EBN Annual Report 2021

Impact in the energy transition

All of these professionals make an impact, each in their own way. A sustainable impact, in the widest sense. They met with each other to discuss their influence on the energy transition. The discussions addressed leadership, security of the energy supply, geothermal energy and connection with local communities.

See the articles and podcast on: https://jaarverslag.ebn.nl/.

ebn **Energising** the transition

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1. **Foreword**

Impact

The 'Our Common Future' report was drafted under the leadership of Norwegian Prime Minister Brundtland in 1987. The most significant conclusion drawn by the report was that the main global environmental problems were a consequence of the poverty in one part of the world, and the non-sustainable consumption and production of the other part of the world. For the first time, the report called for sustainable development. This was defined as: 'A development that responds to the needs of today, without compromising the opportunities for future generations to meet their requirements.' The vision relating to sustainability has since moved on. The focus in the definition referred to above rested on preventing excessive or irreparable damage or, to put it another way, to 'do no harm'. Nowadays, this is mostly about creating social value and achieving the greatest possible positive impact.

Where are we today in that respect? It has been 35 years since the publication of the Brundtland Report. Should we allow ourselves to be proud of what we have achieved in the past few decades? Can we comfortably pass on custody of the world to generations to come? In that respect, I believe we still have quite a way to go. In relation to our targets for the climate, the next few years are going to be increasingly crucial. Looking at where we stand in terms of the energy transition, it is important to be aware

that the average throughput time of energy projects is around seven to eight years. That means that the results of decisions we make right now will be visible in 2030. And not just one decision, but an unbelievable number on all levels.

I am happy with the ambitions recorded in the Coalition Agreement. At least 55% CO_2 reduction in 2030; perhaps even 60%. I am convinced that we have the technical know-how and ability to achieve the desired result at our fingertips. In the Netherlands there is definitely no shortage of expertise. But on top of that, the energy transition demands collaboration and leadership. It all comes down to the fact that we are in this together. We need help each other. And in that respect we need to have the courage of our convictions. But another requirement is that we keep the energy transition affordable for everyone and spread the costs fairly. Not just in words but, more than anything, in day-to-day practice. What this asks of board members and watchdogs, for instance, is that they adopt a different way of managing and determining results, that they set parameters for broad-based prosperity rather than just profit and growth. The outlines have been drawn in the Coalition Agreement; now

we can all work towards the sustainable system of the future. As one integrated whole, not forgetting to keep our eyes on the CO_2 point on the horizon.

EBN does that by accelerating the transition where possible and making a substantial contribution to the goals for 2030 (and 2050). We will continue to do that, as in 2021, by focusing on our three strategic pillars: New Energy , Return to Nature and Our Dutch Gas. In that respect, our role and position as a public organisation in the arena of the energy transition is constantly evolving. Where and how can we make the most positive impact with our expertise? In that context, the stakeholder survey that we put to a large number of interested parties for the second time in 2021 is certainly a positive development. Our average score was 7.8, and our stakeholders increasingly appreciate our role in the transition and as a connector and facilitator in the debate. But our stakeholders also call on us to take more of a lead. In terms of 'preparing the way' for a sustainable, though uncertain future.

Our energy system is sensitive to international developments. Scarcity of resources at the international level led to high gas prices last year and a relatively low level of filling of Dutch gas storage facilities (with high-calorific gas) at the start of the winter. As a result, concerns about affordability and security of supply show how important it is that our energy system is affordable and reliable, and remains so.

Last year was characterised by particularly high prices for gas, and that is reflected in EBN's results. With turnover of EUR 3.0 billion, EBN achieved pre-tax profits of EUR 656 million. In 2020, turnover was just 1.2 billion, resulting in a pre-tax loss of EUR 364 million. In 2021, too, we set aside an ample provision for the costs associated with the handling of claims for damage in Groningen.

In May of last year a letter to the Dutch parliament on the role of EBN in the energy transition was published. The letter specifically addressed EBN's role in relation to natural gas, CCS, geothermal energy, hydrogen, green gas and energy storage. Our role in CCS was further developed later in the year. This year (2022), with the advent of the new government, we expect a more in-depth description of our specific role in all these areas. You can read more about our activities and the results from the past year in this report.

This coming year is the year of the Parliamentary Committee of Enquiry into Natural Gas Production in Groningen. EBN, too, was asked to give information to the Committee for the purposes of the enquiry. The enquiry is, of course, of great importance to the people of Groningen. EBN will be cooperating fully with a view to ascertaining the truth and helping the Committee of Enquiry to establish lessons for the future.

Looking back: As far as our organisation is concerned, the COVID-19 crisis meant that EBN employees were working from home for a large part of the year in 2021, too. This meant that our workforce was required to show a high degree of adaptability, even though each person's home situation is different. The results of the 2021 Great Place to Work survey showed that our employees appreciate our approach to employment practices. They awarded us an average score of 7.8. Thanks to the commitment and dedication of those same employees and in collaboration with a large number of partners we were able to make progress in the energy transition in 2021, too. Both in terms of the reduction of CO_2 and with the acceleration of the transition.

As this is being written, a terrible war is being waged in Ukraine. Russia's invasion is reprehensible and, at the same time, very worrying. This unprecedented form of aggression and show of force clearly crosses the line and goes against all European and Dutch values and standards. This war has a great impact at both national and international level in many sectors, not least our energy system. The most important aspect, of course, is its impact on the lives of those directly involved. Our deep sympathy goes out to the Ukrainian people.

Utrecht, 14 maart 2022

Jan Willem van Hoogstraten
CEO

Highlights 2021- Connective power in the energy transition

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.'

increasing sustainability in the gas value chain

New Energy

Return to Nature

Our Dutch Gas

Resilient, flexible organisation

Financial

Turnover (€ MLN)

2021	2020
2.977	1.220

Net profit (€ MLN)

2021	2020
656	-364

'With gas prices reaching unprecedented peaks, the net profit for 2021 was much higher than expected.'

Employees

Employee numbers

2021	2020
155	137

% of employees are women

2021	2020
40	39,4

'The number of women in senior management positions is fifty per cent. We believe it is important that our population is diverse and inclusive.'

Stakeholder survey

Reputation score

2021	2020
7,8	7,8

Great Place to Work

2021	2019
7,8	7,8

Highlights 2021- Connective power in the energy transition

Increasing sustainability in the gas value chain

New Energy

Number of geo-energy joint ventures*

2021 **4** ▲ 2020 3

'We are involved in a substantial number of Geothermal energy projects that are now in development in the Netherlands, a total of 12 projects and joint ventures. Over the next few years, this number is set to double at least.'

* 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

2021 **1.571** Cumulatief ▲ 2020 797

'The seismic research provides information that is important for the exploration, and safe and economically-viable production of geothermal energy. In addition, EBN has started making preparations towards drilling for scientific purposes.'

Hydrogen, green gas and energy storage

'In addition to the development of geothermal energy, EBN has a role in the investigation of options for the upscaling of the production of sustainable gases and the deployment of new forms of energy storage.'

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

Return to Nature

Number of joint decommissioning campaigns

2021 **1** — 2020 1

'Along with 6 operators, we prepared a joint decommissioning campaign for (in the first instance) 24 primarily older exploration wells. This campaign will be up and running in 2022 and 2023; then we can apply the experience we have gained have gained to subsequent campaigns.'

Number of participations in CCS projects

2021 **2** — 2020 2

'By being involved in all CCS projects in the Netherlands EBN is trying to reduce emissions of CO_2 in the Netherlands. With a view to the public interest, we are connecting partners and contributing knowledge and expertise.'

Our Dutch Gas

Number of joint ventures

2021 **185** ▼ 2020 188

SF production billion m³

2021 **11,7** ▼ 2020 12,5

Number of wells drilled

2021 **11** ▲ 2020 6

'We can keep providing a proportion of the gas demand from the Netherlands in years to come with Dutch natural gas from small fields By stepping up collaboration and sharing knowledge, we can achieve more and do so in a more cost-effective way. One of the aims on which we are collaborating is reducing CO2 emissions.

2. Our organisation

2.1 About EBN

Energie Beheer Nederland (EBN) has been playing a central role in energy production in the Netherlands for the past sixty years. EBN puts its knowledge, skills and financial clout to work in public-private partnerships to create a sustainable, affordable and reliable energy system. In the context of the energy transition EBN's roll, position and activities have changed, shifting from merely oil and gas production to ensuring the sustainability of the so-called gas value chain. This ambition is anchored in our mission statement: EBN, the link in the energy transition, is deploying value in the subsurface for the benefit of the sustainable future above ground. In 2021, EBN's activities gave further substance to this. The objectives of the Climate Agreement and the ambitions expressed in the Coalition Agreement will be the guiding principle: At least 55% CO_2 reduction in 2030.

The central element of EBN's vision is that elements of our present energy system have value and, indeed, are necessary in order to achieve the sustainable system of the future. Partnership and a combination of knowledge and skills are essential in that respect. Given its central position and its relationship with all players and interested parties inside and outside the energy sector, EBN is the 'link' in the energy transition. In that respect, EBN believes that the government must take the lead if we are to achieve an acceleration in the necessary developments to make the gas value chain more sustainable. These developments must be coordinated with each other in order to create an energy value chain with various integrated sustainable options that is fit for the future.

Natural gas plays a central role in the energy system in the Netherlands. At this moment in time, the primary source of energy consumption in the Netherlands is natural gas, at levels still around 40%. As long as alternatives remain insufficiently available, natural gas will continue to be an important energy source over coming decades. EBN primarily aims to stimulate exploration and to 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 employment.

Similarly, EBN participates in geothermal energy projects with the aim of accelerating and boosting their development. In addition, it takes part in projects that stimulate the development of CO_2 storage and it explores other sustainable alternatives, such as green gas, hydrogen and energy storage.

EBN also has a pioneering role in the decommissioning of disused parts of the oil and gas infrastructure. In that respect, EBN studies the innovative possibilities for re-purposing specific components and sites in the context of sustainable energy production and storage. For instance, EBN has identified sites under the North Sea that are suitable for CO_2 storage, and sites that may offer options for the production of hydrogen.

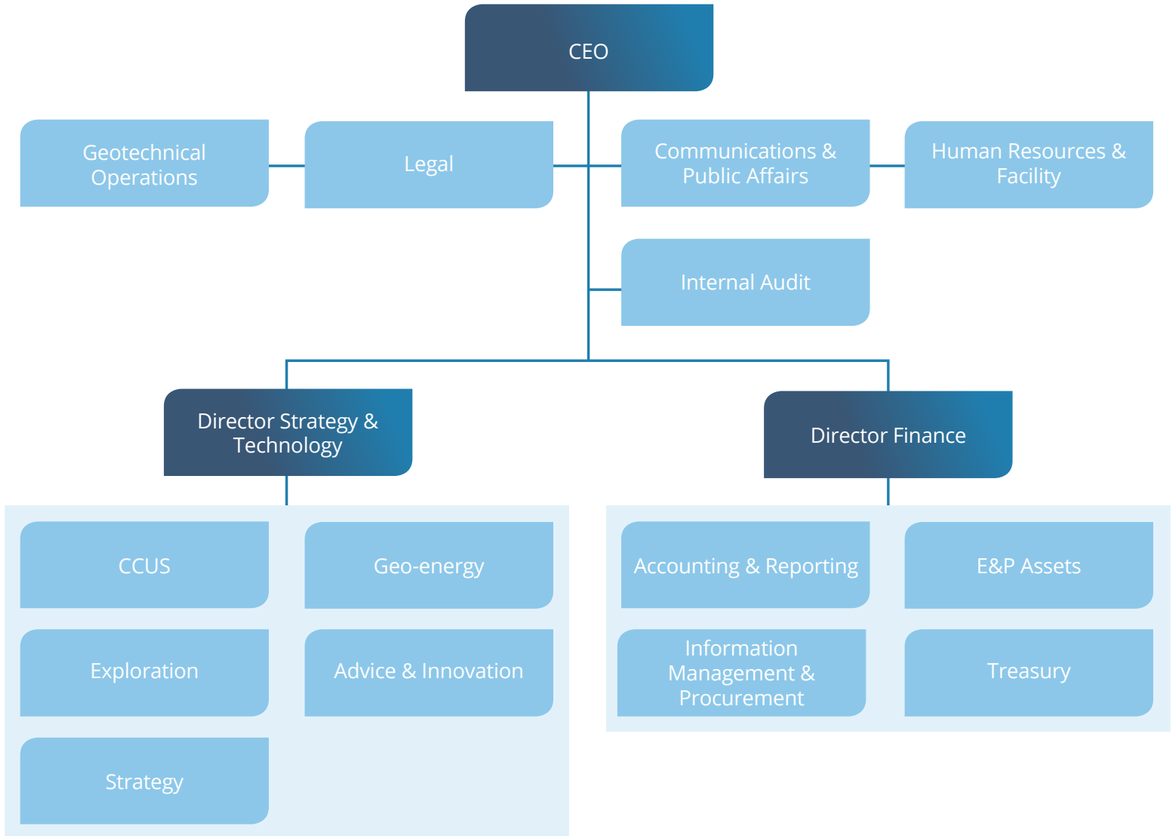
EBN has an array of professionals who have specialist in-depth knowledge in the field of the Dutch subsurface, wide-ranging knowledge on energy systems and experience with long-term public-private partnerships. Within EBN, apart from a focus on technical expertise we also have specific attention to skills on the social side of the energy transition. Our employees stand for the public cause, create connections and are committed to adding economic and social value to all activities in which we are active. They are willing to take the lead. These core values match a culture that demands dedication and delivers energy for the energy transition.

Our drive to put the energy transition into practice is reflected by our core promise: *Energising the Transition*

EBN is a policy participation

100% of EBN shares are held by the Dutch State, and are managed by the Ministry of Economic Affairs and Climate Policy (EZK). EBN was set up sixty 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 its financial capital and far-reaching knowledge of the Dutch subsurface and energy system, EBN participates in over two hundred joint ventures. Most of this comes from oil and gas, but also from geothermal energy projects and CO_2 storage. EBN generally takes a 40% stake in most (oil and gas) joint ventures, thereby securing revenue for the State. 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 free gas market. The client base consists of energy companies, industrial players and other major customers.



EBN's activities are confined to the Netherlands. It employs around 160 people, all of whom are based in Utrecht. EBN has an Executive Committee and a Supervisory Board (RvC). It is organised into six multidisciplinary thematic departments: E&P (Exploration & Production) Assets, Exploration, Geo-energy, Carbon Capture Utilisation & Storage (CCUS), Advice & Innovation and Geo-technical Operations. The support departments are: Human Resources, Support & Facility, Legal, Communications & Public Affairs, Accounting & Reporting (including Internal Audit), Treasury and Information Management. Specialist disciplines are brought together in specialist disciplines within EBN[1].

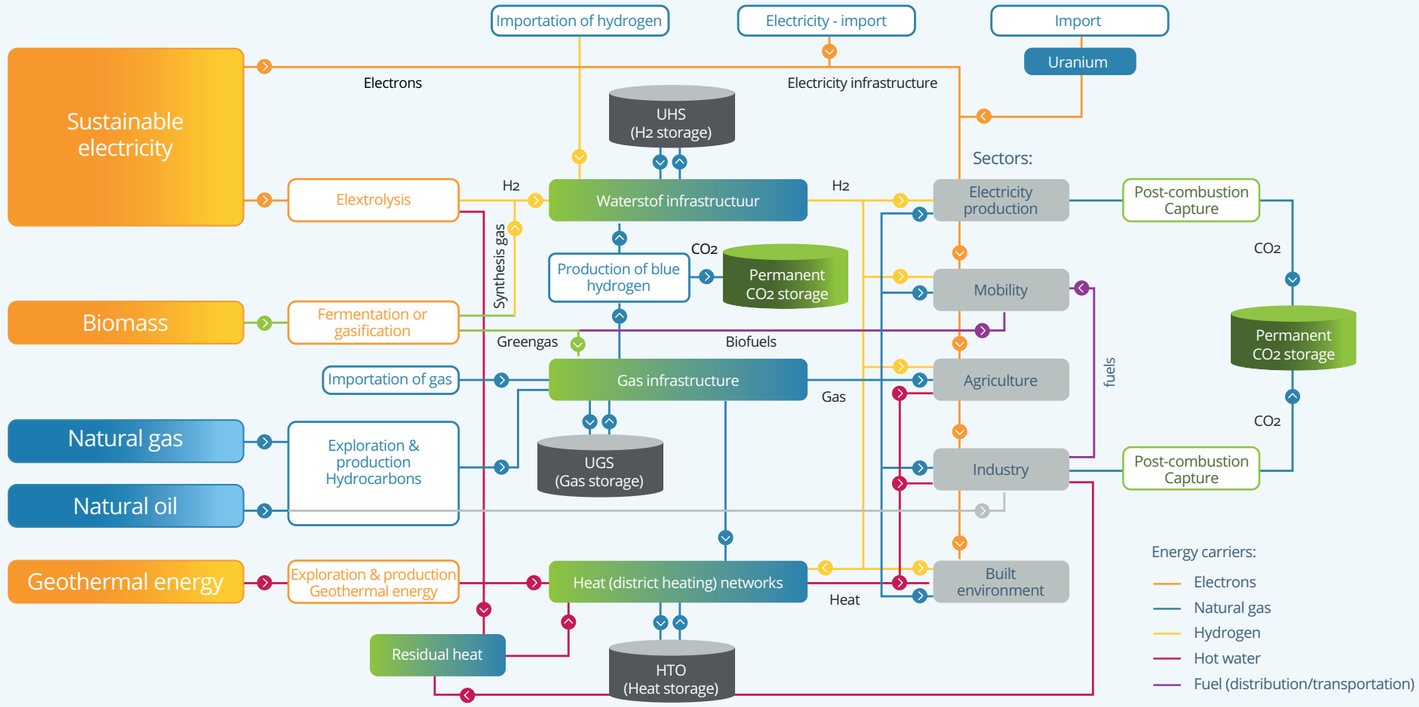
1 Specialist disciplines: Management, Reservoir Engineering, Business Finance, Market and Policy Development, Facility Engineering, Geo-science.

Reading this report

The model on the next page provides an insight into our business model, the process of value creation and its results and impacts. Over the following sections, on the basis of this value creation model, we will discuss in detail our mission, vision and strategy, describe our material thematic areas and our contribution to the Sustainable Development Goals (SDGs) of the United Nations as well as providing an overview of the output and input of our activities. The connectivity matrix provides an insight into the collaboration between these aspects. In chapter 3 we zoom in on our position in the energy chain and chain responsibility. Chapter 4 describes the results of the activities and projects developed in 2021.

From gas value chain to future-proof energy value chain

The Climate Agreement demonstrates that today's fossil-based system is no longer tenable. Within the new system, electricity and sustainable gas-based energy carriers will acquire a dominant role. The various options - geothermal energy, storage, green gas and hydrogen - must be integrated into the sustainable energy chain and form a coherent whole. In the public interest we can use our experience of operations in the subsurface and our central position in the playing field to accelerate and reinforce important and necessary developments in a coherent way. We make a contribution to the development of new, sustainable options and by bringing together parties within the chains, based on our public role, we aim to generate combined driving forces for the transition. Within the strategic pillars, Our Dutch Gas, Return to Nature and New Energy, the strategic focus for EBN has therefore shifted to contributing to a climate-neutral energy system by improving the sustainability of the gas value chain, including contributing to the development of geothermal energy, CCUS (Carbon Capture, Utilisation and Storage) and the investigation of new sustainable gases such as hydrogen and green gas, and the opportunities for underground energy storage. The required acceleration in such developing markets would be helped by strong public-private partnership.



This schematic shows (from EBN's perspective) the fossil fuel chain, plus elements of the new energy system, such as hydrogen, green gas and CO_2 storage. It is a schematic representation of all the building blocks of an integrated energy system and the relationships that link them. The existing fossil fuel sources, natural gas and oil, are shown in grey. In the present energy system, all demand sectors (shown in blue) are supplied with energy from those sources. In the future, climate-neutral system, renewable and climate-neutral energy carriers such as electricity, geothermal energy, green gas and hydrogen will gradually take on this role in order to jointly meet energy demand in all sectors.

2.2 Value creation model and impact

Process of value creation

Our value creation model is based on the framework of the International Integrated Reporting Council (IIRC). The model on the next page shows the way we deploy the six forms of capital to realise our strategic goals and how we create value through our core activities.

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 on which EBN has an influence, and contribute to energy provision in the present and the transition to climate-neutral energy provision in the future. EBN's strategy in this respect is to reduce the negative impact of its activities on the climate and the living and working environment, not least by tackling threats actively and working to reduce emissions.

Transition Talks, talk show that EBN regularly organises about the progress of the energy transition

The way EBN works allows it to harness its positive influence by bringing parties together and to create a link to the central themes of current and future energy provision, thereby giving a boost on all fronts to efficiency and decisiveness. In addition, EBN attracts new stakeholders by actively informing them on developments relevant to them, including regional and local developments in measures to make energy provision more sustainable.

By improving our core activities, developing new activities and exploring new options EBN is working on optimising the gas value chain, while making it increasingly sustainable, and on the transition to the energy value chain. Given the public interest in a public-private partnership, EBN is focusing In this respect on optimising the new value chains (see block text 'From gas value chain to future-proof energy value chain'). As the transition to the energy value chain 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.

Input

Natural resources
- Gas
- Geothermal energy
- 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 the Dutch subsurface and (sustainability of the) gas value chain
- Overview position

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

Social/relational resources
- Network
- Reputation
- Joint ventures

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

Material themes

Resilient flexible organisation

Substantive themes

- Creating combined strength
- Maintaining financial clout and resilience
- Active approach to risks

- 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 resources
- 558 kt of CO2 emissions from drilling and production (2020)
- 2.9 kt of NH4 emissions (2020)
- 13.2% fewer CO2eq emissions per cubic metre produced in small gas fields (2020 compared to 2018)

Produced resources
- Total SF production 11.7 100% billion m³

Intellectual resources
- 1,571 km (cumulative) of SCAN research into suitability of geothermal heat extraction

Human resources
- 8 LTA occupational accidents resulting in sick-leave (expressed in Lost Time Accidents or LTA)
- 3.5% sick-leave expressed as a percentage
- 7.8 Great Place to Work score
- 8 women (50%) in senior management positions

Social/relational resources
- 7.8 Stakeholder Reputation Monitor score
- 3rd place in the sector in the Transparency Benchmark
- 185 of joint ventures in oil and gas
- 4 joint ventures as shareholder in geothermal energy

Financial resources
- 14% solvency
- 656 m profit after tax (EUR m)
- 4,053 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 and using those assets 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

Our capitals

Natural capital

Oil, 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, we still have to identify the sources, which means that resources and, as a result, natural capital will increase.

Produced capital

EBN has 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. The decommissioned installations and infrastructure will be reused at a different site or dismantled, with materials being recycled where possible. Installations and infrastructure may be reused for new energy applications. Part of the natural gas distribution network can be re-purposed for the distribution of hydrogen or green gas.

Intellectual capital

EBN is constantly expanding its knowledge by means of studies, collaboration and exchange, research and on the basis of new insights. In the short term, we will continue to actively acquire new insights and technologies. This acquired knowledge is applied in studies into new applications in the Dutch subsurface. By actively developing and sharing knowledge, in the long term EBN is establishing a knowledge platform for the energy sector.

Human capital

We have a workforce of dedicated and driven employees as reflected among other things in the Great Place to Work employee satisfaction survey held in 2021. This research is carried out every other year. We recognise the importance of employee loyalty and development. Through training and development, the level of knowledge within our organisation and the capacities of our employees are boosted in the short term. EBN attracts young talent by offering three-year traineeships and internships. In this way we are working towards an organisation that in the future will have the right skills to boost the rate of acceleration of the energy transition.

Social/relational capital

Within our partnerships, we encourage initiatives for the energy transition and fulfil a linking role in public-private partnerships. Maintaining a dialogue with our stakeholders ensures that we have rapidly been able to build up a good reputation among them and have their support. Stakeholders have faith in us and see that EBN has a role to play in accelerating 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. By initiating dialogue with our stakeholders, both inside and outside the sector, we can in the long term improve public support for our activities (in the Dutch subsurface).

Financial capital

Economic value is generated in the short term from income from the sale of oil and gas. In the long term revenue generated by the sale of oil and gas, together with revenue from geothermal energy and CO2 storage will contribute to continued financial stability in the organisation. This, in combination with the reduction in costs for production and decommissioning costs of platforms and wells.

The Impact: Social Effects

Our activities and those of other parties in the chain have a clear impact on society: mainly on energy supply, energy transition, the economy, the (living and working) environment and the climate.

Positive impact

Power supply

EBN shares its expertise and knowledge of the subsurface with partners in the sector, enters into collaborative agreements for (research into) gas exploration and new energy applications and advises the Ministry of Economic Affairs and Climate Policy. EBN contributes to a secure, reliable and sustainable energy system in the Netherlands and increases its positive impact on society by focusing on the material themes of an

active approach to risks, stimulation and acceleration of exploration and production of 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 'connecting power' and by facilitating an informed dialogue between stakeholders on themes that have a bearing on the energy transition. We actively develop common programmes to connect stakeholders to the central themes of the energy transition. EBN is staffed by people who are committed and driven, and also dedicated to achieving the objectives of the organisation aimed at increasing sustainability in the gas value chain, CO2 reduction and the energy transition. See also section 4.6, Creating connective power. And with the themes referred to under 'energy provision', EBN is also 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 2021 for each strategic pillar. In that respect, we are working actively to 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. See also 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 over the past few decades had a huge influence on prosperity in the Netherlands, but this impact has shrunk over the past few years due to the downturn in natural gas production, low gas prices and higher costs. EBN's strategy in relation to the material theme 'financial strength and resilience' is characterised by high equity (including liquidity and solvency) available immediately for settling existing obligations. This is essential given the accelerated shutdown of the Groningen field and the Gasgebouw, as a result profitability has fallen, and the material nature of uncertain factors (e.g. costs of compensation for damage and remediation obligation) grows. In addition, the equity may be used for investment in the energy transition. All of EBN's activities and the joint ventures in which it participates in the various sectors have the aim of reducing costs. 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. The sectors are good for direct and indirect employment. We acquire the knowledge for these new energy applications in-house, hence increasing employment opportunities within our own organisation. Examples of this are the growth of the Geothermal energy and CCUS theme teams (see organisation chart on page 9).

Negative impact

Local community

Although we endeavour to limit the negative impact of our activities where possible, energy production nonetheless has an impact on the local living and working environment. An important point in this respect is formed by the safety and security risks. 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 actively aim to manage risks by contributing to knowledge about suitable standards and working on standardisation of working methods and measures (industrial standards).

Climate & environment

The production of oil and gas causes the release of greenhouse gases that are detrimental to the climate. In the current and future operational activities in which we have a stake (E&P, geothermal energy, CCS) our strategy

is to actively ensure that no safety limits are exceeded which would entail risk to life and the environment via the material theme Active approach to risks. In our oil and gas joint ventures, we aim to achieve a lower environmental impact and CO_2 footprint by reducing the emission of greenhouse gases and reducing or preventing discharges. Although there is no standard for this, we actively monitor any leaks and tackle these where necessary. By using the *responsible decommissioning and wherever possible reuse of infrastructure* material theme, we are committed to having a proactive approach to decommissioning platforms that are nearing the end of their service life. 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

In our strategy, we respond to trends and developments that influence our operations and ambitions. We specifically take account of the impact of our activities on society and the environment.

The trends and developments that had an impact on our operations in 2021 were:

Urgent 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. Following the refocusing of the targets for reducing CO_2 emissions to -55% in 2030 and using the Green Deal to follow the member states' climate policy, the first part of the EU taxonomy for sustainable activities is effective from 1 January 2022. This sets clear definitions for a range of sustainability targets. As a result there can no longer be any misunderstanding about the envisaged developments and the necessary directions that investments must take. The Corporate Sustainability Reporting Directive (CSRD) controls the provision of information by notifying businesses on the sustainability of their activities. Investors can use this information to make their decisions.

Need for governance from administrative agencies

In the context of the energy transition to a future-proof energy system, the present gas infrastructure must be linked to the new elements of the future system. New, sustainable energy chains that are in development must be integrated in a single energy system that is sustainable, reliable and affordable. In order to achieve this it is necessary to work closely with all interested parties, both in the field of technology and where policy and legislation is concerned. Collaboration between all parties acknowledges the importance of sharing knowledge, information and data. This demands governance from the administrative agencies (government) and, in a number of domains, a pioneering and coordinating role for public bodies.

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.

Interdependencies in energy value chains

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 reliance on gas depends on both the development of sustainable sources of heat that can feed district heating grids, such as geothermal energy, and the option of utilising 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 20 years, certainly if use is to be made of exhausted gas fields. With that sort of development timeframe, it is important to take this into account now.

North Sea Consultation

Gas production operations in the North Sea have long been a source of energy for the Dutch system. With the growth in wind energy at sea, this area's importance is still on the rise. 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, not least its function as a natural habitat. EBN observes, gathers information, studies and advises on aspects such as how the existing gas infrastructure can best be used to make the transition. In that respect it is about facilitating new production, the re-purposing of exhausted gas fields for CO2 storage, the reuse of gas pipelines for CO2 or hydrogen distribution, and the use of existing platforms for hydrogen production.

Availability of Dutch natural gas and dynamics on the gas market

In the transition to a more sustainable energy supply we will still be dependent on natural gas for quite some time, with the preference being for Dutch natural gas, in part due to the lower carbon 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. In 2021 a range of developments on the international gas market gave rise to a scarcity of resources, with the knock-on effect that gas prices rose to unheard-of levels, while Dutch gas storage facilities (for high-calorific gas) were filled to relatively low levels at the start of the winter. At any rate, this demonstrates that the energy system is sensitive to world-wide developments; the transition and increasing dependence on other countries will no doubt only lead to an increase of that sensitivity.

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 generally 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, there is a social need for transparency and for people to have a voice; safety is also an important theme where local developments in the context of the energy transition are concerned. Trust in the government is under pressure, partly as a result of the consequences of gas production in Groningen. If energy projects are to succeed, it is of great importance that there is proper environmental and stakeholder management, although it is also important for central government to continue to acknowledge the inevitability of various measures.

2.4 Strategic pillars

The strategy for implementing our vision and mission rests on three pillars: Our Dutch Gas, Return to Nature and New Energy. These strategic pillars guide the activities that EBN develops in terms of current energy provision and for the development of energy provision in the future. The strategic pillars show how EBN can play an active role in the energy transition.

Our Dutch Gas
Dutch natural gas is an essential component of a more sustainable gas value chain. The stimulation and acceleration of exploration and production of Dutch small gas fields (in particular offshore);

Return to Nature
responsible decommissioning and, where possible, reuse of infrastructure, not least for energy/CO_2 storage;

New Energy
contributing (e.g. with knowledge) to the development of new sustainable energy sources such as geothermal energy, green gas and hydrogen.

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

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 CO2 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 gas value chain more sustainable.

In the result section, for each strategic pillar, an overview is provided of the most important activities and objectives we achieved in 2021 and how they contribute to EBN's material themes and the SDGs.

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

Why	How	Strategy	Material themes	Objectives
55 % less CO_2 emissions in 2030	**Sustainable gas 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	
		Our Dutch Gas	Encouraging and accelerating the exploration and production of small Dutch gas fields	Reduction of emissions, CO_2
	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 clout 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** • Up to and including 2025 >700 PJ (20 BCM GE 100%) of new gas will come on stream (matured).	**25% operational reduction in CO_2 emissions compared to the 2018 level** • Exact percentage at end of 2020 to be confirmed.	**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 the generation and maturation of 'drillable' prospects.
CC(U)S		**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.

Strategic refocus in 2021

As a result of the energy transition, the position and role of EBN in energy provision is changing.

In addition to the optimisation of the exploration and production of Dutch natural gas offshore, EBN has a role in the decommissioning, removal and potential reuse of the oil and gas infrastructure. EBN has also been given a public task, that of accelerating the development of geothermal energy for the purpose of sharing and safeguarding knowledge, with the aim of accelerating and boosting geothermal energy.

A letter to the Dutch parliament of 5 July 2021 addressing the role of state-owned companies in CCS endorses the role of EBN as a joint-venture partner in Porthos and, furthermore, states that EBN has a more generic role in the further development of the CCS system in the Netherlands. Lastly, EBN has a role in the exploration into the development of green gas, hydrogen and energy storage, in the first instance in particular with studies, data and recommendations on the reuse of mining sites and the gas infrastructure.

In brief, the energy transition and other developments within the transition will influence our strategy, our activities and business processes in both the short and longer term. In the energy transition and developments towards making the gas value chain more sustainable EBN always assumes a linking role at all levels. At system level, EBN supports the Ministry of Economic Affairs and Climate Policy (EZK) in its coordinating role in the transition; at value chain level in terms of gas, heat energy, CO_2 and hydrogen we work together with all partners in the chain, in order to contribute to the realisation of the required systems, and at project level with collaborative partners and local stakeholders.

In September 2020, EBN reformulated its long-term goals (referred to below as strategic goals for 2025). In this respect it has formulated the goals unambiguously, in terms of energy production, reduction of CO_2 emissions and reduction of costs. In addition, it has formulated goals for the way in which it can fulfil its role as link in the energy transition. We have reworked the refocused strategic goals for 2025 into KPIs appropriate to the role that EBN fulfils in the context of its current mandate. EBN's theme and corporate teams have formulated annual strategic goals for 2021 on the basis of this.

In September 2021's strategic refocus it was determined that the strategy aimed at the Dutch climate goals would be maintained. EBN's activities remain focused on making the gas value chain more sustainable and, in addition, on maintaining and boosting the organisation, making it resilient and flexible.

In order to highlight what is required in the period from 2021 - 2030 if we are to make the best contribution possible to the energy transition, the theme teams created road maps for the various programmes in 2021. Those road maps are, in part, highly operational in nature, describing what EBN itself has to do in order to achieve the strategic goals. The road maps also indicate the external factors that have an influence on the ability to achieve the strategic goals, and what is needed to create the right pre-conditions in which the goals can be achieved. The road maps describe the efforts that EBN makes in order to give substance to the pre-conditions.

In view of the rise in the European targets from 49% to 55% less in terms of CO_2 emissions in 2030 and EBN's ambition to increase its own contribution to hitting those targets, EBN will be working on a more far-reaching strategic recalibration in 2022.

2.5 Dilemmas

In elaborating the strategy, a SWOT analysis was drawn up. SWOT stands for: Strengths, Weaknesses, Opportunities and Threats. This SWOT analysis provides an insight into the strengths and weaknesses of EBN, as well as identifying the threats and opportunities for our organisation.

SWOT 2021

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. Concrete examples of that: activities in the context of research into the NL subsurface in relation to suitability for geothermal energy (SCAN) and projects for CO_2 storage (Porthos, Aramis).
- **Central and unique position in the Dutch energy system, plus knowledge of the Dutch subsurface (and doing business accordingly).** Given its participation in around 200 joint ventures EBN has a unique overview position, from which it 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). In addition, this translates into innovation (at policy and other levels) and the development of new knowledge in relation to the new markets/sectors and the transition to the sustainable energy value chain.
- **Network.** EBN is able to bring together and to connect stakeholders in an organised manner in a way that combines strengths and thus is jointly able to accelerate specific developments in the energy transition, for example: the implementation of the Geothermal Energy Master Plan and CCS projects.
- **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 in a connective manner, as can be seen from the stakeholder monitor 2020 and 2021.
- **Great Place to Work.** EBN is developing rapidly and offers good prospects for a broad-based colleague population. An excellent employer, something that is shown by the Great Place to Work 2021 study.

Weaknesses

- **Focus on technology versus urgency of developing other competence areas.** In terms of competence areas EBN has always focused on technology and expertise in relation to the subsurface. Although very much in transition, in essence EBN is a highly technology-driven organisation, while the present phase of the energy transition also demands greater attention to the social aspects of the energy transition.
- **Inclusivity.** The EBN organisation is developing; not just in a quantitative sense (+60 colleagues in the past year), but also in qualitative terms. EBN stands for equal opportunities and promotion of diversity in our workforce. Stakeholders say that they do not always have the impression that EBN is an inclusive organisation that adequately reflects society.

Opportunities

- **Sustainability of the gas value chain and reuse of infrastructure** for new energy applications (green gas, hydrogen, energy storage and CCUS).
- **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 'green' their finance and insurance portfolio is increasing. This provides opportunities for the energy transition/sustainability activities.
- **Substitute for 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 2021 a range of developments on the gas markets gave rise to a scarcity of resources, with the knock-on effect that gas prices rose to unheard-of levels, while Dutch gas storage facilities were filled to relatively low levels at the start of the winter. This leads to the creation of a different picture on the importance of the government in the regulation of the market.
- **North Sea Agreement.** Offers opportunities for exploration for Dutch natural gas on the North Sea and improves security of supply.
- **Governance and the government's 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 participation of state-owned companies, such as EBN, may increase support within society by showing that the government is prepared to take risks.
- **Signing of COP26 declaration.** The agreements will lead to a refining of government policy aimed at accelerating the energy transition and, consequently, greater attention to the transition pathways in which EBN, among others, is active.
- **'Daring to act and taking a lead'.** Stakeholders believe that EBN could be more outspoken on important themes and let its voice be heard in the public debate.

Threats

- **Obstacles to market reordering and state aid schemes.** They restrict the opportunities for public agencies to take a proactive role in the transition and may have a considerable impact on the success of new operating activities and EBN's earnings, role and organisation. As far as EBN is concerned, that relates to the field of Oil & Gas, CCS, Geothermal energy and the production of renewable natural gas.
- **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 'green' their finance and insurance portfolio is increasing. As a result it is becoming increasingly difficult to insure activities related to energy production from fossil fuels.
- **Governance.** Needed to prevent developments in the energy transition being constrained. Lasting difference of perspectives on the 'how' of the transition.
- **Funding.** Low appetite for investment for various parties. On the one hand, financiers and insurers have a great appetite for sustainable projects, yet they are very risk-averse due to large-scale uncertainties in the market, such as in respect of funding and insuring geothermal energy, as markets of this kind are still in a developmental phase.
- **Public support.** There is resistance to the costs involved in the energy transition, and to measures that impinge on the immediate living and working environment. In addition, businesses that have their origins in the fossil fuel sector are subject to a lot of resistance, while the Shell court case shows that individual companies can be held liable for the total impact their activities have on the climate in the value chain of which they form part. Trust in the government is under pressure, partly as a result of the consequences of gas production in Groningen and the Dutch childcare benefits scandal. This may be an obstacle to the government taking the lead, as it needs to.
- **Emergencies and disasters.** During the work of our operators, safety emergencies and environmental disasters can occur.
- **Focus.** EBN has various roles in various fields. That gives it a special position but sometimes gives the impression of a blurred picture, particularly in combination with what is seen in legislative terms as the playing field of its activities.

Transition dilemma

The dilemmas to which EBN is required to respond are related to the increased sustainability of the gas value chain and can be summarised under the heading 'transition dilemma':

In order to stimulate the development of new energy provision markets and, as a result, to safeguard the interests of society at large (such as system integration to benefit the development of the future energy system, supply security and the lowest possible social costs) the government's strategy is market reordering, and public organisations like EBN are active in these new markets. The dilemma is associated with the question of when something should be left to the market, and when to the government. 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).

Throughout the energy sector there is a need for security and control at system level, so that developments can be organised coherently. Developments in the energy transition call for the knowledge, skills, strength and adaptive capacity to explore, develop and integrate new options. EBN, being a public organisation, can give substance to this through its 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.

Specifically for the three strategic pillars, the following dilemmas have been identified:

Our Dutch Gas

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 has declined as a result of the impact of natural gas production in Groningen, and the misconception among some parties that halting production in the Netherlands would lead to an immediate reduction in emissions.

Earning capacity is also under pressure due to rising operational costs, falling yield as a result of the accelerated shutdown 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.

In addition, the available space in the North Sea is becoming increasingly scarce. There are three challenges 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.

Return to Nature

There is a 'gap' in the timeline between the removal of decommissioned installations and gas infrastructure, and their use for CO_2 storage and other renewable energy initiatives. When safely and sustainably dismantling decommissioned oil and gas infrastructure, EBN works together with oil and gas companies and NOGEPA (Netherlands Oil and Gas Exploration and Production Association) in Nexstep to realise an effective and cost-efficient working method. An important aim is to save 30% of the clean-up costs for infrastructure that is no longer in

use for gas production. In order to achieve that, 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.

For the rapid and efficient development of CCS aimed at developing a new storage network at the lowest cost to society control and governance are essential. 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, including the option of stopping production of gas and switching to CO_2 storage. The dilemma concerns options surrounding the nature and scope of EBN's role and position in this relatively new playing field.

EBN responds to this by being involved in all CO_2 storage projects, in order to safeguard the public interest and with the development of the Aramis project, in which an open CO_2 infrastructure has to be created, to which various suitable storage locations can be linked.

New Energy

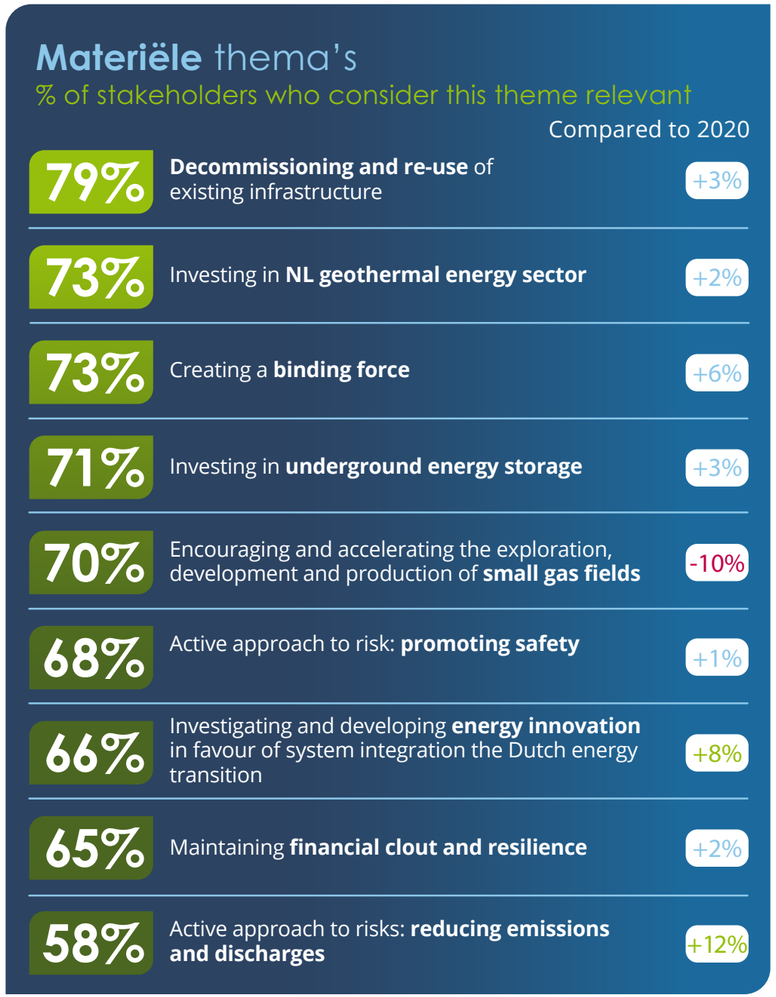
We want to boost, accelerate and improve developments in the field of geothermal energy, green gas and hydrogen. To that end it is not only the development of sustainable sources, but specifically the development of sustainable chains that is important as well. In the run-up to the development of those 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 demand for heat does not keep up with the expected sales level at the time of the decision to invest, can be a decisive factor.

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 often somewhat of a 'chicken and egg' problem. This is 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.

EBN responds to this by working on solutions and on the development of sustainable chains, together with other parties. In the development of geothermal energy we are searching for ways to limit the 'swamping risk' and working together with other parties on a portfolio approach. On the North Sea, we look at how we can make a contribution to the production of green hydrogen from wind energy, that will then be distributed on land via existing gas pipelines. EBN is also working in partnership on a number of projects for the production of blue hydrogen from gas, as a step to support the creation of a hydrogen system.

2.6 Material themes

In our annual report we explain the issues that we regard as being of material importance for the value chains in which we operate, and for our stakeholders. 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 stakeholders in 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. Stakeholders indicate that they find the themes relevant and felt it was appropriate for EBN to focus on these themes. Stakeholders were asked to rank the themes by importance. This results in the prioritisation shown below:



Read more about how these material themes are decided in appendix 7.2 on page 97.

EBN's long-term strategy has been operationalised according to the Strategic Goals 2025. The Strategic Goals 2025 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. Theme teams and departments are themselves responsible for the content and implementation of the annual targets within their area of focus.

In the section on reading this document on page 11 these sections are described, that contain more information about the activities undertaken in relation to the material themes and the related results. The connectivity matrix on page 29 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, appears on page 180. Our impact per material theme is described on page 15.

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 CO2 footprint by reducing the emission of greenhouse gases and reducing or preventing discharges.	5.2 Main strategic risks; 4.7 Approach to risks	78 70
Maintain financial strength and resilience	Financial strength and resilience are characterised by high equity (including liquidity and solvency) available immediately for settling existing obligations. This is essential given the accelerated shutdown 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	60 105
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 Energy: 4.6 Creating connective power 10.1 Interaction with interested parties	57 52 45 61 166
Stimulating and accelerating the exploration of 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	57
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, participating financially in geothermal energy projects.	4.2 New Energy	45
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	52
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	52
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 (production), application and storage of hydrogen and green gas within the Dutch energy transition.	4.2 New Energy	52

2.7 The contribution of EBN to the SDGs

EBN aims to contribute to achieving the SDGs of the United Nations. These sustainable development goals form the agenda for governments and companies to take steps that will make the world a better place by 2030, by ending poverty, inequality and the climate crisis. In the Netherlands, the SDGs have been translated into national policy. The ambitions and targets for the climate are set out in the Climate Agreement.

EBN has identified four SDGs as being most relevant to its public role and mission, and the way in which it creates 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, they show the social framework in which EBN operates, and they emphasise the relevance of our vision, mission and ambition.

Within this framework, it is possible to ascertain which themes are most material to EBN. The social context guides our strategy and efforts to develop activities and bring parties together who through their joint efforts contribute to making the gas value chain more sustainable. During the transition to a CO2-neutral energy system in 2050, EBN will bedeploying its knowledge, expertise and (financial) decisiveness.

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

SDG 13 forms the umbrella in respect of our role in the energy transition. We use the activities with which we make a concrete contribution to SDGs 7, 9 and 12 to mitigate the negative impact of the Dutch energy system on the climate. To that end, we are working on CO_2 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 alternative energy carriers, such as blue/green hydrogen and green gas. Our efforts relating to responsible production of Dutch natural gas for as long as necessary is also relevant to this. At EBN, the development of these activities is done by technically high quality, committed employees who feel a strong commitment to contribute to accelerating the energy transition.

Pijler	Materieel thema	SDG
Our Dutch Gas New Energy Our Dutch Gas/Return to Nature/New Energy	Nederlands kleine velden gas Aardwarmte Financiële slagkracht	 SDG7: Betaalbare en duurzame energie: Verzeker toegang tot betaalbare, betrouwbare, duurzame en moderne energie voor iedereen
Return to Nature New Energy	Inzet ondergrondse ruimte Innovatie/systeemintegratie	 SDG 9: Industrie, innovatie en duurzame infrastructuur: Bouw veerkrachtige infrastructuur, bevorder inclusieve en duurzame industrialisering en stimuleer innovatie
Return to Nature Our Dutch Gas/Return to Nature/New Energy	Ontmanteling/hergebruik infrastructuur Aanpak risico's (veiligheid/emissies)	 SDG 12: Verantwoorde consumptie en productie: Verzeker duurzame consumptie-, en productiepatronen
Our Dutch Gas/Return to Nature/New Energy	Verbindende kracht	 SDG 13: Klimaatactie: Neem dringend actie om klimaatverandering en haar impact te bestrijden

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 formulated 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 2020 and 2019 unchanged, so that it is possible to make clear the progress compared with previous years. See also section 43. 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).

Strategic pillars	No.	Material issue	Strategic objective for 2025 (New)	KPI	2021 result	2020 result	2019 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.	1	3	0
				Number of occupational accidents in operations/joint ventures resulting in sick-leave (expressed in Lost Time Accidents or LTA)	8	6	7
			The CO_2eq emissions per cubic metre of gas produced dropped by 25% compared to late 2018.	Percentage change in the small gas fields' CO_2eq emissions per cubic metre produced compared to2018	13.2%	n/a	n/a
	2	Maintaining financial strength and resilience	EBN's solvency has risen to 30%, in line with the 'standard solvency requirement' imposed by the government of the Netherlands. *	Solvency (Shareholder's equity / balance sheet total)	14%	7%	12%
				Net debt (cash and cash equivalents plus derivatives, less borrowings in EUR m)	4,053	2,614	2,523
				Results after tax (EUR million)	656	-364	256
	3	Creating connective force 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	13.6	n/a	n/a
			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	514 (cumulative total: 1,571)	797	260
			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	n/a	n/a
			Partners in geothermal projects rate EBN's contribution as being positive.	Number of geothermal energy projects participated in	4	n/a	n/a

Strategic pillars	No.	Material issue	Strategic objective for 2025 (New)	KPI	2021 result	2020 result	2019 result
			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	0
				Number of participations in green hydrogen projects	0	n/a	n/a
			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.	7.8	n/a	7.8
			EBN is transparent in its social reporting on its CSR policy and activities. *	Position of the Transparency Benchmark in the sector	3	n/a	3
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	11	6	17
				SF production 100% billion m^3 TQ	11.7	12.5	13
				SF maturation 100% billion Nm^3 TQ	4.9	4.9	6.3
			EBN will focus on a reduction of the OPEX per m^3 for gas produced to below the level of 2018 (6ct/m^3)	OPEX unit in EUR ct/m^3 GE	6.6	6.2	5.9
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	n/a	n/a
			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	0.2	0	0

Strategic pillars	No.	Material issue	Strategic objective for 2025 (New)	KPI	2021 result	2020 result	2019 result
			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 CO_2 reduction, and for which the investment decision will be taken by 2025 at the latest.	Reduction in CO_2 emissions per year due to geothermal energy	0	n/a	n/a
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	1	1	1
Return to Nature	7	Using underground space to make the energy system more sustainable	2.5 MT of CO_2 is stored offshore in the Netherlands each year.	Number of MT of CO_2 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 CO_2 storage to EUR 35 per ton or lower.	Costs of CO_2 storage in EUR per ton of CO_2-eq	n/a	n/a	n/a
			EBN wants to achieve a 2.5 MT reduction in CO_2 emissions per year by using CCUS.	Reduction in CO_2 emissions per year due to CCUS	0	n/a	n/a
New Energy	8	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	In 2025 EBN will be participating in several pilot schemes and joint ventures, leading to production of 0.6 PJ of green hydrogen and 3.5 PJ of green gas.	Number of PJ of green hydrogen produced in projects in which EBN invests	0	0	0
				Number of PJ of green gas produced in projects in which EBN invests	0	n/a	n/a
			EBN wants to achieve a 60 Kton reduction in CO_2 emissions per year by using green hydrogen.	Reduction of CO_2 emissions per year due to green hydrogen	0	n/a	n/a
			EBN wants to achieve a 150 Kton reduction in CO_2 emissions per year by using green gas.	Reduction of CO_2 emissions per year due to green gas	0	n/a	n/a

3. Our position in the energy 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 highly fossil fuel-based energy system will be made more sustainable. However, this transition is not going to take place overnight. The role of Dutch natural gas will continue to decline, although it will remain essential for some time to maintain the system's reliability and affordability. The gas value chain must therefore become more sustainable and transition from a traditional (fossil) chain to an energy chain in which various options are integrated. As a partner in gas production ventures, EBN bears social responsibility for increasing the sustainability of the gas value chain and contributing to the necessary system integration that goes hand in hand with it.

Through its role and position in the chain, EBN will support the production of Dutch natural gas for as long as national demand for it prevails. EBN is developing tools for efficient production and systematic management that promote optimal, sustainable and safe use of gas fields. We are encouraging the improvement of operators' HSE (Health Safety & Environment) performance, safeguarding the availability of clean-up funds, making the value chain more sustainable by, among other things, reducing emissions, greening excipients (biochemicals) and electrifying offshore assets. EBN also promotes cost awareness by clustering infrastructure and through mutual cooperation between operators (via the INSPIRE project) and is taking the lead in the effective decommissioning of infrastructure and disused oil and gas platforms or reuse for energy and carbon storage.

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 subsurface energy storage options and other building blocks to make the energy system more sustainable, such as the development and production of hydrogen and green gas. We can play a role in these developments by bringing together parties, contributing knowledge and expertise on issues including the present and future infrastructure (gas and otherwise), and by working together in pilot schemes and feasibility studies for potential locations for the production of hydrogen and green gas. With a 40% stake, EBN is already playing a role in gas storage.

The illustration on next page shows our role in the energy chain.

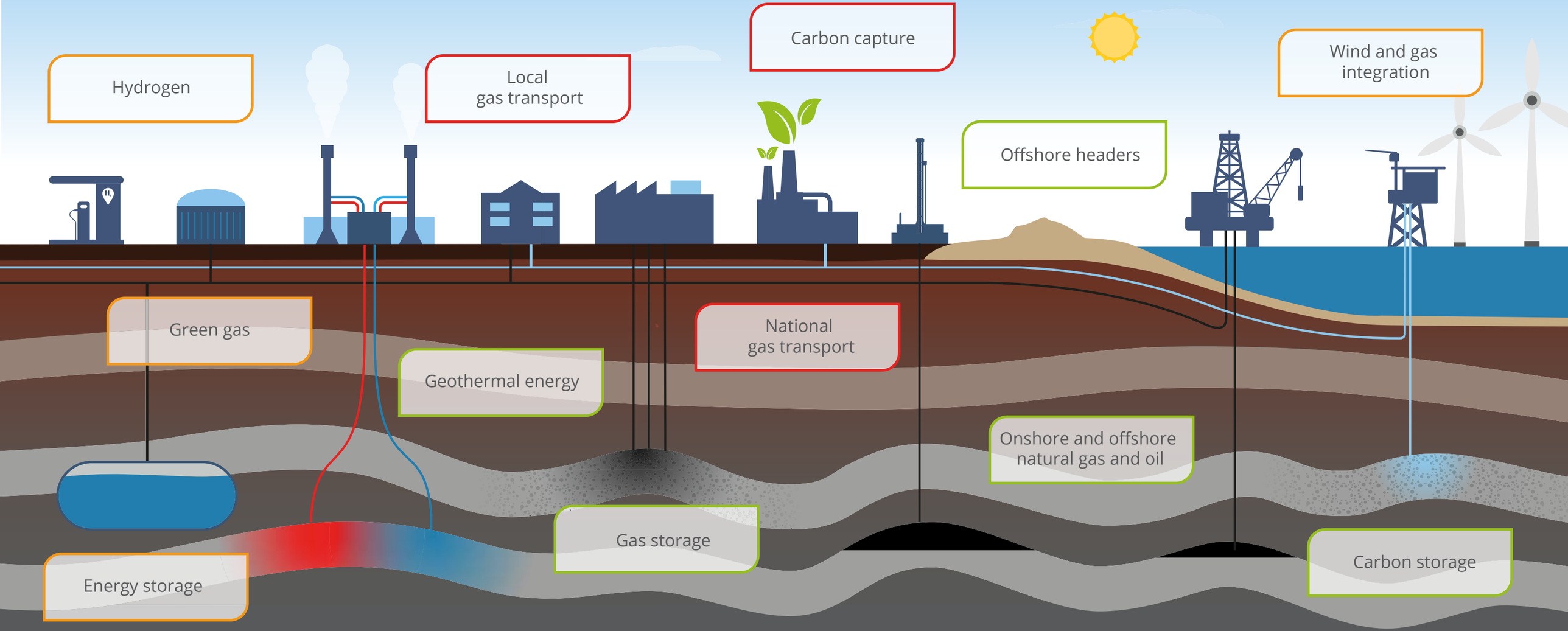
Exploration and production of energy sources

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 principal partners in this context are the operators, who carry out the actual work. EBN, for its part, acts as co-investor and plays a proactive role in the exploration and organisation of collaboration and clustering. As a partner in a joint venture, EBN (and indirectly the State) shares in the revenues as well as the incurred costs.

In addition, EBN invests in geothermal energy. EBN participates in geothermal energy projects and carries out the SCAN research. Once the bill to amend the permit system for geothermal energy has passed through parliament and taken effect, EBN will participate in all geothermal energy projects. By participating in all geothermal energy projects, 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.

Sale of oil and gas

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



EBN is engaged in these activities
EBN is developing these activities
EBN is not engaged in these activities

gradually phased out in the years ahead and will cease to exist at the end of 2024. EBN is a co-shareholder of 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.

Energy storage

Exhausted gas fields can be used for energy storage, such as gas storage. EBN is the joint owner of four underground gas storage facilities. EBN is thus also involved in 'midstream' activities. In the future, dependence on uncontrollable power and the storage of energy will become increasingly significant, for example hydrogen and green gas. This is necessary for the stability of the energy system and the balancing of supply and demand.

Carbon storage

EBN is involved in joint ventures to implement carbon storage in exhausted offshore gas fields. In this respect, EBN is a knowledge partner and brings parties together in joint ventures.

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 takes a pioneering role in this and works together with the oil and gas companies and the sector representative (NOGEPA) in Nexstep, the National Platform for Reuse and Decommissioning. Infrastructure, for example, can be reused for energy and carbon storage.

Developing oil and gas reserves and geothermal energy is achieved through a number of steps, see page 41.

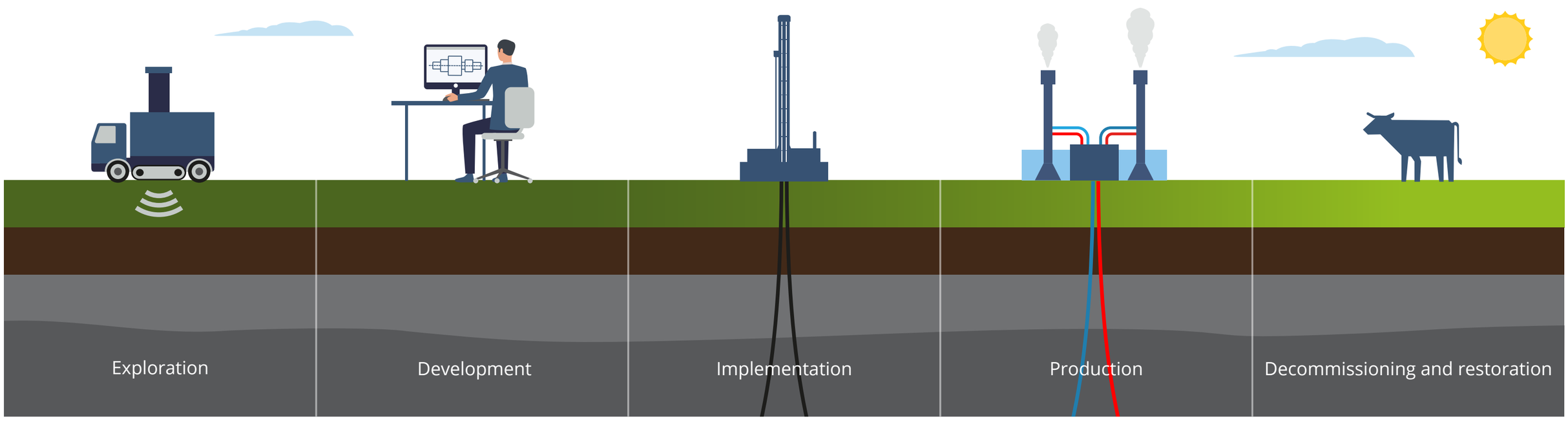
3.1 Development of geothermal energy

Prospecting

Using seismic data and available knowledge about a region's subsurface, EBN determines whether strata are suitable for the production of geothermal energy. Since the beginning of 2018, TNO and EBN have been working together on the SCAN programme. This enables us to conduct seismic research into geothermal energy in places where we still know little about the subsurface. SCAN allows EBN to collect data on the basis of which the potential of geothermal energy in regions where there is currently too little data to make an initial assessment of the possible use of geothermal energy can be determined. From 2022/2023 EBN will carry out drilling at a number of sites for scientific purposes, which will enable better mapping of the subsurface.

Start of exploration

Geothermal energy does not have a clear exploration phase because it is often possible to rely on existing data from oil and gas exploration. If, during the prospecting phase, a geothermal energy company finds a suitable location where it wants to explore for geothermal energy, an exploration permit is required, among other things. The company applies for this exploration permit from the Minister for Economic Affairs and Climate. Once this has been obtained, the first well can be drilled. In most cases, the decision to also construct the second well of a doublet can be made on the basis of the first well. When the first drilling reveals a suitable aquifer (a subsurface water-bearing layer) with the right temperature and geothermal energy production is feasible, a second well is drilled. These two wells are jointly called a doublet and constitute the production location. For production it is necessary to have both production and environmental permits. The new Dutch Mining Act includes an amendment



to the permits procedure to accommodate the specific requirements of geothermal energy.

Construction

Construction of the facilities above the surface, including connection to the customer's heat network. Well design must take into account corrosion on the wells and possible leaks/leaching of salt water into the groundwater.

Production

Hot water is pumped up through the 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 water from the geothermal energy source then goes back into the ground via the other well. The heat then flows through the heating network to the end users.

Clean-up and decommissioning

When a well is depleted, the operator must (temporarily) abandon the wells. Installations may be suitable for reuse for another nearby geothermal energy source. If that is not possible, the installations will be removed. The surrounding area must be restored to its former state. After a certain time, the well may once again be at the right temperature and can be used again. However, given our limited experience with geothermal energy to date there is little practical knowledge on this.

Drilling for oil, gas or geothermal energy takes place under the supervision of State Supervision of Mines (SSM) to ensure the safety of people and the environment and compliance with legislation.

For more information on the development of oil and gas fields, visit: www.hoewerktgaswinnen.nl.

For more information about the development of geothermal energy, visit: www.hoewerktaardwarmte.nl. For more information about SCAN, visit: www.scanaardwarmte.nl.

Also visit: https://www.energieinnederland.nl.

3.2 Development of CO_2 storage

Background

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.

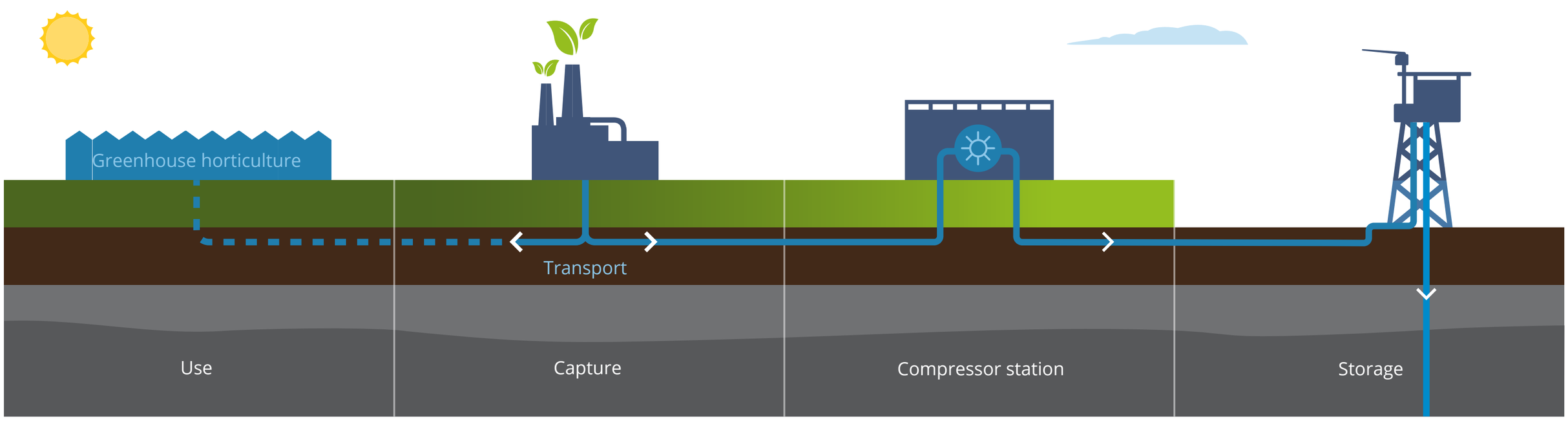
Development

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.

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 monitored.

3.3 Development of oil and gas

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

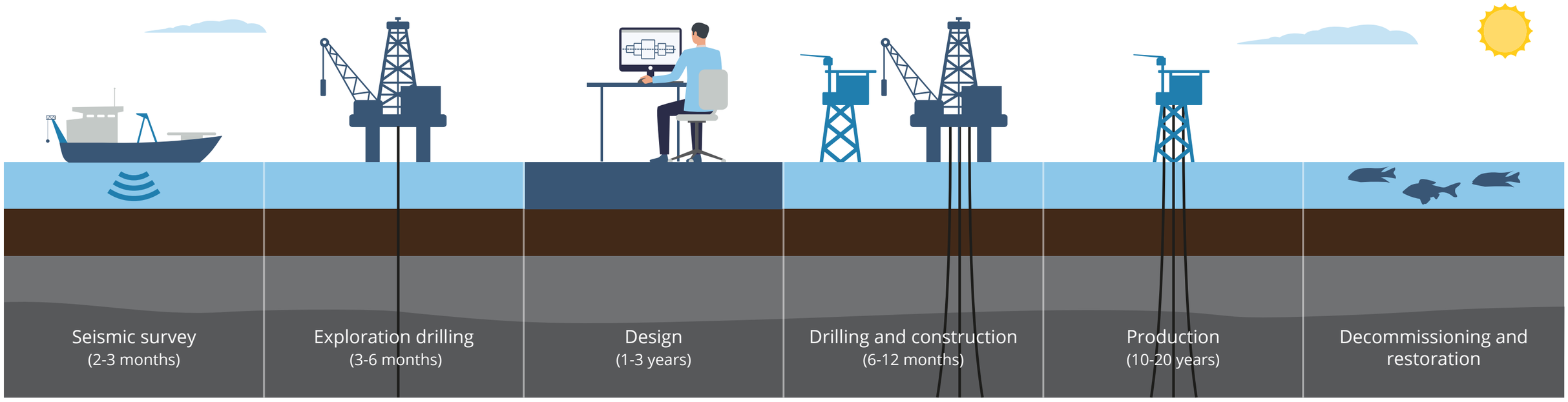
Prospecting
EBN is conducting studies into potential new offshore oil and gas sites using regional subsurface knowledge and seismic images.

Start of exploration
Permit holders carry out exploratory drilling, which is how we test possible gas or oil wells.

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

Production
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
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.



3.4 Responsibility for the chain

As a non-operator, EBN invests in the exploration for, and production of, oil and gas and geothermal energy in the Dutch subsurface. We are involved as a partner in the projects in which we invest, but are not the party who carries out the actual day-to-day work. That is the exclusive task of the operator. In practice, this means that EBN can influence both its own and its partners' activities but, beyond that, its influence in the energy 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 in this regard. We publish the results of this survey each year in our OPI (Operational Performance Indicators) report. The survey in 2020 did not give rise to any improvement plans. 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.

Compliance with the EBN code of conduct

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 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 2021.

Whistle-blower scheme

External parties may report alleged misconduct via EBN's general email address, which can be found on its website. If necessary, EBN will proactively end any misconduct stemming directly from our own operations (see also 5.3 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 24 hours a day, seven days a week. In addition, EBN has a damage protocol for its SCAN seismic research. The damage protocol and form can be found on the SCAN website (https://scanaardwarmte.nl/schadeformulier/). Relating 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 (acuut onveilige situatie, AOS). IMG has a website (https://www.schadedoormijnbouw.nl/over-het-img) 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 (https://www.nationaalcoordinatorgroningen.nl) with information about all relevant measures for those concerned.

4. Results

Business objectives 2021

	Topic	Material theme	Explanatory notes	Objective	Realisation
1	Profit after tax	Maintaining financial capacity and resilience	EBN's profit (after tax) shown in millions of EUR	≥ -47	656
2	Administration costs		EBN's costs for staff, hiring expertise, office, etc. Shown in million EUR	≤ 27.3	25.7
3	Reserves for maturation	Encouraging and accelerating exploration and production of small Dutch gas fields	The net supplementation (maturation) of gas reserves in the Netherlands in PJ.	181.0	198.3
		Strengthening, accelerating and improving the Dutch geothermal energy sector	Upgrading projects to cooperation agreement level (or investment decision (FID)/acquisition level), where expected post-implementation production from these projects is cumulatively 2.0 PJ per year.	2.0	0.72
4	CO_2 reduction	Using underground space to make the energy system more sustainable	The CO_2 reduction target is determined according to maturation to 'reserves' in megatonnes of CO_2 based on PRMS or its derivative methodologies for hydrocarbons as we know them.	29.87	37.50
		Strengthening, accelerating and improving the Dutch geothermal energy sector		0.43	0.19
		Active approach to risks	CO_2 reduction: Development of geothermal energy	0.75	0.52
		The gas value chain is changing from a traditional, fossil fuel dominated chain to a sustainable energy chain. In that framework: Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition	CO_2 reduction: Reducing emissions and discharges	0.73	0.00
			CO_2 reduction: Development of sustainable alternatives		
5	Abandonment	Responsible decommissioning and wherever possible repurposing of infrastructure	Refers to the joint decommissioning of suspended offshore exploration wells by five operators and is measured based on milestones	Survey 100%	FID
6	Great Place to Work	Creating connective power	Great Place to Work employee survey score (the so-called Trust Index).	7.8	7.8
7	Transparency Benchmark	Creating connective power	A position in the transparency benchmark, 'energy, oil and gas' sector	5th/6th place forsector	3th place for sector
8	Stakeholder survey	Creating connective power	A broad stakeholder survey to assess the extent to which EBN is successful in achieving its strategic ambitions, objectives, material themes and mission.	7,8	7,8

For 2021, the Executive Team along with the Supervisory Board has determined a number of general guiding business objectives for EBN.

In this results chapter, we describe the activities and results that contributed to our strategic goals and the development of our material themes in 2021.

4.2 New Energy

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

Deploying our knowledge and expertise in operating in the Dutch subsurface for the benefit of making the heat chain more sustainable by 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 participating financially in geothermal energy projects on behalf of the Dutch State.

Geothermal energy

In 2021, EBN continued to work with the geothermal energy sector to professionalise the sector and the development of geothermal energy in the Netherlands. EBN has the Minister's consent to participate in geothermal energy projects and is involved as a knowledge or cooperation partner in a significant portion of the geothermal energy projects currently under development in the Netherlands. Once the bill to amend the permit system for geothermal energy has passed through parliament and taken effect, EBN will participate in all future (not yet licensed) geothermal energy projects.

In 2021, the investment decision was taken for the *"Warmte van Leeuwarden"* initiative, the first well of which has already been drilled. In 2021, EBN entered into a cooperation agreement to participate in two geothermal energy projects (Zwolle and Tilburg). This brings the total number of formal partnerships and projects to 12. We expect this number to at least double in the coming years. This will create a portfolio that, over the next four years, can lead to investments that will be good for a cumulative heat production of 5.6 PJ (provided the right preconditions are met on time) (see long-term goals on page 22). The status at the end of 2021, and by extension the reduction in CO_2 emissions attributable to geothermal energy, is still limited (see connectivity matrix on page 29). We see that the upscaling of geothermal energy is taking longer than previously anticipated. Various factors are responsible for this, including the complexity of organising collective heat chains/demand in the built environment and the availability of adequate subsidy instruments.

EBN is in talks with various projects that will be developed in the coming years. We are building relationships with operators, the ultimate goal being an extensive portfolio of participations in geothermal energy projects to be developed in the coming years. In this way, EBN acquires the position that is envisaged by the amendment to the Mining Act (see text box). EBN's participation is one of

Overview of geothermal energy partnerships and project sites where EBN is involved at the end of 2021

The first well for the Warmte van Leeuwarden project was drilled in 2021. Source: Warmte van Leeuwarden

the measures taken by the Ministry of Economic Affairs and Climate Policy to boost the sector and accelerate the development of geothermal energy. By allowing EBN to participate in new geothermal projects on a financial and risk-bearing basis, EBN can build a portfolio in which project knowledge and experience is secured and shared.

In this role, we can help steer the sustainability and quality of safe and responsible projects. This safeguards public interest and the experiences from these projects benefit policy development, innovation, cost reduction, public knowledge of the subsurface and the sharpening of incentive instruments.

In 2021, EBN contributed to the strengthening and acceleration of the sector together with the government and the market:

- *Improving the permit process (balance between safety and feasibility)*
  We have taken important steps and delivered products with regard to the two most urgent topics for obtaining permits for geothermal energy. Commissioned by the Ministry of Economic Affairs and Climate Policy, the first part of an updated generic methodology for seismic threat and risk analysis (SHRA) on induced seismicity in the extraction of geothermal energy was delivered in cooperation with TNO (Advisory group for the Ministry for Economic Affairs). The second theme concerns the damage protocol and claims settlement. EBN is working closely with the sector and the Ministry of Economic Affairs and Climate Policy to formulate a solution that ensures smooth and proper claims handling on the one hand and makes it feasible for companies to implement safe and responsible geothermal projects on the other (see also section 4.7).

- *Improving investment conditions (balance of risk and return)*
  Geothermal energy projects are currently entitled to a subsidy from *Stimulering Duurzame Energieproductie en Klimaattransitie* (SDE++) (Stimulation of sustainable energy production and climate transition). Under the current SDE++ scheme, priority is given to applications

with the lowest subsidy intensity (subsidy requirement per tonne of CO_2), in order to encourage applicants to implement their projects at the lowest cost. As noted in the Parliamentary Letter of 2 December 2021, the current SDE++ scheme does not address a number of less well-developed techniques sufficiently, which will be necessary by 2030 and in the longer term in order to achieve the climate objectives. Geothermal energy is an example of such a technique, which is still small-scale and therefore relatively expensive. Due to this context, the SDE++ application for various geothermal projects was not honoured in 2021. The implementation of these projects was then put on hold, slowing down the development of the sustainable energy supply and the development of the heat sector. At the end of 2021, the Cabinet submitted a proposal to the Parliament to introduce so-called "fencing" for various domains in the SDE++ system from 2023. Fencing ensures that technologies with a higher subsidy intensity are considered earlier, because a budget is reserved for technologies within a fence. The expectation is that, as of 2023, geothermal energy applications in the SDE++ will consequently have a greater chance of success and that the feasibility of projects will be further enhanced.

To further enhance the prospects of collective heat and geothermal energy in the heat transition, the *NieuweWarmteNu* Growth Fund application was submitted in participation with partners. The scope of the application is EUR 665 million. EBN participated on the steering committee and working group for this growth fund application.

Another point for consideration regarding investment conditions is the sustainability of geothermal energy in heat networks. Geothermal energy is one of the most sustainable technologies as a source of heat, but it is not yet 100% CO_2 neutral. The extraction of geothermal water causes natural gas to rise to the surface (bycatch) and the pumps used cause some CO_2 emissions. The sector commissioned TNO to investigate how to minimise CO_2 emissions from geothermal water abstraction and its distribution in heat networks.

In December 2021, insights from the Integral Geothermal Cost Reduction Programme were also published. These show that the cost price of geothermal energy can be reduced by tens of percent in the long term. A prerequisite for such a cost reduction is the creation of sufficiently concentrated sustainable heat sales opportunities and the sector's commitment to mutual data and knowledge exchange.

"Geothermal Energy Acceleration Programme for the Built Environment"

As part of the follow-up to the Geothermal Energy Acceleration Programme (for the Built Environment), an advisory report was published in April 2021, based on a broad consultation process, containing an agenda for the development of geothermal energy as an important pillar of the sustainability of the built environment towards 2030. The agenda contains four tracks: plot approach, financial instruments, support and projects and innovation. The tracks offer concrete action perspectives to accelerate geothermal energy in the built environment in the short term. EBN worked closely on this process with governments and companies from the sector.

With regard to the innovation track mentioned above, the Ministry of Economic Affairs and Climate Policy commissioned EBN, together with Geothermie Nederland (GNL), to compile the innovation needs of the sector, based on input from the sector. This was published in the first quarter of 2021. The report "Geothermal Energy Innovation inventory" describes opportunities for innovation. The inventory is the geothermal sector's first step that should contribute to the main objective: innovate to reduce the cost of geothermal energy throughout the value chain and life cycle, make projects more predictable and increase safety even further.

Support, acceptance and civic participation

The interests of surrounding areas increasingly occupy centre stage in the development of geothermal energy projects. This includes the general public's and local residents' perception of the risks of subsurface activities. Because geothermal energy is a form of energy that is produced locally, and used in the immediate vicinity, involving local residents and addressing their potential concerns is essential to the success of geothermal

energy projects. In view of this, EBN had its position regarding civic participation in geothermal energy projects investigated in 2021. The resulting memorandum answers questions such as: why should we pay more attention to civic participation, what does this mean for the sector and what do we do in projects in which we cooperate? With the memorandum, we want to convey common views and concepts internally, and also provide clarity regarding what we expect from projects. In doing so, we examine our own role and that of our project partners.

Core elements of the "Civic Participation in Geothermal Energy Projects" memorandum are:

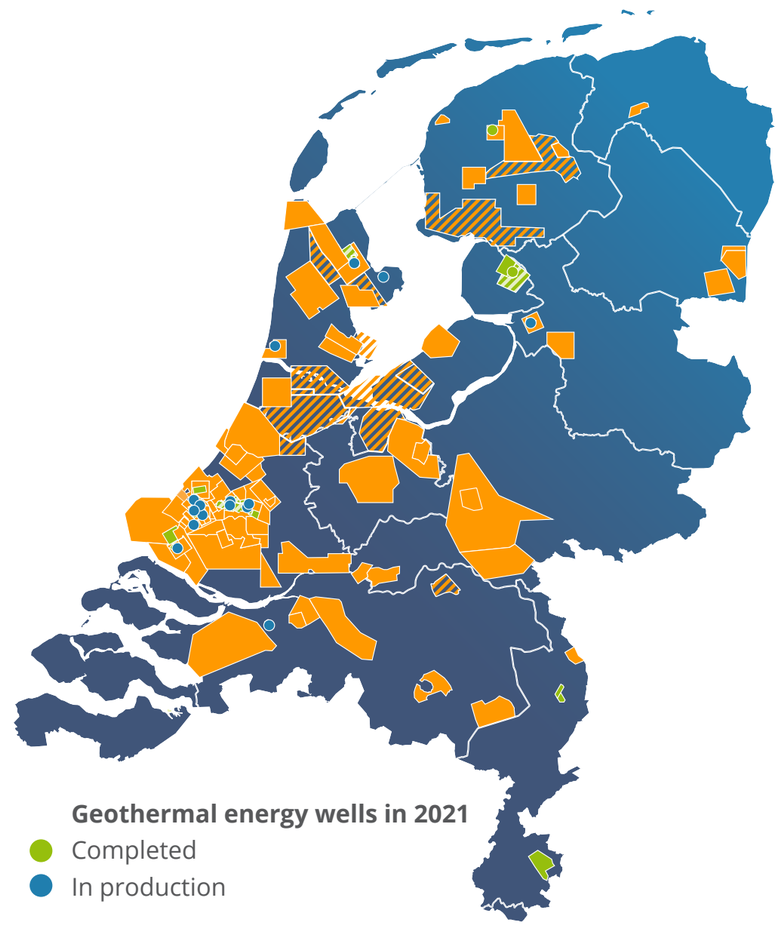
1. EBN considers civic participation an important aspect of maintaining or increasing acceptance.
2. EBN confirms the existing Geothermie Nederland Code of Conduct on Environmental Engagement (and Guidance) as a sector standard.
3. EBN encourages experiments with participation, including financial participation, in an environment of learning to evaluate.

Geothermal energy and residual heat significant base load sources in the Rotterdam - The Hague region RES (Invest-NL partnership)

In 2021, partners Rotterdam - The Hague region RES, Invest-NL and EBN, who jointly aim to accelerate the heat transition, published the study "Collective heat supply in the Rotterdam - The Hague region RES". This was done with the close involvement of the region's public and private stakeholders and formed an important background analysis for the Regional Heat Structure presented at RES 1.0. It shows that basic sources of geothermal energy and residual heat are widely available in the region and that collective heat systems provide an important opportunity in the heat transition. At the end of 2021, the Rotterdam - The Hague region RES, Invest-NL and EBN announced they will continue their cooperation to elaborate on the Regional Heat Structure in the RES 2.0. Gasunie also plays a role in this cooperation.

In 2021, geothermal energy's potential to make the heat demand more sustainable was highlighted further and geothermal energy was positioned as an important part of the energy transition. To this end, EBN organised the Geothermal Energy Week for the second time. Four theme days and nine online events updated more than 1,100 participants on various developments relevant to accelerating and strengthening geothermal energy in the Netherlands. Topics included environmental management, the results of SCAN, Ultra Deep Geothermal Energy Programme and the sustainable use of geothermal energy. The content of the events was created in cooperation with partners such as Geothermie Nederland and TNO. 34 experts, including the International Geothermal Association, operators, consultants and the Ministry of Economic Affairs and Climate Policy, gave talks.

In 2021, cooperation was also intensified with the new sector organisation Geothermie Nederland. Members of



All the geothermal energy related boreholes and permits in the Netherlands

this branch organisation are companies and institutions working in the geothermal sector. In addition to developers and operators of geothermal energy sources, membership is open to consultancies, engineering firms, installers, heat companies and network operators. EBN is a member of Geothermie Nederland and participates in the PA, Finance, Built Environment and Seismicity working groups.

SCAN

Again in 2021, EBN collected subsurface data to further map the potential for geothermal energy in the Dutch subsurface, by means of the SCAN programme. The seismic survey provides information that is important to the safe and economic production of geothermal energy. In addition to the seismic survey, this year EBN also started preparations for an estimated 10 scientific drilling operations within the SCAN areas. The knowledge from the seismic survey and drilling operations will further mitigate subsurface-related project risks, boost the chances of successful projects and increase the willingness to invest. This will benefit the upscaling of geothermal energy in the Netherlands.

Since the start of seismic acquisition in 2019, SCAN has collected a total of 1571 kilometres of regional seismic data, of which 514 kilometres were collected in 2021. The lines were challenging this year with sections on Markermeer and Ketelmeer, among others. The data from the lines of research are of high quality. Furthermore, we have reprocessed the equivalent of over 2,000 kilometres of seismic data from the 1970s and 1980s into high quality subsurface data, since the start of the project. In addition to the seismic acquisition programme for SCAN, a total of 160 km of seismic data were acquired within the partnership with the Amsterdam Metropolitan Area in order to better map the subsurface of this urban area with high heat demand. These results will be published on NLOG in conjunction with the SCAN results.

In 2021, we paid a great deal of attention to environmental communication and information provision to stakeholders such as municipalities and local residents. Since the start of the programme, SCAN has visited almost half of the municipalities in the Netherlands. In addition, almost 130,000 letters have been sent to local residents concerning the lines of research. During Geothermal

Statutory participation of EBN in geothermal energy projects laid down in the Mining Act

The bill to amend the licensing system for the exploration and production of geothermal energy also describes the generic participation of EBN in geothermal energy projects. The bill introduces an individual method for granting geothermal energy permits that is tailored to the specific characteristics of geothermal energy projects. This will make it easier to implement these projects. EBN's participation is one of the acceleration and reinforcement measures of the Ministry of Economic Affairs and Climate Policy. On 16 July 2020, the minister sent the amendment to the Mining Act, to which several important elements were added in a Memorandum of Amendment dated 30 November 2020, to the Lower House of the Dutch Parliament. The process in the run-up to the Act's entry into force was subsequently significantly delayed. The Lower House of the Dutch Parliament recently placed the bill on the agenda and it is expected to be debated by the end of February 2022.

The new Mining Act stipulates that EBN is obliged to participate in new geothermal energy projects. This obligation clarifies EBN's position and enables it to contribute its expertise to all projects and ensure that best practices are shared. This is important to the continued professionalisation and upscaling of the sector.

The Act will be elaborated further in the Mining Act and the Mining Regulations. Following the public consultation on the Mining Act, there was a great deal of interaction with the geothermal energy sector about the details of (among other things) the mandatory participation of EBN in the act.

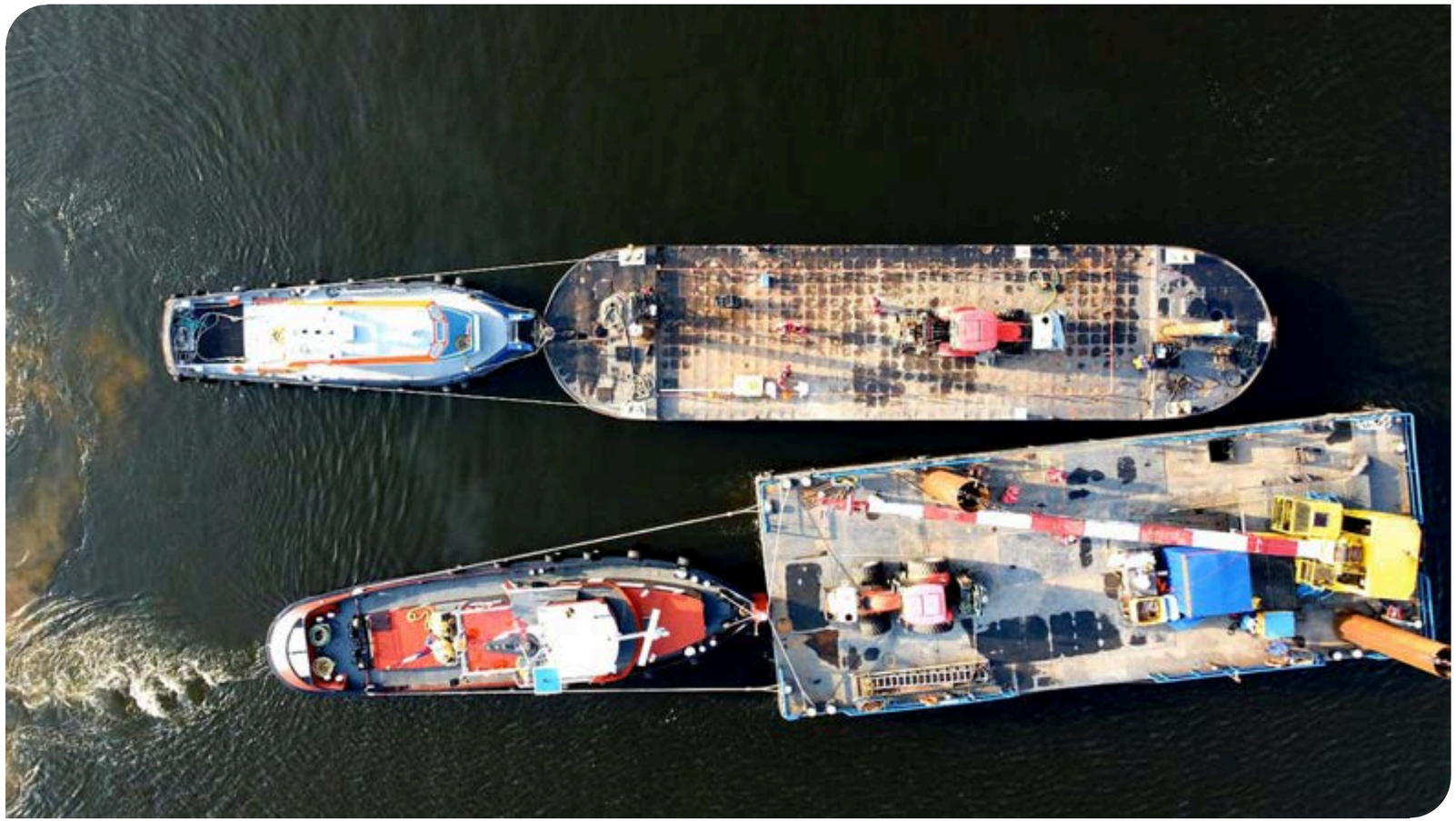
Energy Week, together with TNO, extensive attention was paid to SCAN's state of affairs and results.

Preparations for the first scientific drilling operation are in full swing and an initial search area to the east of the city of Utrecht has been identified.

Ultra-deep Geothermal energy

In 2021, parties participating in the Ultradeep Geothermal Energy (UDG) programme chose a location that is the most suitable for considering a research well for UDG: the Tellus Renkum consortium will investigate which follow-up steps can be taken to complete a possible research well. The UDG programme originated from the Ultradeep Geothermal Green Deal in early 2020, which was signed in 2017 by EBN, TNO, the Dutch Ministries of Economic Affairs and Climate Policy, Infrastructure and the Environment and seven consortiums of companies. Together, these parties have investigated whether ultra-deep geothermal energy can be developed safely and responsibly in the Netherlands and, if so, what the best choice for a possible initial location would be. Many new insights were gained through mutual knowledge exchange and the completion of various studies.

SCAN acquired 514 kilometres of seismic data by means of field surveys in 2021. Source: SCAN



Pontoons were used to shoot seismic lines under the Markermeer and Ketelmeer lakes. Source: SCAN

4.2.2 Material theme: Investigating and developing energy innovation in favour of system integration 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 (production), application and storage of hydrogen and green gas within the Dutch energy transition.

Gaseous energy carriers and energy storage have an important role to play in the future sustainable energy system. EBN has a role in investigating options for upscaling the production of sustainable gases and the deployment of new types of energy storage in the energy system. 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.

A great deal of new experience is gained in these projects and new challenges emerge, making it difficult to estimate lead times in advance. Consequently, projects are often completed later than estimated. The same also applies to our green gas and hydrogen projects, for example.

Green Gas

In 2021, EBN achieved the first decision gate of the Joint Development Agreement with Shell and Engie for the development of a green gas plant at the GZI site in Emmen. The Emmen GZI-Next regional energy hub is a model for how other existing mining sites can be used to accelerate green gas projects. In 2021, EBN set up a biomass and green gas classification system (BRMS) and delivered an analysis tool and database on the availability of biomass for green gas at mining sites.

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 in terms of production, development of infrastructure and balancing supply and demand. 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 with regard to the role of hydrogen in the energy system from its role as a party that knows the gas value chain inside-out and wants to make it more sustainable.

In 2021, we expanded the portfolio of projects to explore different possibilities and prepared for possible participation in a hydrogen production pilot project. As a representative of Nexstep and a joint venture partner in Q13-A, EBN is involved in the PosHydon project, a pilot project that will produce green hydrogen offshore using an electrolyser.

4.3 Return to Nature

4.3.1 Material theme: Responsible decommissioning and wherever possible repurposing of infrastructure

The decommissioning of disused oil and gas infrastructure at the lowest possible costs to society.

Decommissioning

When safely and sustainably dismantling decommissioned oil and gas infrastructure, EBN works together with oil and gas companies and NOGEPA in Nexstep to realise an effective and cost-efficient working method. To this end, EBN plays a driving role in boosting cooperation and bundling activities. We are also stimulating the exchange of relevant information and experiences and the development of new cost-saving methodologies.

Nexstep's main objective is to achieve cost savings of 30% in 2020-2025 compared to the 2016 cost estimate of EUR 7 billion, or on average 5% per year.

Within Nexstep, a campaign was prepared with 6 operators to decommission approximately 30-50 (mainly) older exploration wells, which were temporarily left on the sea bed (and thus not drilled from a platform). In 2021, a joint tender was issued for the ultimate decommissioning of these exploration wells. The campaign was designed via Nexstep, with the necessary mutual contracts between operators and the call for tenders to the market.
The selection of the contractor (both technical and commercial) and the development of the contract were completed and approved by all operators involved, in 2021. The Financial Investment Decision was delayed due to uncertainty about the approval of the work programmes. The Financial Investment Decision was taken in December 2021 and the final signing of the contracts took place in the first month of 2022. The actual decommissioning is scheduled for 2023 after subsea inspections have been conducted in 2022 (the survey). This joint campaign approach delivers significant cost savings, estimated at 10-30% compared to a non-collaborative approach, depending on the complexity of the well. The campaign is also a model for other future decommissioning campaigns or in the context of the INSPIRE programme (see section 4.4 Our Dutch Gas).

In cooperation with EBN, Nexstep is also investigating more cost-efficient methods for cleaning up and abandoning disused wells. Two onshore pilot projects were implemented for this purpose in 2020, the results of which were examined and assessed in 2021. Subsequently, all data and insights were shared with the State Supervision of Mines (Staatstoezicht op de Mijnen). The conclusion was that follow-up research on new pilot projects is needed, and these will be implemented in 2022. Finally, EBN discusses its own portfolio decommissioning strategy annually with the (larger) operators, also with a view to achieving a systematic and optimal implementation of the clean-up obligation.

Repurposing

Repurposing and using parts of existing gas infrastructure for the energy transition has several major advantages. New developments can be accelerated and social costs can be reduced. Good coordination between the parties involved is necessary and decisions must be taken in good time, otherwise the infrastructure will be decommissioned and disappear forever.

EBN is working on the development of existing onshore mining sites into regional energy hubs, where various forms of sustainable energy production will be developed with a focus on synergy. In Emmen - part of GZI Next - the development of a green gas plant has progressed a step further by taking the first decision gate in the project. Similar developments are also being examined with private parties for other mining sites in the North of the Netherlands. Offshore, EBN is participating in the PosHydon pilot project for the production of green hydrogen on an existing oil and gas production platform. For more information, see section 4.4 New Energy. EBN is also working to elaborate on the advisory report on the potential of onshore mining sites for the production of green gas, which was issued to the Ministry of Economic Affairs and Climate Policy in 2020.

4.3.2 Deployment of subsurface space for a more sustainable energy system

Facilitating and encouraging the effective repurposing and/or deployment of subsurface space for the production, transport and/or storage of CO_2, renewable energy and heat.

CO_2 storage (CCS)

In 2021, the importance of CCS was reaffirmed by the government, in line with the 2019 Climate Agreement. CCS is one of the instruments that can contribute to a timely and cost-effective achievement of the climate objectives. For many industrial processes there are still insufficient alternatives (such as electrification, solar and wind farms and green hydrogen) to significantly reduce CO_2 emissions in the short term. Carbon capture and storage therefore play a significant role in the Government's policy and the European Commission's Green Deal in rapidly reducing industrial emissions. The 2022 annual budget, the 2022 budget of the Ministry of Economic Affairs and Climate Policy and the new cabinet's coalition agreement (dated 15th December 2021) also support the importance of CCS and its development.

Based on its experience and expertise, EBN contributes to climate and energy policy, for example by repurposing assets. This role in climate and energy policy, which is becoming increasingly intertwined, is supported by the Ministry of Economic Affairs and Climate Policy. By participating in CCS projects in the Netherlands, EBN is working towards the Dutch CO_2 reduction target. EBN is committed to bringing together and connecting partners. With a focus on public interest, EBN is also contributing knowledge and expertise to quantify and mitigate risks. In 2021, EBN made further progress in the development of carbon storage projects and in the development of a CCS storage system in the Netherlands. EBN's first target is to have 2.5 megatonnes of carbon storage per annum operational by 2025.

The Ministry of Economic Affairs and Climate Policy described the role of EBN in the energy transition and in CCS in a letter to parliament dated 4th May 2021. EBN's role in CCS was further elaborated in a letter to parliament dated 5th July 2021, in which the Ministry of Economic Affairs and Climate Policy describes why it granted EBN permission in 2020 to fulfil its role during the Porthos project period. EBN is participating in the Porthos project to accelerate the timely completion of the first CCS project in the Netherlands and to reduce costs. Porthos (a joint venture between EBN, Gasunie and the Port of Rotterdam Authority) is an advanced project in the EU for large-scale carbon transport and storage.

The generic role envisaged for other potential projects is linked to public interests, with safety, according to the Ministry of Economic Affairs and Climate Policy, being a primary public interest in which a role for EBN may be justified. The Ministry of Economic Affairs and Climate Policy now sees a role for EBN in:

- Monitoring and, where necessary, stimulating research into the suitability of storage sites in order to ensure the timely storage of CO_2.
- Optimising the repurposing of infrastructure, thereby reducing the costs of the energy transition.
- From the perspective of safe CO_2 storage, the Ministry of Economic Affairs and Climate Policy considers it desirable for the time being that EBN is also required to be involved in all carbon storage operations. To this end, the Ministry of Economic Affairs and Climate Policy is investigating what form of involvement is necessary to adequately fulfil the role (in terms of safety).

Porthos

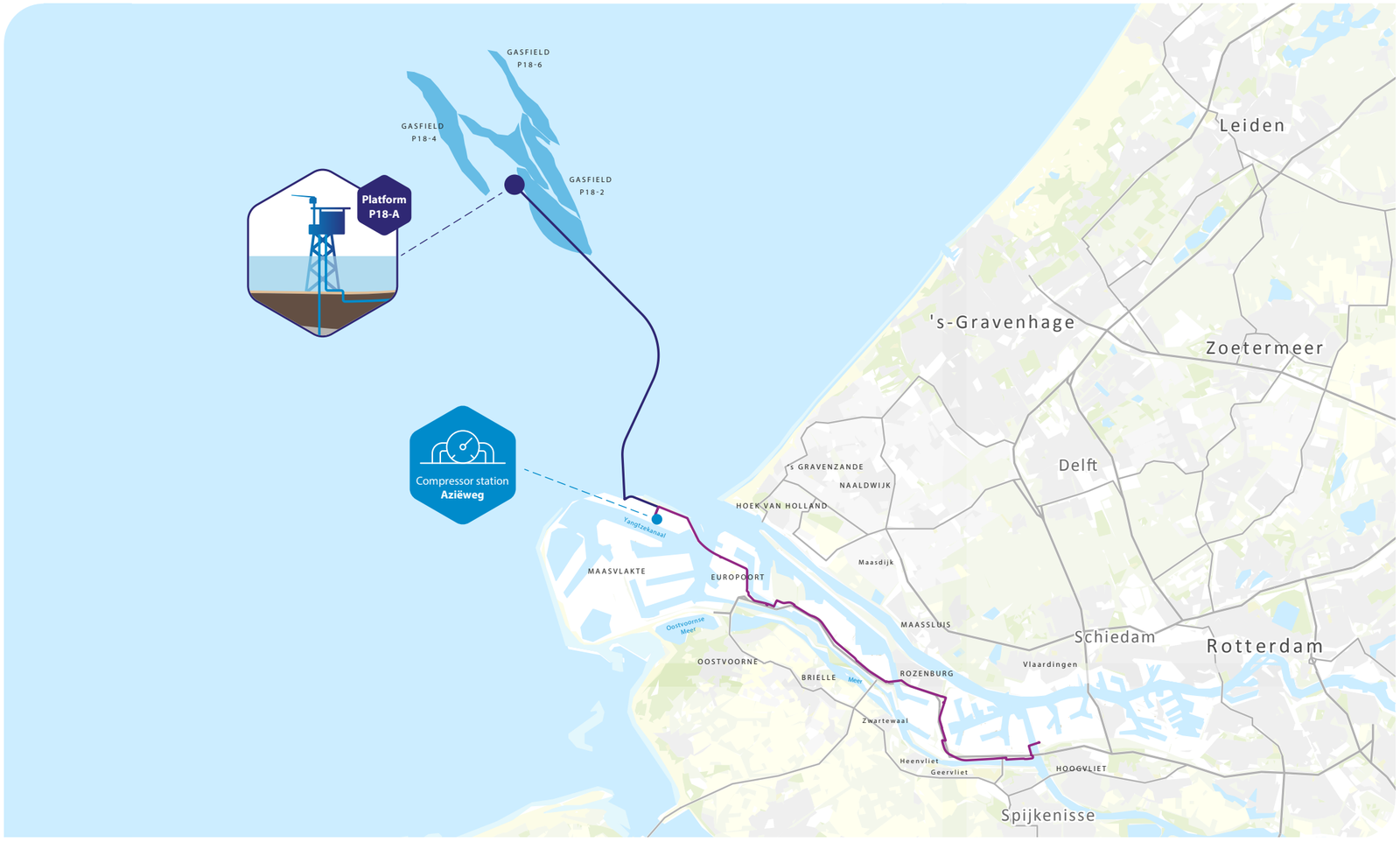
In 2020, the minister agreed to EBN's participation in the implementation phase for the construction and commissioning of the Porthos project. In 2021, Air Liquide, Air Products, ExxonMobil and Shell signed the final contracts with Porthos for the transport and storage of carbon. Together, the companies intend to store 2.5 megatonnes of carbon per annum from 2024 onwards from their Rotterdam facilities via Porthos. Porthos (a joint venture between EBN, Gasunie and the Port of Rotterdam Authority) will transport the greenhouse gas to an exhausted gas field approximately 20 km off the coast. There, it will be permanently stored at a depth of 3 to 4 km beneath the North Sea. Conclusion of the contracts is a milestone in the implementation of the project. Once the necessary permits for construction and use of the infrastructure and facilities have been obtained, the final

decision will be taken to complete the project. This is expected to be in 2022.

Currently, there is one carbon storage permit in the Netherlands, namely for P18-4, one of the storage sites for Porthos. Market analyses show that more CO_2 for storage is expected in the coming years. In order to achieve the 2030 reduction target, it is therefore necessary to develop new storage sites and permits. EBN is committed to timely carbon storage permit applications and the cost-effective development of storage to keep social costs low. For Porthos, the storage permit P18-2 and the amendment to the P18-4 permit were submitted for inspection on 17th Dec 2021.

Athos

In recent years, the Athos project, in close cooperation with its project partners EBN, Gasunie, Tata Steel and the Port of Amsterdam, has focused on the development of a large-scale CO_2 transport, repurposing and storage project in the North Sea Canal area. The project partners completed the concept selection phase in 2021. Tata Steel's estimated available CO_2 volume was the basis of the project's conceptual and technical assumptions. Tata Steel's decision on 15th September 2021 to accelerate the transition to DRI technology ("the hydrogen route") therefore means that the Athos project cannot continue in its current form. The knowledge acquired in the Athos project can be used for new initiatives, such as Aramis.



Overview of the pipeline route.

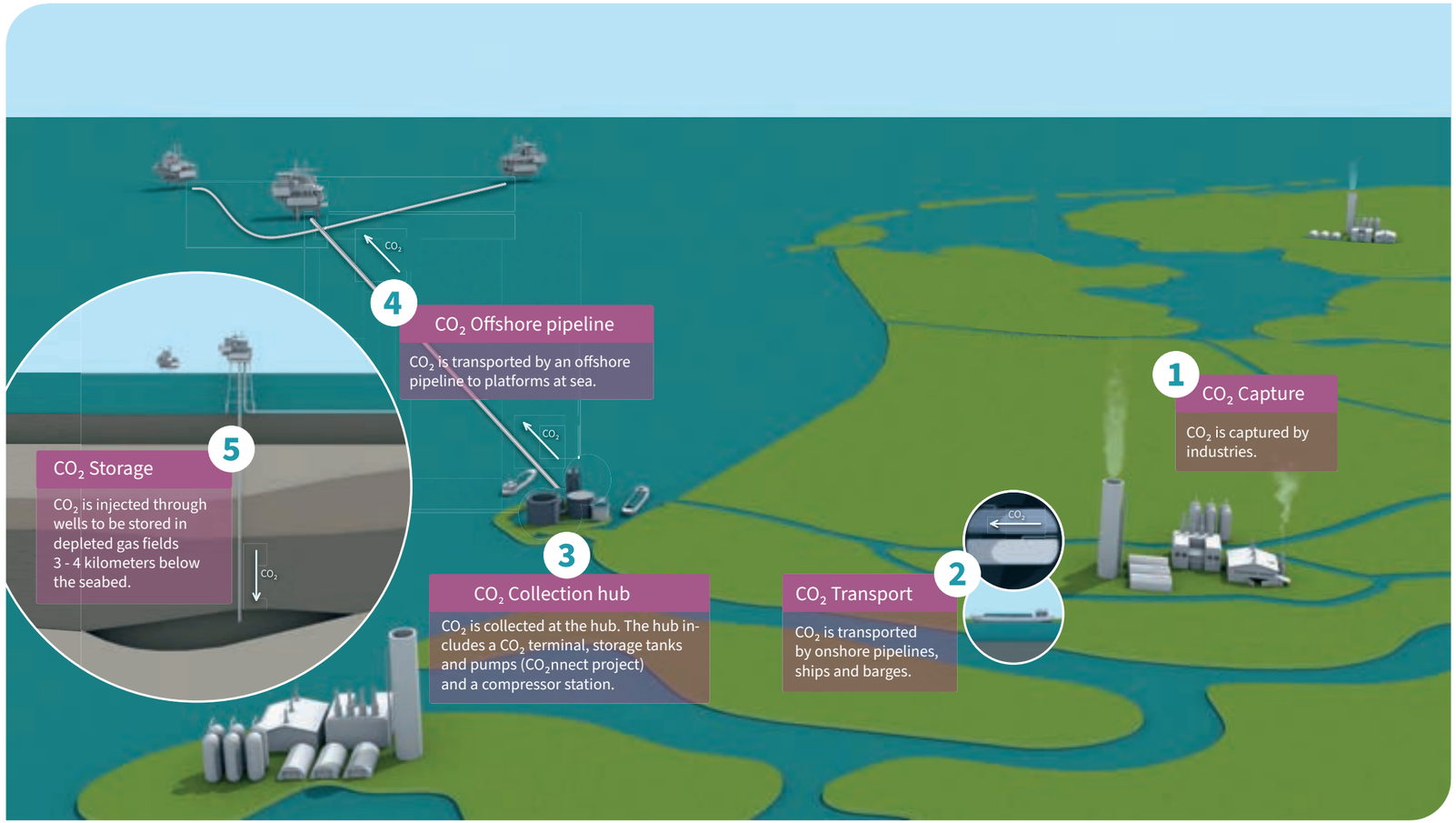
Aramis

EBN, TotalEnergies, Shell Nederland and Gasunie joined the Aramis partnership in September 2021 to develop a large-scale CO^2 transport infrastructure. EBN received approval from the Ministry of Economic Affairs and Climate Policy to join the partnership in 2021 for the research phase (concept-selection phase).

This infrastructure will be freely accessible to third parties, so that industrial customers and storage fields can be connected to the system step by step. Aramis aims to contribute to the reduction of CO_2 emissions from industries that are difficult to make sustainable, such as waste processing, the steel, chemical and cement industries, and refineries. Aramis aims to do this by developing a large-scale offshore transport system. This will enable the industrial sector to transport and store CO_2 in exhausted gas fields beneath the North Sea.

Aramis aims to take a final investment decision in 2023 with an operational start in 2026 - 2027. The project aims to make a significant contribution to CO_2 reduction targets for 2030 as agreed in the Dutch Climate Agreement and the European Green Deal.

By enabling optimal combination of offshore fields, Aramis contributes to reducing CO_2 storage costs.



View of the CO_2 system Aramis is working on.

Energy storage

The need for energy storage will continue to grow with the large-scale application of wind and solar energy and the further development of heat networks. EBN is already involved in the underground storage of natural gas. EBN has a natural role in developing knowledge and bringing parties together, partly because of its share in existing assets and its knowledge of the subsurface and experience in existing underground gas storage facilities.

At the end of 2021, EBN delivered its "Energy Storage Roadmap for 2035", which, among other things, mapped out how EBN could add value to the development of large-scale underground energy storage. Furthermore, this roadmap provides relevant insights into what is needed for the further development of large-scale storage. We also share these insights with the parties involved in this theme.

EBN, in cooperation with TNO, delivered the OPVIS-2 (underground energy storage) report to the Ministry of Economic Affairs and Climate Policy and sent it to the Lower House of the Dutch Parliament in October 2021. Following OPVIS-2, EBN and TNO published a white paper based on this report for a wider audience. The Ministry of Economic Affairs and Climate Policy asked TNO and EBN to conduct a feasibility study into offshore hydrogen storage as a follow-up to OPVIS. This study commenced at the end of 2021.

4.4 Our Dutch Gas

Material theme: *Encouraging and accelerating exploration and production in Dutch small gas fields*: Dutch natural gas, as a component in the process of making the gas value chain more sustainable. Promoting and accelerating effective detection, development and production of gas reserves in the Netherlands in the most sustainable way possible.

In 2021, EBN continued to work with operators on the cost-effective and economically viable production and exploration of Dutch natural gas. In this context, EBN, together with operators, focused on intensifying cooperation within the sector and continuing to reduce operational costs. Furthermore, EBN, together with NOGEPA and operators, launched an industry-wide plan to reduce CO_2 emissions (see section 4.6.2 Approach to risks). In all activities, the approach was characterised by strengthening cooperation, merging activities and assets and sharing data, knowledge and expertise.

Gas production from existing fields

Whereas the gas price was still extremely low in 2020, it rose to historically unprecedented levels during the course of 2021. Nevertheless, natural gas production from the so-called Small Fields in 2021 remained at 11.7 bcm. In 2020, it was at 12.5 bcm. The main reason for this is that there is a natural decline in existing gas reserves. As the

volume of gas in a field decreases, it becomes increasingly difficult to produce the remaining gas from the field. It is still too early to see an impact of the high gas price on an increase in gas reserves. If gas prices remain high, there may be such an impact in the coming years, as it may become more attractive for operators to invest.

EBN remains committed to extracting as much natural gas as possible from the Small Fields, where this can be done safely and responsibly. Again in 2021, a number of initiatives were started to further support and facilitate this goal.

Prospects and maturation

EBN's objective is to have defined 33 bcm of prospects by 2025 that can be matured and drilled in the years up to 2030. This will ensure that we can continue to meet a portion of the Netherlands' gas requirements in the years to come and that we can extend the economic life of the offshore infrastructure, also in favour of it being repurposed by more sustainable alternatives (see also section 4.3 Return to Nature). To achieve this goal, prospects and leads must be identified, matured and drilled by the operators in cooperation with EBN. To this end, EBN keeps a close eye on the operators' prospect portfolio in order to stimulate and help the operators to mature this portfolio, to tap into it and to remove any bottlenecks. In 2021, this resulted in the addition of several prospects to the portfolio as well as in the maturation of this portfolio into concrete investments.

Maturation is an indicator for the development of reserves. Maturing many projects will allow production to remain at a stable level for longer. This concerns projects from the contingent portfolio, i.e. projects that produce proven additional reserves. Throughout the year, EBN monitors the intended maturing projects and plays a part in driving the operators where necessary.

In 2021, more maturation projects were implemented than expected (25 vs. 18 projects). Five of the maturation projects expected beforehand failed to materialise. However, six additional projects were ramped up and implemented at short notice, bringing maturation above 100%.

North Sea Consultation

EBN is one of the participants in the North Sea consultation, representing the interests of the gas industry, CCUS and future hydrogen storage activities. The North Sea Agreement contains a commitment to keep the North Sea accessible to the E&P sector, also in (future) wind farms. EBN is working with stakeholders and other users of the area to define multifunctional area passports. The goal is to keep the North Sea accessible to all users of the area, with the importance of sufficient space for the conservation of nature and biodiversity recognised by all participating parties. Our commitment is that EBN and its partners will be able to meet the domestic demand for natural gas, as well as perform newer activities such as CO_2 storage.

CO_2 reduction plan

EBN and NOGEPA share the ambition to reduce CO_2 emissions significantly by 2025 compared to 2019 levels. The CO_2 reduction plan aims to develop a pragmatic and economic approach to achieve CO_2 emission reductions. This can be achieved by looking at technical solutions, especially at portfolio level (all platforms and pipelines together) as well as at individual platform/facility level. By the end of 2021, the most appealing reduction projects will have been presented to all operators and EBN. In 2022, we will work towards investment decisions.

Decommissioning Security Agreement (DSA)

EBN plays an important role in the guarantee system, in which licensees provide financial security for the costs of decommissioning facilities and restoring production sites. EBN's monitoring role in the DSA process is laid down in the Decommissioning Security Monitoring Agreements (DSMA) concluded between licensees and EBN. Following the amendment of the Mining Act, in 2022, the DSMA system of financial security will also become a statutory requirement.

Joint portfolio driven approach to exploration

In 2021, EBN continued to shift the strategic focus of its exploration activities from active promotion to attract new investors to its existing portfolio and current operators. This focus aims to help the current operators to upgrade their portfolio by working together to identify and mature prospects and ultimately drill them.

In 2021, EBN continued to investigate the possibilities of deploying new or unusual technologies to mature material prospects that cannot be drilled with current technology so they become drillable. In addition to evaluating geochemical methods, an important objective in 2021 was to enable Ocean Bottom Node (OBN) acquisition in part of the North Sea. OBN is advanced seismic acquisition and associated data processing. It is expected that this will lead to a financial investment decision and possibly the intended acquisition in 2022.

In addition, a conventional 3D seismic acquisition was carried out on land in 2021 as the final phase of a larger acquisition in South Friesland.

GEODE: Sharing data, knowledge and expertise with the industry

By sharing knowledge and converting data to information, EBN encourages evaluation of the subsurface and the identification, quantification and maturation of possible oil and gas reserves. An important milestone was the launch of the GEODE platform with data and information for at least five plays, which was completed in 2021. In cooperation with TNO, many decades of studies were converted into usable information. All products have been made publicly available online and will contribute to the exploration of the Dutch subsurface. In future, the GEODE platform may be set up for alternative uses such as storage and repurposing.

Operational costs — INSPIRE

In parallel with working on stimulating exploration and production, EBN has continued to work with operators on reducing operational costs (OPEX), i.e. the INSPIRE project which started in 2020. INSPIRE is the plan whereby operators and EBN work together to reduce operational costs through increased cooperation, pooling of assets and joint operations. Our aim is to achieve a 5% cost reduction on current operational costs of EUR 1 billion in total. In 2021, EBN continued to develop three INSPIRE work streams that can, and will lead to OPEX reductions:

1. a tender for joint pipeline inspection work, followed by a joint Pipeline Inspection Campaign in 2022;
2. a survey of operators' wishes for governance in joint campaigns and analysis of the possibilities for different types of operations;
3. implementation of an online application (a kind of E&P marketplace) that gives operators insight into each other's stock of (standard) equipment and spare parts.

4.5 Financial results

Material theme: *Maintaining financial capacity and resilience*: Financial strength and resilience are characterised by high equity (including liquidity and solvency) available immediately for settling existing obligations. This is essential given the accelerated shutdown 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. In addition, the assets may be used for investments in the energy transition.

4.5.1 Financial developments

Turnover increased by 144% to EUR 3.0 billion in 2021, compared to EUR 1.2 billion in 2020. This increase was mainly due to higher positive price effects (EUR 2.6 billion) for gas and achieved gas sales (EUR 0.4 billion). Regular operating costs amounted to EUR 564 million (2020: 598 million). As a result of earthquakes in Groningen costs amounted to EUR 1.1 billion (2020: EUR 563 million) because in 2021 we again had to allocate funds based on the operator's statement in order to be able to continue to meet the increasing obligations of thepartnership. Our shareholder has indicated that, if necessary, it will strengthen EBN's balance sheet to meet all obligations under the Outline Agreement they concluded in 2018. Furthermore, depreciation costs have decreased to EUR 401 million (2020: EUR 558 million). Net income increased to EUR 656 million (EUR 2020: -364 million) due to the above reasons. In 2021, EBN paid EUR 0 to the Dutch State, including taxes and corporation tax (2020: EUR 0).

Under normal market conditions, EBN generates a significant free cash flow every year because of substantial and strong positive cash flows from operating activities, which are higher than the investment expenses. This is also expected to be the case in 2022. EBN's long-term creditworthiness is also reflected in its long-term credit rating, which is Aaa at Moody's.

At the end of 2021 EBN has a short-term (invested) liquidity totalling EUR 3.8 billion (2020: EUR 2.3 billion). As at the end of 2021, EUR 809 million was invested in long-term investment instruments. As a result, the duration of the invested liquidity is in line with the duration of the liabilities. A portion of the liquidity is intended to be used to meet long-term obligations. Due to its long-term nature, the long-term investment instruments are included in the balance sheet under financial fixed assets.

EBN is able to comfortably meet its outstanding current financial obligations because of the significant liquidity position and due to the high annual free cash flows that are also expected for 2022. The liquidity position is excellent, which is also reflected in Moody's short-term credit rating of P-1. In 2022, the existing liquidity will be used to repay the long-term loans of EUR 145 million, those being the euro leg of the related cross-currency interest rate swap. EBN has a commercial paper programme of EUR 2 billion. The current credit facility, entered into in 2015, should end in August 2022 in accordance with the contract. In order to refinance it in time, EBN entered into a new credit facility on 15 December 2021 with two reputable banks and terminated the current credit facility on the same date. As a result, EBN has a new revolving credit facility committed by the banks which allows EBN to take up up to EUR 0.3 billion in credit for general corporate purposes. This credit facility initially runs until December 2026. EBN has the option to extend this term twice by one year, so a total extension of two years. At the end of 2021, EBN had not drawn on the commercial paper programme or the credit facility.

4.5.2 Investments

Investments in production and storage licences decreased from EUR 138 million in 2020 to EUR 101 million in 2021. This development is related to the impact of COVID. EBN expects to invest more than EUR 300 million in 2022 in E&P activities, CCS and geothermal energy.

4.5.3 Sales

Gas and storage capacity

Price formation on the Title Transfer Facility (TTF), one of the most liquid virtual trading places for gas in north-western Europe, was also characterised in 2021 by high to extremely high volatility due to high demand for gas as a

result of the recovering global economy and a relatively cold spring, and a lagging supply. Whereas gas prices moved between EUR 16 and 25/MWh in the first half of the year, they steadily increased to EUR 80 to 90/MWh in November and December (a record).

The volume-weighted average revenue price for the EBN gas portfolio increased to EUR 30/MWh (2020: EUR 11/MWh). Total sales increased by approximately 12% to 9 billion Nm^3 (2020: 8 billion Nm^3). This was due to higher gas sales from the Groningen system (Groningen field and UGS Norg) as a result of the relatively cold weather in the spring.

Gas storage capacity from the Bergermeer underground storage facility was again auctioned off in 2021. For the current storage year 2021-2022, 2.0 TWh was sold at a fixed price and 6.5 TWh was sold via so-called optimisation agreements, a sales concept that enables the Bergermeer Capacity Marketing Consortium to benefit from interim price fluctuations. 4.5 TWh ultimately remained unsold, partly due to continuing technical problems with the injection compressors.

For the storage year 2022-2023, 13.0 TWh are freely available. In spring 2022, 7.0 TWh will be auctioned at a fixed price and 6.0 TWh will be sold through optimisation agreements.

Oil, natural gas condensate and LPG

The average price for a barrel of crude oil (Dated Brent) in 2021 was EUR 60 (2020: EUR 42). That is about 43% more than the previous year. Prices rose during the year from EUR 45-55 per barrel to EUR 60-70 per barrel.

The weighted average selling price for EBN's oil and natural gas condensate portfolio in 2021 was EUR 54 per barrel, which is 53 percent more than in 2020. The difference compared to the price for a barrel of Dated Brent can be explained by quality differences (higher acidity, poorer viscosity, and higher mercury concentrations), which leads to a decrease compared to Dated Brent. Total sales of oil, natural gas condensate and LPG in 2021 amounted to 1.7 million barrels, virtually the same as in 2020.

4.6 Creating connective power

Material theme: *Creating connective power*: We create connective power by participating in collaborative ventures and consultation groups and sharing our knowledge and skills for accelerating the energy transition in the Netherlands, so that now and in the longer term, we are able to create value for society.

We facilitate 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.

Furthermore, 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). EBN employees are dedicated and driven and are committed to achieving the organisation's objectives.

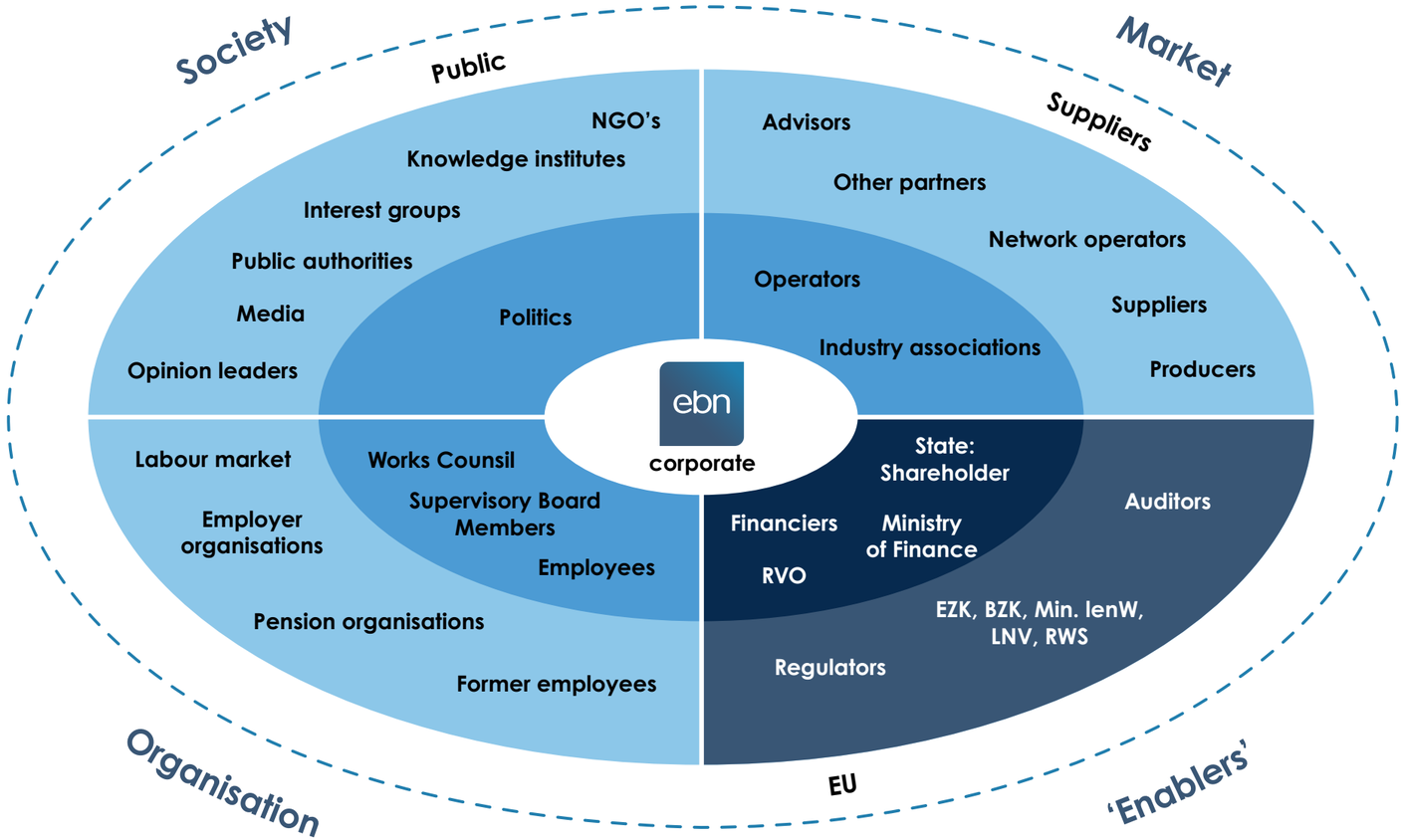
This section describes how we monitor the interests and expectations of stakeholders and how EBN, in line with its mission "to create connective power for the energy transition", connects external stakeholders and creates informed dialogue. Connecting employees is described in section 4.6.2 The people of EBN. Section 4.6.3 contains the report of the Works Council.

4.6.1 Dialogue with stakeholders

As a policy participation, EBN serves a social interest: a safe, reliable, affordable and sustainable energy supply in the Netherlands. We shape our role by giving the energy transition the power to connect. In order to do this effectively, we focus intensively on permanent stakeholder dialogue.

EBN reports clearly on its interaction with stakeholders: who they are, how we structure our dialogue and what issues are discussed. For the term “stakeholders” we use the definition given by the Global Reporting Initiative. 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/sectors, financers, EBN employees.
- 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, knowledge and educational institutions, financial institutions, industry associations, media and social interest groups, suppliers and other stakeholders.



Interaction

We maintain 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 on page 173. This table describes who our stakeholders are, what form the interaction with these parties takes and what the points for discussion were in 2021. Our Executive Team is directly involved and has frequent contact with various stakeholders during the year (see table on page 166). It holds discussions with our shareholder and Supervisory Board about EBN’s long-term strategy and associated objectives. Naturally, discussions are also held at executive team level with industry partners, for example within Nexstep, Platform Geothermie, NOGEPA, 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 energy supply in the Netherlands more sustainable. This is achieved by participating in collaborative ventures and consultation groups and sharing our knowledge and skills

for accelerating the energy transition in the Netherlands, so that now and in the longer term, we are able to create value for society. Examples are the North Sea consultation, KVGN, New Energy Coalition and TKI.

We also create added value in the short and long term in relation to the SDGs. We see SDGs as important benchmarks that help guide our strategy to make the gas value chain more sustainable and to make a constructive contribution to the energy transition. This is why we also present SDGs to our stakeholders and discuss them. SDGs are the social framework for our strategy and material themes, have been implemented in the strategic goals and provide direction for the annual strategic objectives for 2021 (see Connectivity Matrix).

We always give 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 on Chain responsibility on page 42.

Stakeholder Monitor

Contact and cooperation with its stakeholders are of paramount importance in EBN's approach. In the context of stakeholder management, we developed a stakeholder monitor in 2020 that we will perform annually.

The purpose of the survey was to find out which themes stakeholders find most relevant for EBN and to gain insight into the perceptions and expectations of stakeholders with regard to EBN, its strategic themes and role in the energy transition. In 2021, this survey was repeated among a broader group of stakeholders and the theme "vision and leadership" was added to the reputation model and a statement on inclusion was added to the employment practices document. Furthermore, several questions were added about EBN's visibility and vocality in relation to various themes and the extent to which some of its activities contribute to informed dialogue about the energy transition.

The survey shows that EBN retains its good reputation and enjoys wide support among its stakeholders. Overall, EBN scored 7.8 on reputation, the same as in 2020. Stakeholders value EBN particularly for the excellent way in which it executes core tasks, its professionalism, good administrative skills, employment practices and partnership. The social value of EBN is also seen and appreciated. The belief is that EBN contributes substantially to the economy, to accelerating the energy transition, to the development of the geothermal energy sector and to ensuring that the dialogue on energy is based on facts. The report [insert link] contains explanatory notes on the results and the recommendations that we are going to work on.

In the coming years, we will continue to monitor how EBN is making progress on the strategic themes, in the eyes of its stakeholders, and we will continue the permanent stakeholder dialogue.

Active development and sharing of knowledge

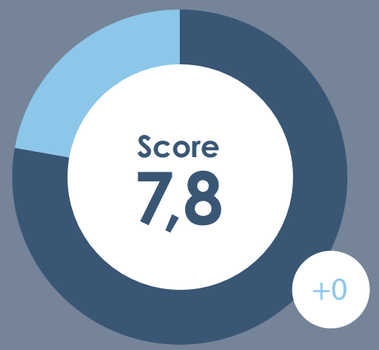
EBN connects people to the energy transition and develops common themes and programmes to achieve this. In doing so, EBN facilitates informed dialogue between stakeholders on energy transition-related themes. Actively developing and sharing our knowledge of (operating in) the Dutch subsurface and of assets is a clear component. EBN does this by gathering, developing, preserving and sharing data, information and knowledge.

Stakeholders dashboard 2021

Key indicators

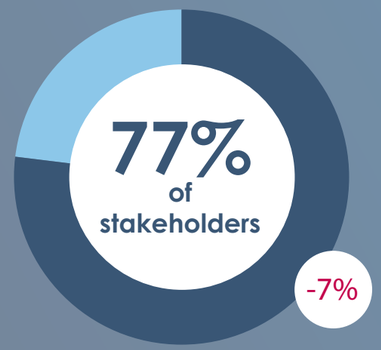
Difference compared to 2020

Reputation



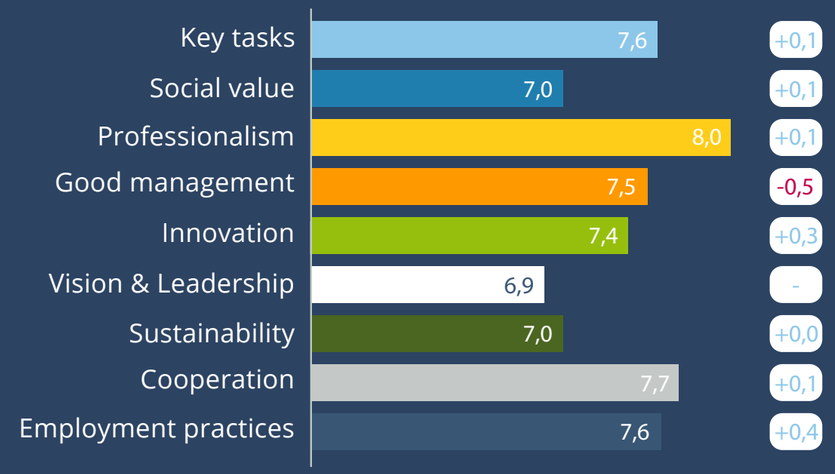
RoI in acceleration The energie transition

Recommend cooperation



Reputation **booster**

Compared to 2020



EBN's values

7,7 +0,0 **Represents public interest**	6,8 +0,0 **Creates connections**
6,9 - 0,1 **Adds value**	6,2 +0,0 **Dares to take the lead**

Materiële thema's

% of stakeholders who consider this theme relevant

		Compared to 2020
79%	**Decommissioning and re-use** of existing infrastructure	+3%
73%	Investing in **NL geothermal energy sector**	+2%
73%	Creating a **binding force**	+6%
71%	Investing in **underground energy storage**	+3%
70%	Encouraging and accelerating the exploration, development and production of **small gas fields**	-10%
68%	Active approach to risk: **promoting safety**	+1%
66%	Investigating and developing **energy innovation** in favour of system integration the Dutch energy transition	+8%
65%	Maintaining **financial clout and resilience**	+2%
58%	Active approach to risks: **reducing emissions and discharges**	+12%

Added value from data

In 2020, we launched the "Added value from data" programme with the aim of standardising the way in which data is recorded, making data exchange more efficient and creating value from it by sharing data and information for the benefit of activities related to the energy transition. Data and information from oil and gas production concerning oil and gas fields, wells and infrastructure are reused and supplemented with new data for the development of geothermal energy, carbon storage and hydrogen.

The "Added Value from Data" programme was embedded in EBN's business projects in 2021. EBN datasets are made available within the energy value chain for, among other things, policy advice to our shareholder the Ministry of Economic Affairs and Climate Policy with regard to storage and green gas. The data is also available for project development and supports, for example for the Porthos CO_2 storage project and geothermal energy projects. We also make data publicly available by sharing it in portals such as www.geodeatlas.nl. EBN is working together with stakeholders on the development of public portals that visualise the subsurface and topsoil, such as TNO/NLOG (Dutch subsurface, 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 stimulates cooperation and the exchange of knowledge and best practices. For example, see section 4.4 "Our Dutch Gas" which describes how we map potential gas reserves under the North Sea and share the data with operators, section 4.3 which discusses cooperation within Nexstep and section 4.2 which describes the results of the SCAN study.

Platform for informed dialogue

In 2021, we continued to expand the platform for informed dialogue. We worked on connecting a broad group of stakeholders to a common agenda on energy transition topics, some examples:

- **Transition talks:** EBN launched the periodic talk show on the progress of the energy transition in 2021. Where do we stand in terms of energy transition in the Netherlands? What is going well? And what can, or must, be improved? Sharing knowledge, best practices and gaining inspiration are important pillars.
- **Energiepodium:** EBN is the main partner of Energiepodium and supports it, in cooperation with its partners GasTerra, PwC, NOGEPA and KVGN, by providing content for balanced reporting of current developments in its field.
- **This is how energy works in the Netherlands:** "This is how energy works in the Netherlands" provides insight into the workings of our energy system with clear visualisations, comprehensible diagrams and concise texts. The complex energy system of the Netherlands is reduced to its core. It is as objective and factual as possible. This standard reference was created from the knowledge of the 21 partners involved and many others.
- **Geothermal Energy Week:** Geothermal Energy Week took place for the second time in 2021. It is an initiative of EBN in cooperation with Geothermie Nederland and other partners. Based on four themes, we provided insight into the opportunities that geothermal energy offers in the energy transition.
- **North Sea Week**: concerns the North Sea as the birthplace of the energy transition
- **Energy Breakfast and Infographic**: The Energy Breakfast where EBN launched the Energy in Figures infographic for the fifth time.

Update to Energy infographic 2021

In 2021, EBN published an energie infographic about the Dutch energy system based on the latest figures from Statistics Netherlands (CBS) for the fifth time. We produce the infographic due to the importance of the availability of facts and figures for a well-informed discussion on energy in the Netherlands. The infographic is actively distributed and brought to the attention of the general public (during the annual energy breakfast, via a press release, etc.) in order to promote their involvement in the energy transition. In this way, the infographic facilitates an informed discussion about the energy system.

4.6.2 The people of EBN

In 2021, we also applied alternative working methods that we developed in 2020 in response to the COVID-19

Ed Nijpels is presented with the ‘Energie in cijfers (Energy in figures)’ infographic during the 'Energy breakfast' held by Jan Willem van Hoogstraten.

situation in order to create and maintain connections. Working from home impacts daily management, interaction between employees and the induction of new employees. We focused our attention and energy on alternatives to create and maintain connections. For example: online EBN update sessions, the weekly “Keek op de week” video review from our CEO, informal online events, a team competition via the Ommetje app, walking meetings, online sports lessons. This was of great importance, especially with the large influx of new employees (36 people).

EBN Leadership Programme

The leadership programme is an organisation-wide customised development programme for management, professionals, young professionals and support, in the areas of (personal) leadership, skills, impact and interaction with stakeholders. Many postponed training courses were able to take place after all, compressed into a short timeframe. However, again in 2021, training courses were partially or entirely postponed to 2022 due to constraints.

Employee Satisfaction

Once again in October 2021, EBN conducted a Great Place To Work survey among its employees. The response rate was high, 89.3%. The results of this survey were similar in score to the 2019 survey: the Trust Index is 78%. This means that 78% of the responses to statements are answered with “often true” or “almost always true”. With regard to sentiment, the statement “All things considered, I think EBN is a Great Workplace/Place to Work” EBN scores higher than in 2019, 87% compared to 84%. The results will be discussed further in dialogue sessions with all departments, themes will be discussed further and evaluated against employees’ personal experiences, highlighting possible improvements from each individual’s personal contribution. Various initiatives resulting from this will be given further attention in 2022.

Culture

The culture programme received extra attention last year. With a large intake combined with advice on working from home, safeguarding cultural values requires constant attention. In addition to expanding the culture committee, various initiatives were launched to draw attention to the various values. The role of buddies for new employees also remains key to sharing cultural values informally.

Growth of EBN and recruitment campaign “Connecting Tomorrow to Today”

EBN hired 36 new employees in 2021. We grew from 137 (127 FTE) employees to 155 employees (145 FTE), an increase of almost 14%. Furthermore, 18 employees left EBN, partly due to staff turnover. The turnover rate increased from 8% to 11%. The average age has increased from 42.7 to 43.8 years.

We encourage internal progression and increasing diversity within EBN is our focus. In 2021, 68.2% of programme/corporate managers were women. The male to female ratio for senior management including the Executive Board was 50% - 50%. Two senior management vacancies were filled through internal promotion. The percentage of women working at EBN increased from 39.4% to 40%.

“Connecting tomorrow to today” continued to be rolled out in 2021. This is a labour market campaign used by EBN to connect (future) employees to its activities in making

the gas value chain more sustainable. EBN employees often have a strong work ethic to contribute to the energy transition. Their enthusiasm and stories are used to recruit new employees.

Training and development

EBN reserves up to 3% of its gross payroll for training and developing knowledge and skills. Despite the many restrictions due to COVID-19, almost all planned training was able to take place (whether completely or not). The

Strategic Training Policy with personal training budgets for the various target groups was evaluated and updated in 2021. Development agreements are a fixed part of the annual plan and are therefore recorded annually.

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 through traineeships and through challenging internships. In 2021, 14 interns fulfilled placements at EBN, a slight decrease compared to 2020. We also have 11 trainees. They follow an intensive three-year programme in which they gain relevant, challenging work experience and take appropriate (technical) training courses. They also develop competencies in the Young Professional Programme together with Young Professionals as a basis for their further careers. In 2021, three new trainees started at EBN. The enthusiasm and refreshing young mind-sets are contributing to new initiatives such as a Sustainability Committee, which aims to make internal operations more sustainable where possible.

Absenteeism

The absence rate increased from 2.8% in 2020 to 3.5% in 2021. Despite COVID-19, short-term absenteeism is low at 0.4%. In the case of long-term absenteeism, EBN has seen an increase from 2.1% in 2020 to 2.8% in 2021. EBN continues to invest in coaching and re-integrating employees who have been out of work. EBN is investing in preventative measures with a strong focus on vitality, including the (re)launch of the Ommetjes app, encouraging walking meetings, online sports training, individual coaching when needed and home workplace surveys. EBN is also contributing to good home workplaces by loaning office chairs, screens and such. The possibility to “work from home at the office” also contributes to the well-being of employees during the lockdown.

HR in order

The large influx of new employees and the dynamics in the organisation require better digital support from both management and HR. In 2021, an inventory was produced of wish lists, possibilities and the design of a new EHRM tool. A new EHRM tool was also chosen, which will be implemented mid-2022.

4.6.3 Employee Participation

Works Council Annual Report 2021

2021 was the second year of the current Works Council's three-year term. The Works Council and the CEO hold regular consultation meetings four times a year, two of which are so-called "Works Councils Act Section 24 meetings". Supervisory Board member Liesbeth Kneppers-Heijnert attended one of these meetings, Supervisory Board member Wouter de Vries attended the other. All meetings were again hybrid in view of the corona measures. The monthly informal consultations between the Works Council and HR manager that started in 2020 continued in 2021 due to good experiences. The Works Council found both the regular and the informal consultations to be very constructive.

The challenges surrounding COVID-19 and work continued to keep the Works Council busy in 2021. Furthermore, there was an organisational change to which the Works Council paid a lot of attention in early 2021.

In 2021, the Works Council was regularly approached by colleagues with questions or comments. Unfortunately, the exposure of the Works Council was less than hoped for due to the large amount of working from home. However, a special session was organised for new EBN employees at the start of 2021, which was attended by more than 50 employees. This special "Meet the Works Council" session was very well received and the Works Council plans to organise a similar session in 2022.

At the end of 2021, the annual Works Council survey was conducted among all EBN employees. This time, the survey focused on, among other things, cooperation between the various themes and the role of the principals. The survey response is good for the time being. The results will be discussed in detail by the Works Council with employees, management and HR in 2022.

During 2021, the Works Council dealt with four requests for advice and five requests for consent:

Requests for advice:

- Request for advice concerning "Reorganisation of the Accounting and Reporting department".
- Request for advice concerning "Renewal of EBN's credit facility"
- Request for advice concerning "Porthos JV agreements"
- Request for advice concerning "Working gas financing"

In all the above cases, the Works Council recommended that the proposed decision be implemented.

Requests for consent:

- Request for consent "Amendment to the Code of Conduct" part I (addendum)
- Request for consent "Amendment to the Code of Conduct" part II
- Request for consent "Amendment to the Travel Scheme"
- Request for consent "Hybrid Work Scheme"
- Request for consent "Amendment to the Strategic Training Policy"

The Hybrid Work Scheme will be amended and elaborated on in 2022. The Works Council has agreed to other requests for consent.

Lastly, the Works Council was informed about several practical matters and changes, including a minor amendment to the schemes governing the use of business credit cards, telephony and sick leave.

4.7 Active approach to risks

Material theme: *Active approach to risks*: EBN promotes safety to ensure 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. In our joint ventures, we aim for a lower environmental impact and carbon footprint.

Active approach to risks is a material theme for EBN. This means that promoting safety and reducing emissions are EBN's priorities. Safe exploration for and production of energy sources in the Dutch subsurface is of great social importance. This involves environmental safety and safety in the operations themselves. By monitoring, sharing knowledge and best practices and working in partnership on concrete measures, EBN makes great effort to ensure that the current and future operational activities in which we participate (oil and gas, geothermal energy, CCS) do not exceed risk limits and therefore do not pose a danger to people and the environment.

In our collaborative ventures, we aim to achieve a lower environmental impact and carbon footprint by reducing greenhouse gas emissions. Operational emissions reduction refers specifically to the operational activities of the Dutch oil and gas production industry. This is explained in greater detail in the following paragraphs.

HSE in oil and gas operations

Until 2016, EBN mainly focused on the exploration, production and storage of gas and oil. In doing so, as a non-operating partner, we have no active HSE (Health, Safety and Environment) responsibilities. EBN promotes and monitors safety in the oil and gas operations in which it participates. An important measure of the safety performance of companies is the number of accidents at work. In 2020, we saw an increase in the number of accidents at work and thus in the occupational accident frequency (per million man hours) to 1.7. During the previous three years we continued to see a strong downward trend in the number of work accidents, resulting in a work accident frequency (per million man hours) of 2.3 in 2017, 1.3 in 2018 and 1.2 in 2019.

The total number of accidents at work in the Dutch oil and gas production industry increased to 15. In previous years, it fell from 25 in 2017, 15 in 2018 and then 12 in 2019. It was anticipated that the number of hours worked in 2020 (the first COVID year) would be lower than in previous years, because a reduction in the number of personnel, particularly offshore crew, was intended to reduce the risk of COVID infection as much as possible. However, the number of incidents did not decrease, but actually increased somewhat compared to 2019. The reason is not yet clear and this is still a subject of discussion between State Supervision of Mines (SodM) and the oil and gas industry. The increase in the number of incidents and the substantial decrease in the number of hours worked therefore results in an increase in the frequency.

Dutch oil and gas industry operational results

EBN reports with the OPI report on its operational results annually. 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 in 2020

EBN's share of the Dutch oil and gas industry's total energy consumption decreased in 2020 due to declining production by comparison to 2019, 2018, 2017 and 2016. In 2020, the energy efficiency ratio increased to 3.8%. 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. The 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, almost 67% of total

Operational performance indicators up until 2020[1]	2020	2019	2018	2017	2016
Energy consumption (production)	14.0 PJ	15.5 PJ	17.1 PJ	18.9 PJ	18.2 PJ
Energy-efficiency improvements (result vs. target)[2]	15.1% vs. 17.5% (2020 vs. 2020 target[3])	16.1% vs. 17.5% (2019 vs. 2020 target[3])	16.6% vs. 17.5% (2018 vs. 2020 target[3])	12.7% vs. 16.6% (2017 vs. 2020 target)	12.8% vs. 15.1% (2016 vs. 2016 target)
Energy consumption as a percentage of energy-related carbon production	3.8%	3.7%	3.6%	3.26%	2.72%
Carbon emissions (drilling operations and production)	558 kton	580 kton	626 kton	685 kton	655 kton
Methane emissions	2,9 kton	3,5 kton	3.6 kton	4,9 kton	5,0 kton
Fatal accidents	0	0	0	0	0
Industrial accidents that led to absenteeism	8	6	7	16	20
Industrial accidents that did **not** lead to absenteeism	7	6	8	9	17

1 Operational performance indicators are reported based on statements by operators and consolidated by the RVO. These figures relate to the calculated EBN share in Dutch gas production and annual drilling activities. Figures for 2021 will only be available later this year and will be published on the EBN website after the summer of 2022.

2 Since 1996, the Dutch oil and gas industry and the Ministry of Economic Affairs and Climate Policy have agreed on three multiannual agreements. The current multiannual agreement on energy efficiency (MJA3) runs until 2020. By signing the MJA3, the Dutch oil and gas 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. As of 2018, it was agreed within the covenant in 2017 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 (RVO) 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%.

consumption. Through increasing use of more efficient measures and equipment, such as more efficient petrol engines or reducing the use of ships and helicopters, the additional energy consumption required will be reduced. Use of renewable energy, such as green electricity from wind and solar, also contributes to the MJA3 target of the oil and gas producing industry.

Reducing carbon emissions

In 2020, together with NOGEPA and operators, we started to develop and establish an industry-wide CO_2reduction programme for the entire portfolio of Oil & Gas activities.

EBN aims to reduce CO_2 emissions significantly by 2025 compared to 2018 levels. The CO_2 reduction plan aims to develop a pragmatic and economic strategy to achieve CO_2 emissions reductions. This can be achieved by looking at technical solutions, both at platform/facility level and at system level (i.e. all platforms and pipelines together).

NOGEPA, jointly with EBN, therefore contracted MACH10 to draw up the CO_2 reduction plan. In order to develop a considered strategy, three phases were completed in 2021: "identify", "assess" and "select", under the supervision of NOGEPA EXCOM. Potential projects were identified in 2021 and these will be developed up to an investment decision in 2022.

The cooperation stems from the long-term EBN target of a 25% carbon emissions reduction in 2025 by comparison

to 2018. Small fields carbon emissions per cubic metre of production are currently showing an upward trend. Small fields' production is decreasing more than the carbon emissions because the compressors, which are a major contributor to emissions, continue to operate even at lower production levels. Consequently, emissions increase per cubic metre of gas produced.

EBN is actively investigating possible efficiency improvements and reducing carbon emissions with regard to the energy produced offshore. The integration of offshore oil and gas platforms with offshore wind can make a very significant contribution to reducing carbon emissions. In 2020, EBN conducted studies that shed light on the feasibility, but also on the potential for greenhouse gas reduction. In connection with reducing carbon emissions by means of renewable energy, EBN has been researching the possibilities for electrification of offshore platforms for some time now. Electrification of the offshore Ameland Westgat platform, owned by NAM and EBN, has been underway since 2020. This means that this platform will no longer rely on using a portion of gas production for its energy needs, instead it will receive its energy from electricity that is supplied from Ameland via a cable. This will result in an immediate carbon reduction of 62 Ktonnes/year.

In recent years, EBN, TenneT and several operators studied the possibilities of electrifying offshore oil and gas production platforms by connecting them to the offshore electricity grid. These studies demonstrated at a conceptual level that this is technically and economically feasible. The Ministry of Economic Affairs and Climate Policy has indicated that it will support offshore electrification by amending the development framework for offshore wind energy to allow TenneT to connect two additional connection fields for customers on relevant TSO platforms (including Hollandse Kust (north)); 2) to have the process of opening the SDE++ for electrification of gas and oil platforms run separately from the other instruments for CO_2 reduction in industry; and 3) to make it legally possible for TenneT to connect electricity customers to its TSO platform. The Ministry has included the necessary legislative changes, including the associated tariff setting for customers, in the legislative amendment process for the new Energy Act. This means that the policy conditions have been met and that, when the new Energy Act is enacted, the electrification of offshore production platforms will be possible via the offshore electricity grid. At the end of 2021, EBN and the industry started a fact-finding exercise on electrification in the North Sea as part of the EBN/NOGEPA CO_2 reduction project. The objective is to determine which cost reductions can be achieved through cooperation between the various operators, assets and (also future) user functions in order to achieve cost-effective CO_2 reductions.

Greenhouse gases in our operations

Carbon emissions during the period were related to the course of gas production and annual drilling operations. In the Netherlands many reservoirs are in the advanced stages of depletion, which results in reduced reservoir pressure and, in turn, necessitates the use of compression. 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 2020 the number of kilometres drilled decreased compared to 2018. Emissions due to drilling operations amount to only a very small percentage compared to emissions from production. EBN's share of emissions continued to decrease in 2020 from 580,493 tonnes in 2019 to 557,920 tonnes in 2020. EBN takes carbon 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 from production and drilling operations decreased from 3,471 tonnes in 2019 to 2,916 tonnes in 2020. Venting volumes decreased in 2020, following an increase in 2019. CH_4 emissions from production activities (flaring and venting) showed a decrease from 2,549 tonnes in 2019 to 2,222 tonnes in 2020. Of this, 2,195 tonnes came from venting activities (98.8%).

EBN contributed to a NOGEPA project to reduce CH_4 emissions from offshore natural gas production. Despite the fact that methane emissions appear to be relatively low in the Netherlands, the operators involved are committed to further reducing methane emissions even further. In August 2019, this project resulted in the conclusion of a covenant between NOGEPA and the Ministry of Economic Affairs and Climate Policy with the aim of achieving a 50% reduction by 2021 compared to 2017. The reduction result of the covenant has been set at 57%. The successful approach of the project is being used internationally as an example. It also shows that the oil and gas industry is serious about voluntary agreements and delivers on its commitment.

Seismic Campaign Geothermal Energy Netherlands (SCAN) HSE Management System

For the SCAN project, seismic acquisition is being carried out to map out areas of the Dutch subsurface about which we still have little information, but may be suitable for geothermal energy production, on behalf of EBN. From early 2019, EBN will take on the role of researcher (see Mining Act Article 9 paragraph 2). This makes EBN, and the contractor, responsible for the safe, healthy and environmentally responsible implementation of this project. EBN's HSE management system was set up to gain a detailed picture of SCAN risks and determine the (effectiveness of the) control measures. The contractor that is carrying out the SCAN seismic survey was selected partly based on HSE requirements. EBN issues instructions, provides supervision and ensures the deployment of the necessary resources to guarantee that the work is carried out safely. Since the start of the seismic survey, approximately 250,000 hours of work have been carried out without any serious work-related incidents[1].

Furthermore, preparations commenced for the SCAN drilling project. EBN will fulfil the role of operator for the first time, and will be responsible for carrying out ten data drilling operations, which are expected to start in the first quarter of 2023. The HSE management system will be enhanced for this activity. In 2022, an independent audit will assess whether EBN is ready for the role of operator.

Boosting the geothermal energy sector

As part of its efforts to boost the geothermal energy sector, EBN is working closely with the sector to ensure the safe production of geothermal energy in the Netherlands. The Ministry of Economic Affairs and Climate Policy commissioned the development of an updated generic method for analysing seismic threat and risk (SHRA) in relation to induced seismicity in the production of geothermal energy. In cooperation with TNO-AGE, EBN delivered the first draft of the updated threat and risk analysis to the Ministry of Economic Affairs and Climate Policy in 2021. The second and final part of this tool will be developed in 2022.

In addition to performing a risk analysis, it is important that possible seismicity is measured prior to and during the implementation of a project, that appropriate action is taken if a seismic event occurs and that damage claims are dealt with quickly, reliably and independently and that any damage can be paid for. In 2021, EBN initiated a broader and more intensive dialogue to reach these agreements. The first draft agreements in this regard are ready. It is expected that in the course of 2022, the necessary agreements will be laid down in the revision of the Mining Act and that the Ministry of Economic Affairs and Climate Policy and geothermal energy permit holders will sign an agreement under which independent claims handling will be taken care of by the Mining Damage Committee (Commissie Mijnbouwschade). Furthermore, EBN is supporting Geothermie Nederland in developing an industry standard for measuring, managing and communicating any detected seismicity (the seismic response protocol).

1 Lost Workday Case (when an employee is absent for one or more days after the day of injury or onset of illness, or when days of absence are prescribed by a doctor or licensed health care professional) or more serious.

Number of geo-energy investments assessed for seismic risks

Before EBN makes an investment decision on geothermal energy projects, a seismic risk analysis is conducted at some point in the project development process. This determines whether a project can produce geothermal energy safely from a seismic point of view and therefore whether a positive investment decision will be possible in the future. This analysis assesses projects against several parameters, such as the size of the production area in relation to the position of subsurface fractures and proximity to areas of the Netherlands that are already prone to earthquakes, such as the Roerdalslenk and the sphere of influence of Groningen gas production. In 2021, one project reached this point in the development process and a seismic risk analysis was performed. The seismic risk analysis showed that no significant seismic risks are to be expected. This project is now undergoing further development.

EBN is committed to the development of industry standards for geothermal energy. For example, the “Industry standard for sustainable well design” was established early in 2021 and describes the standards that new geothermal wells must meet to prevent leaks. The second generation geothermal wells that are being planned and implemented in current projects already comply with this industry standard. In September 2021, SodM published its recommendations “Evaluatie aanbevelingen staat van de sector geothermie”, in which they state that “the knowledge and support of EBN has been very helpful in the development of the industry standard for well design”. For the time being, the drinking water sector is reticent about geothermal energy production. With particular regard to the supplementary strategic water reserves that will be established in the coming period, it is essential to reinforce the image that geothermal energy and drinking water can be produced safely at the same time and that it is not necessary to reserve large areas for geothermal energy production. The industry standard for sustainable well development is a very important tool in this respect, it sets the standard for the design of geothermal energy wells. All members of Geothermie Nederland are required to adhere to this

industry standard when designing new wells. Operators who adhere to it work safely and comply with Dutch legislation and regulations, take their surroundings and the environment into account and have a sustainable well design for the entire life of the well. The drinking water sector's concerns about timely participation of local governments in granting permits are further addressed and better safeguarded in the draft of the new Mining Act. Also, several research and monitoring programmes have been set up to improve risk assessment (and perception) even more.

HSE risk management in the development and exploration of new activities

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

Safety culture within EBN

EBN is working on a proactive safety culture, which includes interventions in the event of unsafe situations and behaviour. In this way, we demonstrate our commitment to the safety and health of colleagues, visitors and others who carry out work for, or on behalf of, EBN. Demonstrating exemplary behaviour by our management contributes to this safety culture. Furthermore, management supports initiatives for continued attention to safety, health and the environment and ensures that the necessary resources are available. These are, for example, the set-up of the HSE management system, HSE policies and objectives, Golden Rules and HSE leadership training. The importance of effective and appropriate HSE management is propagated by the management, one such example is a statement on leadership and commitment by Jan Willem van Hoogstraten.

5. Risk & Corporate Governance

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.

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 on internal and external risks and we closely follow how they develop. 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.

EBN has organised risk management as follows:

1. The departmental and theme managers are independently responsible for the identification of risks and ensuring that control measures are implemented in good time. Devolved responsibility of this kind is an essential part of EBN's approach to risk management.
2. The Treasurer works with the other 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 Executive Team monitors the 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 risks we have identified in terms of the probability of a particular event occurring and the impact that would have on our activities. During annual sessions, the Executive Committee and the Supervisory Board update and determine strategic risks and risk appetite.

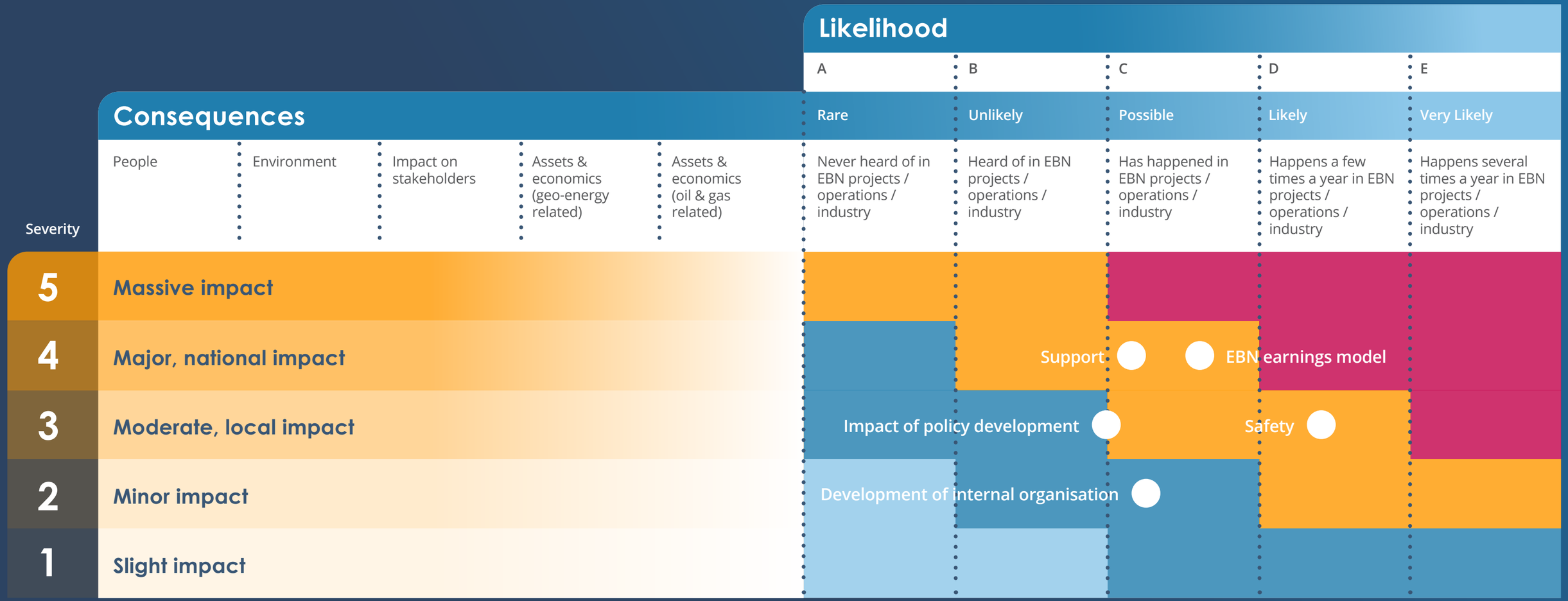
At the level of our corporate departments and themes, the management each year links strategic risks to departmental and theme objectives, and teams conduct an annual Business Risk Assessment (BRA). During these self-assessment sessions, each corporate department and theme updates the business risks, reviews the design and operation of the identified control measures, modifies any departmental and theme objectives, and assigns action holders to the team. Based on, among other things, the SRA and BRA we carry out Internal Audits to review the operation of key business processes. We identify actions to be taken on the basis of the findings and allocate these actions to owners. We discuss the most important findings from these internal audits with the Audit committee of the Supervisory Board. In view of these findings, we have implemented organisational improvements, such as the creation of a Procurement department, the review of our subsidy processes, the programme "*Meerwaarde uit Data*" [Value from Data] and the configuration of a crisis-management system.

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 the joi nt-venture audits with the operators and, where necessary, they make corrections and/or adjustments to their allocation or the 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 Main strategic risks

In 2021, we assessed the risks in detail together with the Supervisory Board. We have removed 'Herziening Gasgebouw' (review of the public-private partnership of the Dutch government and the gas industry), our shareholder having promised to make capital injections to strengthen the balance sheet. In the Risk Assessment Matrix below, we have projected the strategic risks by probability and effect.

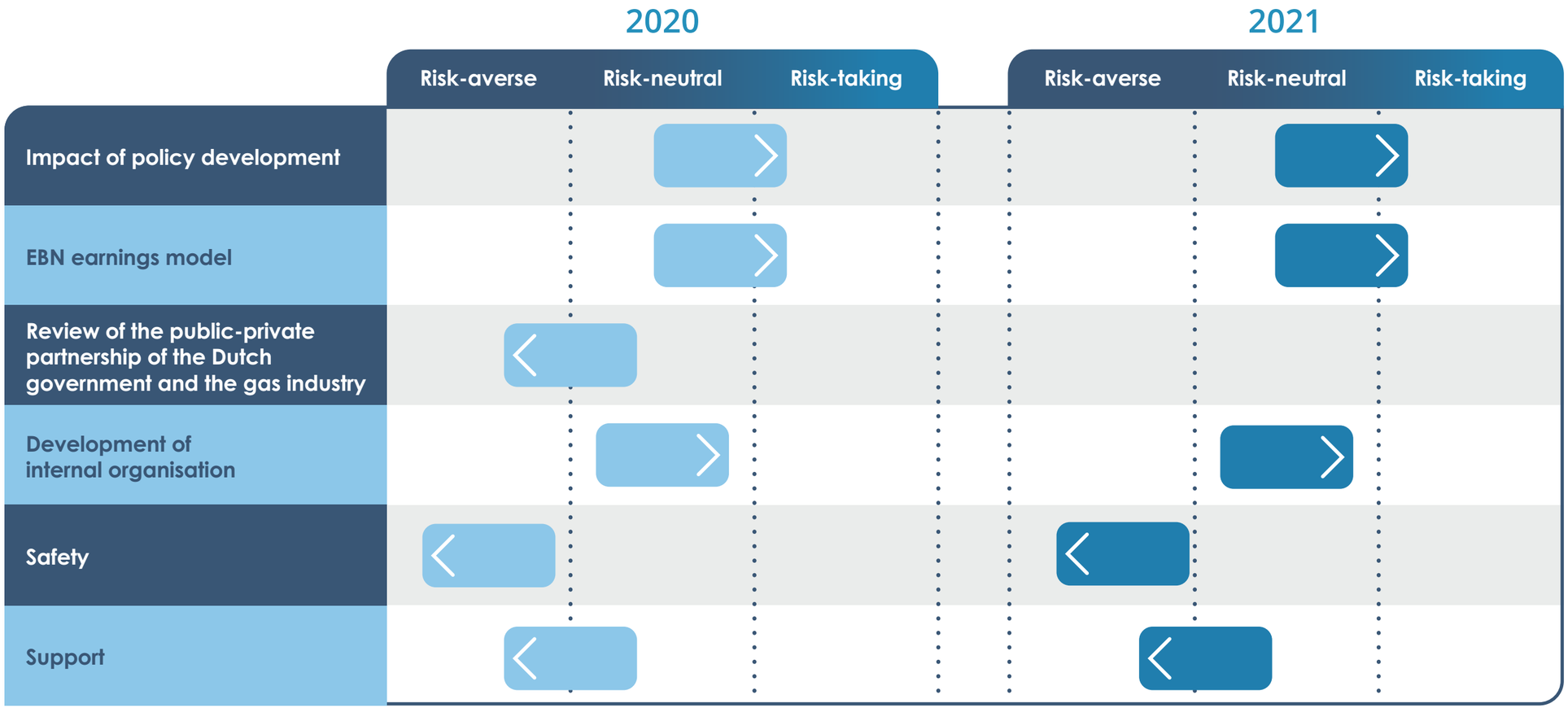
Main strategic risks 2021



	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's strategic goals will not be permanently aligned with those of the State.	• 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.
EBN earnings model	• 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.); • 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. • Low and/or volatile gas prices mean extra pressure on EBN's traditional activities and therefore, widely varying results.	• EBN takes a risk-neutral to 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 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; • To assess the financial robustness of partners, EBN employs a standard methodology; • 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); • Ongoing peer reviews and sensitivity analyses within individual projects; • EBN Investigates options for reducing the impact of low gas prices by means of hedging.
Development of internal organisation	• There is a risk that the EBN organisation will not be able to adapt quickly enough to the culture and process changes associated with its role, strategy and (new) activities, as well as the rapidly changing outside world and the challenges that are presented by a pandemic.	• EBN takes a risk-neutral to risk-taking position with respect to this risk, appropriate to the reality of necessary broadening to other activities.	• EBN takes appropriate measures to have the right and sufficient people and resources available. This is integrated into strategic plans for the departments and themes. • EBN has an active policy of developing an appropriate culture with supporting core values.
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 must be able to terminate activities; • The risk of system failure and loss of valuable EBN data (ransomware)	• On average, EBN's risk appetite on this theme is risk-averse.	• 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 uses "Security Information and Event Management" (SIEM) and regularly carries out technical security audits.
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.	• 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 image 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.

5.3 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.



5.4 Corporate governance

Stakeholder

General

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 Climate, Heat and Subsurface, Electricity 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.

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 new member of the Supervisory Board subject to a nomination from the Supervisory Board. 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 page 89. The approval of the shareholder may be required, for instance, for:

- establishing or ending a long-term partnership, or investments totalling in excess of EUR 200m;
- 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 24 March 2021. 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 2020 were adopted and the CEO and Supervisory Board were granted discharge for their duties.

Informal consultation

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.

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 Executive Team, 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;
- making investments or divestments;
- carrying out other legal transactions to a value in excess of EUR 50m.

The following changes were made to the composition of the Supervisory Board in 2021:

- Mr De Vries was re-appointed for a second term as member of the Supervisory Board (as of 1 March 2021).

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.

f.l.t.r. Bas Brouwer, Jan Willem van Hoogstraten, Berend Scheffers

Executive team

The CEO is assisted by two titular directors who, together with the CEO, form the Executive Team. The CEO is the chair of the Executive Team. The current Executive Team is made up of the following people in addition to the CEO, Jan Willem van Hoogstraten: Berend Scheffers (Strategy & Technology Director) and Bas Brouwer (Finance Director). The organisation chart is shown on page 9.

The Executive Team's regulations describe how the tasks are distributed within the Executive Team. The Executive Team assumes joint responsibility in its functions. Within that joint responsibility, tasks are distributed by functional

area. This specific distribution of tasks is set out in writing. Each member of the Executive Team is responsible for the preparation of policy matters and decisions. Once the Executive Team has come to a decision, the members of the Executive team ensure that the decisions taken are implemented in good time. In principle, the Executive Team convenes every two weeks.

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 page (77) for the description of this.

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 remuneration report drawn up by the Supervisory Board explains the remuneration of the CEO 176.

Governance table

The governance table, shown in Annex 10.3 on page 174 includes the following information on the Executive Team and the Supervisory Board: age, additional positions, terms of office, profiles/specific areas of 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. Each potential conflict of interest of a significant nature for the company or the CEO or member of the Supervisory Board in question must immediately be reported to the chair of the Supervisory Board. In 2021, no reports were made by the CEO or a member of the Supervisory Board.

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: http://commissiecorporategovernance.nl. . 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 policy

In consultation with the Executive Team, the Supervisory Board drew up a diversity policy, at the end of 2017, with respect to the composition of the Supervisory Board and the Executive Team. It is EBN's stated aim to properly reflect Dutch society in its organisation. Diversity can make a positive contribution to a healthy culture within the organisation, and can make it resilient and creative. This also applies to the composition of the Supervisory Board and the Executive Team. The following aspects were weighed up when determining the aims of the diversity policy: nationality, age, sex and background in relation to education and work experience.

The Supervisory Board has set the following targets:

	2019-2023
Supervisory board	At least two female members, at least two male members, two members < 55 years of age on appointment, at most two members with E&P experience, at most two members with experience of public authorities
CEO	Relevant from 2024
Management team	At least 30% female representation

As EBN has a single CEO it is not necessary to stipulate a specific aim for this individual at this time. A new appointment or re-appointment is not relevant until 2024. The composition of the Executive Team will be assessed at that point, and on the aspects of nationality, age, sex and background.

The Executive Team (excluding the CEO) now comprises two titular directors (of the same nationality, sex and age range). When seeking a new director we will look at variation in nationality, age, sex and background (cultural diversity).

The Supervisory Board is currently made up of three men and two woman. The percentage of female members of the Supervisory Board is 40% and thus meets the criterion for a balanced allocation of seats, i.e. at least 30% of seats occupied by women and at least 30% of seats occupied by men. The Supervisory Board takes the balanced allocation of seats into account with each new appointment of a member.

Integrity

Code of Conduct, Compliants Committee and Confidential Counselor

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. In order to guarantee that we comply with competition law, we give training courses on a regular basis.

Where employees have complaints about matters within the organisation, they can report them to a Confidential Counsellor or to the Complaints Committee. In 2021, the Complaints Committee did not receive or deal with any complaints. The Confidential Counsellor did not conduct any meetings in 2021. The Code of Conduct can be consulted at: www.ebn.nl/ebn-over/corporate-governance.

The EBN procurement policy has the following goals

- Comply with primary and secondary legislation in relation to national and European tender procedures;
- Ensure the best price for the required quality level;
- Ensure that the correct terms and conditions of delivery are established;
- 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. The general purchasing terms and conditions can be found on the website by following the https://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.

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

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 2021, among other things on the basis of the BRAs 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 since the balance sheet date

On 24 February 2022, Russia invaded Ukraine. As a result of this, national and international sanctions were imposed which may affect Russian gas company Gazprom. We also see large-scale price fluctuations as a result of the increased uncertainty in relation to gas supplies. In the Netherlands, EBN does not work directly with Gazprom. However, EBN is a partner in the gas fields in the D12 block that border the United Kingdom, where Wintershall is the operator and Gazprom, similarly, has a stake. Gazprom also has a 50% stake in Wintershall Noordzee, our partner in various joint ventures for gas production in the North Sea. In addition, Gazprom has delivered 'cushion gas' for the Bergermeer gas storage facility (operator TAQA Energy). The impact on EBN of the current sanctions regime and any further sanctions and future events, including large fluctuations in price, is uncertain. EBN's operations are sensitive to price fluctuations. We are in regular contact with the Ministry so that the impact can be discussed,including issues and concerns expressed by other stakeholders.

Executive Committee, Utrecht 14 March 2022

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. This report outlines how the Supervisory Board has structured its oversight and provided the CEO with advice.

EBN applies the Corporate Governance Code in accordance with the Central Government Holdings Policy Memo (Nota Deelnemingenbeleid Rijksoverheid) from 2013. The section on Risks and Corporate Governance in this annual report addresses the application of the Corporate Governance Code in greater detail. A revised Corporate Governance Code was published in December 2017. It had been anchored in the Netherlands Civil Code in September 2017. In this annual report EBN reports on its application of this revised Corporate Governance Code.

6.2 Composition of the Supervisory Board

The following changes occurred in the composition of the Supervisory Board in 2021:

- Mr Wouter de Vries was appointed to the Supervisory Board of EBN for a second term as of 1 March 2021. He was also reappointed as chair of the Audit committee.
- Ms Carolien Gehrels was appointed as a member of the EBN Supervisory Board with effect from 1 December 2021. With the appointment of Ms Gehrels the Supervisory Board is once again fully staffed following the voluntary resignation of Ms Sharon Dijksma in December 2020.

Vacancies on the Supervisory Board are filled using the profile descriptions in the Board profile approved by the General Meeting of Shareholders in June 2015. The Board profile is published on the EBN website: https://www.ebn.nl/ebn-over/rvc/.

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 Executive Team and every subsidiary interest. In 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 Jaap Huijskes, serves as the first point of contact for EBN's CEO, with the full Supervisory Board bearing joint responsibility. All of the Supervisory Board's members are members of the Remuneration committee/Selection and Appointment committee and of the Audit committee. The governance table (Annex 10.3 page 174) lists the members and chairs of the Supervisory Board and its committees. The personal details, secondary positions, EBN tasks, terms of appointment and ages of the members can also be found in that governance table. In addition, the personal details of the members of the Supervisory Board and the secondary positions they currently hold, along with the retirement schedule, are published on the company's website under Corporate Governance – Supervisory Board (https://www.ebn.nl/over-ebn/raad-van-commissarissen/).

The members of the Supervisory Board do not maintain any other business relations with the company. There is no evidence of conflicts of interests between the members of the Supervisory Board and the company. The 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 Office of the CEO

Mr Jan Willem van Hoogstraten was appointed by the General Meeting of Shareholders to serve as CEO with effect from 1 March 2016. The Supervisory Board consulted with the shareholder as part of the appointment procedure and the Works Council was also involved. 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, as well. Mr Van Hoogstraten was appointed for a second term as CEO effective 1 March 2020, with the 2016 remuneration policy remaining unchanged.

The section of this annual report about corporate governance goes into the office and tasks of the CEO in greater detail.

6.4 Meetings of the Supervisory Board

The Supervisory Board held four regular meetings over the year. In addition to the regular meetings, it held five additional meetings (primarily to discuss the Porthos project) and eight informal meetings (workshops or interim consultations). The meetings and other consultations were mostly held online due to Covid measures.

Apart from the members of the Supervisory Board, members of the EBN Executive Team also attended these meetings. The external auditor attended the Audit committee's meetings in March and September 2021. 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 2021 the Supervisory Board attended two consultation meetings of the CEO and the Works Council.

The table below shows the attendance of each board member at the meetings of the Supervisory Board and its committees.

	Supervisory Board (4 regular meetings, 5 interim meetings)	Audit Committee (2 meetings)	Remuneration Committee/ Selection and Appointment Committee (4 meetings)
Mr Huijskes	100%	100%	100%
Ms Gehrels (from 1 December 2021)	100%	n.v.t.	100%
Ms Kneppers-Heijnert	100%	100%	100%
Mr De Vries	100%	100%	100%
Mr Weck	100%	100%	100%

6.5 Supervisory Board approvals

In 2021, the Supervisory Board approved or issued a favourable recommendation on the following matters, among others:

- In March 2021 the Supervisory Board concurred with a positive recommendation which the Audit committee had made in respect of the financial statements for 2020 and it recommended that the shareholder approve the financial statements for 2020 and that it release from liability the CEO in respect of the policy pursued and the Supervisory Board in respect of its oversight.
- The Supervisory Board issued a positive recommendation on EBN's participation in the Porthos joint venture and on the Porthos project entering into an agreement with the emitters, and it approved

an interim budget proposal for Porthos (see section 92 below).
- The Supervisory Board issued a favourable recommendation concerning EBN's key figures for the first half of 2021.
- The Supervisory Board approved the strategy update for 2021, including the road maps.
- The Supervisory Board approved the internal audit work plan for 2021.
- The Supervisory Board approved a modified version of EBN's authorisation and power of attorney schedule.
- The Supervisory Board approved a modified version of its regulations (as a result of which all members of the Supervisory Board are now part of the Audit committee).
- The Supervisory Board issued a positive recommendation regarding EBN's amendment of its statutes (statutory two-tier status).
- The Supervisory Board approved having EBN secure a new line of credit and update its Treasury Statute.
- The Supervisory Board approved the creation of an additional portfolio for long-term investments.
- In December 2021 the Supervisory Board approved EBN's work programme and budget (including for its subsidiaries) for 2022, including the financing plan.

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

EBN and the Dutch Ministry of Economic Affairs and Climate Policy regularly consult with one other. A distinction is drawn between issues concerning shareholding and policy-related energy matters. EBN informs the Supervisory Board of contact involving both. Shareholder topics in 2021 included, among other things, EBN's participation in the Porthos project, the appointment of a new board member and financial developments at the company, including its dividend policy.

The chair of the Supervisory Board and the CEO met on multiple occasions in 2021 with Secretary-General L. M. C. Ongering at the Ministry of Economic Affairs and Climate Policy, and they conducted so-called strategic deliberations four times with the Director-General for Economic Affairs and Climate Policy. 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 for the coming year are also discussed during these talks. The role of EBN in the energy transition has been a regular topic of discussion in these discussions, as well as EBN's involvement in Porthos and other CCS projects and general developments in geothermal energy and natural gas production.

The Supervisory Board greatly values its close relationship with the Ministry and feels that such visits are important for maintaining good relations.

6.7 EBN strategy

The Supervisory Board held an informal session in September 2021 on EBN's strategy. At it, the board reflected on the company's strategic context, the results for 2020 and 2021, general social developments and EBN's place in society. The Supervisory Board took stock of the road maps that have been drawn up in the various programs to help clarify what exactly will be needed from 2021 to 2030 to best contribute to the energy transition. It has established that EBN faces a considerable sustainability challenge. In this context the court ruling from 26 May 2021 in Friends of the Earth Netherlands versus Shell also came up for discussion. In light of these circumstances, EBN has decided in consultation with the Supervisory Board to implement a strategic reorientation in 2022. EBN will be carrying this out in close consultation with the Dutch Ministry of Economic Affairs and Climate Policy.

The Supervisory Board also discussed the topic of strategy in December 2021 at an informal meeting with the Secretary-General of the Ministry of Economic Affairs and Climate Policy.

After its informal session in September 2021, the Supervisory Board approved the strategic options and objectives for 2025 at a subsequent meeting. For more information on EBN's strategy and the planned strategic reorientation in 2022, please see Page 19.

6.8 Matters discussed in 2021

The CEO notifies the Supervisory Board of relevant developments within EBN through quarterly reports. These quarterly reports are sent out before the board's quarterly meetings. They contain updates on movements in turnover and net profit, the production of gas, oil and condensate during the relevant quarter, recent price movements and other current issues. EBN provides an overview of its operations in relation to each theme in these quarterly reports (its successes, points requiring improvement and progress made in relation to its strategic objectives).

6.8.1 Natural gas production in Groningen

The Supervisory Board was informed about the developments in Groningen, both those in the Partnership and those at GasTerra, at all of its meetings in 2021. In connection with GasTerra ceasing operations at the end of 2024, EBN kept the Supervisory Board regularly informed about the status of the sale of GasTerra's purchase and sales contracts, among other things. The sharp rise in natural gas prices in late 2021 and the effect of that on GasTerra − and thus EBN − were explained by EBN. Also discussed in the meetings was the announced sale by NAM of its interests in oil and gas production (with the exception of the Groningen field).

The Supervisory Board was informed at a workshop about the pending changes pertaining to determining the transfer price for Groningen natural gas as a result of the termination of production from the Groningen field. The agreements that have been entered into or must be changed accordingly were all explained to the Supervisory Board, and in accordance with the statutes, it approved EBN's entering into one of them. The Supervisory Board references the letter dated 13 December 2021 from the Dutch Minister of Economic Affairs and Climate Policy, which provides a further explanation about the income from the Groningen field natural gas production that also covers the above-mentioned change.

In March 2021 the Norg agreement was signed by the Dutch state, Shell, ExxonMobil and NAM. It includes agreements regarding modifications to the gas storage in Norg as a means to accelerate termination of the gas production in the Groningen field. EBN apprised the Supervisory Board of the agreement and explained the implications.

The Supervisory Board was also informed about the damage settlement and reinforcement operation being run and implemented by the IMG (Dutch acronym for Groningen Mining Damage Institute) and the National Coordinator for Groningen in response to the earthquakes in Groningen. The Supervisory Board is committed to its duty of care to the residents of Groningen, and their interests. The Supervisory Board is aware of the fact that discussions are ongoing between NAM and the Dutch state concerning invoices and charges for the costs associated with the damage and reinforcement and that this may result in legal action.

The parliamentary inquiry into the gas production in Groningen is under way. EBN is among the parties asked by the committee to furnish information in the investigation. The inquiry is obviously of great importance to the people of Groningen and for their feelings. EBN plans to cooperate fully with the Inquiry Committee in order to get to the bottom of things and draw lessons for the future.

6.8.2 CC(U)S

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

In 2021 the board also frequently discussed developments surrounding 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 that various industries and companies in the Port of Rotterdam could link into. EBN's participation in the Porthos project has for many years been the subject of frequent discussions with the Ministry. In 2021 the joint venture between the Port of Rotterdam, Gasunie and EBN was established and the Porthos project entered into a (successor) agreement with Porthos' clients. EBN kept the Supervisory Board informed throughout 2021 about the progress of these agreements as they were being drawn up. EBN also kept the Supervisory Board apprised through workshops of specific developments in the project, including the technical aspects of capturing, transporting and injecting CO_2 and the associated safety measures. In accordance with the EBN statutes, the Supervisory Board issued a number of positive recommendations or approvals for various project elements (incl. a budget increase for work on an offshore well). The Supervisory Board is pleased that, following its positive recommendation, the shareholder gave its approval in December 2021 for EBN to establish the joint venture and for the various Porthos entities to enter into a (successor) agreement with Porthos project clients.

The Dutch Minister of Economic Affairs and Climate Policy has consented to EBN's participation in the pre-FEED (Front End Engineering and Design) phase of the Aramis project on those activities that are critical for ensuring the safety of the CO_2 storage. The Aramis project aims to develop a large-scale CO_2 storage and transport system. Besides EBN, the other parties to the project are Gasunie, Shell and Total Energies. The cooperation agreement for Aramis transport and two agreements for Aramis storage are included in the aforementioned consent. The Supervisory Board approved the associated budget for EBN for this phase.
See page 54 for an additional explanation of these projects.

6.8.3 Overig

The Supervisory Board also addressed a multiplicity of other topics in its meetings, including:

- EBN's long-term investment policy
- The project with NAM, Wintershall and other partners to perform seismic surveys using a new seismic survey technology
- Developments among E&P companies and the fact that many operators are up for sale
- The stakeholder and reputation survey
- The SCAN drilling project, for which EBN is in charge of the preparations

A system has been developed for the offshore mining installations based upon which licensees must enter into so-called decommissioning security agreements. EBN has a monitoring role in this process, reporting to the Ministry on both its monitoring duties and possible financial risks for the Dutch state. These reports are also shared with the Supervisory Board. Such agreements will be entered into with onshore licensees, as well, so that there too financial securities on behalf of the Dutch state will be secured.

The implications of COVID-19 were, of course, also discussed at the meetings. EBN informed the Supervisory Board about the effect of the coronavirus measures on the EBN organisation (working from home) and about the effect on EBN's activities. A number of employees were infected with the coronavirus. EBN's operations, and therefore its financial results, were hit hard by the coronavirus crisis due to low oil and gas prices in 2020. Some improvement was evident in 2021, due in part to the sharp rise in natural gas prices in the final quarter.

6.9 Evaluation of the CEO and board self-assessment

The Supervisory Board conducted a self-assessment in 2021. This self-assessment considered the performance of the Supervisory Board itself, of the separate committees and of the individual members of the board. The members of the Supervisory Board then took the findings under consideration with an external supervisor present. Also attending this discussion were the members of the Remuneration committee, along with the CEO. The conclusions of the self-assessment will be followed up. In 2021, the Supervisory Board also carried out an evaluation of the CEO (without a questionnaire, but 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 methods of the Audit committee are set out in the Regulations Governing the Supervisory Board's Audit Committee (Reglement van de Audit Commissie van de RvC). Among 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, as well as the exercise of oversight over the company's provision of financial information.

The Audit committee met twice in 2021. In addition to the members of the Audit committee, EBN's Executive Team, corporate controller and secretary also attended these meetings. The external auditor attended both of the meetings, as well.

At its first meeting the Audit committee mainly devoted attention to the annual report and financial statements for 2020 and their audit. The auditor's report was discussed extensively with the external auditor. After discussing the annual report and financial statements for 2020, the Audit committee recommended that the Supervisory Board approve them.

At that same meeting, the Audit committee was informed about the results of the other audits already carried out [(1) crisis management and communication, (2) the purchasing process, (3) HSE policy and (4) Treasury practices, cash management and payment processes]; their major findings and recommendations; and the follow-up on the audits. The structure and operation of the internal risk management and control systems were also discussed at this meeting. In addition, the internal audit schedule for 2021 was discussed with regard to the following audits: (1) SCAN drilling readiness, (2) legal risk analysis of new activities, (3) Porthos and (4) Treasury.

At its second meeting of 2021, the Audit committee focused on the following topics: the performance of the external auditor, the progress of the internal audits, the strategic risk analysis and EBN's half-yearly report. The Audit committee issued a favourable recommendation concerning EBN's key figures for the first half of 2021. The Supervisory Board concurred with this favourable recommendation. The Audit committee also issued a favourable recommendation concerning the update of the Treasury Statute and the proposal to create an additional portfolio for long-term investments.

During that meeting the external auditor also presented an explanation of the audit schedule for 2021 (the plan for auditing EBN's financial statements for the 2021 financial year). The external auditor discussed the draft audit schedule with the Executive Team before presenting the final audit schedule to the Audit committee. 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, as mentioned by the accountant in the audit schedule. The Supervisory Board was also made aware of the audit schedule.

PricewaterhouseCoopers Accountants 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 2021 EBN informed the Supervisory Board of Moody's credit rating of EBN. On 30 June 2021 Moody's set EBN's credit rating at Aaa/P-1 (with a 'stable' outlook).

Design and operation of risk management and control systems

The Supervisory Board has asked the CEO to provide it with a statement supporting the customary reports for the Executive Team in respect of 2021. The CEO issued such statement, which serves to support Clause 1.4.3 of the Corporate Governance Code. In accordance with that clause, the Supervisory Board has discussed the following matters with the Executive Team: 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 on Risks and Corporate Governance.

6.11 Meetings of the Remuneration committee and Selection and Appointment committee

The duties and methods of the Remuneration committee are set out in the Remuneration Committee Regulations (Reglement van de Beloningscommissie) and those of the Selection and Appointment committee in the Regulations Governing the Supervisory Board's Selection and Appointment Committee (Reglement van de Selectie- en benoemingscommissie van de RvC). These committees' duties include, among 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 two committees are held together and are then referred to as meetings of the Remuneration committee.

In 2021 the Remuneration committee met on four occasions in the presence of the CEO, the secretary and the HR manager. In 2021 the committee was involved in, among other things, deciding on the targets to be achieved by EBN and the Executive Team in 2021, the achievement of the targets for 2020 by EBN and the Executive Team, and the nomination of Ms Gehrels as a member of the Supervisory Board. The employee satisfaction survey and the succession planning were also discussed.

The remuneration policy for the CEO was adopted by the General Meeting of Shareholders 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 page176 for the remuneration report).

6.12 Financial statements

The Supervisory Board has taken cognisance of the annual report, the financial statements and the external auditor's certificate and 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 release the directors from liability for the policy pursued and the Supervisory Board for its oversight.

Supervisory Board, Utrecht, 14 March 2022

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

f.l.t.r. Mr W.S. de Vries, Ms C.G. Gehrels, Mr J.G. Huijskes (voorzitter), Ms E.M. Kneppers-Heijnert, Mr J.W. Weck

7. About this report

In this annual report, EBN reports on its financial and non-financial performance for the financial year 2021. The report is intended for every stakeholder that is directly or indirectly involved in our activities. In the section 'Interaction with stakeholders' on page 61, we go deeper into the stakeholder dialogue on relevant themes.

7.1 Scope

EBN's activities are confined to the Netherlands. The (indirect) economic performance relates to EBN and its share in participations. We report on this in the section on Results on page 105 and in the financial statements on page105. The social performance primarily concerns EBN. These presentations are described in greater detail in the section 'The people of EBN' on page 65.

EBN's environmental performance in terms of emissions, energy consumption, waste, discharges and compliance relate mainly to our oil and gas participations (given the limited size of our organisation, EBN's environmental performance is not material). It is considered in relation to the performance of the entire sector operating on Dutch territory.

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 performances to the electronic Annual Environmental Report. These data constitute the basis for the performance presented in this report and the 2020 OPI report.

The OPI report incorporates operational performance indicators, which EBN has supplemented with data from the electronic Annual Environmental Report. The figures for 2021 are not yet known at the time of writing, and are expected to be published on the EBN website via the OPI report after summer.

7.2 Reporting policy and process

Reporting policy

EBN reports annually on its financial performance in accordance with IFRS. EBN reports on its social and sustainability performance in accordance with the *Global Reporting Initiative* (GRI Standards). This provides the transparency that our shareholder demands as well as clarifies our role in society. This EBN annual report has been compiled in accordance with the GRI Standards, Core option.

The EBN Annual Report for 2021 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. Because of the importance we attach to transparency, we are also open about acquisitions and divestments. Should acquisitions and divestments have taken place during the reporting year, we will adjust the scope and delineation of both the financial and the social information in the annual report. Relevant acquisitions and divestments are disclosed in the Financial Results section or in the financial statements. There were no acquisitions or divestments in 2021. The scope and delineation of the financial and social information in this report therefore remained unchanged from the previous reporting year.

Reporting process

At the end of November/beginning of December, information was collected internally for the dynamic part of the annual report, including the results section. Among other things, the programme managers of the themes within EBN were further included in structuring the annual report and the approach in this Transparency Benchmark theme year.

This year's annual report has once again been broken down into a static part (for which no year-end data are required) and a dynamic part (for which they are required). The information for both parts was collected

by means of an internal survey. 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 in meetings in which the texts were discussed.

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 on page 151. The external auditor has also audited the financial statements and the auditor's report can be found on page 151.

The final draft version was submitted to and discussed by the Supervisory Board, after which their comments were incorporated. The annual report was finally adopted at the General Meeting of shareholders, where, in the presence of the Executive Team, the shareholder and the Supervisory Board evaluated and approved the final version of the integrated financial and social annual report.

The reporting process is structured as follows:

Strategic review	CEO
Risk analysis	Departments
Materiality analysis	Internal and external stakeholders
Identification of material subjects	CEO and employees
Determination of control framework	CEO
Check validity process/data	Internal auditor
Data collection	Topic owners/departments/themes
Drafting of synopsis	Project team
Static part of report	Project team
Dynamic part of report	Project team
Assurance	External auditor

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 looks not only at the materiality of themes for its own organisation and activities, but also at its role and influence further down the energy 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. The value creation model on page13 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. In the summer of 2018, we conducted a comprehensive materiality analysis, including by means of an online survey completed by internal and external stakeholders. Based on the results, a list of themes was created and validated by the EBN Executive Team.

This was followed up in 2019 and the material themes were further refined internally by the EBN Executive Team. 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 commissioned a survey of its stakeholders by an external consulting firm. 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 the illustration on page 26).

EBN will be carrying out another materiality analysis in 2022.

Steering and reporting

The CEO is ultimately responsible for steering all material aspects that affect EBN's strategy and social policy. Our Strategy and Technology Director co-ordinates the process of determining annual strategic objectives and long-term goals. 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 2021 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 to the Executive Team. The CEO evaluates this and makes any adjustments it considers necessary.

The material theme of *'creating binding force'* is relevant to all teams and departments within EBN because this is how EBN is shaping its role in the energy transition.

The connectivity matrix on page 29 provides insight into the links between the material themes and our strategic pillars and their connection to the long-term strategic goals. Objectives and one or more KPIs have been set for each material theme, and coordinated with the departments involved. How we manage and evaluate these themes is stated in the GRI Standards content index (page 180). The impact our material themes have on society is described on page 13.

7.4 Transparency

Because of the importance EBN and its stakeholders attach to transparency, our ambition is to score well in the Transparency Benchmark. EBN participates in this biannual study into the content and quality of social reporting. In 2021, EBN reached seventh place in the Transparency Benchmark and third place in the sector (energy companies). EBN had a score of 84.2%. The target was at least 5th place in the sector. EBN applies the GRI Standards (Core option) and the revised Dutch Corporate Governance Code (http://commissiecorporategovernance.nl).

Disclaimer

This report concerns the efforts and achievements in meeting our objectives in 2021. 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 information on sustainability (in the sections Foreword, Key Figures, About EBN, Our position in the energy chain and Results 2021) and to issue

an assurance report with a limited degree of certainty. The assurance report can be found on page 151.

GRI Standards Content index

The GRI Standards Content Index can be found in annex 180.

Publication date of 2021 Annual Report

EBN's annual report for 2021 was published on 31 March 2022.

7.5 Frameworks

The performances described in this report are all based on specific frameworks. For example, the relationship of certain indicators to annual oil and gas production is self-evident and, for a number of indicators, the relationship with the number of drillings is obvious. However, frameworks are also circumscribed by laws and regulations. Where relevant, those frameworks are described in more detail. The results provide an overview of EBN's share (unless otherwise stated) in the performance of the entire oil and gas production industry.

The figures for the production of gas, oil and condensate in the Netherlands represent the gas, oil and condensate production reported by the operators for tax purposes. The injection and production volumes in gas storage facilities are regarded as internal company activities. 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. 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. For the social performance that relates specifically to the activities of the operators, the share of the entire industry (100%) is presented, since reporting EBN's share in these areas is irrelevant.

7.6 Measurement methods for material issues

The refocused strategic goals in 2021 were reworked into changes to the KPIs for each material issue. Several KPIs that were reported in 2020 are, as a result, no longer relevant and are no longer included. A number of new KPIs have been added which, together with the existing KPIs, are explained below.

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 risks in 2021.
	Occupational accidents resulting in sick-leave (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 number of days' sick-leave in 2020 has been measured from the first day on which the occupational accident was reported.
Reducing emissions and discharges	Percentage change of the CO_2-eq emissions per produced cubic metre in 2018 based on the conversion factor for network losses derived from the IPCC Fourth Assessment Report 'Climate Change 2007'.	Dutch operators report their environmental and energy performance in the electronic Annual Environmental Report (eMJV). EBN incorporates these figures into operational performance indicators (OPI) for the EBN shareholdings. This is published annually on the EBN website in the OPI report.
Maintaining financial strength and resilience	Solvency	Shareholder's equity is divided by the total balance sheet total. Both data are taken from EBN's consolidated balance sheet.
	Net debt (EUR million)	Calculated on the basis of the assets and liabilities balance sheet items at 31 December 2021 from EBN's consolidated balance sheet. Balances of current and non-current liabilities are deducted from the cash and cash equivalents and derivatives.
	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 2021 are those where: 1. The project is already running 2. A shareholder agreement has been signed

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 2021 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 in 2021 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 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 2021 are those where: 1. The project is already running 2. A shareholder agreement has been signed
	Place of the Transparency Benchmark in the sector	The Ministry of Economic Affairs and Climate 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.
Encouraging commitment of employees	Score in Great Place to Work employee survey (the so-called Trust Index)	Public rating of employee satisfaction survey conducted by the Great Place to Work organisation.
Stimulating and accelerating the exploration and production of 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 Nm^3 (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 Nm^3 (0°C at 1.01325 bar).
	OPEX unit in EUR ct/m3 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).

Material issue	Indicator/KPI	Method of measurement
Reinforcing, accelerating and improving the Dutch geothermal energy sector	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	These are geothermal energy projects for which EBN, as co-investor and developer, and its partners have taken an FID (Final Investment Decision), or projects that are already further along in the path to realisation and operation. The number of PJ per project refers to the amount of heat that is expected to be delivered by the time the doublet is past any transitional phase.
	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	In 2021, no geothermal energy has been produced by the projects in which EBN participates, although reserves were matured. As per the TNO white paper '*Duurzaamheid van geothermie in warmtenetten*' [Sustainability of geothermal energy in heat networks], a reduction of 55.825 kg of CO2/GJ of geothermal energy is assumed.
Responsible decommissioning and, where possible, reuse of 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 a 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 2021, there was no CO2 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)
	Costs of CO_2 storage in EUR per ton of CO_2-eq	EBN has yet to store CO_2 in 2021, so there is no measurement method available. The measurement method is under development and will be included next year.
	Reduction of CO_2 emissions per year achieved by using CCUS	In 2021, there was no CO2 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). This means that there will be no correction applied to the CO2 emissions that arise when storing the CO2.

Material issue	Indicator/KPI	Method of measurement
Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition	Number of PJ of green hydrogen produced in projects in which EBN invests	EBN did not produce green hydrogen in 2021, so there is no measurement method available. The measurement method is under development and will be included next year.
	Number of PJ of green Gas produced in projects in which EBN invests	In 2021, EBN produced no green hydrogen, although 1 project matured. For that project, the combustion heat of the hydrogen that was produced was converted into emissions (0,057 t of CO2/GJ) associated with the combustion of natural gas (Zijlema, list of Dutch energy carriers and standard CO2 emissions factors) with which the same amount of heat can be obtained.
	Reduction of CO_2 emissions per year due to Green hydrogen	EBN did not produce green hydrogen in 2021, so there is no measurement method available for the reduction of CO_2 emissions. The measurement method is under development and will be included next year.
	Reduction of CO_2 emissions per year due to green gas	EBN did not produce green gas in 2021, so there is no measurement method available for the reduction of CO_2 emissions. The measurement method is under development and will be included next year.

8. Financial Statements

Consolidated statement of comprehensive income

in EUR mln

	note	2021	2020
sales	2	2,956	1,198
other income	2	21	22
operating expenses			
levies		6	8
operational costs	3	1,725	1,161
depreciation	4	401	558
operating expenses		2,132	1,727
operating result		**845**	**-507**
finance income	5	28	29
finance costs	5	-52	-60
share of profit from associates	6	32	33
profit/(loss) before income tax		**853**	**-505**
income tax	7	-197	141
profit/(loss) for the period	8	**656**	**-364**
other comprehensive income		-	-1
total comprehensive income for the period		**656**	**-365**

Consolidated statement of financial position

in EUR mln

assets	note	31-12-2021	31-12-2020
non-current assets			
property, plant and equipment	9	1,931	2,020
associates and other non-current assets	10	110	104
investments	11	809	853
deferred tax asset	7	93	94
derivatives	19	53	57
		2,996	**3,128**
current assets			
investments	11	3,171	1,666
inventories	12	26	27
trade receivables and other current receivables	13	707	173
tax receivables	7	259	305
derivatives	19	25	-
cash and cash equivalents	11	596	600
		4,784	**2,771**
Total		**7,780**	**5,899**

in EUR mln

liabilities	note	31-12-2021	31-12-2020
shareholder's equity	14		
share capital		128	128
share premium		450	450
retained earnings		470	- 186
		1,048	**392**
		-	-
non-current liabilities		-	-
borrowings	16	397	540
provisions (non-current)	15	4,348	4,039
other non-current liabilities	17	78	89
		4,823	**4,668**
		-	-
current liabilities		-	-
borrowings	16	204	22
trade payables	18	47	118
provisions (current)	15	863	362
other payables	18	795	337
		1,909	**839**
Total		**7,780**	**5,899**

Consolidated statement of changes in equity

in EUR mln

	share capital	share premium	retained earnings	total equity
balance at 1 January 2020	128	450	197	775
profit for the period			-364	-364
other comprehensive income			-1	-1
total comprehensive income for the period			**-365**	**-365**
final dividend previous year			-18	-18
special profit levy				
balance at 31 December 2020	**128**	**450**	**-186**	**392**
loss for the period			656	656
other comprehensive income				
total comprehensive income for the period			**656**	**656**
final dividend previous year				
balance at 31 December 2021	**128**	**450**	**470**	**1,048**

Consolidated statement of cash flows

in EUR mln

	note	2021	2022
Operating activities			
total result for the period	8	656	-364
adjustment for:			
- current and deferred tax	7	197	-141
- decrease/(increase) in property, plant & equipment (excluding investments)	21	190	598
- share of profit of joint ventures and associates	6	-32	-33
- decrease/(increase) in current receivables and inventories	12, 13	-533	40
- (decrease)/increase in liabilities (excluding borrowings and payments to the State)	21	385	36
- changes in provisions	15	810	173
- unrealized financial income and expenses	21	18	21
interest paid		-34	-46
interest received		8	28
paid minus received corporate tax		-152	-82
		856	594
net cash from operating activities		**1,512**	**230**

in EUR mln

	note	2021	2020
Investing activities			
investments property, plant and equipment (excluding right of use asset)	9	-100	-135
new investments		-5	
dividend received from associates	10	32	34
net cash used in investing activities		**-73**	**-101**
Financing activities			
paid dividend and special profit levies	14	-	-36
repayment of borrowings	16	-	-404
settlement of derivatives of borrowings	16	-	87
proceeds from borrowings	16	5	4
change in investments	11	-1,461	90
increase/(decrease) in collateral derivatives	16	13	-30
net cash used in financing activities		**-1,443**	**-289**
Change in cash and cash equivalents		**-4**	**-160**
Balance cash and cash equivalents at 1 January		600	760
Balance cash and cash equivalents at 31 December		596	600

Notes to the consolidated financial statements

1 General

EBN B.V. has its registered pricipal 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 2021 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. (together referred to as EBN). All shares in EBN B.V. are held by the Dutch State (the 'State').

EBN focuses on the participation in oil and gas exploration and production activities in the Netherlands and the Dutch part of the continental shelf. EBN also participates in geothermal energy projects, underground gas storage facilities, as well as in transport and gas treatment facilities and CO2 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 2021 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 company income statement has been prepared using the exemption in Section 402, Title 9, Book 2 of the Dutch Civil Code. The financial statements of EBN B.V. as at 31 December 2021 were prepared by the Executive Board and authorised by the CEO and five supervisory directors on 14 March 2022. The annual general meeting of Shareholders intends to adopt the financial statements on 30 March 2022.

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 priciples as EBN's. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of comprehensive income as of the date of acquisition of control respectively the date of disposal, as appropriate.

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 (wholly-owned subsidiary) participates in aggregate pipelines for gas transport (F3/A6 extension pipeline, K13-Den Helder pipeline, K13 extension pipeline, NGT-Extensie and NOGAT) and in the Bergermeer gas storage facility. EBN Aardwarmte (wholly-owned subsidiary) participates in geothermal energy projects. EBN CCS (wholly-owned subsidiary) participates in the CO2 capture and the 'Porthos' storage project. 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. The conclusion is that, except for NGT-Extensie, EBN has joint control with one or more partners in the agreements and qualifies them as joint operations. 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 the property, plant and equipment as at 31 December 2021, are as follows:

Name	Interest	Operator	Operator's place of business
JDA Unit	40%	NAM	Assen
Groningen	40%	NAM	Assen
Schoonebeek	40%	NAM	Assen
K04ab & K05ab	50%	Total	The Hague
A&B Unit	40%	PETROGAS	Rijswijk
Bergermeer UGS	40%	TAQA	Alkmaar
Noord Friesland	50%	NAM	Assen
L05a	40%	NEPTUNE	Zoetermeer
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') located in Zoetermeer, whose main activity is natural gas transport from the North Sea.

Together with its partners, EBN has four 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 and Warmtebron Zwolle B.V. ('Warmtebron Zwolle'; 30% participation) in Zwolle. The main activity of these four geothermal companies is research and development of geothermal energy in Utrecht, Noord-Brabant, Friesland and Overijssel respectively.

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. These have a share in the following associated entities: Porthos CO2 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 CO2 Transport and Storage C.V. (33.3%) and Porthos Offshore Transport and Storage C.V. (50%).

For the NGT-Extensie 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. Since facts and circumstances (including voting rights for decision making) lead to the conclusion that EBN exerts significant influence on NGT-Extensie, the 12% interest in NGT-Extensie is recognised using the equity method and presented as an associate. NGT-Extensie is based in Zoetermeer and its main activity is the transport of natural gas from the North Sea.

Key accounting estimates and judgements

The preparation of the financial statements requires estimates and judgements. These have consequences for the amounts reported for assets and liabilities, income and 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 a non-current asset.

Decommissioning and restoration costs

The provision for decommissioning costs and the capitalisation of decommissioning and restoration 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 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 gas and oil 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

The Unit of Production (UOP) depreciation is based on EBN's estimates of the gas and oil reserves and production profiles. EBN determines the gas and oil 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 the 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. 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 can have an impact on these predictions and estimates, with the result that the recoverable amounts can change (see note 9).

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 2021.

Reform of the interest rate benchmark – phase 2 (amendments to IFRS 9, IAS 39 and IFRS 7)

The changes require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity's hedging relationships are affected by the uncertainty arising from the interest rate benchmark reform. This adjustment has no impact on EBN's financial statements.

IFRS 16, 'Leases' in respect of Covid-19 related lease concessions (effective from 1 June 2020)

A lessee may, if certain conditions are met, use the amended standard to account for the lease concessions related to COVID-19 as if they had not been rental adjustments, but to recognise them directly in the income statement. This adjustment has no impact on EBN's financial statements.

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. 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 the 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 spot 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 charged to the result.

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.

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 incorporated into the result.

Exploration and evaluation assets

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 activation of the expenditure for exploration drilling still meets the criteria listed above and whether the drilling activities can 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, transport, storage and other	Unit of production method and straight-line basis
Drilling	Unit of production method
Capitalisation of decommissioning and restoration costs	Unit of production method and straight-line basis
Exploration and evaluation drilling	Unit of production method

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

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 tenant, 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 is presented under tangible fixed assets.

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 tenant 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

An associate is an interest in an entity on which EBN has significant influence, but not control or joint control.

Investments in associates 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 is included in the result.

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

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 financial asset) 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 to which the asset belongs. In general, 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 rate before taxes, based on the market interest rate plus a mark-up for the risks specific to the asset. EBN uses the WACC (Weighted Average Cost of Capital) for this calculation and for exploration and production activities this is calculated at 6.5% after 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 impairment losses 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 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

Underground gas inventories and supplies of materials are stated at the average purchase prices or lower net realisable value. The inventory of above-ground condensate and oil is stated at the average purchase prices or lower 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.

Investments

Investments are short-term and/or long-term in nature. Long-term investments are bonds and deposits that cannot be converted into cash within one year without additional costs and/or loss of return. Short-term investments are short-term money market instruments that can be converted into cash over three months but within one year.

Cash and cash equivalents

By cash and cash equivalents we mean cash, 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. The special profit levy payable to the shareholder was in effect until 2020 and was included as a liability in the period when it was due, in accordance with EBN’s previous Articles of Association. In 2021, these Articles of Association were amended, which means that the special profit levy was terminated.

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 forecast 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. The provision for ground subsidence is designed to cover certain additional liabilities arising during the production phase.

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 calculation models, internal and external investigations and information from the operator.

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 supervisor (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 2021 was 112.2% (2020: 110.2%). The expected pension costs for 2021 are EUR 2.3 million.

Operating Segments

The Executive Board 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.

Sales

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.

Other income

Grants from the government are other income and are recognised at the fair value where there is a reasonable assurance that the grant will be received, and EBN will comply with all attached conditions. Government grants are recognised as other income and allocated to the same period in which the costs are recognised.

Financial income and costs

Financial income and costs are recognised on the basis of the effective interest method. This item also includes interest accrued on 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'. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 associates

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.

Notes to the consolidated income statement and statement of comprehensive income

1 General information

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

2 Sales and other income

EBN's sales are generated by one main activity in its partnerships, i.e. the exploration and production of natural gas and oil. All sales are realised in the Netherlands. The assets in which EBN participates are also located in the Netherlands. Information on the main debtors can be found in note 13.

The 2021 sales from operations amounted to EUR 2,956 million. Compared to 2020, this is an increase of EUR 1,758 million (146%). This increase in sales was caused by higher volumes sold (+7%) and higher prices (+139%).

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

In EUR mln

	2021	2020
sales: exploration of natural gas and oil	2,956	1,198
other income: government grants	21	22
total	**2,977**	**1,220**

The government grants mainly relate to the SCAN project, Porthos 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 mln

	2021	2020
G&G costs	10	8
write-downs (unsuccessful wells)	15	61
earthquake related costs	1,132	563
production, transport and other costs	568	529
total	**1,725**	**1,161**

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 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'.

The total own salary costs as included under operational costs are as follows:

In EUR mln

	2021	2020
gross salaries	14	12
social securities	1	1
pension costs	2	2
other costs	5	3
total	**23**	**18**

The average number of FTEs in 2021 is 146.8 (2020: 115.5), of which 111.9 FTEs work in the themes and 34.9 FTEs work in the support departments, all working in the Netherlands.

4 Depreciation

In EUR mln

	2021	2020
depreciation of property, plant and equipment	416	578
change in provision for decommisioning costs	-15	-20
total	**401**	**558**

Refer to note 9 for further details regarding the depreciation of property, plant and equipment.

5 Financial income and expense

In EUR mln

	2021	2020
interest income on cash and cash equivalents	2	2
interest income on derivatives	5	9
revaluation income on derivatives	21	15
other financial income	-	3
total finance income	**28**	**29**
interest costs on cash and cash equivalents	-14	-9
interest costs on borrowings	-5	-9
interest costs on derivatives	-6	-10
exchange differences on other financial instruments	-22	-15
unwinding of discount provisions	-5	-17
total finance costs	**-52**	**-60**
net finance costs	**-24**	**-31**

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 2021, this relates on balance to a neutral result of EUR 1 million (2020: EUR 0 million), of which EUR 21 million revaluation income on derivatives and EUR 22 million exchange differences on other financial instruments. This balance of the result on revaluations of loans and related derivatives is mainly due to developments in the CHF yield curves against the EUR. See note 16 for an explanation of the applicable interest rates.

6 Share of net profit from associates

In EUR mln

	2021	2020
GasTerra B.V.	14	14
NOGAT B.V.	15	17
NGT-Extensie	3	2
total	**32**	**33**

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

7 Tax

In EUR mln

	2021	2020
current tax on results for the year	197	-89
current tax	**197**	**-89**
effect deferred tax arising from carry forward tax losses	16	-19
effect deferred tax arising from temporary differences	-14	-27
effect enacted change in tax rate	-3	-6
deferred tax	**-**	**-52**
total	**197**	**-141**

The effective tax rate for 2021 is 23.2% (2020: 27.7%). The lower effective tax rate in 2021 is the result of, among other things, the effect of the reduction in the tax rate in 2021 and changes in previous years.

In EUR mln

	2021		2020	
	EUR mln	%	EUR mln	%
result before income tax	853		-505	
taxation based on Dutch tax rate	213	25.0%	-127	25.0%
participation exemption	-7	-0.8%	-6	1.6%
effect tax rate change	-3	-0.3%	-1	1.2%
prior year adjustment	-6	-0.7%	-	
total	**197**	**23.2%**	**-141**	**27.7%**

The balance of deferred tax assets and tax liabilities decreased by EUR 1 million:

In EUR mln

	property, plant and equipment	provisions	carry forward tax losses	total
balance at 1 January 2020	**-75**	**115**	**-**	**40**
prior year adjustment	2		-	2
charged to the statement of comprehensive income	34	-7	19	46
effect future tax rate change	-12	18	-	6
balance at 31 December 2020	**-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**

Deferred tax assets and liabilities are defined as future tax assets and liabilities that arise, among other things, from temporary differences between the assets calculated on the basis of business principles and the assets on the basis of tax principles. The deferred tax asset relates to the tax valuation of the provisions and the deferred tax liability relates to the tax valuation of the tangible fixed assets. A deferred tax asset arose in 2020 from the part of the tax loss that cannot be set off carry-back against the taxable profit for 2019. This deferred tax asset was settled as a carry-forward in 2021.

The tax assets included under current assets of EUR 259 million (2020: 305 million) decreased on the one hand due to the profit for 2021 offset against the 2021 prepaid corporate income tax, which was based on the expected budgeted taxable profit.

8 Net result

In 2021, there is a net result from continuing activities of EUR 656 million. That is EUR 1,021 million higher than in 2020.

Notes to the consolidated balance sheet

9 Property, plant and equipment

In EUR mln

2021	production, transport, storage facilities and other	drilling	capitalisation of decommissioning and restoration costs	assets under construction	Total
cost					
balance at 1 January	9,247	4,497	1,982	50	15,776
investments	54	36	-	11	101
revision/adjustment decommissioning and restoration cost	-	-	241	-	241
sale, decommisioning and other changes	-1	-	-37	-14	-52
balance at 31 December	**9,300**	**4,533**	**2,186**	**47**	**16,066**
depreciation and impairments					
balance at 1 January	8,373	3,865	1,518	-	13,756
depreciation	159	103	154	-	416
decommissioning	-	-	-37	-	-37
balance at 31 December	**8,532**	**3,968**	**1,635**	**-**	**14,135**
carrying amount at 31 December	**768**	**565**	**551**	**47**	**1,931**

In EUR mln

2020	production, transport, storage facilities and other	drilling	capitalisation of decommissioning and restoration costs	assets under construction	Total
cost					
balance at 1 January	9,193	4,418	1,955	135	15,701
investments	83	79	-	-24	138
revision/adjustment decommissioning and restoration cost	-	-	23	-	23
sale, decommisioning and other changes	-29	-	4	-61	-86
balance at 31 December	**9,247**	**4,497**	**1,982**	**50**	**15,776**
depreciation and impairments					
balance at 1 January	8,161	3,725	1,335	-	13,221
depreciation	241	140	177	-	558
decommissioning	-29	-	6	-	-23
balance at 31 December	**8,373**	**3,865**	**1,518**	**-**	**13,756**
carrying amount at 31 December	**874**	**632**	**464**	**50**	**2,020**

Investments in 2021 of EUR 101 million were 27.5% lower than in 2020 (EUR 138 million). Investments on land amounted to EUR 24 million (2020: EUR 25 million). Investments at sea amounted to EUR 76 million (2020: EUR 113 million). The right of use asset (IFRS 16) with a carrying amount of EUR 9 million (2020: EUR 10 million) is presented under the asset category production, transport, storage and other and relates to an office building and cars.

The increase in the capitalisation of the estimated decommissioning and restoration costs of installations amounted to EUR 241 million in 2021 (2020: increase of EUR 23 million). For a further explanation, see note 15.

The cumulative purchase value of the assets that have already been fully depreciated, but are still in use, amounts to EUR 818 million (2020: EUR 1,944 million).

No triggering events have been identified for all property, plant and equipment.

10 Associates and other non-current assets

By associates, EBN understands the 40% stake in GasTerra, the 45% stake in NOGAT, the 12% stake in the NGT-Extensie joint venture, the 33.3% stake in Porthos development C.V., the 40% stake in Warmtebron LEAN B.V., the 30% stake in Geocombinatie Leeuwarden B.V., the 30% stake in Geothermie Plukmade B.V, the 30% stake in Warmtebron Zwolle B.V., the 50% stake in Porthos Offshore Transport and Storage GP B.V., the 33.33% stake in Porthos CO2 Transport and Storage GP B.V., the 50% stake in Porthos System Operator B.V., the 50% stake in Porthos Offshore Transport and Storage C.V. and the 33.33% stake in Porthos CO2 Transport and Storage C.V. The six CCUS (Porthos) and the four geothermal participations are still limited in scope and have not been further specified.

Associates are accounted for on the basis of the equity method. The result is distributed annually.

In EUR mln

		GasTerra	NOGAT	NGT-Extensie	Other	2021	GasTerra	NOGAT	NGT-Extensie	2020
balance at 1 January		86	13	5	-	104	86	13	6	105
profit share		14	15	3	-	32	14	17	2	33
dividend received		-14	-15	-4	-	-33	-14	-17	-3	-34
investment					7					
balance at 31 December		**86**	**13**	**4**	**7**	**110**	**86**	**13**	**5**	**104**

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

In EUR mln

		GasTerra	NOGAT	NGT-Extensie	Other	2021	GasTerra	NOGAT	NGT-Extensie	2020
assets	current	4,524	40	-	3	4,564	1,242	44	-	1,286
	non-current	4	58	33	14	95	5	53	41	99
liabilities	current	4,286	8	-	1	4,294	1,001	42	-	1,043
	non-current	26	28	-	0	54	30	27	-	57
net investments (100%)		216	28	33	16	311	216	28	41	285
EBN's share in associates		40.0%	45.0%	12.0%	42%		40.0%	45.0%	12.0%	
carrying amount of the share in associates		**86**	**13**	**4**	**7**	**110**	**86**	**13**	**5**	**104**

In EUR mln

		GasTerra	NOGAT	NGT-Extensie	Other	2021	GasTerra	NOGAT	NGT-Extensie	2020
net sales		13,144	63	38	-	13,245	5,454	69	38	5,561
net profit (100%)		36	34	24	-0	94	36	38	19	93
other comprehensive income (100%)		-	-	-	-	-	-	-	-	-
total comprehensive income		36	34	24	-0	94	36	38	19	93
EBN's share in total comprehensive income		**14**	**15**	**3**	**-0**	**32**	**14**	**17**	**2**	**33**

11 Investments and 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 mln

	2021	2020
investments (non-current assets)	809	853
investments (current assets)	3,171	1,666
cash and cash equivalents	596	600
total at 31 december	**4,576**	**3,119**

12 Inventories

In EUR mln

	2021	2020
materials	22	23
condensate and oil	4	4
total at 31 december	**26**	**27**

13 Trade receivables and other current receivables

In EUR mln

	2021	2020
trade receivable related associate	342	58
other trade receivables	310	4
total trade receivables	**652**	**62**
other receivables and deferred items	56	111
total at 31 December	**707**	**173**

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 and interest receivable.

In EUR mln

oil and gas	provision matrix	current	>30 days	31-60 days	>90 days
31 December 2021	expected loss rate	0%	0%	0%	0%
	gross carying amount- trade receivables (EUR mln)	652	-	-	-
	loss allowance (EUR mln)	0	-	-	-
31 December 2020	expected loss rate	0%	0%	0%	0%
	gross carying amount- trade receivables (EUR mln)	62	-	-	-
	loss allowance (EUR mln)	-	-	-	-

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 0%. There is no provision for doubtful debts on the balance sheet date.

14 Shareholder's equity

In EUR mln

	2021	2020
balance at 1 January	**392**	**775**
net result	656	-364
other comprehensive income	-	-1
total result for the period	**656**	**-365**
dividend prior year	-	-18
balance at 31 December	**1,048**	**392**

Share capital

The authorised, issued and paid-up share capital amounted to EUR 128 million in 2021 (2020: EUR 128 million) and consists of 284,750 shares (2020: 284,750 shares), each with a nominal value of EUR 450.

Retained earnings

Retained earnings consists of the balance of accumulated results that have not been distributed to the shareholder. On the basis of Article 20 part 2 of EBN's Articles of Association, the net profit of EBN (after reduction by the statutory reserves and the special profit levy to the Dutch State) is made freely available to the General Meeting. The retained earnings reserve (2020: EUR -186 million) is increased to EUR 470 million with the 2021 net result of EUR 656 million.

The total result for 2021 was EUR 2,304 per share (2020: EUR -1,278 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.

15 Provisions

Total provisions increased by EUR 810 million in 2021. This is the balance of the following changes:

EUR 863 million of the total provision is expected to be current (2020: EUR 362 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 the operators at 31 December 2021 and own analyses and is determined by estimating the costs on the basis of the current price level, taking into account an inflation rate of 2.5% (2020: 1.2%) and discounted at a nominal interest rate of 0.443% (2020: 0.040%). The equivalent of the provision stated at the present value is recognised under property, plant and equipment and depreciated based on the UOP method or straight-line basis. Nominal interest is added to the provision at 0.3% (2020: 0.6%).

The revision in the provision for decommissioning and restoration is partly caused by an adjustment of the discount rate (impact: EUR 106 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.

In EUR mln

	decommissioning and restoration	subsidence	earthquakes	total
balance at 1 January 2020	**2,755**	**170**	**1,303**	**4,228**
additions	9	60	476	545
amount used during the year	-29	-4	-240	-273
unused amounts reversed			-130	-130
revision	14			14
unwinding discount	17			17
balance at 31 December 2020	**2,766**	**226**	**1,409**	**4,401**
additions	29	42	947	1,019
amounts used during the year	-44	-4	-322	-370
unused amounts reversed			-81	-81
revision	197	39		236
undwinding discount	5			5
balance at 31 December 2021	**2,953**	**304**	**1,954**	**5,211**

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 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 additional addition of EUR 60 million for this provision, which is formed in proportion to the Unit of Production method per field.

Earthquakes 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 2030.

The portion of the provision for damage claims is based on the number of outstanding claims as at 31 December 2021 as specified by the TCMG and an estimate of the expected claims based on historical information and internal models of the operators. The expected average pay-out amount is based on historical data. The provision for damage claims decreased due to payments for an amount of EUR 123 million. For new damage claims and handling costs of the executive body, the provision for damage claims has been allocated for an amount of EUR 153 million, including a minor adjustment in the provision.

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 2021. 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 State has set up an independent body for the strengthening. Following the advice of the Mining Council (Mijnraad), the NCG presented an action plan (basis for the number of addresses). An amount of EUR 673 million was earmarked in 2021 for changes in reinforcement standards that will result in higher reinforcement costs, including implementation costs, being incurred. We had to make this allocation again in 2021 based on the operator's statement in order to continue to meet the increasing obligations of the Company. 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 depreciation 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.

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

In EUR mln

	2021			2020		
	totaal	non-current part	current part	totaal	non-current part	current part
debenture loans	555	386	169	533	533	-
private loans	12	12	-	7	7	-
total borrowings	**567**	**397**	**169**	**540**	**540**	**-**
cash loans	-	-	-	-	-	-
collateral on derivatives	35	-	35	22	-	22
total at 31 December	**602**	**397**	**204**	**562**	**540**	**22**

Collateral has not been provided for the loans taken out. The bond loan agreements contain clauses limiting the provision of collateral. EBN has a commercial paper program of EUR 2,000 million. This is unchanged from 2020. At year-end 2021, as at year-end 2020, no commercial paper was 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 2021, an amount of EUR 12 million was withdrawn and paid in three 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. Redemption 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 can be withdrawn in total in 2022. This withdrawal will then be paid by EBN (via EBN Porthos Deelnemingen B.V.) as a capital contribution to the share premium reserve of EBN CCS 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. Redemption will take place in twelve annual instalments 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 (CSAs) as an addendum to the International Swaps and Derivatives Association (ISDA) agreements with the relevant banks. CSAs 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. This facility replaces a similar facility that was entered into on 18 August 2015. No withdrawals from the previous facility were ever made. The interest costs on any used part of the credit facility depends on the relevant Euribor rate that applies for the respective credit period, increased with a margin.

As compensation for the provision of this facility, an annual commitment fee on the outstanding and unused part of the facility is payable to the banks. No collateral is provided to the banks for this facility, and no financial ratio covenants are included. Clauses are recorded in

the respective agreement that restrict the provision of security. There are two extension options, both for one year.

The non-current borrowings, including those with a maturity within one year, are composed as follows:

In EUR mln

					2021	2020
CHF	150 million	1.625%	debenture loan	2011/2023	145	139
CHF	125 million	1.125%	debenture loan	2012/2024	120	116
CHF	175 million	0.500%	debenture loan	2014/2022	169	162
CHF	125 million	0.875%	debenture loan	2014/2026	121	116
EUR	48 million	0.000%	private loan	2019/2032	12	7
total at 31 December					**567**	**540**

The difference in the amounts of outstanding non-current borrowings at year-end 2021 compared to year-end 2020 relates to exchange differences, which are included in the income statement, as exchange differences on other financial instruments under financial income and expenses (see note 5). For an overview of the estimated fair value, see 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 1.27% (2020: 1.33%).

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 2020, 51% (year-end 2020: 52%) 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 mln

	2021	2020
within 1 year	169	-
within 1 to 2 years	145	162
within 2 to 3 years	120	139
within 3 to 4 years	-	116
within 4 to 5 years	121	-
after 5 years	12	123
total	**567**	**540**

Of the total of these borrowings, 23% has a remaining term of more than three years. Loans due within one year are included under current liabilities.

17 Other non-current liabilities

Other long-term debt concerns, on the one hand, the long-term lease obligation for the 'right of use asset' (IFRS 16) for an amount of EUR 8.2 million (2020: EUR 10 million) and, on the other hand, the reservation for the payments for the National Programme Groningen following the agreement between the State and NAM and is included under non-current liabilities for EUR 70 million (2020: EUR 80 million). EUR 10 million is recognised under current liabilities (2020: EUR 30 million).

18 Trade payables and other current liabilities

Trade payables of EUR 47 million (2020: EUR 123 million) are joint interest billings from operators for the month of December. The other current liabilities consist of:

In EUR mln

	2021	2020
interest payments due	4	5
other liabilities	791	332
totaal per 31 december	**795**	**337**

The other liabilities include short-term debt of EUR 10 million (2020: EUR 30 million) relating to the National Programme Groningen, EUR 35 million (2020: EUR 38 million) of government grants received in advance and EUR 682 million (2020: EUR 221 million) of operator accruals.

Policy to control financial risks

19 Risk management

General information

The main financial risks for EBN are liquidity and (re)financing risk, credit risk, interest rate risk, currency risk and market price risk. 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 risk

Liquidity and (re)financing risk is the risk that EBN does not have, or cannot raise, sufficient financial resources to meet its financial obligations. The objective for EBN is that it will, under normal circumstances at all times, have at its disposal the required cash for operational processes.

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.

High trust in EBN by the capital and money markets, and financial institutions, is crucial for optimal funding. Important tools for this are:

- optimal management of all financial stakeholders, and
- maintaining EBN's high level of creditworthiness in the long and short term, among others by a focused credit rating and dividend policy, and
- continuously monitoring and controlling financial credit ratios.

EBN has a commercial paper programme of EUR 2,000 million. EBN also has a committed revolving credit facility at 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. In determining the duration of new non-current borrowings an endeavour is made to prevent the concentration of redemptions in a certain future year and so to spread the maturity profile.

The EBN target for solvency is in line with the 'standard solvency requirement' of the Dutch government at 25%. In 2021, due to the net profit, the reserves were increased by EUR 656 million and solvency rose from 7% to 14%.

The following table shows the expected annual contract-based cash flows from the repayments and interest payable on the borrowings and the associated derivatives. In addition to the above cash flows from borrowings and related derivatives there are cash flows from trade creditors and other current liabilities. These expire within one year.

In EUR mln

					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**

In EUR mln

					2020
	Borrowings loans	Net interest loans & derivatives	Payment at redemption	Cash flow derivatives	Total
within 1 year	22	-6	-52	-	-58
within 1 to 2 years	162	-6	-162	17	-151
within 2 to 3 years	139	-7	-139	14	-132
within 3 to 4 years	116	-2	-116	12	-106
within 4 to 5 years	-	-	-	-	-
after 5 years	123	-	-123	12	-111
total	**562**	**-21**	**-592**	**55**	**-558**

Credit risk on financial instruments

Credit risk is the risk for EBN that a counterparty does not fulfil its contractual financial obligations. As a result of cash management transactions, credit risk at counterparties occurs. This can relate to bank balances, deposits, bonds (including commercial paper), money market funds and derivatives. As a result of the high liquidity position and market values of derivatives too much of a concentration of funds at a too limited number of parties would mean a significant financial risk for EBN. The policy is therefore focused on reducing counterparty risk by only doing business with parties with a high credit rating to a level deemed acceptable in relation to the creditworthiness of the relevant counterparty.

The allowed limits per counterparty that apply to the total of balances on bank accounts, deposits and (short-term) bonds (including commercial paper) plus the market value of derivatives minus associated collateral, depend on the credit rating of the counterparty. To be able to place funds in these instruments at least a P-1, A-1 and F1 short-term rating from Moody's, Standard and Poor's and Fitch respectively and a minimum long-term rating of A2 from Moody's and A from Standard & Poor's and Fitch applies. In addition, there is the possibility, under additional conditions, to place funds at fully public companies that have a long-term and short-term credit rating that 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 and Fitch and EBN's participation per money market fund is a maximum of 5% of the relevant fund. If derivative transactions are carried out in the context of long-term financing, this will only be done with counterparties that have at least an A2, A or A long-term rating from Moody's, Standard & Poor's and Fitch respectively and with which EBN has an 'International Swaps and Derivatives Association' (ISDA) agreement. New long-term derivatives are concluded with a Credit Support Annex (CSA). This is an agreement in which it is agreed with the counterparty to deposit collateral if a derivatives position has a substantial value, in order to reduce the counterparty risk.

As in 2020, no credit losses on financial instruments occurred in 2021.

With regard to all cross currency interest rate swaps with a nominal value of EUR 477 million (CHF 575 million) outstanding as at 31 December 2021, CSAs have been agreed with the relevant counterparties. For this reason, on balance EUR 35 million in collateral had been placed by banks with EBN at year-end 2021 (year-end 2020: EUR 22 million). The collateral on derivatives concerns funds deposited by banks in the amount of the difference between the market value of the relevant portfolio and the limit amount agreed in the CSA. Most of this collateral is interest-bearing and is included in cash and cash equivalents and will not be used for commercial purposes.

The corresponding liability is included under current liabilities as part of borrowings. The maximum credit risk on the outstanding derivatives at year-end 2021 is EUR 43 million (consisting of EUR 78 million market value of derivatives minus EUR 35 million collateral).

In the valuation of the derivatives, account is taken of the credit risk on counterparties in the event of a positive market value and the credit risk for the banks on EBN in the event of a negative market value. In case of a positive or negative market value of the total of derivatives per counterparty (IFRS 13.48 portfolio exception), a Credit Valuation Adjustment (CVA) or a Debit Valuation Adjustment (DVA) is included 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 per counterparty. On balance, the valuation of the derivatives at year-end 2021 was reduced by EUR 0.06 million for this purpose (the decrease in 2020 was: EUR 0.40 million).

Credit risk on receivables

The credit risk on receivables from sales is low. EBN mainly sells to highly creditworthy counterparties. 52% of the receivables are from GasTerra (long-term credit rating Standard & Poor's AA +) and 46% of the receivables are from NAM (Joint Venture Shell and ExxonMobil). In 2020 this was 38% and 59% respectively. EBN periodically monitors the creditworthiness of all customers and applies credit limits per customer.

Interest rate risk

The 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. At year-end 2021, 51% (2020: 52%) of the loans had a variable interest rate after hedging.

The table beside shows the interest rate sensitivity of the financial instruments on shareholders' equity and the result. The analysis of the sensitivity of borrowings and related financial derivatives to interest rate movements assumes an immediate 1% point change in interest rates compared to the level on 31 December 2021. An increase in interest rates by 1 percentage point would result in an estimated increase in net finance costs of EUR 13 million. These effects will mainly arise because the change in the market value of the derivatives caused by an interest rate change is directly recognised in the result. All other variables are kept constant. A decrease in interest rates by 1 percentage point would result in an estimated decrease in net finance costs of EUR 13 million based on the portfolio of financial instruments as at 31 December.

In EUR mln

2021	carrying amount	fair value	effect change interest rate +1%	effect change interest rate -1%
cash and cash equivalents	596	596	-	-
investments (current assets)	3,171	3,171	-	-
receivables	707	707	-	-
investments (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**

In EUR mln

2020	carrying amount	fair value	effect change interest rate +1%	effect change interest rate -1%
cash and cash equivalents	600	600	-	-
investments (current assets)	1,666	1,666		
receivables	173	173	-	-
investments (non-current assets)	853	853		
current borrowings	-22	-22	-	-
other current and non-current liabilities	-544	-544	-	-
non-current borrowings	-540	-565	-	-
cross currency swaps positive used for non-current borrowings	57	57	-10	10
cross currency swaps positive used for current borrowings	-	-	-	-
total	**2,243**	**2,218**	**-10**	**10**

Currency risk

The currency risk is the risk of financial results or changes in the balance sheet due to fluctuations in a currency exchange rate on the currency market. EBN's objective is to eliminate or reduce these 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 the trade receivables or trade obligations arise. Expected transactions that have not yet taken place are not hedged. If investments or financing are made in a foreign currency, the currency risk is fully hedged immediately after the moment of the investment or financing transaction. With financing in foreign currencies, the currency risk is fully hedged in terms of both principal and all future interest obligations.

Currency risks on short-term loans in foreign currencies are hedged with forward exchange contracts. At year-end 2021, there were no ongoing foreign exchange forward contracts related to foreign currency issued short-term loans (year-end 2020: nil).

Currency risks on long-term loans in foreign currencies are hedged with cross currency interest rate swaps (see note 19).

The table beside shows the sensitivity of the financial instruments to exchange rate changes on shareholders' equity and the result. This assumes a 10% change in all exchange rates versus the euro based on the rates as at 31 December 2021, with all other variables held constant. A change of +10% means that the foreign currency becomes stronger versus the euro. A change of -10% means a weakening of the foreign currency versus the euro.

In EUR mln

2021	carrying amount	fair value	effect movement exchange rate +10%	effect movement exchange rate +10%
cash and cash equivalents	596	596	-	-
investments (current assets)	3,171	3,171	-	-
receivables	707	707	-	-
investments (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 mln

2020	carrying amount	fair value	effect movement exchange rate +10%	effect movement exchange rate +10%
cash and cash equivalents	600	600	-	-
investments (current assets)	1,666	1,666		
receivables	173	173	-	-
investments (non-current assets)	853	853		
current borrowings	-22	-22	-47	39
other current and non-current liabilities	-544	-544	-	-
non-current borrowings	-540	-565	-63	51
cross currency swaps positive used for non-current borrowings	57	57	63	-51
cross currency swaps positive used for current borrowings	-	-	47	-39
total	**2,243**	**2,218**	**-**	**-**

Fair value of financial instruments

Derivatives that serve to hedge long-term instruments (and are therefore also long-term) classified under fixed assets or long-term liabilities.

The table beside provides an overview of the carrying amount and estimated fair value of financial instruments.

The fair values of listed long-term loans are based on published prices (level 1 according to IFRS). The other fair values are calculated on the basis of available market information, including interest and price levels (level 2 according to IFRS). All financial assets and liabilities at fair value through profit or loss are classified according to level 2. These valuation techniques are assessed annually. The valuation techniques have not been adjusted in 2021.

The fair value of the long-term loans amounts to EUR 402 million as at 31 December 2021 (2020: EUR 558 million). The valuation is in accordance with level 1 (as in 2020). The carrying amount of the aforementioned long-term loans is EUR 386 million (2020: EUR 533 million). The fair value of the short-term part of these long-term loans as at 31 December 2021 is EUR 170 million (2020: nil). The associated carrying amount is EUR 169 million (2020: nil). These foreign currency loans are recognised at mid-market rates as published by Refinitiv. The associated derivatives are included at 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. Short-term receivables, cash and cash equivalents and current liabilities are stated at amortised cost. Given the short term of these instruments, the amortised cost approximates the fair value.

In EUR mln

	31 December 2021		31 December 2020	
	carrying amount	fair value	carrying amount	fair value
assets				
investments	3,980	3,980	2,519	2,519
current receivables	707	707	173	173
non-current financial derivatives	53	53	57	57
current financial derivatives	25	25	-	-
cash and cash equivalents	596	596	600	600
liabilities				
non-current debenture loans	386	402	533	558
other non-current borrowings	12	12	7	7
non-current financial derivatives	25	25	-	-
current debenture loans	169	170	-	-
other current borrowings	35	35	22	22
other current and non-current liabilities	920	920	544	544

The table below provides an overview of the carrying amount of financial derivatives, broken down by type and purpose:

In EUR mln

	assets	liabilities	total
cross currency interest rate swaps	78		78
forward currency contracts			
Balance at 31 December 2021 for the total financial derivatives in relation to borrowings	**78**		**78**
cross currency interest rate swaps	57		57
forward currency contracts			
Balance at 31 December 2020 for the total financial derivatives in relation to borrowings	**57**		**57**

Market price risk

EBN's has a no hedging policy regarding the risk of fluctuations in oil and gas prices on the oil or gas markets. These 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.

Other notes

20 Contingencies

As indicated in the principles for valuation and profit determination, 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. The investment obligations at year-end 2021 amount to EUR 212 million (2020: EUR 229 million), with these obligations being largely due and payable within one year.

Furthermore, EBN's (in)direct share in the proven and probable gas reserves of fields in which EBN participates amounts to 32 billion Nm^3 GE as at 31 December 2021 (2020: 38 billion Nm^3 GE).

As is customary in the industry, through the associate GasTerra, among others, continuous renegotiations are taking place about the pricing of sales contracts. The results of this can have a significant positive or negative influence on EBN's future results. It is not possible to reliably estimate the outcome of these renegotiations or related arbitration proceedings.

EBN, together with NAM, entered into a credit facility with GasTerra in 2022 to finance GasTerra's purchase of working gas for the underground gas storage facilities in Norg and Grijpskerk. The maximum of the loans to be granted by EBN to GasTerra under this facility amount to EUR 1 billion. The expiry date of this facility is 31 December 2024, with an option to extend for three years.

As a result of the earthquakes in Groningen caused by gas production, future obligations arose. These obligations mainly relate to damage repair, preventive reinforcement of buildings and infrastructure, compensation measures to increase safety and the liveability of the earthquake area.

A provision has been included for damage claims, a number of structural strengthening to buildings and infrastructure, compensation measures, loss of value and compensation for immaterial damage and loss of a resident (see note 15). The costs involved in the structural strengthening of buildings and compensation measures cannot always be reliably estimated, as a result a provision is only included when concrete agreements are under negotiation or in the case of ongoing legal proceedings of which the chance that EBN will payment of earthquake costs is greater than 50%. The total amount of the costs could therefore be higher. EBN will contribute 40% to these costs by virtue of its participation in the Groningen licence.

21 Notes on the statement of cash flows

In the preparation of the statement of cash flows the indirect method was applied with a comparison of opening balance sheet and closing balance sheet. Movements not resulting in an inflow or outflow of cash were subsequently eliminated. Information on movements in the statement of cash flows can largely be derived from the statements of movements in the relevant balance sheet items.

Explanation of the change in property, plant and equipment (excluding investments):

In EUR mln

	note	2021	2020	Delta
Balance sheet decrease / (increase)				
property, plant and equipment	9	1,931	2,020	89
Excluding investments	9			101
total				**190**

Explanation of the change in cash flows from the liabilities (excluding loans and debt to the State):

In EUR mln

	note	2021	2020	Delta
Balance sheet (decrease) / increase				
other non-current borrowings	17	78	89	-11
trade payables	18	47	118	-71
other payables	18	795	337	458
total				**376**
Excluding non-cash items				
right of use liability		-1	-10	9
total				**9**
total				**385**

Explanation of unrealised financial income and expenses:

In EUR mln

	non-current	current	cash and cash equivalents, investments and derivatives	total
Net debt at 1 January 2020	**532**	**467**	**-3,522**	**-2,523**
cash flows	4	-434	270	-160
other changes	4	-11	76	69
Net debt at 31 December 2020	**540**	**22**	**-3,176**	**-2,614**
cash flows	5	13	-22	-4
other changes	-148	-0	-1,456	-1,604
Net debt at 31 December 2021	**397**	**35**	**-4,654**	**-4,222**

In EUR mln

	note	2021	2020
revaluation income on derivatives	5	21	15
exchange differences on other financial instruments	5	-22	-15
other financial income and expense		18	21
total		**17**	**21**

22 Related parties

GasTerra and EBN are related parties. EBN has 56 active (2020: 58) gas sales contracts with GasTerra. Of the sales of EUR 2,977 million, EUR 1,734 million was realised through GasTerra (2020: EUR 386). The receivables in 2021 include an amount of EUR 342 million (2020: EUR 58 million) for supplies to GasTerra.

Together with the Nederlandse Aardolie Maatschappij B.V. (NAM), EBN entered into a Deposit and Loan Facility Agreement with GasTerra. Under this agreement, GasTerra can propose to EBN and NAM (as joint parties) placing a sum of money for a term of three days to three months as a fixed term deposit with EBN and NAM. GasTerra can also request a loan to EBN and NAM (as joint parties) for a similar term under this agreement. For further information, reference is made to note 16.

The State as a shareholder is classified as a related party. The levies, corporation tax and distributions of the result after tax are remitted to the State. Reference is made to notes 7 and 14 in the financial statements. In addition, EBN received a loan in accordance with market conditions from its shareholder (see note 16).

NOGAT and NGT-Extensie, as associates, can be classified as related parties. EBN pays transport costs to NOGAT and

NGT-Extensie within the framework of its joint operations. This takes place in normal business operations and in accordance with 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 CO2 Transport and Storage GP B.V., Porthos System Operators B.V., Porthos Offshore Transport and Storage C.V., and Porthos CO2 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., a company established by the State with the State as sole shareholder. This position is held alongside his position as EBN's CEO.

23 Key management

The total charge for remuneration, pensions and other salary costs of the key management (three members of the executive team, of which one is a statutory director (the CEO) and five Supervisory Board members) amounted to EUR 0.9 million as at 31 December 2021 (2020: EUR 0.8 million). The periodic benefits for as included in the table on the right include compensation for the capping of the pension accrual.

The total salary costs of the management team members can be specified as follows:

In EUR

	2021	2020
regular remunerations	789,797	760,229
pensions	65,373	58,740
total	**855,170**	**818,969**

The gross remuneration of the supervisory directors (excluding VAT) can be specified as follows:

In EUR

	2021	2020
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	20,000	20,000
S.A.M. Dijksma (vanaf 5 april 2020 tot en met 15 december 2020)		13,947
Drs. C.G. Gehrels (benoemd per 1 december 2021)	1,667	
total	**86,167**	**98,447**

As of 31 October 2019, Mr. Samsom stepped down as supervisory director on his own initiative because he accepted a new position as chef de cabinet of climate commissioner Frans Timmermans. Sharon Dijksma resigned on 15 December 2020 due to her appointment as Mayor of Utrecht as of 17 December 2020. Ms. C.G. Gehrels was appointed as new supervisory director as of 1 December 2021. In addition to their gross remuneration, each member of the Supervisory Board receives an expense allowance of EUR 2,400 per year.

24 Events after the balance sheet date

On 24 February 2022, Russia invaded Ukraine. As a result, national and international sanctions have been imposed which may affect the Russian gas company Gazprom. Furthermore, we see large price fluctuations due to the increased uncertainty of gas supplies.

EBN does not work directly with Gazprom in the Netherlands. However, EBN is a partner in the fields in the D12 block that border the United Kingdom, where Wintershall is the operator and Gazprom also has a stake. Gazprom is also a 50% shareholder in Wintershall Noordzee, our partner in various joint ventures for gas production in the North Sea (EBN share 40%). In addition, since 2009 Gazprom has been supplying so-called cushion gas for the Bergermeer gas storage facility (operator TAQA Energy, EBN share 40%).

The impact for EBN of the imposed and possible new sanctions and future events, including large price fluctuations, is uncertain. EBN's operations are sensitive to price fluctuations. We are in regular contact with the Ministry to discuss the impact, including questions and concerns from other stakeholders that come through us.

Utrecht, 14 March 2022

CEO
Mr. J.W. van Hoogstraten

Supervisory Board
Mr. J.G. Huijskes
Ms. E.M. Kneppers-Heijnert
Mr. W.S. de Vries
Mr. J.W. Weck
Ms. C.G. Gehrels

Company statement of comprehensive income

In EUR mln

	2021	2020
share of profit from associates, after tax	23	61
other results, after tax	633	-425
profit/(loss) for the period	**656**	**-364**
other comprehensive income	-	-1
total comprehensive income for the period	**656**	**-365**

Company balance sheet (before profit appropriation)

In EUR mln

assets	note	31 December 2021	31 December 2020
non-current assets			
property, plant and equipment	0	1,809	1,901
associates and other non-current assets	A	359	339
investments	11	809	853
deferred tax asset	0	92	94
		3,069	**3,187**
current assets			
investments	11	3,171	1,666
inventories	12	26	26
trade receivables and other current receivables	0	700	167
tax receivables	0	263	305
derivatives	19	25	-
cash and cash equivalents	0	413	462
		4,598	**2,626**
total		**7,667**	**5,813**

In EUR mln

liabilities	note	31 December 2021	31 December 2020
shareholder's equity	14		
share capital		128	128
share premium		450	450
retained earnings		470	-186
		1,048	**392**
provisions			
provisions	15	5,144	4,341
		5,144	**4,341**
non-current liabilities			
borrowings	16	397	540
other non-current liabilities	17	78	89
		475	**629**
current liabilities			
borrowings	16	204	22
trade payables	-	48	123
other payables	-	748	306
		1,000	**451**
total		**7,667**	**5,813**

Notes to the company financial statements

General information

EBN's separate financial statements are prepared in accordance with the principles for financial reporting generally accepted in the Netherlands and the legal stipulations regarding the financial statements as defined in Part 9, Book 2 of the Dutch Civil Code. The company income statement is presented in accordance with the exemption of Section 402, Title 9, Book 2 of the Dutch Civil Code.

For the determination of the basis for the valuation of assets and liabilities and determination of results of the separate financial statements the option provided for in Section 2:362(8) of the Dutch Civil Code is used. The principles for the valuation of assets and liabilities and determining the result of the separate financial statements are therefore the same as those used in the consolidated financial statements. Group companies are recognised on the basis of the net asset value and associates on the basis of 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.

For a description of the principles applied, please refer to pages 110 to 118.

A) Associates and other non-current assets

Associates and other non-current assets comprise derivatives of EUR 53 million (for details of derivatives please see note 19) and the following items:

In EUR mln

	group company	associates	loans	receivables	2021 total
balance per 1 januari	166	86	30	-	282
changes	5	-	-4	-	1
profit share	23	14	-	-	37
dividend paid	-	-14	-	-	-14
balance per 31 december	**194**	**86**	**26**	**-**	**306**

In EUR mln

	group company	associates	loans	receivables	2020 total
balance per 1 januari	105	86	38	-	**229**
changes	-	-	-8	-	**-8**
profit share	61	14	-	-	**75**
dividend paid	-	-14	-	-	**-14**
balance per 31 december	**166**	**86**	**30**	**-**	**282**

For details, reference is made to note 10.

Loans relates to a loan granted to EBN Capital B.V. for the investments in the Bergermeer underground gas storage facility. This loan facility has a maximum of EUR 200 million and a duration from 1 January 2013 to 31 December 2041. Collateral has not been granted. The interest percentage is calculated annually based on the 12-month Euribor and an additional fee of at least 250 basic points.

B) Shareholder's equity

The result after tax for 2021 is included in the item retained earnings of shareholder's equity. For a further explanation of shareholder's equity we refer to note 14 of the consolidated financial statements.

Profit distribution proposal

No net profit was realised in 2021. The proposal is to add the 2021 net result to the shareholders' equity.

Other notes

The financial fixed assets in the separate balance sheet include the valuation of the 100% participating interests EBN Capital B.V., EBN CCS B.V., EBN Aardwarmte B.V., EBN Porthos Deelnemingen B.V. and EBN CCS LP B.V. which are included in the consolidated financial statements. The differences in the other items between the consolidated and separate financial statements mainly concern the balance sheet positions of EBN Capital. The primary balance sheet positions within EBN Capital are property, plant and equipment (EUR 122 million) and the provision for decommissioning and restoration costs (EUR 67 million).

Given the minimal differences between the other balance sheet items included in the consolidated financial statements and the separate financial statements for further information, please refer to the explanatory notes to the consolidated financial statements. These are set out on pages 110 to 150.

Security

EBN has issued a liability statement for EBN Capital B.V. and Aardwarmte B.V. in compliance with Section 2:403 of the Dutch Civil Code.

Fiscal unity

EBN forms a fiscal unity with EBN Capital B.V., EBN Aardwarmte B.V. and EBN CCS B.V. for corporate income tax and value added tax. EBN and its subsidiaries together form a fiscal unity and are jointly and severally responsible for the taxes payable by the fiscal unity. In the financial statements of the subsidiaries the tax charges are calculated based on the commercial result. EBN B.V. settles this tax charges with EBN Capital B.V., EBN Aardwarmte B.V. and EBN CCS B.V. via the current account.

Events after the balance sheet date

For more information, please refer to note 24 in the consolidated financial statements.

Fees paid to external auditors

The cost of external auditors, PricewaterhouseCoopers Accountants N.V., for 2021 were EUR 405,282 for statutory audit services (2020: EUR 335,000) and EUR 26,786 for other audit services (2020: EUR 405,000). The decrease in costs in 2021 for non-audit services is due to the termination of the engagement in 2020 for the Joint Venture audits. In 2021, no tax services and no non-audit services were provided by PricewaterhouseCoopers Accountants N.V.

Directors' remuneration

The remuneration of the company's directors is in line with the remuneration policy adopted by the shareholder and reads as follows:

In EUR

J.W. van Hoogstraten	2020	2019
regular remuneration	293,182	281,517
variable remuneration	39,484	31,734
pension	20,911	19,580
total	**353,577**	**332,831**

The remuneration shown in the table above includes compensation for the capping of the pension accrual. See 10.4 Remuneration Report for more information.

In 2021 the remuneration to the supervisory directors amounted to EUR 84,500 (2020: EUR 98,477). See note 23 for further details on the remuneration of the individual supervisory board members.

Utrecht, 14 March 2022

CEO
Mr. J.W. van Hoogstraten

Supervisory Board
Mr. J.G. Huijskes
Ms. E.M. Kneppers-Heijnert
Mr. W.S. de Vries
Mr. J.W. Weck
Ms. C.G. Gehrels

Other information

Profit appropriation

The profit appropriation takes place in accordance with the provisions laid down in Section 20(2) of the Articles of Association of the Company and in accordance with current agreements with the shareholder.

9. Independent auditor's report

Report on the financial statements 2021

This assurance report is an unofficial translation of the original assurance report accompanying the original annual report 2021, 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.

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 2021 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 2021 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 2021 of EBN B.V., Utrecht. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2021;
- the following statements for 2021: the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2021;
- the company statement of comprehensive income for the year then ended;
- the notes, comprising 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

Overview and context

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

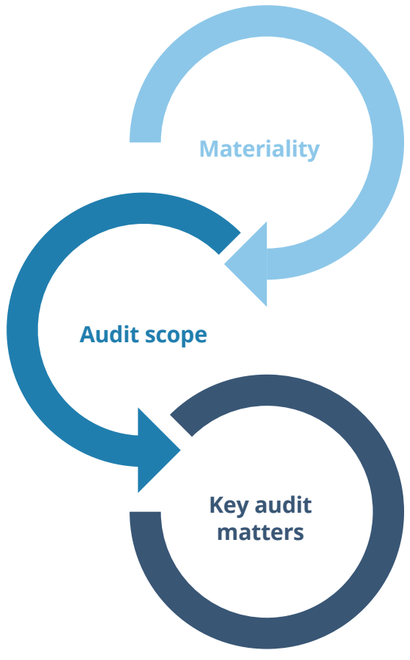
audit approach for going concern should be viewed in that context and not as separate opinions or conclusions.

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%, in some cases 50%, 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 CO2 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 (reversals of) impairments of property, plant and equipment and earthquake related expenses. At the same time the volume and scale of the operations are mainly determined by the number of participations and finance activities. This is reflected in the company's financial performance in its total fixed 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 CCS 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 fixed assets and the determination of the provision for decommissioning and



Materiality
- Overall materiality: €38.750.000, based on 0,5% of total assets.

Audit scope
- We have performed audit procedures on EBN B.V., EBN Aardwarmte B.V., EBN Capital B.V., EBN CCS B.V., EBN CCS Porthos Deelnemingen B.V. en EBN CCS LP B.V.

Key audit matters
- Valuation of fixed assets 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

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:

Overall group materiality	€38.750.000 (2020: €29.475.000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 0,5% 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.

Materiality

The scope of our audit is 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.

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 misstatements identified during our audit above €1.935.000 (2020: €1.473.000) 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 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 oversight, as well as the outcomes. We refer to section 5.1 of the directors' report for 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:

Identified fraud risk	Audit work and observations
The risk of management override of controls The board of 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 fixed assets 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.

Audit approach continuity

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 judgments 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.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

Key audit matter	Our audit work and observations
Valuation of property, plant and equipment and the underlying triggering event analysis include significant management estimates *Refer to 'Key accounting estimates and judgement' 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.	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 fixed assets 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.

Key audit matter	Our audit work and observations
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.	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.
Determination of the provision for decommissioning and restoration and costs as a result of earthquakes include significant management estimates *Refer to 'Key accounting estimates and judgement' and Note 15 'Provisions'* The valuation of provisions for decommissioning and restoration and costs as a result of earthquakes is complex. Provisions related to these costs are 63% (EUR 4.908 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. 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. 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 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. 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 also contains other information. That consists of all information in the annual report other than 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;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code for the director's report and other information.

We have read the other information. Based on our knowledge and 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 performed in our audit of the financial statements.

The board of directors is 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 following the passing of a resolution by the shareholders at the annual meeting held on 16 November 2015. Our appointment has been renewed by shareholders representing a total period of uninterrupted engagement appointment of 6 years.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines 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 board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of 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 to be 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.

The Hague, 14 March 2022
PricewaterhouseCoopers Accountants N.V.

drs. J. van Hoof RA

Appendix to our auditor's report on the financial statements 2021 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 auditor's responsibilities for the audit of the 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 board of directors.
- Concluding on the appropriateness of the board of 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.

Assurance report of the independent auditor

This assurance report is an unofficial translation of the original assurance report accompanying the original annual report 2021, 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 Executive Board and Supervisory Board of EBN B.V.

Assurance report on the sustainability information 2021

Our conclusion

Based on our review nothing has come to our attention that causes us to believe that the sustainability information included in the annual report 2021 of EBN B.V. (hereafter: "EBN") does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to sustainability; and
- the thereto related events and achievements for the year ending on 31 December 2021,

in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as included in the section 'reporting criteria'.

What we have reviewed

We have reviewed the sustainability information included in the following sections of the annual report for 2021 (the period 01-01-2021 up to and including 31-12-2021) (hereafter: "the sustainability information"):

- 1. Foreword;
- 2. Our organisation;
- 3. Our position in the energy chain;
- 4. Results.

This review is aimed at obtaining a limited level of assurance.

The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N 'Assuranceopdrachten inzake maatschappelijke verslagen' ('Assurance engagements on corporate social responsibility reports'). Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of our report.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We are independent of EBN in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other for the engagement relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Dutch Code of Ethics).

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS – Regulations for quality systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Reporting criteria

The sustainability information needs to be read and understood together with the reporting criteria. The reporting criteria used for the preparation of the

sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in section '7. 'About this report' of the annual report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Limitations to the scope of our review

The sustainability information includes prospective information such as expectations on ambitions, strategy, plans and estimates and risk assessments. Inherent to prospective information, the actual future results are uncertain, and are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and achievability of prospective information.

In the sustainability information references are made to external sources or websites. The information on these external sources or websites is not part of the sustainability information reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities for the sustainability information and the review thereon

Responsibilities of the Executive Board and the Supervisory Board for the sustainability information

The Executive Board of EBN is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in section 'reporting criteria', including selecting the reporting criteria, the identification of stakeholders, determining the material matters and determining that the applicable reporting criteria are acceptable in the circumstances taking into account applicable law and regulations related to reporting. The choices made by the Executive Board regarding the scope of the sustainability information and the reporting policy are summarized in section '7. 'About this report' of the annual report.

Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the company's reporting process on the sustainability information.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform a review engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance to determine the plausibility of the sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a review is therefore substantially less than the assurance obtained in an audit in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our procedures included, amongst other things of the following:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues and the characteristics of the company.

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Executive Board.
- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review.
- Identifying areas of the sustainability information 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 sustainability information responsive to this risk analysis.
- Our other procedures consisted amongst others of:
  - Interviewing management (and/or relevant staff) 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 sustainability information.
  - Obtaining assurance evidence that the sustainability information reconciles with 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.
- Reconciling the relevant financial information with the financial statements.
- Reconciling the operational performance indicators with reportings by by operators and consolidated in the e-MJV by the Ministry of Infrastructure and Water (IenW).
- Evaluating the consistency of the sustainability information with the information in the annual report, which is not included in the scope of our review.
- Evaluating the presentation, structure and content of the sustainability information;
- Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Rotterdam, 14 March 2022
PricewaterhouseCoopers Accountants N.V.

10. **Annexes**

10.1 Interaction with our stakeholders

Stakeholder	Organisation	Form of interaction	Discussion points
National government	Shareholder: Ministry of Economic Affairs and Climate Policy / Secretary General	Annual General Meeting of shareholders Informal consultations Six-monthly coordination & 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 consultation and Executive Team consultation Mining and Gasgebouw consultation Ad hoc Stakeholder monitor	Information to assess feasibility with respect to planned energy policy Cooperation Joint ventures Current developments Decommissioning and re-use
	Policy maker: Ministry of Infrastructure and Water Management	Workshops Ad hoc	Structural vision, Subsurface Decommissioning and re-use Mining and water protection
	Policy maker: Ministry of Economic Affairs and Climate Policy and 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 / Inter-provincial Consultative Committee (IPO)	Ad hoc consultations Networking Meetings Conferences / symposiums Stakeholder monitor	Development of geothermal energy in the Netherlands Collaboration Geothermal potential Geothermal energy as part of RES Execution of SCAN programme
	Water boards	Ad hoc consultations Meetings	Development of geothermal energy in the Netherlands Execution of SCAN programme

Stakeholder	Organisation	Form of interaction	Discussion points
	Municipalities / Association of Netherlands Municipalities (VNG)	Ad hoc consultations Meetings VNG Conference Conferences / symposiums Stakeholder monitor	Development of geothermal energy in the Netherlands Geothermal potential Execution of SCAN programme
Regulatory agencies	State Supervision of Mines	Regular meetings Ad hoc 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	Competition
Operators/ licence holders	Oil and gas companies operating in the Netherlands Foreign (non-) operators	Regular meetings (TCMs, OCMs) Processing of investment proposals Strategic meetings Informal contacts Workshops Conferences Ad hoc consultations Stakeholder monitor	Projects Collaboration Investments Cost management Reserves Decommissioning and re-use 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 consultations Workshops Conferences Stakeholder monitor	Geothermal energy development 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, NOGEPA, Natuur & Milieu, Stichting De Noordzee, KNAW, and the ministries of Economic Affairs and Climate Policy, of Agriculture, Nature and Food Quality and Infrastructure and Water Management	Stakeholder monitor	The North Sea Consultation (NZO), 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 shall cover 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	NOGEPA trade association	Regular meetings Informal contacts Reports Workshops Conferences Stakeholder monitor	Collaboration Cost management Decommissioning and re-use Public support Role of natural gas Energy transition Communication
	KVGN (Netherlands Royal Society for Natural Gas Producers)	Regular working groups (communications & PA) CEO dinners Symposiums Steering group Stakeholder monitor	Role of natural gas in the energy transition Industry-wide collaboration 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 Innovation Cost reduction in decommissioning and re-use
	Geothermie Nederland	Regular meetings Informal contacts Workshops Ad hoc consultations 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	Financing needs Credit conditions
	Capital market: banks and advisers	Ad hoc	Financing needs Capital market developments
	Money market: banks, commercial paper dealers and money market traders	Ad hoc	Investment opportunities Money market developments
	Moody's credit rating agency	Annual review meeting Ad hoc	Financial and operational developments and expectations
Insurance	Insurance brokers and companies	Ad hoc	Damage claims Inspections of installations
Wholesale	GasTerra (gas buyer)	Regular meetings (CVG, RVC, AC, AGM) GILDE, KVGN (Dutch gas industry association) Ad hoc Stakeholder monitor	Sales prices Processing and transportation Liability Warranties Public support Role of natural gas Energy transition
Natural gas transport	Gasunie/GTS	Regular meetings GILDE, KVGN (Dutch gas industry association) Ad hoc Stakeholder monitor	Import conditions Public support Role of natural gas Energy transition
Natural gas storage	TAQA (Bergermeer)	Regular meetings (TCMs, OCMs) Ad hoc	Projects Collaboration Investments HSE benchmark
	Gasgebouw (Norg, Grijpskerk, Alkmaar)	Regular meetings	Projects Collaboration Investments

Stakeholder	Organisation	Form of interaction	Discussion points
Buyers	Oil/condensate: Oil and petrochemicals companies (midstream)	Regular meetings Ad hoc	Sales prices Processing and transportation Liability Warranties
	Natural gas: Energy companies	Via wholesale (GasTerra)	Sales prices Processing and transportation Liability Warranties
Supply	E&P service companies oil and gas industry IRO trade association	Project basis (Joint Industry Projects or JIPs) Workshops Conferences	Projects Cost management Decommissioning and re-use
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, Tata Steel and Port of Amsterdam (partners in Athos project), emitters	Project basis Regular meetings (steering group, consultation with emitters, consultation with offshore operators)	
		Stakeholder monitor	
Advisory bodies	Berenschot Deloitte McKinsey PwC Royal HaskoningDHV EY: Darel TNO:	Sporadic and upon request Stakeholder monitor	Consultancy Support Research

Stakeholder	Organisation	Form of interaction	Discussion points
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 re-use Geothermal energy development in the Netherlands
Residents	Local residents' involvement groups Interest 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	Management of TKI Gas Supervisory Board Strategic Advisory Board (NEC) Regular meetings JIPs (TNO) Ad hoc Stakeholder monitor	Collaboration Consultancy Support Research, including TKI projects
	Educational institutions: Universities Training institutes Students	Student conference EBN internships 3TU's, UU, VUA, RUG Workshops	University career fairs Social trade-offs around projects Career opportunities Decommissioning and re-use
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 Consultancy Coaching, mentoring, advice, project guidance Buddy programme	Satisfaction Well-being Physical and mental well-being, complaints Social developments Training and courses Implementation strategy Cultural programme

Stakeholder	Organisation	Form of interaction	Discussion points
	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 Survey	Strategy and market developments General course of affairs at EBN Request for advice on implementation of new strategy (reorganisation) Request 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 at EBN (end of 2021)	144.9	56.0	88.9
Number of people employed by EBN	155	62	93
Number of employees with permanent contracts	119	51	98
Number of employees with temporary contracts	36	11	25
Number of employees with a full-time contract	99	29	70
Number of employees with a part-time contract	56	33	23
Age group <25 years	1	1	0
25-34 age group	34	16	18
35-44 age group	46	21	25
45-54 age group	41	16	25
55-64 age group	31	7	24
65+ age group	2	1	1

Interns

	Total	Women	Men
Number of interns at EBN (FTE on average)	5.8	3.1	2.8
Number of interns at EBN (headcount)	14	7	7

External staff

	Total	Women	Men
Number of external workers in staff positions (average FTE)	4.35	1.1	3.25
Number of eternal workers in staff positions headcount)	6	2	4

Employees taking up and leaving employment in 2021

	Total	Women	Men
Number of people hired	36	13	23
Number of employees who left the company in 2019	18	5	13

About EBN employees

	2021	2020	2019
Percentage of women employed at EBN (end of 2021)	40.0%	39.4%	39.8%
Percentage vrouwen in senior management posities	50.0%	37.5%	40.0%
Average age	43.8	43.6	44.3
Percentage under the age of 45 years	52.3%	54,.%	54.2%
Academic level	83.9%	82.5%	80.5%
Higher professional education	9.0%	8.8%	8.5%
Secondary vocational education	7.1%	8.8%	11.0%
Absenteeism (for all of 2021)	3.5%	2.8%	5.3%
Short-term absenteeism	0.4%	0.5%	0.7%
Medium-term absenteeism	0.3%	0.2%	0.4%
Long-term absenteeism	2.8%	2.1%	4.1%
Average notification frequency	0.5	0.6	0.9

10.3 Governance table

Executive Team governance table

(ages given as of date of Supervisory Board meeting on 14 March 2022)

Name	Age	Profile/specific expertise	Task at EBN	Appointment term	Relevant secondary positions
J.W. van Hoogstraten (m)	57	• 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 the Executive Team and maintains contacts with the Supervisory Board and the shareholder. He serves as the employer for the Geotechnical operations programme manager and the corporate managers of the HR & Facilities, Legal and Communications & Public Affairs departments.	1 March 2020 – 1 March 2024 (second term)	Member of the Supervisory Board of GasTerra B.V. Chairman of KVGN Member of the Board of Delegated Commissioners 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)	49	• 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 serves as the employer for the E&P assets programme manager and the corporate managers of the Accounting^& Reporting, Treasury and Information Management departments.	From 14 October 2019	-
B.C. Scheffers (m)	58	• 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: Berend is primarily responsible for assisting the CEO in developing, communicating, implementing and maintaining the strategic initiatives. Berend is chair of the Reserve Board, and serves as the employer for the CC(U)S, Geo-energy, Exploration and Advice & Innovation programme managers.	From 2011	Member of the board of stichting TKI Gas Member of the Supervisory Board of Stichting Delft Aardwarmte Project (Delft Geothermal Energy Project) Member of the New Energy Coalition (NEC) Strategic Advisory Board Member of the management team of the World Energy Council – the Netherlands (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	Reappointed	End of term	Relevant secondary positions
C.G. Gehrels (v)	54	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	Global Director Energy Transition Arcadis Chair of the Industry Implementation Consultation (*Uitvoeringsoverleg Industrie*) for the Climate Agreement. Member of the Supervisory Board of Delft University of Technology and Chair of the Committee for Quality of Education and Research. Member of the Executive Committee of the Forum for Urban Renewal Member of the Governing Board of World Waternet
J.G. Huijskes (m)	57	Portfolio: Knowledge of the oil and gas sector	Chair of the Supervisory Board, member of the Audit committee and member of the Remuneration committee/Selection and Appointment committee	2016	2020	2024	Chairman of Gulf Keystone Petroleum PLC
E.M. Kneppers-Heijnert (v)	70	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	Professor emeritus of business administration, in particular the legal aspects, University of Groningen Member of the Supervisory Board of Wolters Kluwer Holding Nederland B.V. President of the Advisory Board of Instituut GAK Member of the board of the Fonds Bijzondere Voorzieningen Martini Ziekenhuis Groningen foundation
W.S. de Vries (m)	68	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	-
J.W. Weck (m)	74	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	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

10.4 Remuneration report

This remuneration report contains an explanation of the remuneration policy used in 2021 for the CEO and the Supervisory Board of EBN.

In 2021, 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 principles

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 objectives relate to one or more of EBN's material themes.

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 2021, please see CEO 'directors remuneration' of 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 consist of 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 2021, the Remuneration committee set the following company objectives for EBN:

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 are determined on the basis of the work programme and budget drawn up in December 2020; realisation is determined after the end of the financial year. This also applies to objectives 3 and 4. Objective 5 was specifically included for 2021. Previous scores from these surveys have been taken into account in setting objectives 6, 7 and 8.

	Topic	Material theme	Explanatory notes	Objective
1	EBN's profit	Maintain Financial strength and resilience	EBN's profit shown in million EUR	≥ -/- 47
2	Administration costs		EBN's costs for staff, hiring expertise, office, etc. shown in million EUR	≤ 27.3
3	Reserves maturation of small fields and geothermal heat	Stimulating and accelerating exploration and production of Dutch small gas fields and Strengthening, accelerating and improving the Dutch geothermal energy sector	The net supplementation (maturation) of natural gas and geothermal reserves in the Netherlands, measured in Petajoules, with weighting factors and basis per product.	≥ 100
4	CO_2 reduction	Active approach to risks; Using subsurface space to make the energy system more sustainable; Strengthening, accelerating and improving the Dutch geothermal energy sector; Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition	CO_2 reduction across four different products (natural gas, geothermal, CCS and other green gas and hydrogen), with weighting factors and basis per product	≥ 100
5	Abandonment	Responsible decommissioning and, where possible, reuse of infrastructure	Milestones in a joint campaign for the removal of a certain type of well (mudline suspension campaign)	Survey 100%
6	Great place to work	Creating connective power	Overall score of the employee satisfaction survey	7.8
7	Transparency benchmark	Creating connective power	Ranking in the energy sector of the Transparency Benchmark Study commissioned by the Ministry of Economic Affairs and Climate Policy.	5-6
8	Stakeholder survey	Creating connective power	Overall score in the stakeholder survey	7.8

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 termg

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.

Claw back 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 claw back clause is in line with the Dutch national government's shareholdings policy.

Balanced composition of the board

The board comprises one natural person, the CEO, so there is no way to achieve a balanced distribution of the seats on the board.

Variable remuneration for 2021

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 2021 have been achieved will be determined on 14 March 2022.

Remuneration ratio at EBN

The median of the total remuneration to EBN employees amounted to EUR 77,230 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: 3.9.

For fiscal year 2021, the remuneration ratio amounted to 1:3.9. The current remuneration ratio has hardly changed compared to the 2020 financial year.

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 (2020: EUR 24,500). The other members receive a remuneration of EUR 20,000 per year (2020: 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.

Total remuneration for the Supervisory Board for 2021 is stated under '23 Key management'.

Utrecht, 14 March 2022

10.5 GRI Index 2021

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
General disclosures				
GRI 102: General Disclosures 2016	**Organisational profile**			
	102-1	Name of the organisation	a. Name of the organisation	Energie Beheer Nederland B.V.
	102-2	Activities, brands, products and services	a. A description of the organisation's activities b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	a, b. 2.1 About EBN; 2.2 Value creation model and impact; 2.4 Strategic pillars
	102-3	Location of headquarters	a. Location of the organisation's headquarters	a. 2.1 About EBN
	102-4	Location of operations	a. Number of countries where the organisation operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	a. 2.1 About EBN
	102-5	Ownership and legal form	a. Nature of ownership and legal form	a. 5.4 Corporate governance
	102-6	Markets served	a. Markets served: i. geographic locations where products and services are offered ii. sectors served iii. types of customers and beneficiaries	i, ii, iii. 2.1 About EBN
	102-7	Scale of the organisation	a. Scale of the organisation i. total number of employees ii. total number of operations iii. net sales (for private sector organisations) or net revenues (for public sector organisations) iv. total capitalisation (for private sector organisations) broken down in terms of debt and equity v. quantity of products or services provided	i. 10.2 The people of EBN ii. 10.6 10 years of key figures / 1. Highlights iii. 10.6 10 years of key figures / 1. Highlightsiv. 8. Financial statements v. 10.6 10 years of key figures / 1. Highlights

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organisation's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	a. 10.2 The people of EBN b. The breakdown by region is not applicable because the Netherlands as a whole is considered a region. c, d. 10.2 The people of EBN. e. Not applicable, no significant seasonal variations. f. The total number of employees in temporary employment consists of all employees who have a fixed-term contract with an end date. We define the number of employees with part-time contracts as all employees who have contracts of less than forty hours.
	102-9	Supply chain	a. A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services.	a. 3. Our position in the energy chain
	102-10	Significant changes to the organisation and its supply chain	a. Significant changes to the organisation's size, structure, ownership, or supply chain: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions. ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations). iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	i, ii, iii. No significant changes.
	102-11	Precautionary Principle or approach	a. Whether and how the organisation applies the Precautionary Principle or approach.	a. 5.1 Risk management, 5.2 Main strategic risks, 5.3 Risk appetite

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses.	a. 5.4 Corporate governance; 2.2 Value creation model and impact: IIRC; 7.3 Analysis and determination of materiality: IFRS; 5.4 Corporate governance: Corporate governance, GRI Standards optie core code; 8 Financial statements: IFRS/IFRIC
	102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organisation	a. Nederlandse Vereniging voor Duurzame Energie (NVDE) KVGN CIEP New Energy Coalition TKI ESTRAC SPE Geothermie Nederland EAGE World Energy Council (WEC)
Strategy				
	102-14	Statement from senior decision maker	a. A statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy for addressing sustainability.	a. 1. Foreword
Ethics and integrity				
	102-16	Values, principles, standards and norms of behaviour	a. A description of the organisation's values, principles, standards, and norms of behaviour.	a. 5.4 Corporate governance, 3.4 Our position in the energy chain - Chain responsibility

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	Governance			
	102-18	Governance structure	a. Governance structure of the organisation, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	a. 5.4 Corporate governance b. 7.3 Analysis and determination of materiality - Steering and reporting
	Stakeholder management			
	102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organisation.	a. 10.1 Interaction with our stakeholders
	102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	a. No collective bargaining agreement applicable.
	102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	a. 4.6.1 Dialogue with stakeholders
	102-43	Approach to stakeholder engagement	a. The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	a. 7.3 Analysis and determination of materiality; 10.1 Interaction with our stakeholders
	102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement: i. how the organisation has responded to those key topics and concerns, including through its reporting. ii. the stakeholder groups that raised each of the key topics and concerns	a. i. 4.1 Results introduction; 7.3 Analysis and determination of materiality; 10.1 Interaction with our stakeholders ii. 10.1 Interaction with our stakeholders

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	Reporting practice			
	102-45	Entities enclosed in the financial statements	a. A list of all entities included in the organisation's consolidated financial statements or equivalent documents. b. Whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	a, b. 8. Financial statements
	102-46	Defining report content and topic boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organisation has implemented the Reporting Principles for defining report content.	a, b. 7.2 Reporting policy and process; 7.3 Analysis and determination of materiality
	102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	a.2.6 Material themes
	102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	a. No revised information.
	102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	a. No significant changes.
	102-50	Reporting period	a. Reporting period for the information provided.	a. 1 January 2021 until 31 December 2021. OPI: 2020.
	102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	a. 31 March 2021
	102-52	Reporting cycle	a. Reporting cycle.	a. Calendar year
	102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	a. 10.8 Contact information

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organisation, if it has prepared a report in accordance with the GRI Standards:	a. 7.2 Reporting policy and process
	102-55	GRI content index	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards). ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	a, b. 10.5 GRI index 2021
	102-56	External assurance	a. A description of the organisation's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process. ii. The relationship between the organisation and the assurance provider. iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organisation's sustainability report.	a. 7.4 Transparency b i, ii, iii. 9. Assurance Report of the Independent Auditor

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
Material topics				
Active approach to risks: Promoting safety, reducing emissions and discharges				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the topic Boundary.	a. 2.6 Material topics; 7.3 Analysis and determination of materiality b i, ii. 2.6 Material themes c. The Promoting Safety sub-topic relates to the employees of our operators, and the local residents in the area where our production activities take place. The Reducing Emissions and Discharges subtopic relates to the direct and indirect emissions and discharges from the operations in which EBN participates as a non-operating partner.
	103-2	The management approach and its components	a. An explanation of how the organisation manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix; 4.7 Active approach to risks; 5.2 Main strategic risks b. All measures are aimed at ensuring the safety of the employees of operators and local residents in our operating areas and reducing the negative impact on the environment. c. i, ii, vii. 4.7 Active approach to risks; 5.2 Main strategic risks iii. 2.8 Connectivity matrix iv. 7.3 Analysis and determination of materiality - Steering and reporting

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.7 Active approach to risks iii. Since 2019, EBN has been reporting its 2025 strategic objective with respect to the Reducing Emissions and Discharges sub-topic, see 2.8 Connectivity matrix and 4.7 Active approach to risks
	Own indicator	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
	Own indicator	CO_2 emissions	a. Percentage change in the small gas fields' CO_2 equivalent emissions per cubic metre produced in 2019 compared to 2017	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 clout and resilience				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the topic Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix; 5.2 Main strategic risks b. All measures are aimed at increasing EBN's financial clout and resilience. c. i. 2.8 Connectivity matrix iii. 2.8 Connectivity matrix; 10.4 Remuneration report iv. 5.4 Corporate governance; 10.3 Governance table vii. 4.5 Financial results
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.5 Financial results iii. Since 2019, EBN has been reporting its 2025 strategic objective with respect to the Maintaining financial clout and resilience material theme, see 2.8 Connectivity matrix.
	Own indicator	Financial resilience	Solvency	2.2 Value creation model and impact; 2.9 Connectivity matrix; 4.5 Financial results; 8. Financial statements; 7.6 Measurement methods for material issues

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
Creating binding force: Facilitating informed dialogue, Knowledge development and sharing, Connecting relevant stakeholders - internal and external				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.6 Material themes c. 2.6 Material themes
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.8 Connectivity matrix; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN b. All measures aim to strengthen informed dialogue, encourage knowledge development and sharing, and foster the connection of relevant stakeholders. c. i, ii. 2.8 Connectivity matrix; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN iii. 2.8 Connectivity matrix iv. 7.3 Analysis and determination of materiality - Steering and reporting vii. 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

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.2 Our Dutch Gas; 4.3 Return to Nature; 4.4 New Energy; 4.6.1 Dialogue with stakeholders; 4.6.2 The people of EBN iii. Since 2019, EBN has been reporting its 2025 strategic objectives with respect to the Facilitating informed dialogue, Knowledge development and sharing sub-topics, see 2.8 Connectivity matrix.
	Own indicator	Informed dialogue	a. Update infographic	a. 2.8 Connectivity matrix; 4.6.1 Dialogue with stakeholders; 7.6 Measurement methods for material themes.
	Own indicator	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.
Stimulating and accelerating the exploration and production of small Dutch gas fields				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.4 Strategic pillars; 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix b. All measures are aimed at locating, developing and producing gas reserves in the Netherlands in the most sustainable way possible. c. i, ii. 2.4 Strategic pillars iii. 2.8 Connectivity matrix iv. 7.3 Analysis and determination of materiality - Steering and reporting vii. 4.4 Our Dutch Gas
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.4 Our Dutch Gas iii. Since 2019, EBN has been reporting its second 2025 strategic objective with respect to the Stimulating and accelerating the exploration and production of small Dutch gas fields material theme, see 2.8 Connectivity matrix.
	Own indicator	Gas extraction	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 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.4 Strategic pillars; 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix b. All measures are aimed at stimulating the development of geothermal energy in the Netherlands. c. i, ii. 2.4 Strategic pillars iii. 2.8 Connectivity matrix iv. 7.4 Analysis and determination of materiality - Steering and reporting vii. 4.2 New Energy
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.2 New Energy iii. Since 2019, EBN has been reporting its second 2025 strategic objective with respect to the Strengthening, accelerating and improving the Dutch geothermal energy sector material theme, see 2.8 Connectivity matrix.
	Own indicator	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, re-use of infrastructure				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.4 Strategic pillars; 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix b. All measures are aimed at encouraging the re-use and decommissioning of stranded assets in the oil and gas infrastructure at the lowest possible social cost. c. i, ii. 2.4 Strategic pillars iii. 2.8 Connectivity matrix iv. 7.3 Analysis and determination of materiality - Steering and reporting vii. 4.3 Return to Nature
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.3 Return to Nature iii. The 2025 strategic objective that is now included under the Responsible decommissioning and, where possible, re-use of infrastructure material theme was included under the Natural gas production material theme last year, see 2.8 Connectivity matrix.
	Own indicator	Verantwoorde ontmanteling en waar mogelijk hergebruik van infrastructuur	Aantal joint ontmantelingscampagnes	a. 2.8 Connectivity matrix; 4.3.1 Verantwoorde ontmanteling en waar mogelijk hergebruik van infrastructuur, 7.6 Measurement methods for material issues
Using underground space to make the energy system more sustainable				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.4 Strategic pillars; 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the theme. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix b. All measures are aimed at encouraging the re-use and use of underground space for the production, transport, and/or storage of CO_2, renewable energy, and heat. c. i, ii. 2.4 Strategic pillars iii. 2.8 Connectivity matrix iv. 7.2 Analysis and determination of materiality - Steering and reporting vii. 4.3 Return to Nature
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.3 Return to Nature iii. Since 2019, EBN has been reporting its five (instead of two) 2025 strategic objectives with respect to the Using underground space to make the energy system more sustainable material theme, see 2.8 Connectivity matrix.
	Own indicator	CO_2 storage	a. Number of MT of CO_2 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 103: Management Approach 2016	103-1	Explanation of the material theme and its Boundary	a. An explanation of why the theme is material. b. The Boundary for the material theme, which includes a description of: i. where the impacts occur. ii. the organisation's involvement with the impacts c. Any specific limitation regarding the theme Boundary.	a. 2.6 Material themes; 7.3 Analysis and determination of materiality b i, ii. 2.6 Material themes c. 2.6 Material themes

GRI Standard	Disclosure	Disclosure title	Explanation	Reference & response
	103-2	The management approach and its components	a. An explanation of how the organisation manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programmes and initiatives	a. 2.6 Material themes; 2.8 Connectivity matrix b. All measures aim to stimulate the exploration and development of energy innovations for the benefit of the Dutch energy transition. c. i, ii. 2.4 Strategic pillars iii. 2.8 Connectivity matrix iv. 7.3 Analysis and determination of materiality - Steering and reporting vii. 4.2 New Energy
	103-3	Evaluation of the management approach	i. the mechanisms for evaluating the effectiveness of the management approach. ii. the results of the evaluation of the management approach. iii. any related adjustments to the management approach.	i. 2.8 Connectivity matrix ii. 2.8 Connectivity matrix; 4.2 New Energy iii. Since 2019, EBN has been reporting its seven 2025 strategic objectives with respect to the Exploring and developing energy innovations to benefit system integrations in the Dutch energy transition material theme, see 2.8 Connectivity matrix.
	Own indicator	Green gas production	a. Number of PJ of green gas developed	a. 2.8 Connectivity matrix; 7.6 Measurement methods for material issues

10.6 10-year key figures

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
number of EBN participations in joint ventures:										
- production licences onshore	34	34	34	33	33	33	33	31	29	27
- production licences offshore	105	105	115	113	110	109	109	107	106	101
- production licences	36	39	40	39	44	46	48	55	56	48
sales (bln m^3, 100%)	23	20	30	33	39	46	51	66	79	73
change in % compared to previous year (100%)	13	-32	-10	-15	-15	-10	-22	-17	8	1
- sales Groningen (bln m^3, EBN share)	4	3	6	7	9	11	12	17	21	19
- sales small fields (bln m^3, EBN share)	5	5	6	7	8	9	9	10	11	11
total sales (bln m^3, EBN share)	8	8	12	14	17	20	21	27	32	30
average selling price of gas										
(€ -cents per m^3 35.17 MJ/m^3)	31	11	15	17	16	14	20	22	26	27
sales and other income from:										
- continuing operations	2,977	1,220	2,206	2,673	3,015	3,094	4,766	6,598	8,809	8,528
- discontinued operations	0	0	0	0	0	0	0	0	0	0
total sales and other income	2,977	1,220	2,206	2,673	3,015	3,094	4,766	6,598	8,809	8,528
change from continuing operations in %										
compared to previous year	144	-45	-17	-11	-3	-35	-28	-25	3	20

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
net profit from:										
- continuing operations	656	-364	256	764	556	333	450	1,614	2,327	2,360
- discontinued operations	0	0	0	0	0	0	0	0	0	0
total profit	656	-364	256	764	556	333	450	1,614	2,327	2,360
net profit from continuing activities										
in % of sales	22	-30	12	29	18	11	9	24	26	28
property, plant and equipment										
- capital expenditure onshore	24	25	33	42	25	37	102	290	275	202
- capital expenditure offshore	76	113	194	142	131	244	462	475	377	419
total capital expenditure	100	138	227	184	156	281	564	765	652	621
depreciations	401	558	586	430	434	490	557	660	652	745
impairments	0	0	0	-155	35	299	660	0	0	0
shareholder's equity	1,048	392	775	279	217	178	184	199	219	200
gearing ratio (%)	n.v.t.	n.v.t.	n/a	n/a	n/a	n/a	87	90	87	88
outside capital	**6,732**	**5,507**	**5,752**	**5,612**	**5,331**	**5,458**	**5,644**	**5,465**	**5,309**	**5,565**

10.7 Glossary and references

Aquifer subsurface water-bearing layer from which heat can be obtained
Athos Amsterdam-IJmuiden CO_2 Transport Hub & Offshore Storage; CO_2 storage project
Bcm billion cubic metres of natural gas
CCS Carbon capture and storage.
CC(U)S Carbon Capture, Utilisation and Storage
CIT Corporate income tax
Consortium collaboration of a non-permanent nature created by a number of parties in order to carry out a specific project
Corporate Governance Code (new) the Dutch Corporate Governance Code of the Monitoring Committee.
CSR Corporate social responsibility.
Dinantian The oldest era of the Carboniferous.
Downstream activities sale and transportation of geological resources
DSA Decommissioning Security Agreement
DSMA Decommissioning Security Monitoring Agreement
EBN Energie Beheer Nederland
EBN management positions management position: Programme manager, Corporate Managers and Board members
Energy mix proportion of energy used in the Netherlands from various energy sources
E&P Exploration and Production.
EZK Ministry of Economic Affairs and Climate Policy
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 (Nm3 of natural gas with calorific value of 35,17 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
Heat exchanger extracts the heat from the water and transfers it to the water in a heating network
HR Human Resources.
ICT Information and Communications Technology.
IFRIC International Financial Reporting Interpretation Committee.
IFRS International Financial Reporting Standards.
IMS Integral management system.
IPO Association of Provinces of the Netherlands
IRO The Association of Dutch Suppliers in the Offshore Energy Industry
JIP Joint Industry Project
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
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.
NAM Nederlandse Aardolie Maatschappij
Nextstep National platform for decommissioning and re-use
Nm³ Normal cubic metre; the standard unit in which natural gas is measured
NOGEPA Netherlands Oil and Gas Exploration and Production Association
NOV management Non-operated venture management
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
OvS Collaboration agreement between EBN and permit holder(s)
PJ Petajoule, 1PJ = 1,000,000,000,000,000 joules
Porthos Port of Rotterdam CO2 Transport Hub & Offshore Storage; carbon storage project
SDG Sustainable Development Goals
Sm³ 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 company's monetary reserves
Triassic The Triassic is a geological period that lasted from about 251.9 to 201.3 million years ago.
TWh Terawatt hours
UDG ultra-deep geothermal energy
Upstream activities exploration and production of geological resources
VNG Association of Netherlands Municipalities
WACC Weighted Average Cost of Capital
Zechstein The Zechstein or Zechstein Group is a package of rock layers in the subsurface of large parts of western and central Europe. It forms part of the Permian Basin and was laid down in a period from approx. 271 to 251 million years ago

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
Telephone: + 31 (0)30 233 9001
Email: ebn.mail@ebn.nl
Website: www.ebn.nl