	Workshops Ad hoc consultations	Structural vision, Subsurface Decommissioning and Repurposing Mining and water protection
	Policy maker: Ministry of Economic Affairs and Climate Policy, Ministry of the Interior and Kingdom Relations	Ad hoc consultations	Development of geothermal energy and district heating grids in the Netherlands Master plan, Geothermal energy in the Netherlands
	Ministry of Finance	Ad hoc consultations	Current developments
Local authorities	Provinces/IPO	Ad hoc meetings Networking Meetings Conferences/Symposia Stakeholder monitor	Development of geothermal energy in the Netherlands Collaboration Potential for Geothermal energy Geothermal energy in the RES Implementation of SCAN programme
	Water boards	Ad hoc consultations Meetings	Development of geothermal energy in the Netherlands Implementation of SCAN programme

Stakeholder	Organisation	Form of interaction	Discussion points
	Municipalities / Association of Netherlands Municipalities (VNG)	Ad hoc meetings Meetings/Conferences/Symposia VNG-Conference Stakeholder monitor	Development of geothermal energy in the Netherlands Potential for geothermal energy Implementation of SCAN programme
Regulatory agencies	State Supervision of Mines	Regular meetings Ad hoc meetings Stakeholder monitor	Safety, efficient production, decommissioning and re-use Development of (ultra-deep) geothermal energy, HSE benchmark, execution of SCAN programme, development of CO_2 storage
	Authority for Consumers and Markets	Ad hoc consultations	Competition
Operators / licence holders	Oil and gas companies operating in the Netherlands Foreign (non-) operators	Regular meetings (TCM's, OCM's) Processing of investment proposals Strategic meetings Informal contacts Workshops Conferences Ad hoc meetings Stakeholder monitor	Projects Collaboration Investments Cost management Reserves Decommissioning and reuse Long-term strategies of operators Public support Promotion of exploration potential in the Netherlands HSE-benchmark
	Geothermal energy companies operating in the Netherlands	Strategic meetings Informal consultations Ad hoc meetings Workshops Conferences Stakeholder monitor	Development of geothermal energy in the Netherlands Collaboration Implementation of the Master Plan Geothermal Energy in the Netherlands
North Sea Consultation	Greenpeace, TenneT, NWEA, Visned, Nederlandse Vissersbond, Port of Rotterdam, EBN, WNF, Vogelbescherming Nederland, Element NL, Natuur & Milieu, Stichting De Noordzee, KNAW, and the ministries of Economic Affairs and Climate Policy and Infrastructure and Water Management	Stakeholder monitor	The North Sea Consultation, which is made up of the national government and representatives from society at large, has the objective of drafting an agreement for the North Sea. This covers options and agreements with broad support on the challenges relating to food, nature and energy, taking into account the interests of other users, such as shipping and sand extraction.

Stakeholder	Organisation	Form of interaction	Discussion points
Trade associations / industry organisations	Trade association Element NL	Regular meetings Informal contacts Reports Workshops Conferences Stakeholder monitor	Collaboration Cost management Decommissioning and reuse Public support. Role of natural gas Energy transition Communication
	KVGN (Dutch Gas Association)	Regular working groups (communications & PA)) CEO-dinners Symposia Steering group Stakeholder monitor	Role of natural gas in the energy transition Cooperation in the industry Knowledge sharing Future prospects for the Dutch natural gas industry
	Nexstep	Regular meetings Supervisory Board Committee seats Workshops Stakeholder monitor	Decommissioning and re-use of onshore and offshore oil and gas infrastructure in the Netherlands
	Geothermie Nederland	Regular meetings Informal contacts Workshops Ad hoc meetings Stakeholder monitor	Development of geothermal energy in the Netherlands Projects Collaboration Public support Communications and stakeholder management Implementation of the Master Plan Geothermal Energy in the Netherlands
	NVDE (Dutch Association for Sustainable Energy)	Working group	Sustainable development
Gasgebouw	NAM, GasTerra, Shell, ExxonMobil	Regular meetings (CVG, RVC, AGM, AC, CBM, Budget Committee) Expert meetings Informal contacts Stakeholder monitor	Collaboration Investments Cost management Role of natural gas Energy transition Earthquakes

Stakeholder	Organisation	Form of interaction	Discussion points
Financial institutions	Credit providers: ING, Rabobank and BNP Paribas	Annual meetings Ad hoc meetings	Financing requirement Credit conditions
	Capital market: banks and advisers	Ad hoc consultations	Financing requirement Capital market developments
	Money market: banks, commercial paper dealers and money market traders	Ad hoc consultations	Investment opportunities Money market developments
	Moody's credit rating agency	Annual review meeting Ad hoc meetings	Financial and operational developments and expectations
Insurance	Insurance brokers and companies	Ad hoc consultations	Damage claims Inspections of installations
Wholesale	GasTerra (gas buyer)	Regular meetings (CVG, RVC, AC, AGM) GILDE, KVGN Ad hoc meetings Stakeholder monitor	Selling prices Processing and transportation Responsibility Warranties Public support Role of natural gas Energy transition
Natural gas transport	Gasunie/GTS	Regular meetings GILDE, KVGN Ad hoc meetings Stakeholder monitor	Invoedvoorwaarden Maatschappelijk draagvlak Rol van aardgas Energietransitie
Natural gas storage	TAQA (Bergermeer)	Regular meetings (TCMs, OCMs) Ad hoc consultations	Projects Collaboration Investments HSE-benchmark
	Gasgebouw (Norg, Grijpskerk, Alkmaar)	Regular meetings	Projecten Samenwerking Investeringen

Stakeholder	Organisation	Form of interaction	Discussion points
Buyers	Oil/condensate: Oil and petrochemicals companies (midstream)	Regular meetings Ad hoc meetings	Selling prices Processing and transportation Responsibility Warranties
	Gas: Energy companies	Via wholesale (GasTerra)	Selling prices Processing and transportation Responsibility Warranties
Supply	E&P-service operators, oil and gas industry Trade organisation IRO	Project basis (Joint Industry Projects, JIP's) Workshops Congresses/Conferences	Projecten Kostenbeheersing Ontmanteling en hergebruik
CCS:	Gasunie and Port of Rotterdam (joint venture partners in Porthos project), emitters	Project basis Regular meetings (steering group, CEO meeting, consultation with emitters)	JV terms Customer acquisition (emitters) Project execution Agreements with operator(s), service providers, e.g. TAQA
	Gasunie, Shell en Total Energies (partners in Aramis project), emitters	Project basis Regular meetings (steering group, consultation with emitters, consultation with offshore operators) Stakeholder monitor	
Advisory bodies	Berenschot Deloitte McKinsey PwC RHDHV EY Darel TNO	Sporadic and upon request Stakeholder monitor	Consultancy Support Research
Social organisations	NGOs Stichting Natuur en Milieu (Nature and Environment foundation)	Sporadic Stakeholder monitor	EBN's role and strategy Natural gas in the energy transition Decommissioning and reuse Development of geothermal energy in the Netherlands

Stakeholder	Organisation	Form of interaction	Discussion points
Residents	Local residents' Involvement groups	Via operators Or via municipalities / provinces	Impact on surroundings of drilling and production sites Safety and possible damage Usefulness and need Involvement in decision making Local concessions Information sessions for local residents Geothermal energy development Execution of SCAN programme
Research and educational institutions	Research institutions: CIEP, NEC, TNO, TKI, ESTRAC	Board of TKI - Gas Supervisory Board Strategic Advisory Board (NEC) Regular meetings JIPs (TNO) Ad hoc meetings Stakeholder monitor	Collaboration Consultancy Support Research (academic) TKI projects
	Educational institutions: Universities Training institutes Students	Student congress Internships at EBN 3TUs, UU, VUA, RUG Workshops	University career fairs Social trade-offs around projects Career opportunities Decommissioning and reuse
Employees	HR: GPTW, InContext, Arbobutler, AWVN (trade assoc.), Lawyers, tax advice, training and educational institutions Berenschot	Surveys, off-site retreats, personality tests Absenteeism guidance, coaching, advice, PMO, workstation assessment Development of labour markets Consulting Coaching, mentoring, advice, project guidance Buddy-programme	Satisfaction Well-being, physical and mental well-being, complaints. Social developments training and courses Implementation strategy Cultural trajectory
	Works Council	Regular consultation with CEO four times a year (Supervisory Board member present twice a year) Ad hoc consultation with CEO (formal and informal) Consultation with employees Questionnaire	Strategy and market developments General course of affairs at EBN Request for advice on implementation of new strategy (reorganisation) IRequest for consent on Rules for Working from Home, Absenteeism Rules, HR cycle, Time Registration System Staff welfare Vacancies and staff turnover

10.2 The people of EBN

Employees

	Total	Women	Men
Number of FTEs employed by EBN	158	61.6	96.4
Number of people employed by EBN	169	68	101
Number of employees with permanent contracts	122	48	74
Number of employees with temporary contracts	47	20	27
Number of employees with a full-time contract	108	34	74
Number of employees with a part-time contract	61	34	27
Age group <25 years	2	1	1
25-34 age group	38	16	22
35-44 age group	48	24	24
45-54 age group	46	18	28
55-64 age group	32	8	24
65+ age group	3	1	2

Interns

	Total	Women	Men
Number of interns at EBN (FTE on average)	10	5	5
Number of interns at EBN (headcount)	10	5	5

External staff

	Total	Women	Men
Number of external workers in staff positions (average FTE)	29	7	22
Number of eternal workers in staff positions (headcount)	41	10	31

Recruitment and retirement in 2022

	Total	Women	Men
Number of people hired	36	13	23
Number of employees leaving the company	18	5	13

About EBN employees

	2022	2021	2020
Percentage of women employed at EBN	40.2%	40.0%	39.4%
Percentage of women in senior management positions	53.3%	50.0%	37.5%
Average age	44.0	43.8	43.6
Percentage under the age of 45 years	52.1%	52.3%	54.0%
Academic level	84.6%	83.9%	82.5%
HBO [higher vocational education]	8.9%	9.0%	8.8%
MBO	6.5%	7.1%	8.8%
Absenteeism (for all of 2022)	3.3%	3.5%	2.8%
Short-term absenteeism	0.9%	0.4%	0.5%
Medium-term absenteeism	0.4%	0.3%	0.2%
Long-term absenteeism	2.1%	2.8%	2.1%
Average notification frequency	0.8	0.5	0.6

Governance table

Board of Directors governance table

(Ages given as of date of Supervisory Board meeting on 14 March 2022)

Name	Age	Profile/specific expertise	Task at EBN	Terms of appointment	(Relevant) secondary positions
J.W. van Hoogstraten (m, Nederlandse nationaliteit)	58	• Mining engineering & petroleum production (M Eng), TU Delft • Worked in the energy sector for various oil and gas companies • MD of TAQA Nederland • Chairman NOGEPA, the trade association of oil and gas producers in the Netherlands	CEO: Jan Willem heads for the Board of Directors and maintains contacts with the Supervisory Board and the shareholder. He is the hierarchical manager of the programme managers in Advice & Innovation, Geo-Energy, CC(U)S and Geotechnical Operations and the corporate manager of the HR & facility, communication & public affairs and legal departments.	1 March 2020 - 1 March 2024 (second term)	Member of the Supervisory Board of GasTerra B.V. Chair of KVGN Member of the Board of Delegated Supervisory Board members of GasTerra B.V. Member of the Management Board of the Maatschap Groningen Member of the Advisory Council of the Clingendael International Energy Programme Member of the Strategic Advisory Council of TNO Energy Chairman of the Supervisory Board of the Nexstep association Member of the Strategic Advisory Board of ECN Part of TNO Member of the New Energy Coalition (NEC) Foundation Board
B. Brouwer (m, Nederlandse nationaliteit)	50	• Econometrics (drs.), University of Amsterdam • Worked in various positions at Euronext (1997-2003), Essent (2003-2008) and EBN (since 2008)	Finance Director: Bas is responsible for EBN's financial economic policy and for directing all financially related job areas. He is the hierarchical manager of the programme managers in Advice & Innovation, Geo-Energy, CC(U)S and Geotechnical Operations and the corporate managers of the HR & facility, communication & public affairs and legal departments.	From 14 October 2019	-

Name	Age	Profile/specific expertise	Task at EBN	Terms of appointment	(Relevant) secondary positions
B.C. Scheffers (m, Nederlandse nationaliteit)	59	• Geophysics (Msc), Utrecht University • Doctorate in applied physics (seismology), TU Delft • Worked in various positions at TNO, including as Geophysicist, Group Leader and Director • Chief Inspector at State Supervision of Mines (2006-2007) • Technical Manager at EBN (2007-2011)	Director of Strategy & Technology: Until 1 October 2022 Berend was primarily responsible for assisting the CEO in developing, communicating, implementing and maintaining the strategic initiatives. Berend was chair of the Reserve management the employer for the CC(U)S, Geo-energy, Exploration and Advice & Innovation programme managers.	2011 - October 2022	Member of the Management of stichting TKI Gas Member of the Supervisory Board of Stichting Delft Aardwarmte Project LMember of the Strategic advisory board, New Energy Coalition (NEC) Member of the Board of the World Energy Council – Nederland (WEC-NL) Chair of the management team of the Rijswijk Centre for Sustainable Geo-energy (RCSG)

Supervisory Board governance table

Name	Age	Profile/ specific expertise	Task at EBN	Year appointed	Reappoint-ments	End of term	(Relevant) secondary positions
C.G. Gehrels (w, Dutch nationality)	55	Portfolio: Public sector organisations	Member of the Supervisory Board, member of the Audit committee and member of the Remuneration committee/Selection and Appointment committee	2021		2025	Main position: Global Director Energy Transition Arcadis Secondary positions: Chair of the Climate Agreement Industry implementation committee. Member of the Supervisory Board, Technische Universiteit Delft and chair of the Quality Commission for Education and Research. Member of the Management, Forum voor Stedelijke Vernieuwing Member of the General Management of Wereldwaternet
J.G. Huijskes (m, Dutch nationality)	58	Portfolio: Knowledge of the oil and gas sector	Chairman of the Supervisory Board, member of the Audit committee and member of the Remuneration committee/Selection and Appointment committee	2016	2020	2024	Main position: none secondary positions: Non-Executive Director Gulf Keystone Petroleum PLC.

Name	Age	Profile/ specific expertise	Task at EBN	Year appointed	Reappoint-ments	End of term	(Relevant) secondary positions
E.M. Kneppers-Heijnert (w, Dutch nationality)	71	Portfolio: HR and Communications	Member of the Supervisory Board, member of the Audit committee and member of the Remuneration committee/Selection and Appointment committee	2016	2020	2024	Main position: none (Professor emeritus of business administration, in particular the legal aspects, University of Groningen) Secondary positions: Member of the Supervisory Board of Wolters Kluwer Holding Nederland B.V. Chair of the advisory council of Stichting Instituut GAK Board member of St. Member of the board of the Fonds Bijzondere Voorzieningen Martini Ziekenhuis Groningen foundation
W.S. de Vries (m, Dutch nationality)	69	Portfolios: Financial economics, knowledge of the oil and gas sector	Member of the Supervisory Board, chairman of the Audit committee and member of the Remuneration committee/Selection and Appointment committee	2017	2021	2025	Main position and relevant secondary positions: none
J.W. Weck (m, Dutch nationality)	75	Portfolio: Public sector organisations	Member of the Supervisory Board, member of the Audit committee and chairman of the Remuneration committee/Selection and Appointment committee	2015	2019	2023	Main position: none Relevant secondary positions: Chairman of the Supervisory Board of Economische Impuls Zeeland N.V. Member of the board of Stichting Talent naar de Top Chairman of the Supervisory Board of the Buddy Network Foundation

10.3 Remuneration report

This remuneration report contains an explanation of the remuneration policy used in 2022 for the CEO and the Supervisory Board of EBN.

In 2022, Mr JW van Hoogstraten was CEO of EBN. The shareholder appointed Mr Van Hoogstraten as of 1 March 2016 for a period of four years, followed by a reappointment as of 1 March 2020 for a further period of four years. At the same time that it appointed Mr Van Hoogstraten in 2016, the shareholder established a remuneration policy for the CEO. This was done upon the recommendation of the Supervisory Board, with the shareholder taking the advice of the Remuneration committee into account. The Works Council was also given an opportunity to express its views on the remuneration policy. The remuneration policy adopted in 2016 by the Supervisory Board was used to determine the remuneration and further terms and conditions of employment for the CEO. The remuneration policy remained unchanged upon the reappointment of Mr Van Hoogstraten with effect from 1 March 2020.

In line with the remuneration policy for the CEO, a separate remuneration policy was drawn up for the two directors who are not executive directors. This remuneration report deals only with the remuneration policy for the CEO.

General

The remuneration policy pursued at EBN is based on the following principles of the shareholdings policy of the Dutch national government:

1. The remuneration policy should allow the shareholdings to attract qualified directors; however, this must be done in a restrained manner.
2. The total amount of remuneration is determined by looking at both the private and public market; to this end, private and public reference groups are established and the applicable ratio of private to public activities for the relevant shareholding is determined;
3. Variable remunerations are capped at 20% of the basic salary.

In accordance with the Dutch Mining Act, EBN participates, among other things, in exploration and production activities for oil and gas accumulations both offshore and onshore. In addition to the basic principles, it is important for EBN that the CEO has specific knowledge and experience in the oil and gas sector.

When the remuneration policy was formulated the fact that long-term variable remuneration is no longer awarded, in line with the government's 2013 Policy Document on State Shareholdings, was taken into account. In accordance with government policy, a conversion factor of 0.4 has been used to convert the long-term variable remuneration. It is clear from the characteristics of the generic EBN objectives that they incorporate a long-term perspective, given that they make a contribution to the continuity of the company. All these objectives pertain to one or more of the material themes of EBN.

In determining the total remuneration, the Supervisory Board has duly considered the fact that the amount of remuneration can be a sensitive issue in the public debate, so it is advisable to adopt a restrained approach. At the same time, it is in EBN's own interests that the Supervisory Board ensures that the company has a CEO with the requisite qualities and experience.

Elements of the remuneration package

For the remuneration of the CEO of the company in 2022 EBN refers you to 'remuneration of directors' in the financial statements, which makes a distinction between the fixed salary paid, the variable remuneration and any other remuneration components. With regard to the fixed annual income, the Supervisory Board determines any possible annual growth in the amount. If the maximum allowable amount is reached, any further growth in the fixed annual income is limited to indexation.

As of 2016, any indexation applied occurs in accordance with EBN’s terms of employment (a combination of the so-called derived Consumer Price Index, indexation in the Dutch oil and gas industry and the shareholder's indexation). Indexation may vary between a minimum of 0% and a maximum of the derived CPI rate.

Variable income

The remuneration structure also has a variable component. The variable remuneration elements amount to a maximum of 14% of the fixed annual income if objectives have been fully achieved. In exceptional circumstances the Supervisory Board may grant additional variable remuneration of 6%, bringing the maximum variable remuneration to 20%. This maximum variable remuneration is in line with the shareholdings policy of the Dutch national government.

Each year, the Supervisory Board determines the objectives of the variable remuneration. These include objectives for EBN as a whole (company objectives). The objectives are based on the company's strategy. The Supervisory Board sets objectives that are both realistic and challenging. The objectives should be measurable and alterable and are linked to the company's strategy. Progress toward them is discussed with the Supervisory Board on the basis of quarterly reports.

The objectives are discussed by the Remuneration committee in the first quarter of the year following the year to which they applied. After this discussion, the Supervisory Board determines the extent to which the target objectives for variable remuneration have been realised. The variable remuneration is paid out after the financial statements are adopted at the General Meeting of Shareholders. For 2022, the Remuneration committee set the following company business objectives for EBN:

1. Profit after tax: EUR 516 million
2. Administration costs: EUR 38.10 million
3. Reserve maturation: 100 (on budget is 70% realisation on index 100, with weight of natural gas and geothermal energy as two products)
4. CO2 reduction: 100 (on budget is 70% realisation on index 100, with weight of natural gas-electrification, geothermal energy, CCS, other green gas as products)
5. CCUS full activity: Porthos FID adopted
6. EBN, a strong partner in the North Sea: activities implemented
7. EBN Strategy Fit for 55: approval by the Supervisory Board
8. Talent retention: outflow < 12%

In terms of achieving the objectives, all of them are given equal weight. Partial achievement of objectives is possible. The extent to which this is possible is determined in advance.

The Remuneration committee is further entitled to adjust the overall score positively or negatively. Objectives 1 and 2 were identified based on the work programme and budget that was drafted in December 2020; realisation will be determined after this fiscal year. This also applies to objectives 3 and 4. Objectives 5 - 8 were specifically included for 2022.

Pension

The CEO is enrolled in a pension scheme with the General Pension Fund for Public Employees (ABP) in accordance with the terms and conditions for EBN employees.

Other fringe benefits

EBN offers a package of fringe benefits that also applies to the CEO. No option rights or shares are allocated to the CEO. The company has also not given the CEO any loans, advances or guarantees.

In addition to the fringe benefits, the CEO has an expense allowance and use of a car (for business and personal use). EBN has taken out a directors' and officers' liability insurance policy for the CEO.

Other principles of the remuneration policy

Appointment term

Appointments of the CEO are subject to a four-year term. Reappointment for another four years is an option at the end of each period.

Period of notice

The CEO is subject to a three-month period of notice under the terms of the employment contract and EBN must give six months' notice.

Severance pay

The CEO is only awarded severance pay in the event of involuntary dismissal. Except in the event of manifest

unreasonableness, the severance pay for the CEO will be a maximum of one year's fixed annual income in accordance with the Corporate Governance Code. Said maximum payment includes the transition allowance, insofar as this is owed to the CEO under the Work and Security Act (WWZ) in effect since 1 July 2015.

Clawback and adjustment in variable remuneration

The employment contract with the CEO contains a claw back clause (Corporate Governance Code provision II.2.11), as well as a provision under which the Supervisory Board has the authority to amend any variable remuneration if this leads to unfair outcomes due to exceptional circumstances during the performance period (Corporate Governance Code provision II.2.10). Including a clawback clause is in line with the Dutch national government's shareholdings policy.

Variable remuneration for 2022

The quarterly reports are used to notify the Remuneration committee on progress towards achieving the objectives during the calendar year. Whether or not the objectives for 2022 have been achieved will be determined on 10 March 2023.

Remuneration ratio at EBN

The median of the total remuneration to EBN employees 2022 amounted to EUR 78,584 gross. This represents the gross salary, including variable remuneration, holiday pay, paid holidays, expense allowances and pension capping payment. When this amount is benchmarked against the gross salary (including the aforementioned elements) received by Mr Van Hoogstraten, it yields a remuneration ratio of 1 : 4.1.

For fiscal year 2021, the remuneration ratio amounted to 1: 3.9. The current remuneration ratio has hardly changed compared to the 2021 financial year.

The increase in the median of the total remuneration to EBN employees in 2022 is 1.8%. The remuneration of Mr Van Hoogstraten has risen by 7.4%, which means that the ratio between rise of the median in relation to rise of the CEO is 4.2.

Remuneration of the Supervisory Board

The remuneration for members of the Supervisory Board is fixed and independent of the company's results. The shareholder determines the remuneration for the members of the Supervisory Board at the time of their appointment. The remuneration for the chair of the Supervisory Board is EUR 24,500 per year (2021: EUR 24,500). The other members receive a remuneration of EUR 20.000 (2021: EUR 20.000) per year. All members of the Supervisory Board are entitled to reimbursement of their expenses. The remuneration for the chair of the Supervisory Board differs from that of the other members of the Supervisory Board because of the extra tasks performed by the chair.

No loans, advance payments or guarantees were provided to the members of the Supervisory Board by the company. A liability insurance policy was taken out for the members of the Supervisory Board.

The total remuneration for the Supervisory Board for 2022 is stated in the Financial Statements under '23 Key management'.

Utrecht, 10 March 2023

	Subject	Material theme	Explanatory notes	Objective
1	EBN's profit	Maintaining financial stability and resilience	EBN's profit (+) or loss (-) after tax, shown in millions of euros ✅	>=516
2	Administration costs		EBN's costs for staff, hiring expertise, office, etc. Shown in millions of euros	<=38.1
3	Reserves for maturation	Stimulating and accelerating exploration and production in small Dutch gas fields	The net supplementation (maturation) of gas reserves in the Netherlands in PJ	75.0
		Reinforcing, accelerating and improving the Dutch geothermal energy sector	(FID)/acquisition, with expected cumulative production on completion of 2.0 PJ per year.	2.7
4	CO_2 reduction	Using underground space to make the energy system more sustainable	The CO2 reduction target is determined in accordance with the maturation in MT of CO2 to 'reserves' on the basis of the PRMS or equivalent methodology for hydrocarbons.	0
		Reinforcing, accelerating and improving the Dutch geothermal energy sector	CO2 reduction: Geothermal energy development	0.25
		Active approach to risks	CO2 reduction: Reducing emissions and discharges	0.27
		Exploring and developing energy innovations for system integrations in the energy transition	CO2 reduction: Development of sustainable alternatives for natural gas	0.66
5	CC(U)S Milestones	The gas value chain is changing from a traditional, fossil fuel dominated chain to a sustainable energy chain. In that framework: Investigating and developing energy innovation in favour of system integration in the Dutch energy transition	Milestones have been developed for 2022 to develop CCS into a significant EBN activity	Porthos FID adopted
		Using underground space to make the energy system more sustainable		
		Responsible decommissioning and, where possible, reuse of infrastructure		
6	EBN as a strong partner in the North Sea	Responsible decommissioning and, where possible, reuse of infrastructure	Optimum deployment of assets and data knowledge, plus EBN's experience on the North Sea	Scheduled activities carried out
7	EBN's Fit for 55 strategy	Creating connective power	EBN strategy that contributes to the CO2 reduction target of 55% with proper involvement of employees and external stakeholders	Approval by the Supervisory Board
8	(Talent) retention	Creating connective power	Talent retention is an important pillar on which the company's stability and achievement of the objectives rests. Embedding the new intake in an organisation is an important factor in relation to talent retention ✅[1]	Outflow < 12.0%

1 Indicators marked with the ✅ symbol are included in the scope of the assurance report to show a limited level of certainty on the part of the independent auditor. In chapter 9, 'Independent auditor's report', you can find details relating to the scope of the audit and its results.

10.4 GRI Index 2022

Statement of use	**Energie Beheer Nederland B.V. has reported with reference to the GRI 2021 Standards for the period from 1 January 2022 to 31 December 2022.**
GRI 1 used	**GRI 1: Foundation 2021**

GRI Standard	Disclosure	Explanatory notes	Reference
General disclosures			
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**		
2-1 Organisational details	The organisation shall: a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.		a, b, d. 2.1 About EBN c. 5.4 Corporate governance
2-2 Entities included in the organization's sustainability reporting	The organisation shall: a. list all its entities included in its sustainability reporting; b. if the organisation has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organisation consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.		a. 8. Financial statements - Explanatory notes on the consolidated financial statements - General b. There is no difference between the entities included in the financial reporting and in the sustainability reporting. C. 7.1 Scope

GRI Standard	Disclosure	Explanatory notes	Reference
	2-3 Reporting period, frequency and contact point	The organisation shall: a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	a., b. 7. About this report; 7.2 Reporting policy and process 7.4 Transparency d. 10.8 Contact information
	2-4 Restatements of information	The organisation shall: a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	a. No significant changes
	2-5 External assurance	The organisation shall: a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organisation's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organisation and the assurance provider.	a., b.i. 7.4 Transparency b.ii., b.iii. 9 Auditor's report from the independent accountant
	Activities and workers		
	2-6 Activities, value chain and other business relationships	The organisation shall: a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organisation's activities, products, services, and markets served; ii. the organisation's supply chain; iii. the entities downstream from the organisation and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	a., b., c. 2.1 About EBN; 2.2 Value creation model and impact 3. Our position in the energy value chain d. No significant changes

GRI Standard	Disclosure	Explanatory notes	Reference
	2-7 Employees	The organisation shall: a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e.describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	a.10.2 The people of EBN. b.i., b.ii., b.iv., b.v. 10.2 The people of EBN b.iii. Not included in annual report 10.2 The people of EBN d. 4.6.2 The people of EBN e. No significant fluctuations The breakdown by region is not applicable because the Netherlands as a whole is considered a region.
	2-8 Workers who are not employees	The organisation shall: a. report the total number of workers who are not employees and whose work is controlled by the organisation and describe: i. the most common types of worker and their contractual relationship with the organisation; ii. the type of work they perform; b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	a.i., b.i and ii. 10.2 The people of EBN c. No significant changes

GRI Standard	Disclosure	Explanatory notes	Reference
	Governance		
	2-9 Governance structure and composition	The organisation shall: a. describe its governance structure, including committees of the highest governance body; b.list the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organisation's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation.	a. 5.4 Corporate governance b. 7.3 Materiality analysis and determination - Steering and reporting c.i., c.ii., c.iii., c.iv., c.v., c.v.ii. 10.3 Governance table c.vi., v.iii. Not included in annual report
	2-10 Nomination and selection of the highest governance body	The organisation shall: a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organisation.	a., b. 5.4 Corporate governance - Recruitment and selection of Supervisory Board and Board
	2-11 Chair of the highest governance body	The organisation shall: a. report whether the chair of the highest governance body is also a senior executive in the organisation; b. if the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	a.,b. 6.2 Composition of the Supervisory Board

GRI Standard	Disclosure	Explanatory notes	Reference
	2-12 Role of the highest governance body in overseeing the management of impacts	The organisation shall: a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development; b. describe the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; c. describe the role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in 2-12-b, and report the frequency of this review.	a. 5.4 Corporate Governance - Supervisory Board - Board; - Board of Directors b., c. 5.4 Corporate Governance - Governance and sustainability
	2-13 Delegation of responsibility for managing impacts	The organisation shall: a., describe how the highest governance body delegates responsibility for managing the organisation's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees; b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organisation's impacts on the economy, environment, and people.	a. 7.3 Analysis and determination of materiality - Steering and reporting b. 5.4 Corporate Governance - Governance and sustainability
	2-14 Role of the highest governance body in sustainability reporting	The organisation shall: a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information; b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this.	a. 7.2 Reporting policy and process; 7.3 Analysis and determination of materiality b. Not applicable
	2-15 Conflicts of interest	The organisation shall: a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders;	a., b. 5.4 Corporate Governance - Conflicts of interest

GRI Standard	Disclosure	Explanatory notes	Reference
		iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	
	2-16 Communication of critical concerns	The organisation shall: a. describe whether and how critical concerns are communicated to the highest governance body; b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	a., b. 6.8 Matters discussed during 2022
	2-17 Collective knowledge of the highest governance body	The organisation shall: a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	a. 5.4 Corporate governance - Governance en duurzaamheid
	2-18 Evaluation of the performance of the highest governance body	The organisation shall: a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organisational practices.	a., b., c. 6.9 Evaluation of the directors and self-assessment
	2-19 Remuneration policies	The organisation shall: a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits; b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people.	a., b. 5.4 Corporate Governance; 10.4 Remuneration report
	2-20 Process to determine remuneration	The organisation shall: a. describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are	a. 5.4 Corporate Governance; 6.3 Composition of the board of directors; 10.4 Remuneration report b. Not applicable

GRI Standard	Disclosure	Explanatory notes	Reference
		sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and,if so, whether they are independent of the organisation, its highest governance body and senior executives; b.report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	
	2-21 Annual total compensation ratio	The organisation shall: a. report the ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	a., b., c. 10.4 Remuneration report - Remuneration ratio at EBN
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	The organisation shall: a. report a statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development.	a. Foreword
	2-23 Policy commitments	The organisation shall: a. The organisation shall: a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights;b. describe its specific policy commitment to respect human rights, including: i. the internationally recognised human rights that the commitment covers; ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organisation gives particular attention to in the commitment; c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this; d. report the level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level; e. report the extent to which the policy commitments apply to the organisation's activities	a.i., a.ii. 3.4 Chain responsibility - Supplier compliance with EBN code of conduct; 5.4 Corporate Governance - Integrity a.iii. 5.1 Risk management, 5.2 Risk appetite 5.3 Main strategic risks a.iv. 3.4 Chain responsibility - Compliance with the EBN code of conduct by suppliers b., c. 5.4 Corporate governance - Integrity d. 5.4 Corporate Governance - Governance and sustainability e., f. 3.4 Chain responsibility

GRI Standard	Disclosure	Explanatory notes	Reference
		and to its business relationships; f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	
	2-24 Embedding policy commitments	The organisation shall: a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i. how it allocates responsibility to implement the commitments across different levels within the organisation; ii. how it integrates the commitments into organisational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organisation provides on implementing the commitments.	a.i., a.iii. 3.4 Chain responsibility - Supplier compliance with EBN code of conduct; a.ii. 3.4 Chain responsibility - Supplier compliance with EBN code of conduct; 5.4 Corporate Governance - Integrity a.iv. 5.4 Corporate Governance - Integrity
	2-25 Processes to remediate negative impacts	The organisation shall: a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to; b. describe its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in; c. describe other processes by which the organisation provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to; d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; e. describe how the organisation tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	a., b., c., 3.4 Chain responsibility - Whistle-blower policy; d., e. 5.4 Corporate Governance - Stakeholder engagement
	2-26 Mechanisms for seeking advice and raising concerns	The organisation shall: a. describe the mechanisms for individuals to:i.seek advice on implementing the organisation's policies and practices for responsible business conduct; ii. raise concerns about the organisation's business conduct.	a. 3.4 Chain responsibility - Whistle-blower policy; 5.4 Corporate Governance - Integrity
	2-27 Compliance with laws and regulations	The organisation shall: a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred; b. report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:	a., b. 5.4 Corporate Governance - Compliance laws and regulations

GRI Standard	Disclosure	Explanatory notes	Reference
		i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance.	
	2-28 Membership associations	The organisation shall: a. report industry associations, other membership associations, and national or international advocacy organisations in which it participates in a significant role.	a. 4.6.1 Dialogue with stakeholders
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	The organisation shall: a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organisation seeks to ensure meaningful engagement with stakeholders.	a. 4.6.1 Dialogue with stakeholders; 7.3 Analysis and determination of materiality; 10.1 Interaction with our stakeholders
	2-30 Collective bargaining agreements	The organisation shall: a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations.	a., b. 4.6.2 The people of EBN
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	The organisation shall: a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritised the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	a., b. 7.2 Reporting policy and process; 7.3 Analysis and determination of materiality

GRI Standard	Disclosure	Explanatory notes	Reference
	3-2 List of material topics	The organisation shall: a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	a. 2.6 Material themes b. No significant changes
Active approach to risks:			
1. Promoting safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a., b. 2.6 Material themes; 47 Active approach to risks c., d. 4.7 Active approach to risks:; 5.3 Main strategic risks ei., e..ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.7 Active approach to risks e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality
Eigen indicatoren	Occupational accidents	a. Occupational accidents resulting in sick-leave - expressed in Lost Time Accidents	a. 2.8 Connectivity matrix; 4.7 Active approach to risks; 7.6 Measurement methods for material issues
2. Reducing emissions and discharges			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its	a., b. 2.6 Material themes; 47 Active approach to risks c., d. 4.7 Active approach to risks:; 5.3 Main strategic risks

GRI Standard	Disclosure	Explanatory notes	Reference
		activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	ei., e..ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.7 Active approach to risks e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality
Own indicators	CO2 emissions	a. Percentage change in the small gas fields' CO2 emissions per cubic metre produced compared to 2018	a. 2.2 Value creation model and impact; 2.8 Connectivity matrix; 4.7 Active approach to risks; 7.6 Measurement methods for material issues
Maintaining financial stability and resilience			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's	a., b. 2.6 Material themes; 45 Financial results c. 2.8 Connectivity matrix d. 4.5 Financial results e.i. 2.8 Connectivity matrix e.ii. 2.8 Connectivity matrix; 10.4 Remuneration report e.iii. 2.8 Connectivity matrix; 4.5 Financial results e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality

GRI Standard	Disclosure	Explanatory notes	Reference
		operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	The reporting organisation shall report: a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organisation's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; ii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	a.i., a.ii. 8. Financial statements - Notes to consolidated profit and loss account and statement of comprehensive income a.iii. Not included in annual report
Own indicators	Financial resilience	a. Solvency	a. 2.2 Value creation model and impact; 2.8 Connectivity matrix; 4.5 Financial results; 7.6 Measurement methods for material issues; 8. Jaarrekening - Beleid om financiële risico's te beheersen
Creating connective power: Facilitating informed dialogue, knowledge development and sharing. Connecting relevant stakeholders - internally and externally			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures;	a., b. 2.6 Material themes; 4.6 Creating connective power c. 2.8 Connectivity matrix; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN d. 4.2 New Energy; 4.3 Return to Nature; 4.4 Our Dutch Gas; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.4 Our Dutch Gas; 4.3 Return to Nature; 4.2 New Energy; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality

GRI Standard	Disclosure	Explanatory notes	Reference
		f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	
Own indicator	Talent retention percentage	a. Outflow (headcount) - outflow due to retirement/medical reasons/total headcount	a. 2.8 Connectivity matrix; 4.6.2 Measurement methods for material issues
	Connecting stakeholders internally	a. Great Place to Work employee survey score (the so-called Trust Index)	a. 2.2 Value creation model and impact; 2.8 Connectivity matrix; 4.6.2 The people of EBN; 7.6 Measurement methods for material issues.
	Informed dialogue	a. Update infographic	a. 4.6.1 Dialogue with stakeholders - Update energy infographic 2022; 7.6 Measurement methods material topics
Stimulating and accelerating exploration and production in small Dutch gas fields			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a., b. 2.4 Strategic pillars; 26 Material topics; 44 Our Dutch Gas c. 2.4 Strategic pillars d. 4.4 Our Dutch Gas e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.4 Our Dutch Gas e.iv. Not included in annual report f. Missing

GRI Standard	Disclosure	Explanatory notes	Reference
Our own indicators	Security of supply	a. Gas storage fill level	a. 2.8 Connectivity matrix; 4.4 Our Dutch Gas; 7.6 Measurement methods for material issues
	Gas production	a. Number of new natural gas wells drilled	a. 2.8 Connectivity matrix; 7.6 Measurement methods for material issues
Strengthening, accelerating and improving the Dutch geothermal energy sector			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a., b. 2.4 Strategic pillars; 2.6 Material topics; 4.2 New Energy c. 2.4 Strategic pillars d. 4.2 New Energy e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.2 New Energy e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality
Own indicators	Geothermal energy extraction	a. Number of PJ developed	a. 2.8 Connectivity matrix; 7.6 Measurement methods for material issues
Responsible decommissioning and, where possible, reuse of infrastructure			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or	a., b. 2.4 Strategic pillars; 2.6 Material themes; 4.3 Return to Nature c. 2.4 Strategic pillars

GRI Standard	Disclosure	Explanatory notes	Reference
		business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	d. 4.3 Return to Nature e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.3 Return to Nature e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality
Own indicators	Responsible decommissioning and, where possible, repurposing of infrastructure	a. Number of joint decommissioning campaigns	a. 2.8 Connectivity matrix; 4.3.1 Responsible decommissioning and, where possible, repurposing of infrastructure; 7.6 Measurement methods for material issues
Using underground space to make the energy system more sustainable			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's	a., b. 2.4 Strategic pillars; 2.6 Material themes; 4.3 Return to Nature c. 2.4 Strategic pillars d. 4.3 Return to Nature e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.3 Return to Nature e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality

GRI Standard	Disclosure	Explanatory notes	Reference
		operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	
Own indicators	CO2 storage	a. Number of MT of CO2 in storage per year in the Netherlands and in projects in which EBN participates.	a. 2.8 Connectivity matrix; 7.6 Measurement methods for material issues
Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition			
GRI 3: Material Topics 2021	3-3 Management of material topics	For each material theme, the organisation shall: a. describe negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b.report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures; f.describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a., b. 2.6 Material themes; 4.2 New Energy c. 2.4 Strategic pillars d. 4.2 New Energy e.i., e.ii. 2.8 Connectivity matrix e.iii. 2.8 Connectivity matrix; 4.2 New Energy e.iv. 4.8 Reflection and future prospects f. 4.6.1 Dialogue with stakeholders - Stakeholder monitor; 7.3 Analysis and determination of materiality

10.5 10-year key figures

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
number of EBN participations in Joint Ventures:										
- production licences onshore	35	34	34	34	33	33	33	33	31	29
- production licences offshore	104	105	105	115	113	110	109	109	107	106
- production licences	29	36	39	40	39	44	46	48	55	56
sales (bln m^3, 100%)	19	23	20	30	33	39	46	51	66	79
change in % compared to previous year (100%)	-17	13	-32	-10	-15	-15	-10	-22	-17	8
- sales Groningen (bln m^3, EBN share)	3	4	3	6	7	9	11	12	17	21
- sales other gas fields (bln m^3, EBN share)	4	5	5	6	7	8	9	9	10	11
total sales (bln m^3, EBN share)	7	8	8	12	14	17	20	21	27	32
average selling price of gas										
(€ -cents per m^3 35.17 MJ/m^3)	122	31	11	15	17	16	14	20	22	26
sales and other income from:										
- continuing operations	11,998	2,977	1,220	2,206	2,673	3,015	3,094	4,766	6,598	8,809
- discontinued operations	-1	-	-	-	-	-	-	-	-	-
total sales and other income	11,998	2,977	1,220	2,206	2,673	3,015	3,094	4,766	6,598	8,809
change from continuing operations in %										
compared to previous year	303	144	-45	-17	-11	-3	-35	-28	-25	3

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
net result from:										
- continuing operations	4,290	656	-364	256	764	556	333	450	1,614	2,327
- discontinued operations	-1	-	-	-	-	-	-	-	-	-
total result	4,290	656	-364	256	764	556	333	450	1,614	2,327
net result from continuing activities										
in % of sales	36	22	-30	12	29	18	11	9	24	26
property, plant and equipment										
- investments onshore	18	24	25	33	42	25	37	102	290	275
- investments offshore	147	76	113	194	142	131	244	462	475	377
total investments expenditure	165	100	138	227	184	156	281	564	765	652
depreciation	608	401	558	586	430	434	490	557	660	652
impairment (reversal)	-	-	-	-	-155	35	299	660	-	-
equity	5,337	1,048	392	775	279	217	178	184	199	219
gearing ratio (%)	n.v.t.	n.v.t.	n.v.t.	n/a	n/a	n/a	n/a	87	90	87
total liabilities	10,482	6,732	5,507	5,752	5,612	5,331	5,458	5,644	5,465	5,309

10.6 Glossary and references

Aquifer Subsurface water-bearing layer from which heat can be obtained

BCM Billion Cubic Meters of natural gas

CCS Carbon Capture and Storage

CC(U)S Carbon Capture, Utilisation and Storage

CSRD Corporate Sustainability Reporting Directive

Consortium Collaboration of a non-permanent nature created by a number of parties in order to carry out a specific project

Corporate Governance Code The Dutch Corporate Governance Code of the Monitoring Committee

Downstream activities Sale and transportation of geological resources

DSA Decommissioning Security Agreement

DSMA Decommissioning Security Monitoring Agreement

EBN Energie Beheer Nederland

E&P Exploration and Production

ESRS European Sustainability Reporting Standards

EZK Ministry of Economic Affairs and Climate Policy

FTE Full-time equivalent; unit for calculation of the scope of a position; 1 FTE represents a full working week

FID Final Investment Decision

Gasgebouw Public-private partnership of the Maatschap Groningen and GasTerra

Gas field Subterranean accumulation of gas from rock pores that can be extracted

GE Groningen Equivalent (Nm^3 of natural gas with calorific value of 35,169 MJ at 0 degrees Celsius and 101,325 kPa)

Geothermal energy Thermal energy from the earth.

Green Deals Agreements between the Dutch government and companies, social organisations and other authorities A Green Deal helps to implement sustainable plans

GRI Global Reporting Initiative

HR Human Resources

HSE Health, Safety & Environment

ICT Information and Communications Technology

IFRIC International Financial Reporting Interpretation Committee

IFRS International Financial Reporting Standards

IMS Integral Management System

IMG Groningen Mining Damage Institute

IPO Association of Provinces of the Netherlands

IRO The Association of Dutch Suppliers in the Offshore Energy Industry

KNMI Royal Dutch Meteorological Institute

KVGN Royal Association of Gas Producing Companies in the Netherlands

LOI Letter Of Intent

Maatschap Groningen Partnership to manage production from the Groningen gas field

EBN management positions Programme manager, Corporate Managers and Directors

Midstream activities Transport and storage of geological resources

Mining Act Dutch act of parliament describing the rules and regulations for exploration, extraction and storage of minerals

CSR Corporate Social Responsibility

NAM Nederlandse Aardolie Maatschappij

Nexstep National platform for decommissioning and re-use

Nm^3 Normal cubic metre; the standard unit in which natural gas is measured

Operating partner See Operator

Operator Party involved in the exploration, extraction or storage process that performs activities on behalf of partners

OPI Operational Performance Indicators

PJ Petajoule, 1PJ = 1.000.000.000.000.000 joules

Porthos Port of Rotterdam CO_2 Transport Hub & Offshore Storage; carbon storage project

SCAN Seismic campaign geothermal energy Netherlands

SDG Sustainable Development Goals

Sm^3 Standard cubic metre

SodM Staatstoezicht op de Mijnen (State Supervision of Mines)

State-owned company Shareholdership on the part of the Dutch state

SWOT analysis SWOT = Strengths, Weaknesses, Opportunities and Threats

TNO Dutch organisation for applied scientific research

Treasury The management of the companys monetary reserves

TWh Terawatt hours

Upstream activities Exploration and production of geological resources

VNG Association of Netherlands Municipalities

WACC Weighted Average Cost of Capital

Heat exchanger Extracts the heat from the water and transfers it to the water in a heating network

10.8 Contact information

Did our annual report get you thinking, raise questions or inspire you? Please do not hesitate to contact us to ask questions or exchange views.

Visiting and postal address:

EBN B.V.
Daalsesingel 1
3511 SV Utrecht
Telefoon: + 31 (0)30 233 9001
E-mail: ebn.mail@ebn.nl
Website: www.ebn.nl