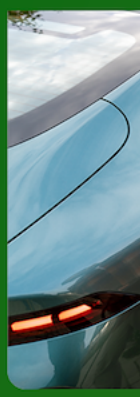
Annual Report 2025

Smarter together with energy







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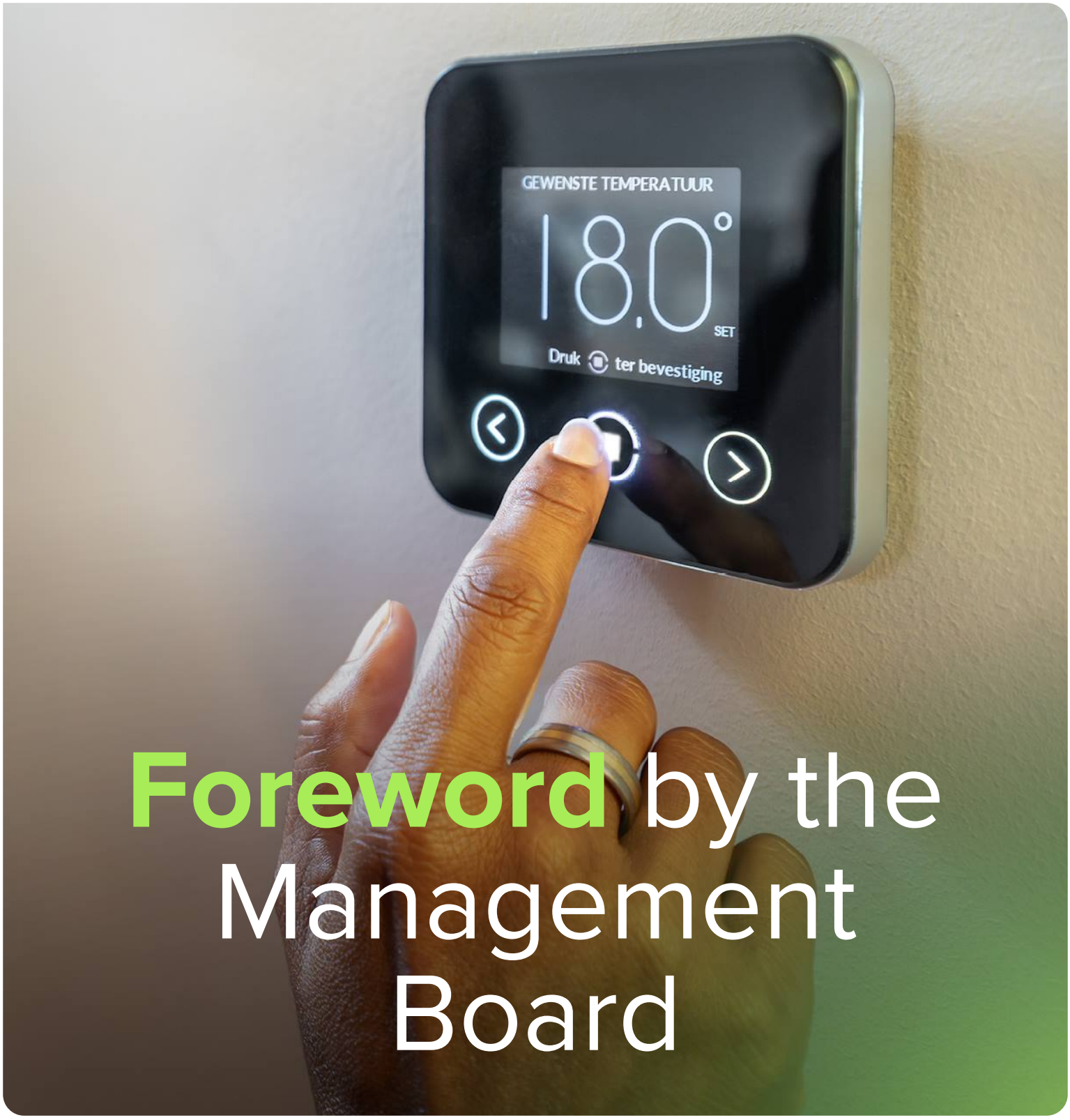


Foreword by the Management Board

A future-proof and flexible energy system is needed for all the goals our customers have in terms of living, working, well-being and prosperity.

Smarter collective use of energy

In 2025, the limitations of the energy system could be felt every day. What was long seen as a temporary strain on the energy system has now become an everyday reality. We were able to help many customers on the waiting list last year, but unfortunately also saw waiting lists grow in other areas. Businesses cannot always expand or establish themselves, homes are not connected everywhere in a timely manner and households are experiencing increasing uncertainty about energy availability. They all rely on an energy network that is changing faster than ever, and in which the available capacity varies greatly depending on location and time of day. This is happening at a time of increasing geopolitical uncertainty and instability. Conflicts and large-scale power outages in Europe highlight how important and how vulnerable vital infrastructure can be.

A future-proof energy system calls for clarity. It requires direction, choices and solutions that match local circumstances. Reliability, affordability, availability and sustainability must continue to go hand in hand in that system. We are fully aware of the context in which we operate and the impact this has on customers. It requires our organisation, people and partners to remain constantly focused on practical implementation and the consequences of our choices.

Without choices, there is a risk of stagnation

At Alliander, we work on a single clear task every day: to provide a suitable energy solution for every customer in 2030. That is the mission we have set for ourselves. It requires us to deliver what we have agreed with each other and work on finding that solution and implementing it. Embracing responsibility and working in a results-oriented manner, and indicating what we need to create a successful solution for our customers.

But it also calls for realism: what is and what is not possible. A shortage of technicians, limited physical space, long permit procedures and nitrogen emissions regulations mean that we are unable to assist everyone immediately. Despite Alliander's authority as a public network company, there are issues we are unable to or not permitted to resolve. However, we do have a responsibility to highlight the consequences of choices and to facilitate discussion on those choices. Customers want clarity. This requires decisions to be made, particularly by the authorities at a national, provincial and local level. Without progress on issues such as nitrogen emissions and new housing, investments and social developments will come to a standstill. The introduction of the new Energy Act in the Netherlands provides a future-proof framework for the energy transition, giving businesses, households and network operators more opportunities to use energy flexibly and make better use of network capacity. It also ensures that the exchange of data is well organised. As a sector, we view the government's coalition agreement presented at the end of January as an olive branch supporting the energy system of the future. Many aspects of the improvements we lobbied for as a sector are addressed in that agreement, such as a diverse energy mix, smart use of the grid, energy as part of spatial planning and an approach to tackle the shortage of technicians.

In addition, we as an organisation do not shy away from making tough choices. We are building an even more customer-focused organisation by concentrating on what delivers the most value for customers. We are also improving the quality of our data so that we have an even better understanding of who needs what from us and when. This allows us to plan the work for customers and contractors more effectively. We have also adapted how we manage our organisation to achieve greater effectiveness and focus, in line with the objective we have committed to. By expanding the Executive Committee, we are strengthening our focus on implementation, digitalisation and upscaling. This helps us implement strategic choices more quickly and consistently in the practical environment of our customers and stakeholders, because the task we face requires both speed and consistency.

Record investments in expansion and upgrades

In 2025, we again invested significantly more – €2.1 billion representing a 19% increase compared to 2024 – particularly in our electricity and gas grids and district heating networks. We laid more than 2,600 kilometres of cables and built and renovated over 2,200 transformer substations. We laid more than 300 kilometres of gas pipeline. One significant development was the decision-making relating to the Dutch Collective Heating Supply Act, which facilitates the construction and development of district heating networks. But much more will be needed over the next decade. An indication: 37,000 kilometres of cables, 1,600 kilometres of gas pipeline, 25,000 transformer substations, 1,000 kilometres of district heating pipeline.

Flexibility is no longer a secondary consideration

Construction alone is not enough. The demand for electricity is growing faster than we can expand the grid. In 2025, we focused strongly on using the grid more intelligently and efficiently in order to connect more customers. Rather than being a secondary consideration, flexibility is now a prerequisite for a reliable grid. It is needed to keep energy affordable. This requires a different mindset from us and our customers, and greater partnership, which we are managing more and more often. Together with businesses and households, we are exploring how their energy usage can be better matched to the available capacity. In 2025, we helped nearly 2,000 customers get off the waiting list. In our area-based approach, we work with customers to identify what is needed and possible in their area as a whole. Together with other network operators and energy suppliers, we also launched an initiative to encourage households to use energy more flexibly in exchange for financial compensation.

> Flexibility is a prerequisite for a reliable grid and for keeping energy affordable.

Collaboration with our stakeholders

All the results paint a clear picture: without collaboration we will not be able to take the next step. In 2025, we worked closely with municipal and provincial authorities on energy-focused urban planning and area visions, with energy increasingly becoming a factor that determines structure. Significant progress has also been made in collective solutions, such as district heating networks and energy hubs. Customers, public authorities, regulators, market parties, contractors and municipalities are indispensable partners for us. Together, we make targeted and concrete choices about the use of space, infrastructure and flexibility. Every day that we can work faster together means greater social value: for making the Netherlands more sustainable, for economic development and for living comfort.

Safety as a prerequisite in everything we do

We only work when it is safe to do so. We operate in a complex and high-risk environment and are ultimately accountable in respect of our employees, partners and society as a whole. This means that we do our utmost to ensure that everyone gets home safely. In 2025, we continued to invest in our safety culture and in strengthening safety awareness and promoting safe behaviour. Among other positive benefits, this resulted in employees reporting unsafe situations more frequently. However, despite our efforts, we were unable to prevent some accidents. Every incident is still one too many.

In addition, we are continuing to invest in the resilience of our infrastructure and IT systems. Large-scale power outages, such as those that occurred in Spain and Portugal, sabotage of the energy network in Berlin and the attempts to hack Polish energy sources last year demonstrated how important and how vulnerable energy infrastructure can be. These events underline the importance of a reliable, secure and resilient energy system. Safety is never 'finished' and requires constant attention, especially during a period of high work pressure and rapid scaling up.

Financial figures at a glance

We achieved a net profit of €289 million in 2025, compared to €976 million in 2024. Excluding exceptional items, the net profit for 2025 amounted to €219 million (2024: €197 million). Operating income for 2025 came in at €3.3 billion (2024: €3.1 billion). The negative cash flow, without including incidental revenue, amounted to €1.3 billion in 2025 (2024: €1 billion negative), which was financed through (hybrid) bond loans issued in 2025.

Growth within limits

The energy transition requires not only technical input, but also people and collaboration. Our organisation grew to around 10,800 colleagues (+10%), partly due to the recruitment of hundreds of new technicians. In addition, we increased contractor capacity and introduced a new market approach that is better aligned with regional contractor practices and offers them attractive work packages. We are now reaching the limits of this growth. Technicians are scarce and need to be trained, and that takes time and capacity. So more growth does not necessarily always lead to a better result. We are committed to smarter ways of working, efficiency and innovation, so we can make the best use of everyone's time, talent and energy, and achieve our customer goals.

Word of thanks

In this annual report, we review and evaluate the measures we implemented in 2025. At the same time, we look to the future. The energy system of the future requires permanent investment, clear choices and close collaboration. Everyone needs to be able to continue purchasing and using energy, both customers with ample resources and those with the tightest budgets. Alliander embraces its responsibilities in that respect – with realism and confidence in what we can build together.

We would like to thank all our colleagues for their contribution to the results that have been achieved. Every day, under pressure and in a complex environment, they deliver exceptional professionalism for our customers. We would also like to thank our customers, public authorities, regulators and social partners for their engagement and willingness to make choices. Only by using energy intelligently together can we build an energy system that will help the Netherlands progress forward.

Management Board, 6 March 2026
Maarten Otto (CEO)
Walter Bien (CFO)

Alliander's Executive Committee, from left to right: Heleen Cocu-Wassink (CHRO), Joris de Groot (CTO), Maarten Otto (CEO), Walter Bien (CFO), Charlotte Sanders (COO for Networks), Sarike van Wette (COO for Customers), Rinke van de Rhee (CDO)

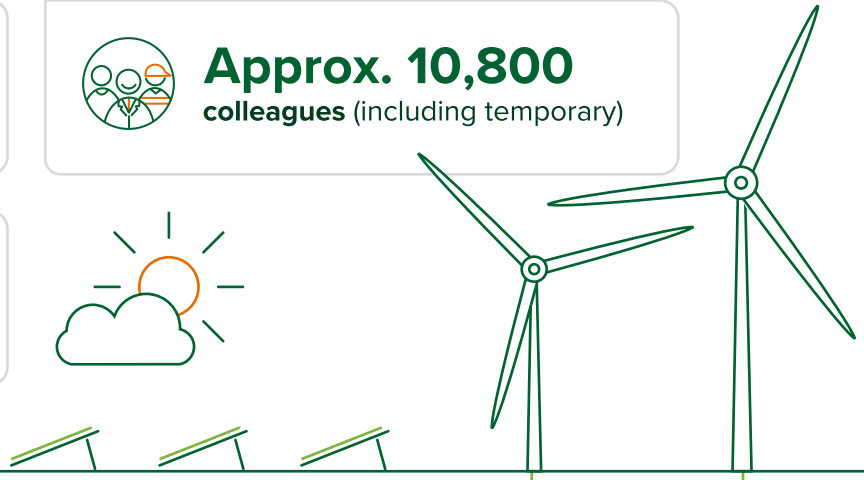
2025 in brief

Organisation

42,000 km
gas network managed

Approx. 10,800
colleagues (including temporary)

97,000 km
electricity network



Work on the network

2,600 km
of new electricity cables laid

2,200
transformer substations
built and renovated

79 million m³
green gas fed in

316 km
of **gas pipeline** laid

People, culture and safety

36.6%
women
in **management** positions

1,700
new colleagues
including many new **lateral entrants** and **refugees**

2.2
LTIF
(Lost time injury frequency)

Reliability and service level

1,961
customers on the waiting list helped*

5,549
unresolved valid **voltage-related complaints**

23.6 minutes
average length of **electricity outages**

19
areas in which the area-based approach was active, including 2 completed

Finance

€ 2.1 billion
in **gross investments**

€ 1.5 billion
in **green bonds** issued

€ 289 million
net profit

Making the organisation sustainable

7.5%
circular procurement

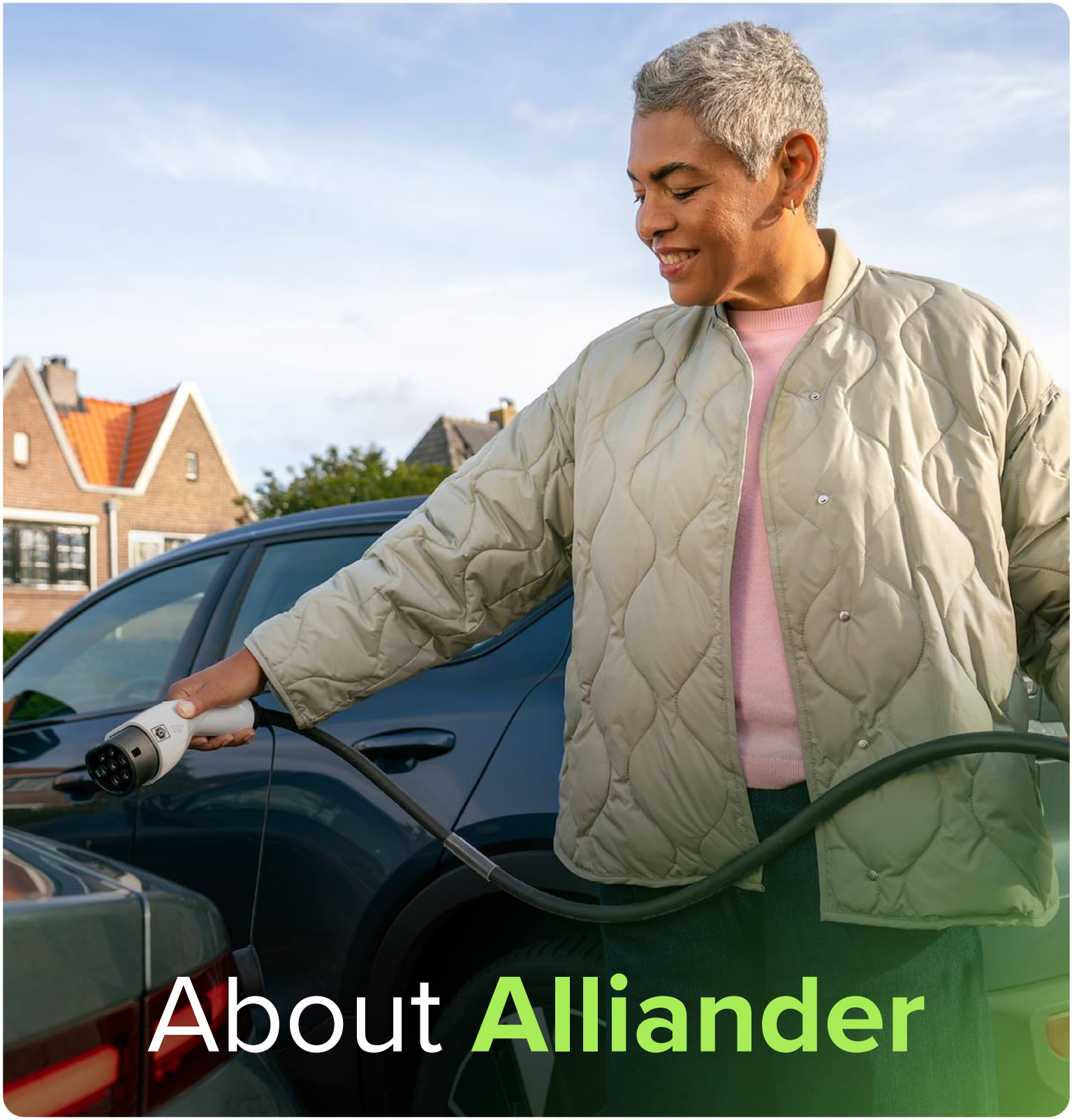
176 kt
carbon emissions from our own organisation

SBTi
CO_2 targets approved by the SBTi from 2026

Agility and digitalisation

Replacement of SCADA: crucial step in **upgrading the systems** we use to monitor and adjust our energy network

* 912 resolved and 1,049 cancelled transmission restrictions



About **Alliander**

Our companies shape the future of the Netherlands when it comes to energy. By upgrading and expanding our energy networks and using them more efficiently, we are preparing for a future in which everyone can use, produce and share sustainable energy.

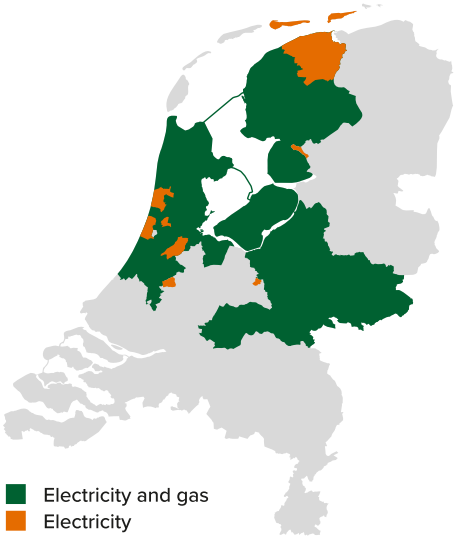
Profile of Alliander

What do we have at our disposal? › **What is our role and which choices do we make?** › What do our stakeholders notice in the short term? › Which values do we create for the long term? › What are the most significant social impacts? › To which global targets do we contribute?

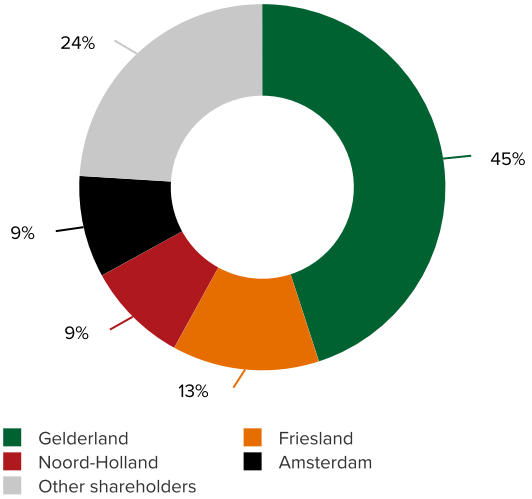
[1] The significance of this figure in the structure of the report is explained in the section on our value creation model.

Alliander N.V. is one of the largest regional energy network companies in the Netherlands. Every day, we deliver electricity and gas to millions of customers via our energy infrastructure. Our work facilitates living, working, mobility and recreation. We support society in the transition to sustainable forms of energy. Alliander N.V. is a group of companies that, including agency workers, employs some 10,800 people in all (10,400 FTEs). Our shareholders are provincial authorities and municipalities.

Our service area



Shareholders



Our role

We advocate an energy supply system where everyone has access to reliable, affordable and sustainable energy on equal terms. By continuously improving our network, we are preparing for the future. A future in which everyone can use, produce and share sustainable energy. We invest in the development of the energy networks and explore and implement innovative solutions. Together with our partners, municipal and provincial authorities, we define a roadmap for our customers' plans for the future and offer solutions to complex energy transition issues. Affordability and sustainability play a key role in the choices we make.

Management and development

As a network operator, we have been statutorily tasked with managing and further developing the gas and electricity grids. Liander, our largest subsidiary that brings in 95% of Alliander's revenue, develops, designs and manages the gas and electricity networks and is available 24/7 to repair faults. Liander shares knowledge and expertise with customers and public authorities to collaboratively create the most suitable energy network for everybody. In addition, Liander is developing local infrastructures for new energy sources, such as heat and hydrogen.

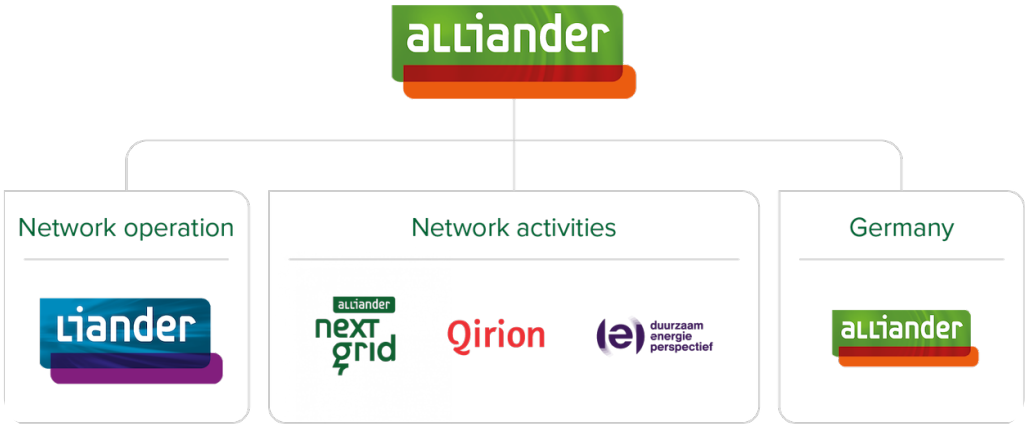
The energy we distribute comes from a variety of sources such as power stations, wind farms, solar farms, green gas imports and from abroad. We are connected to TenneT's high-voltage network and Gasunie's gas network. More and more consumers and businesses are feeding sustainable energy back into our energy grids. As a result, energy supply and demand have become interwoven, influencing one another.

Innovation and design

Alliander and its subsidiaries collaborate with various parties in the energy sector, such as the other network companies, and with companies that innovate in the field of energy. We facilitate the local exchange of energy and work closely in conjunction with public authorities on issues related to the heating transition.

As a co-designer, we help municipalities, provincial authorities and businesses choose a sensible course for developing the energy system in the long-term. We show them what the energy network can handle and the social costs associated with specific choices. In addition, we help organisations by offering data services and we collaborate with others to develop a flexible energy market that is driven by supply and demand. Our products and services contribute to a future-proof energy network.

How we are organised



On 31 December 2025, Alliander Next Grid comprised the companies Firan and Qterra (new infrastructures), Alliander Telecom, Utility Connect, Trent (Telecom) and ENTRNCE and Grid to Great (digital solutions). For a detailed description of our organisation, see Our organisation - Alliander. District heating company Firan became a wholly owned subsidiary of Alliander on 1 January 2026.

The world around us

With its energy networks and activities, Alliander operates at the heart of society. The dynamics of the world around us and the interdependencies that exist require us to understand clearly which factors influence our mission. As an organisation, we anticipate this and adjust our strategy and choices where necessary. The key trends and developments that affect us, our customers, partners and society are outlined below.

International stage: growing uncertainty calls for strategic autonomy to cope with the effects of international tensions

Alliander's international context remained highly dynamic in 2025. Increasing geopolitical tensions and shifts in the world order are making international collaboration more complex and can distract attention from achieving climate goals. At the same time, the energy transition remains of paramount importance: for the climate, and also for the energy independence and strategic autonomy of the Netherlands. The European Union has therefore made a strong commitment to reducing dependencies in the areas of energy, raw materials and industry, through the Clean Industrial Deal and other programmes. With REPowerEU, Europe is working towards completely phasing out the imports of Russian energy.

Globally though, climate policy continues to fall short of what is needed. The world is not on track for meeting the targets of the Paris Climate Agreement, and the chances of limiting global warming to 1.5°C have dwindled to almost zero. Weather extremes such as heat waves, floods and severe storms are becoming increasingly common and are clearly exacerbated by climate change. The impact in the Netherlands has remained relatively limited so far, however the likelihood and consequences of extreme weather events are expected to increase. Alliander is preparing for this by adapting the design and management of its networks, operations and troubleshooting organisation where necessary.

Energy may seem to be something you can take for granted, but escalations in international tensions or cyber incidents are increasing the likelihood of complex disruptions. Across the board, we are intensifying our preparedness where necessary to ensure that we do everything possible together with the emergency services in these situations to quickly limit the consequences. The importance of resilience was also highlighted during the NATO summit in The Hague. Member States are aiming for a defence spending norm of 5% of GDP, of which 1.5% can be used for critical infrastructure. This is also expected to include the energy supply. The Netherlands is committed to meeting this standard, which may open up additional financing opportunities for infrastructure.

Society: call to politicians to facilitate breakthroughs, aggression due to negative sentiments

It is important for the energy supply that the new government attempts to achieve a good balance between making the energy system more resilient and ensuring affordability and a fair distribution of costs. Prior to the elections for the House of Representatives and during the formation of the new government, we highlighted the interests of the sector with a call for breakthroughs in the energy system: a diverse energy mix, sufficient legal options to make better use of the existing grid, encouraging customers to save energy and use it more intelligently, choices in spatial planning and an approach to address the shortage of technicians.

Alliander is being confronted by a negative sentiment in society. Aggression is becoming more common, including verbal and physical violence or threats against Alliander's employees, both by telephone, online and in the field. Employees are trained internally in this regard, and at the same time we continue to speak out against the normalisation of unacceptable behaviour.

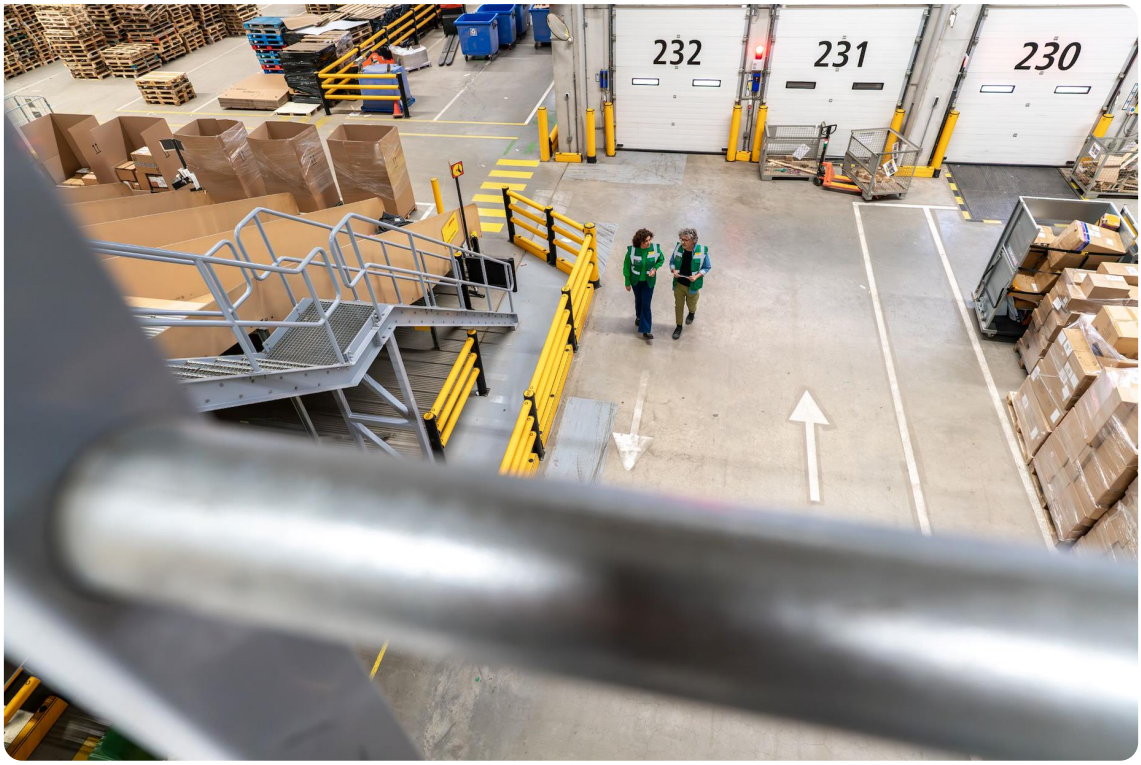
Energy system: navigating between ambition and reality

The Dutch energy system is changing. Some developments are unfolding rapidly (e.g. the number of households with solar panels and electric cars), but others, such as decarbonisation of industry and rolling out district heating networks, are progressing more slowly than the target agreed when the Climate Agreement was signed in 2019. Natural gas remains a significant fuel in the context of the transition. This is partly due to grid congestion, the lag in implementing the heating transition in the built environment and the slow roll-out of alternatives such as hydrogen and green gas feed-in to the existing natural gas network. Due to the risk of delays in implementation, the government has lowered the target for offshore wind energy generation for 2040 from 50 GW to 30–40 GW. With the Dutch Offshore Wind Action Plan and the Electrification Action Agenda for Industry, steps are being taken to maintain progress. At Alliander, we anticipate uncertainty and contribute to decision-making that brings the Netherlands further.

Customer: outlook and scope for sustainable growth

Our customers want clarity, a reliable outlook and affordable energy. Business customers seek certainty in order to grow and become more sustainable. Consumers want to keep their energy costs under control. At the same time, uncertainty is increasing and their options for action are reducing. More than ever, grid congestion, connection waiting times and rising costs are making it difficult for businesses and consumers to plan investments.

These worries are particularly rife in industry. The European Commission's Draghi Report (2024) warns that European competitiveness is structurally weakened by high energy prices, taxes, lower productivity and the innovation gap. It calls for substantial and rapid investment in energy, digitalisation, defence and infrastructure. The Wennink report (2025) is the Dutch response to this analysis: it shows that the Netherlands has the same structural stragglers and, moreover, is not achieving enough economic growth. Wennink identifies energy and climate technology as a crucial sector and notes that basic preconditions, such as a smooth permit issue process, nitrogen emissions capacity, grid capacity, energy costs, the availability of talent, regulatory pressure, spatial planning and innovation ecosystems, are not in order or even deteriorating. His advice is to invest in a targeted and substantial manner, and to fundamentally improve the enabling conditions. This would put the Netherlands in a position to achieve its objectives.



Business customers seek certainty in order to grow and become more sustainable.

Although the previous government announced measures in its Green Growth Package that were designed to offer prospects for industry and limit energy costs, the situation in reality remains problematic: the tailor-made approach for the most energy-intensive industries is only yielding results for a few companies. Many large industrial players are postponing major investments in sustainability due to the lack of options for action open to them and excessive risks in their business case.

Another social issue that has a significant impact on our customers is housing. A shortage of affordable and suitable homes affects broad groups of consumers in society and leads to the postponement of important choices in life. This is an issue that fuels social tension. Approximately 100,000 homes need to be built each year. In 2025, there were only about 77,000 home completions. Over the past year, a nationwide breakthrough strategy was launched: the national government, provincial and municipal authorities, market parties and corporations made agreements with the aim of accelerating housing construction in 24 locations. Liander is preparing for this.

Making the heat supply system in the built environment more sustainable also remains a challenge. Although (hybrid) heat pumps are becoming more popular among households, there has also been an increase in the number of natural gas-fired central heating boilers installed. The new Collective Heating Supply Act provides clarity on the market organisation of district heating networks. Making homes more sustainable requires their use.

Regional collective solutions can also work effectively to achieve better alignment between supply and demand. The number of examples of successful energy hubs is increasing. More and more customers are willing to use energy more flexibly.

Energy affordability: rising investments and tariffs

The Dutch network operators are facing a huge investment task. Research shows that for the period from 2025 to 2040, the investment requirement will amount to approximately €210 billion, of which €103 billion is for onshore electricity grids and €85 billion for offshore grids. These investments have a delayed effect on the tariffs. This means that, without intervention, network prices for electricity are expected to double or even triple by 2040. Partly as a result of this, the affordability of energy will become a serious problem for households, some of which are already struggling due to energy poverty. It also has an impact on the investment climate, particularly for energy-intensive companies and industries. Geopolitical tensions, developments in the energy markets, policy regulations and shifting tax incentives are making access to energy more expensive.

Network operators are working with authorities and other partners on measures to limit the rise in costs and, consequently, tariffs. By using energy more intelligently and making better use of the grid, we can facilitate the same developments with a reduced investment requirement. The ‘Smart choices for an affordable and robust energy system’ report by Netbeheer Nederland shows that less new capacity will be needed if grid usage during peak times is reduced and existing infrastructure is used more effectively. Calculations by Netbeheer Nederland indicate that maximum application of that approach could lead to savings of up to 30% of the planned investments. This is only possible by implementing a systematic change and if society, citizens and businesses use the available energy and grid capacity more wisely. So we are working on proposals for changes to the tariff systems and rules for energy transmission, which will allow better use to be made of the available capacity and thus create more opportunities for customers who are currently waiting for a connection or for an upgrade. We are working increasingly closely and in a more area-focused manner with public authorities on spatial, energy and infrastructure projects. Only by making targeted choices together about how we will use energy differently in the future can we keep the system affordable.

Structural scarcity: nitrogen emissions, labour and space

One important issue where a breakthrough is needed is the limit on nitrogen emissions. Due to differing political views, solutions remain elusive and the permit processes for spatial developments remain slow. The nitrogen emissions issue also has an impact on our projects. We are implementing various measures to ensure that the projects can proceed. In line with our objectives regarding clean and emission-free construction, we are working on adopting construction methods that use electricity to the greatest possible

extent to eliminate emissions. That is why, in the short term, we are also focusing on capturing nitrogen emissions and conducting a preliminary ecological assessment. The European Commission has presented a proposal to remove obstacles, such as the ban on temporary nitrogen emissions, which stand in the way of expanding and upgrading energy networks. However, the proposal still needs to be approved by the European Parliament and then implemented in the Netherlands.

Labour market tightness is a major social issue and also one of the biggest challenges facing Alliander. The population is ageing, and the intake into technical education is not adequate to cover requirements. This applies to us, our partners and companies in other sectors. We are responding to this by broadening our recruitment activities and improving accessibility for different intake profiles (from lateral entrants and refugees with a residence permit to skilled workers from abroad, even though current political policy limits us in terms of the latter aspect). We are investing in training and coaching capacity and collaborate across the sector to train talent faster and smarter. In order to retain employees, we are focusing strongly on career pathways, opportunities for development and other incentives. In addition, we are committed to building an inclusive culture, promoting multilingualism and adopting modern employment practices, so that more people choose a career in engineering and can start working in the energy transition.

The Netherlands is increasingly being held back by the effects of insufficient decision-making regarding physical space and deferred choices in this regard in the living environment. The accumulation of urgent tasks, from housing construction and the energy transition to climate adaptation, nature recovery and infrastructure, simply no longer fits within the spatial planning constraints. This spatial pressure slows down infrastructure development because projects compete for scarce locations, permits and social acceptance. Energy infrastructure is a particular bottleneck in this regard, both above and below ground. Tough choices are inevitable. The spatial integration of cables, grid stations and substations, heating solutions and energy storage often requires more space than what is available locally. Without clear prioritisation in and decision-making about the allocation of space, actual implementation risks falling short of the objectives. The problem is that frustration about grid congestion is increasing in society, but there is also considerable social resistance when we want to implement infrastructure projects. Our transformer substations and grid stations require physical space and are visible: they have an impact on the living environment or the landscape.

Building the energy system of the future

Against the backdrop of the developments on the global stage and in our country and our sector, we are facing one of the biggest transformations ever: the transition to a sustainable and resilient system in which energy is reliable, affordable and available. These are major changes to how we use energy and where we source that energy. This complex task affects all our customers, the government and the sector. A new system requires far-reaching changes and substantial investments, clear choices and a clear, jointly supported course of action. Alliander is at the centre of this transition. We are creating the infrastructure for the future that will allow the Netherlands to develop and become more sustainable, reduce our dependence on imported fossil fuels and increase our resilience.

Sustainability with a new mix of energy carriers

The energy mix in the Dutch energy system is changing. Natural gas remains a significant fuel in the context of the transition. The use of coal, oil and natural gas is declining, while the use of electricity is increasing sharply and may even triple. Other energy carriers, such as hydrogen, green gas and heat, therefore remain necessary. The demand for energy is falling due to energy savings and because electrification is more energy-efficient.

In order to meet energy demand in a sustainable manner, power generation with solar panels and wind turbines is increasing. Biomass and nuclear energy are used to a limited extent in order to diversify our energy sources. The consequence of high levels of wind and solar power generation is weather dependency and, with it, volatility in supply, with the energy supply potentially fluctuating by several dozen gigawatts on a daily basis.

> We can only create the energy system of the future by working together.

Furthermore, (sustainable) gases and district heating networks are important. Hybrid energy solutions contribute to rapid carbon emission reduction and, with smart control, can relieve pressure on the electricity grid. District heating networks contribute by making more energy sources available. Solutions like these are necessary to make the energy mix sufficiently diverse and improve security of supply, system efficiency and affordability.

Need for flexibility in contracts and usage

The energy transition demands a great deal from us. The requirement for electricity is growing faster than ever, while the pressure on the energy system continues to mount. That is why we are investing in the electricity grid at historically high levels and significantly scaling up our workforce, resources and processes. At the same time, we see that these efforts do not automatically lead to the speed of response that society expects from us. The available physical space is scarce, permit issue procedures are complex and time-consuming, and technicians are in short supply. As a result, the expansion of the grid continues to lag behind the growth in demand, increasing the risk of grid congestion, which has very noticeable social and economic consequences.

Although we continue to invest and scale up significantly, there is a limit to what we can do. We cannot install extremely heavy-duty grids everywhere simply because a peak in demand occurs occasionally. This is not feasible, not desirable from the point of view of efficiency and not affordable. That is why we need to change how we think and use the energy networks differently within the limits of safety and reliability. With that in mind, we will subject our assets to greater loads where we can responsibly do so, prioritise flexibility as our primary solution choice and find a new balance between the expectations of customers and value chain partners.

Through flexibility, we can better accommodate and balance out the mismatches between the time of generation and the time when there is demand, which allows us to connect more customers, limit investments and space requirements, and make the energy system more robust against a backdrop of increased risks. The solutions to this problem include 'congestion mitigators' (technologies and customer developments that help reduce grid congestion), batteries and other forms of energy storage, as well as digital controls to make smarter use of existing capacity.

Collaboration is needed

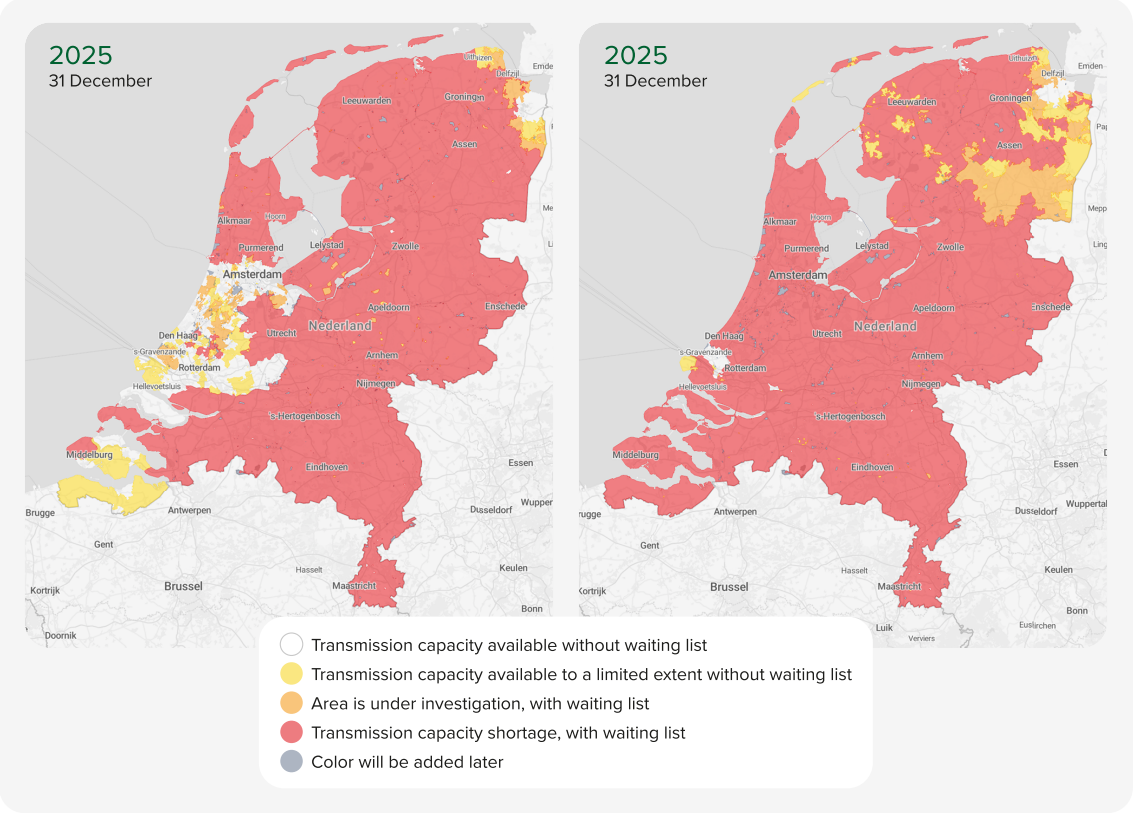
We can only create the energy system of the future by working together. We are working with contractors and suppliers to accelerate the construction of new infrastructure. In collaboration with market parties, we are developing smart solutions that reduce grid congestion. Together with customers, we are taking action to promote flexible and conscious grid usage, which will enable us to extract more capacity from the existing grid. We are helping authorities speed up spatial planning decisions and permits. Together with our regulators and the national government, we are initiating the regulations and policy scope that make this implementation possible. Only by working together, coordinating our efforts and moving in the same direction can we keep the energy system affordable, practically feasible and future-proof.

Spotlight on: network congestion

Congestion in the electricity grid is highly problematic for our customers and society. It slows investment, makes it difficult or impossible for companies to expand or become more sustainable and can even lead to companies leaving the Netherlands. Economic development slows and sustainability measures are delayed as a result. Housing construction projects and households are also affected. An upgrade to install a charging station might no longer be possible all of a sudden. So congestion causes economic damage to society as a whole. According to research by Ecorys, grid congestion (the overcrowded power grid) in the Netherlands costs society between €10 and €40 billion annually. If the pressure on the grid continues to increase in the coming years, these effects could become even more pronounced. That is why it is crucial for us to find solutions for customers as quickly as possible and utilise the grid as efficiently as possible.

In 2025, the queues and waiting times for new connections unfortunately increased further, both for businesses and households. In many areas, customer demand is growing faster than the pace of network expansion. Other solutions, such as greater flexibility and congestion management, are not yet sufficiently effective.

Capacity shortages on the grid when feeding in and using electricity



Capacity shortages when feeding in electricity on the left and when using electricity on the right.

The figure above shows the congestion situation on 31 December 2025 for the regional network operators and TenneT combined. At the end of 2025, there were 7,044 transmission restrictions affecting our customers (2024: 6,862). That is less than the permitted maximum of 8,535.

Working on solutions that can be implemented in the short term

We are working independently and in collaboration with the government, customers and market parties to develop solutions that can be implemented in the short term. In terms of grid congestion, the Flevopolder-Gelderland-Utrecht (FGU) region faces greater challenges than anywhere else in the Netherlands. The pressure on the national transmission network is considerable here and coincides with issues in the regional networks. In the FGU Network Congestion Action Plan, we collaborate intensively and at governmental decision-making level with the affected provinces, national government, TenneT and Stedin in order to implement a broad package of measures. This encompasses aspects such as congestion management, higher taxation, controllable generation, grid-friendly new construction, grid-friendly charging, and grid-friendly storage.

The additional measures we are implementing include more accurate customer forecasts and improved capacity planning procedures. Where possible, we are accelerating the key expansion projects and putting tenders out to the market in order to temporarily obtain a large amount of additional market-driven and dynamically manageable capacity. We can use that capacity together with TenneT for congestion management. In all regions, we are strengthening broad regional collaboration through energy boards and other relevant public-private consultation structures. This involves bringing together authorities, network companies, market parties and knowledge institutions to drive infrastructure development in an integrated manner, ensure adequate space for infrastructure and achieve coherence in spatial and energy system choices. We share data and insights, develop joint scenarios, coordinate implementation programmes and take action to prevent potential delays in implementation. We are also working on technical rules for the energy market (‘code decisions’ taken by the ACM), new contract forms and products, such as the group transmission agreement for energy hubs.

> One key solution for dealing with scarcity is social prioritisation.

One key solution for dealing with scarcity is social prioritisation. The fact that the ACM adjusted frameworks in 2025 in order to give priority to customers with socially important functions when allocating transmission capacity is a positive development. Those functions include security (such as the fire service, police, hospitals) and basic needs of society (such as drinking water, education and housing). These frameworks are important, but we realise that they are not a structural solution to the problem and leave some of our customers out in the cold.

Working on solutions that lead to structural improvement

The future energy system requires major investments in grid expansion and upgrades, grid digitalisation and improvement of IT systems for flexible solutions and safety. These are substantial investments that take time to implement, and for which the costs precede the benefits. Given that there are also structural constraints, additional choices must be made regarding how we use energy. Flexibilisation of part of the demand for energy is in any case necessary in the transition to sustainable energy: it delivers financial benefits for the end user, promotes good utilisation of sustainable energy and results in a structurally lower requirement for infrastructure.

Grid control is crucial in order to make effective use of this flexibility. Capacity management allows us to control the grid much more effectively, ultimately on a second-by-second basis. This means that we would no longer need to predict what we expect our customers to do. We would then be able to allow higher loads and intervene in real time if we see that the permissible load limit is being used in systems. This contributes directly to reducing the congestion costs and also opens up opportunities for accommodating more customers.

Our mission and strategy

Our goal in 2030 is to offer customers timely solutions that fit within an affordable and reliable energy system. By doing so, we not only aim to facilitate the energy transition, but accelerate it as well, so the Netherlands will be climate-neutral by 2050. This is the social mission that we work to achieve every day. We make sure the lights are on, homes are heated and businesses can keep operating, not just today, but in a sustainable tomorrow too.

Our mission: being reliable, affordable and accessible

Through our cables and pipes, over three million Dutch households and companies are supplied with electricity, gas and heating. We manage about 98,000 km of electricity grid and 42,000 km of gas grid. Our grids are among the most reliable in the world. Our colleagues work hard day and night to achieve this.

Reliable

Our customers need to have access to energy 24 hours a day, 7 days a week, in line with the highest possible safety and continuity standards. This is what drives us to put safety first in our working practices and try to avoid planned and unplanned energy outages wherever possible.

Affordable

We want our customers to pay as little as possible for their reliable energy supply, and so we work ceaselessly every day to improve the effectiveness and efficiency of our operations.

Accessible

Our customers need to be able to make their own energy choices. This is why we enable customers to choose their own supplier and service providers, and to feed power back into the grid. Plus, we actively help customers switch to sustainable forms of energy.

Our strategy

More information about this topic in the sustainability statement

The Dutch government has decided that our country must be climate neutral in 2050. This means that, by 2030, the Netherlands must already emit 55% less greenhouse gases than in 1990. The target has actually been set higher, at 60%. Among other things, this will require a high degree of electrification in society, new forms of energy generation, alternatives for natural gas and all the associated infrastructural modifications.

This requires upgrades to existing grids and a fundamental change to the way in which the energy system is designed, constructed, used and controlled. That is not progressing as quickly as developments in what is required. This is having a significant impact on society.

Our seven strategic pillars

Our goal in 2030 is to offer everyone a timely solution that fits within an affordable and reliable energy system. Our expansions, upgrades and modifications make improved sustainability and development in the Netherlands possible and enable us to work towards further acceleration thereof. Our strategy is based on intensive collaboration with the government, provincial authorities, municipalities, other network companies, the industry, companies, citizens and other relevant parties that influence the energy infrastructure in the Netherlands. These activities are structured around seven strategic pillars. Within the seven strategic pillars, we maintain a strong focus on the following priorities:

- Further upscaling of the activities needed **to upgrade and expand** the networks.
- Encouraging **more flexible use** of the electricity grid.
- Further **improvements to communication** with customers and partners in the energy system.

1. Excellent management: optimising maintenance and improving customer services

We have created a strong basis: we service our networks as smartly and efficiently as possible, and we are a reliable partner for our customers and society.

2. Reducing demand for transmission capacity

We help our customers to make choices that limit the demand for transmission capacity. We help municipal and provincial authorities to ensure that system-efficient spatial design choices can be made on a regional level and transition pathways can be developed with a focus on optimum use of energy carriers and solutions within the developing energy system.

3. Making better use of the network

We maximise utilisation of the existing capacity of our networks. We achieve this through digitalisation, through smart solutions that limit the need for energy transmission and by subjecting our assets to heavier load profiles in a controlled and safe manner.

4. Completing more work

We are increasing our production by improving flow in the value chains, organising our materials well, standardising how we tender large work packages in the market as much as possible, and investing in the growth of technical competencies throughout the ecosystem.

5. Sharing data and developing new market services

We make data and services available to ensure that the energy market functions properly, to let customers make choices that benefit the network and to balance supply and demand at a local level.

6. Developing infrastructure for heating and sustainable gases

We are installing new district heating networks and are preparing the way for hydrogen and other sustainable gases, partly through reuse of the existing gas network, in order to optimise the entire energy system.

7. Future-proof foundations

Alliander aims to be a decisive and agile organisation characterised by a culture prioritising safety, cost awareness, result orientation, sustainability and inclusion. This requires tools that support the organisation in serving our customers and in achieving our goals through a future-proof and robust system of providing information.

Changing laws and regulations

Alliander's activities, and particularly those of Liander, are heavily regulated by laws and regulations. We continuously consult with relevant stakeholders to ensure that the legal framework is suitable for the energy transition. In 2025, there were developments in a number of laws and regulations that are important to Alliander.

Improvement plan

At the end of 2025, the ACM requested all network operators to draw up an improvement plan to accelerate implementation of the measures. Implementing the measures as quickly as possible is of great importance, but is also challenging and taking more time than anticipated. The energy transition is developing dynamically and this requires continuous adjustment. The networks operators concur with ACM's view that acceleration is needed and are detailing what customers can expect in the improvement plan requested by ACM.

Integrated Energy Act

Alliander endorses the objective of the Energy Act, which is to create an integrated and future-proof legislative framework for the energy system. Further implementation of the Energy Act is taking place through the Energy Decree (Order in Council) and Ministerial Regulations. The revised structure for the European electricity market is being implemented in the Energy Act. The network operators submit code change proposals to the ACM in order to implement the Energy Act in all gas and electricity codes. The Energy Act came into effect on 1 January 2026. Some provisions of the Energy Act will come into force at a later date.

A new Heating Act

The Collective Heating Supply Act was passed by the Dutch House of Representatives on 3 July 2025 and approved by a large majority in the Dutch Senate on 9 December 2025. This Act identifies the framework conditions for the development of district heating networks and the establishment of public heating companies. Among other things, the Act stipulates that heating companies must be at least 50% publicly owned, gives municipalities far-reaching powers to organise heat supply and introduces new tariff regulation. Alliander wishes to play an active role in the construction of public district heating networks and is ready to support municipalities and provincial authorities in this regard. The Act is expected to partially come into force in 2026.

Flexibility and tariffs

Within the scope of the National Grid Congestion Action Programme, Liander is working with customers, market parties and the ACM on measures to use the available grid capacity as efficiently as possible. In recent years, numerous regulations have been introduced for new (flexible) customer products, such as congestion management and alternative transmission rights. A number of additional measures are still under preparation, including new tariff structures for households and business consumers, and the application of flexibility to low-voltage grids, such as grid-friendly charging for electric vehicles.

The measures will be implemented within Liander and offered as products that can help our customers. Liander's implementation capacity has been sharply scaled up recently, but due to the complexity of the task and limited development and change capacity, choices have to be made and periodically reassessed based on progress, impact and customer value.

Social prioritisation

In June 2025, the ACM published the draft decision on the new prioritisation framework. The new framework regulates priority on the waiting list for applications submitted by socially important organisations in areas where the grid is congested. Together with the other network operators, Alliander responded in the form of a position statement: we asked for consideration to be given to the practical feasibility of the new framework and the impact on customers who require a small connection, such as residential housing projects and households. The new framework comes into effect on 1 January 2026 and will also be applied to applications submitted by small consumers from 1 July 2026.
ACM's new social prioritisation framework has been in force for large consumers since 1 January 2026. The framework has been broadened, allowing more applications in congested areas to be given priority. For (groups of) small consumers, nothing will change for the time being: the network operators will continue to accommodate their applications within the existing reserved capacity; this will be phased in during 2026.

Changes to connection time rules

Since 2025, network operators have been required to set up or modify a small consumer connection within a ‘reasonable’ period of time. The previous code decision stipulated that a network operator had 18 weeks to do this if excavation work would be required, a maximum of 12 weeks without excavation work and a maximum of 52 weeks in the case of a shortage of transmission capacity. The Dutch Trade and Industry Appeals Tribunal (CBb) ruled that the ACM should not have set the lead times in this way. During 2025, the ACM, network operators and other stakeholders worked closely together to establish practically feasible connection times for small consumers.

For large consumers, the new connection deadlines came into effect on 1 January 2025. The connection lead time for large consumers is determined by the complexity of the connection and an analysis carried out by the network operator to identify the work required for that specific area. The connection lead time is 26 weeks, 52 weeks or a period determined by the network operator if the lead time cannot reasonably be shorter.

Decarbonisation package

In 2025, the draft Implementation Act for the revised Gas Directive and Regulation was submitted for consultation. Together, these components make up the European Decarbonisation Package. This legislative package contains operational guidelines relating to the European internal market for natural gas, renewable and low-carbon gases and hydrogen. The package also introduces market regulation for hydrogen transmission. Transposition into Dutch regulations is currently taking place. The collective network companies have indicated that they wish to set up a central organisation to develop hydrogen distribution. They have also petitioned for sufficient legal scope to allow them to manage hydrogen gas distribution systems as efficiently as possible.

European Grid Package

Nitrogen emissions legislation must not act as a limiting factor for infrastructure construction, such as laying new underground cables, according to the European Commission's European Grid Package proposal presented at the end of 2025. The package is a set of measures that speeds up the permit issue process and removes implementation barriers standing in the way of expanding the energy system. Other measures are also included in the package, such as confirmation that connection applications can be prioritised. The proposal still has to be discussed in the European Parliament and the Council (Member States). This step will help us accelerate the execution of our work.

Dilemmas and lessons learned

Every day, Alliander faces dilemmas that influence the way we plan and are able to carry out our work. Moreover, certain developments and events can have unforeseen consequences for our daily work. By being aware of these and learning from them, we continue to improve our organisation. In this chapter, we present a few of the main dilemmas and events we had to deal with in 2025.

Dilemmas

Modifying the energy grid to create more capacity: reducing safety margins to free up extra capacity or maintaining margins for maximum reliability?

Congestion on the network means that many businesses and households are waiting for a connection or upgrade. By carefully reducing the safety margins set in the system, we as network operators can free up more capacity in the short term. While this shortens the waiting list and prevents economic damage, it also increases the risk of faults, over-threshold peak values and potentially prolonged outages in both the short and medium term (depending on the location). A 1% reduction in reliability equates to approximately 3.6 days without electricity per year. And that is an average: in reality, the outages are not evenly distributed. Some users may therefore experience one or more prolonged outages (lasting longer than a week, for example), while others may notice little or no impact. Furthermore, neither society nor our troubleshooting team are equipped to deal with such prolonged and frequent interruptions; virtually all essential processes require a continuous supply of electricity.

Power outage situations of this type can be prevented if customers generate and consume energy flexibly. A flexible energy system enhances grid stability, prevents overload due to peak production or demand, and thereby reduces the risk of outages. Although the flexibility offer is increasing, it is still too small to have a noticeable effect. The alternative is to maintain the existing safety margins and keep the reliability of the electricity system at its current high level. The price we would have to pay for this is a long waiting list that just gets longer, further delays in customer investments and sustainability initiatives, and growing public frustration. The key question is whether we accept the uncertainty of (unpredictable) outages if we utilise capacity differently and accelerate the transition, or whether we opt for reliability and thus more delays in the medium term?

Do we standardise in order to help as many customers as possible, or respond as much as possible to specific customer requirements?

In order to facilitate growing energy demand, help as many customers as possible and reduce the waiting lists, maximum scaling up of processes and capacity is needed. This calls for standardisation: working with a fixed set of contract forms, standardised assets, recognisable customer propositions and framework agreements with market parties. Within the limits of customer needs, safety, affordability, legal frameworks and resilience, standardisation allows us to connect as many customers as possible and offer as much flexibility as possible.

At the same time, a scalable approach means that we lose the ability to offer customised solutions to customers who have diverse needs, contexts and development cycles. Customers often have an individual and unique energy challenge, specific growth ambitions or urgent business continuity concerns. However, customised solutions are also relatively expensive and labour-intensive.

So do we opt for standardisation in the short term in order to speed things up and ensure practical feasibility with the aim of helping as many customers as possible, even if this means that we cannot respond directly to all individual situations? Or do we focus on customised solutions for individual customers, so that we can serve them as well as possible in their situation, and simply accept the risk that speed and scalability may suffer?

What have we learned?

Working in a more customer-oriented manner

Our aim is to work in a customer-oriented manner and ensure that our customers and partners have easy access to information for making choices that match their needs and also fit within an affordable, reliable and sustainable energy system. However, we still see in practice that customers often do not fully understand what is involved, for example, when applying for a new connection or upgrading an existing connection, and what that requires in terms of implementation work and (advance) payments. All too often, customers are unpleasantly surprised in their dealings with us – they regularly find the tone of our letters and the time pressure they experience when making important decisions to be disagreeable. We need to think much more in terms of the customer's needs, their level of knowledge and their expectations. If we succeed in thoroughly understanding what is important to the customer and actively respond to this, trust and appreciation will grow, resulting in a more pleasant collaboration. That will also make us more successful.

Growth within limits

We have grown considerably in recent years, both in terms of the number of employees and in terms of investments. In 2020, we employed approximately 5,000 colleagues and invested around €900 million, mainly in our gas and electricity grids. Five years later, we have a workforce of nearly 11,000 colleagues and are investing more than €2 billion in our grids to meet the needs of our customers. So in recent years we focused strongly on growth, which was sorely needed because demand from our customers increased significantly. That demand, and by extension our work package, will inevitably continue to grow in the coming years. Nevertheless, we have noticed that we are nearing the limits of our growth. A higher intake does not necessarily make us more productive. So we need to do things differently and more intelligently to grow within the existing limits. It is important that new colleagues, or colleagues with a new job within Alliander, make the best possible use of their time, talent and energy. That is why we continue to devote management attention to onboarding, productivity and quality, which means taking a critical look at how we work and where we can be more efficient. Making more decisive choices and working with greater focus enables us to accelerate, finish and implement things. This is what benefits our employees and customers the most. Safety, customers and effective collaboration in customer value chains are priorities, to ensure that we achieve a sustainable result. Only through this combination can we continue to grow responsibly.

Objectives and results

What do we have at our disposal? › What is our role and which choices do we make? › **What do our stakeholders notice in the short term?** › Which values do we create for the long term? › What are the most significant social impacts? › To which global targets do we contribute?

[1] The significance of this figure in the structure of the report is explained in the section on our value creation model.

Access to energy with high reliability at the lowest possible cost

KPI	Target for 2025	Performance in 2025	Target for 2026	Strategic objective	Most significant risks[1]
Electricity outage duration	Maximum of 26 minutes	23.6 minutes	Maximum of 26 minutes	Achieve a robust and future-proof energy system in which we provide a suitable energy solution on time for our customers. We maintain and use our networks as smartly and efficiently as possible. We are a reliable partner for our customers and society, by offering timely solutions that fit into an affordable and future-proof energy system.	Incomplete performance of work package (Cyber)security resilience Not meeting customer expectations Uncertainty over the future energy system Pressure on our financial position Uncertainty over the effects of climate change
Unresolved valid voltage-related complaints	Maximum 5,601	5,549	Maximum 6,346		
Number of transmission restrictions	Maximum 8,535	7,044	Maximum 10,025		
Customer convenience (% effort) Private Customers	Maximum 17%	15%	Maximum 16%		
Customer convenience (% effort) Business Customers	Maximum 22%	32%	Maximum 30%		
Customer convenience (% effort) Maintenance & Outages	Maximum 9%	9%	Maximum 9%		
Customer convenience (% effort) Large Corporate	Maximum 30%	33%	Maximum 35%		

Making the energy supply and our organisation sustainable

KPI	Target for 2025	Performance in 2025	Target for 2026	Strategic objective	Most significant risks[1]
Carbon emissions from own operations	171 kt. This includes procurement of renewable energy representing 271 kt (total: maximum of 442 kt)	176 kt. This includes procurement of renewable energy representing 263 kt (total: 439 kt)	118 kt. This includes procurement of renewable energy representing 302 kt (total: maximum of 420 kt)	Accelerate the energy transition by scaling up our networks, making them sustainable and using them more smartly, so we can make a timely contribution to an affordable, reliable and climate-neutral energy system.	Restrictions and uncertainties around laws, regulations and policy Inadequate capacity to deliver and change Uncertainty over the future energy system
Circular procurement	At least 9%	7.5%	At least 14%		
Gross investments	At least €2,116 million	€2,115 million	At least €2,210 million		

Ensuring a safe energy network, a safe working environment and a secure data environment

KPI	Target for 2025	Performance in 2025	Target for 2026	Strategic objective	Most significant risks[1]
LTIF (lost time injury frequency)	N/A[2]	2.2	N/A[2]	Safety is key to our operations. We create a culture in which a proactive attitude to safety is standard.	Accidents caused by unsafe situations
Position on the Safety Culture Ladder	Level 4	Level 4[3]	Level 4		
Replacement of brittle gas pipes	At least 132 kilometres	148 kilometres	At least 132 kilometres		

Being an attractive, inclusive employer with equal opportunities for all

KPI	Target for 2025	Performance in 2025	Target for 2026	Strategic objective	Most significant risks[1]
Women in managerial positions	At least 35% of all managerial positions	36.6%	At least 40% of all managerial positions	Be a top employer that attracts, retains and develops talent – where people are safe, healthy and enjoy working. We will keep building an inclusive organisation with diverse teams, strong social safety, room for development and expertise, and equal opportunities for all.	Inadequate capacity to deliver and change Ineffective growth of the organisation
People with poor employment prospects	Offer at least 188 apprenticeships	190[4]	Offer at least 221 apprenticeships		
Employee survey: enthusiasm and engagement	At least 81%	84%	At least 81%		
Sickness absence among own employees	Maximum 4.3%	4.2%	Maximum 4.3%		

Being a creditworthy company with solid returns

KPI	Target for 2025	Performance in 2025	Target for 2026	Strategic objective	Most significant risks[1]
Credit rating	Maintain solid A rating profile	Solid A rating: S&P A, Moody's A1, Scope A+	Maintain solid A rating profile	Be an efficient and creditworthy business.	Pressure on our financial position Uncertainty over the future energy system
FFO/net debt	At least 11%	15%	At least 11%		
Solvency ratio	At least 30%	49.3%	At least 30%		

A further explanation along with the definitions of the objectives and results can be found in the Terms, abbreviations and definitions section.

1 The Risks section explains the risks in detail.

2 No target has been set for the LTIF (lost time injury frequency) because the number of accidents leading to sickness absence should ideally be zero.

3 Reaching level 4 out of 5 on the safety ladder means that we have achieved a fully proactive safety culture (PAVC).

4 The number of employees with poor employment prospects comprises 190 jobs created under the Dutch Participation Act and amounts to 157.1 FTEs.

Value creation

Alliander creates value for customers, stakeholders and society by making reliable, affordable and sustainable energy possible. Both today and tomorrow, with consideration for people, the environment and the long term.

The value we create

Our activities contribute significantly to the prosperity and well-being of millions of people, for example, by giving consumers and businesses access to energy at the lowest possible cost, facilitating sustainability and striving to be an attractive employer. Our value creation model clearly shows our resources, how we use them, how we add value and the resulting benefits for society.

Value creation model

Input (what do we have at our disposal?)

In order to optimise our business operations and create maximum value for society both now and in the future, we require significant resources. Examples are capital for investments, raw materials for installations, the knowledge and experience of our employees and technology.

Business model (what is our role and which choices do we make?)

Our business model is central to the value creation model. Our mission is what drives us, and through our strategy we aim to provide timely solutions to accelerate the development and sustainability of the Netherlands. Good governance, an appropriate organisational structure, risk management and sustainability themes create frameworks and provide direction. In European legislation, there are six key (material) sustainability themes that guide how we operate in terms of sustainability. A detailed explanation of these themes can be found in our sustainability statement.

Output (what do our stakeholders notice in the short term?)

The activities in our business model have various internal and external outcomes. For example, in addition to our financial results, we deliver sustainable products and services, we collaborate with partners and we have satisfied employees.

Values (which values do we create for the long term?)

With our output, we create benefits and usefully serve our stakeholders (customers, employees, shareholders, society). They relate to the long term.

Our impact (what are the most significant impacts on society?)

The values we realise ultimately have a social impact, both economically and socially, and of course environmentally. It is important that we understand these social impacts. That is why we conduct impact assessments to determine the magnitude of these effects and report on the most significant outcomes.

SDGs (to which global targets do we contribute?)

The role of the United Nations Sustainable Development Goals (SDGs) is to guide and measure our value creation. We focus on 6 SDGs where we have the greatest impact. We report in more detail on the role of SDGs at Alliander in the explanatory section on impact calculations in the publication on our annual report website.

Input: what do we have at our disposal?

- Our networks
- Raw materials and energy
- Dialogue with partners and stakeholders
- Internal and external knowledge
- Our employees
- Financing

Business model: what is our role and which choices do we make?

Mission
Reliability, affordability and accessibility

Strategy
Excellent management; reducing demand; making better use of the network; completing more work; developing data sharing/ market services; infrastructure for heat/ sustainable gases; future-proof base.

Activities
Construction, maintenance and management of networks. Facilitating markets.

Governance
Organisation
Risks
Material topics
E1, E5, S1, S2, S4, G1

Output: what do our stakeholders notice in the short term?

- We invest in energy networks
- We supply (sustainable) products and services
- We cut CO_2, waste and emissions
- We collaborate with our partners and stakeholders
- We offer good employment conditions, training and courses
- We create profits, dividends and interest

Values: which values do we create for the long term?

- **Access to energy with high reliability at the lowest possible cost**
- **Making the energy supply and our organisation sustainable**
- **Ensuring a safe energy network, a safe working environment and a secure data environment**
- **Being an attractive, inclusive employer with equal opportunities for all**
- **Being a creditworthy company with solid returns**

Our impact: what are the most significant social impacts?

- **Manufactured:** extracted by us, added economic value
- **Natural:** our impact on the climate, nature and raw materials
- **Social:** contribution to social connection and interaction
- **Intellectual:** contribution to knowledge, data and innovation
- **Human:** people's well-being and safety
- **Financial:** incoming and outgoing cash flows

SDG's: to which global targets do we contribute?

Reader's guide: the role of the value creation model in this annual report

Our value creation model is the central theme in the annual report. All components in the model – with the exception of the inputs – are analysed in the report. The value we have in various areas (see figure) is the backbone of the report. We present these areas as separate sections in this report and report there on our activities and the value we create in the long term:

- Access to energy with high reliability at the lowest possible cost.
- Making the energy supply and our organisation sustainable.
- Ensuring a safe energy network, a safe working environment and a secure data environment.
- Being an attractive, inclusive employer with equal opportunities for all.
- Being a creditworthy company with solid returns.

These sections each start with a visual representation indicating the position of that component in Alliander's value creation model. Where possible, the colour code for the value in question has also been included for clarification. These colours are used consistently throughout the report in the value creation model, the descriptive chapters and the tables on objectives and results. For example:

References to the sustainability statement

Many social issues that are impactful, i.e. 'material', for us or our stakeholders are discussed in more detail in the sustainability statement, in which we report information in accordance with the European ESRS. In the value creation model, these 'material topics' are part of our business model. Where we mention topics that are explained in the sustainability statement, there is a clickable marker that refers to the relevant place in the sustainability statement. This marker consists of a general designation and a specific code stipulated in the ESRS. For example:

More information about this topic in the sustainability statement

Access to energy with high reliability at the lowest possible cost

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › **Which values do we create for the long term?** › What are the most significant social impacts? › To which global targets do we contribute?

Why this topic is important

Our energy infrastructure is the stable foundation stone underpinning society and the basis for the issues we face together, such as energy independence, new housing and decarbonisation of industry. Studies conducted by parties such as the Dutch government, the IMF and consultancy firm BCG show that investments in infrastructure have a significant impact on the economy. The spin-off effect is significant: companies flourish, and ultimately the entire economy and earning capacity of the Netherlands grow. At the same time, the energy transition requires the right choices to be made: the energy system must be future-proof and remain affordable. To bring the capacity of the energy networks in line with our customers' demand, we are working on various ways of making the energy system future-proof. And we are getting results: at 99.99% availability, our energy networks are still among the most reliable in the world. In 2025, the supply reliability of the network remained at this extremely high level. Just like in 2024, the timely connection of customers and expansion of the networks are under pressure. Because of this, we are working on ways of reducing demand for power, making better use of our grids and completing more work. In this section, we report on our activities based on the ranking of our customer-focused strategic pillars.

Our performance

Access to energy with high reliability at the lowest possible cost

KPI	Target for 2025	Performance in 2025	Target for 2026
Electricity outage duration	Maximum of 26 minutes	23.6 minutes	Maximum of 26 minutes
Unresolved valid voltage-related complaints	Maximum 5,601	5,549	Maximum 6,346
Number of transmission restrictions	Maximum 8,535	7,044	Maximum 10,025
Customer convenience (% effort) Private Customers	Maximum 17%	15%	Maximum 16%
Customer convenience (% effort) Business Customers	Maximum 22%	32%	Maximum 30%
Customer convenience (% effort) Maintenance & Outages	Maximum 9%	9%	Maximum 9%
Customer convenience (% effort) Large Corporate	Maximum 30%	33%	Maximum 35%

For a detailed report on our performance, please refer to the Objectives and performance section.

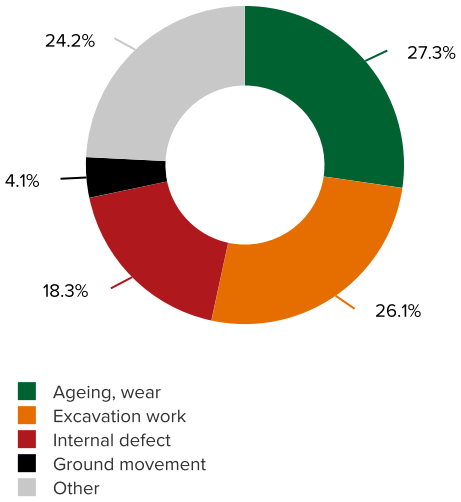
Supply reliability of the electricity and gas network

In 2025, our customers were without electricity for an average of 23.6 minutes (2024: 24.6 minutes). This means that the annual outage time is below the target of 26 minutes and roughly 4.1% lower than in 2024. There were 5,549 unresolved voltage-related complaints (target: no more than 5,601). During the relatively warm months, more voltage-related complaints were reported, resulting in an increase in the total number of voltage-related complaints.

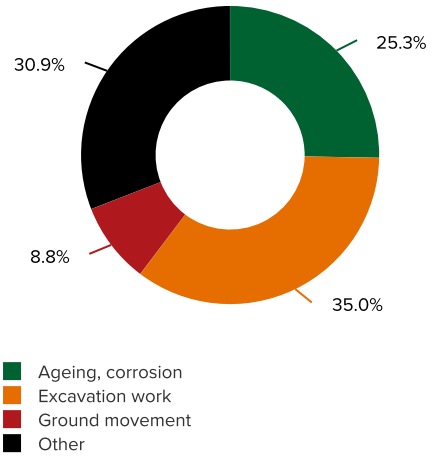
Gas outages are relatively uncommon. The main cause of fluctuations in the gas outage duration are ad hoc outages caused by a third party, for example, during excavation work, which often leave customers without gas for a while.

Causes of outages of the electricity and gas network

Electricity



Gas



More information about this topic in the sustainability statement

Customer convenience

The key factor determining customer satisfaction is their perception of convenience in their contacts with parties such as our technicians and our Customer Contact Centre. Immediately after completion of a job, we ask customers for feedback on our services. In 2025, the results for customer convenience varied across different domains. The customer score for maintenance and faults is in line with the norm. This also applies to small-scale consumers, where we achieved stable telephone accessibility and intend to further improve this aspect by introducing WhatsApp as an information channel. Larger business customers, on the other hand, experience more difficulty than we would like. In the large-scale consumer category, the score of 32% is lower than the norm of 22%. This was mainly due to capacity bottlenecks, complex implementation processes and long lead times. Within Large Corporate, the score is 33%, which is below the norm of 30%; despite visible improvements in the chain and accessibility, external factors and low customer response continued to negatively influence the result.

More information about this topic in the sustainability statement

Reducing demand

In 2025, we engaged in initiatives to better manage the growth in demand for transmission capacity. Through these initiatives, we prevented the increase in supply shortages as much as possible and encouraged behavioural change and energy awareness.

Energy-focused urban planning

Energy and space are inextricably linked. Through early and frequent consultation with authorities and market parties, we ensure that new developments fit within the energy system and accelerate the implementation of projects. Alliander urges municipal and provincial authorities and other parties to connect plans, opportunities and expectations – from the national vision down to district level – and to optimise investments. Energy is increasingly becoming a determining factor in spatial planning choices. Because each region and district has its own characteristics, this requires customisation in the solutions we put in place. This allows us to optimise our investments and work in a more targeted manner, with the highest priority given to areas where the top-bottom dynamic is high. But it also helps us to avoid building unnecessary infrastructure in areas where spatial planning regulations mean that permits will not be issued for developments.

Energy-efficient and grid-friendly new construction

With design principles such as peak load spreading, local generation and collective buffers, we want to create districts that require significantly less grid capacity. In the new 'Neighbourhood Budget' (Buurtbudget) concept, each district receives its own energy capacity budget, managed by a local system operator. This allows the connection of more homes within the existing capacity. In the 'Balanced District' (Balanswijk) concept, we are developing integrated solutions for energy, health, green spaces and water. This project was nominated for Change Inc.'s 2025 Transition Awards.

Energy Awareness Platform

The Energy Awareness Platform (Platform Energiebewustzijn) increases the public's understanding of energy consumption and its impact on people, society and the planet. It does this for organisations working to make the Netherlands a sustainable country. The platform encourages the reduction of energy usage and a better spread to keep the energy transition achievable and affordable. Last year, the focus was on data usage, shared mobility, carbon-neutral energy and design principles in business parks and in districts. In addition to Alliander and Stedin, the national government will also enrol as a partner from 2026 onwards.

Completing more work

Last year, we once again worked hard for our customers in our service area to upgrade and expand our electricity network and make our gas network future-proof. In 2025, we laid more than 2,600 kilometres of cables (2024: approximately 2,300), built approximately 1,500 transformer substations (2024: approximately 1,100) and converted around 700 (2024: 950), and we replaced 148 kilometres of gas pipeline (2024: 156). We are proud that we succeeded in completing more work by expanding our capacity and increasing productivity. But we did not build as much as we had planned. The main reasons were a structural shortage of technicians, a lack of physical space for expansion and upgrading, long lead times and the considerable coordination required to obtain permits. This situation calls for collaboration at all levels along the supply chain – within Alliander, with our contractors and suppliers and as a sector – to channel our efforts into increasing productivity, further improving processes and finding solutions to speed up procedures. To achieve this, we require assistance from local, regional and national authorities, as well as our collaborative partners.

Scaling up capacity

Last year, we further expanded our workforce to approximately 10,800 employees, including 490 new technicians. We were also able to replace many technicians who retired. Recruitment is not the end of the story though: onboarding, training, educating and retaining technical talent are also important. We are working to improve the quality of our training and education programmes and use innovative methods to keep the duration of those programmes as short as possible without compromising quality. We do this to ensure that our technicians continue to develop, retain the right skills and develop new ones.

Contractor capacity was also increased. We aim to increase that capacity further through the 'market-oriented approach'. This is a tendering strategy that entails offering attractive work packages on the market and that ensures good alignment with the regional organisation of contractors. We are making scaling up more attractive for our partners and acting to make working with us easier and more predictable. The first tenders under the new approach will start in 2026.

We are working on solutions to obtain space and permits for construction more quickly than is currently the case. In 2025, for example, we drew up agreements for work on the low-voltage grid, incorporating the process for obtaining permits into the planning cycle, which structurally leads to faster implementation and better collaboration with municipal authorities. In the future, we will extend this working method to other work packages.

We expanded our workforce by taking on staff, including 490 new technicians. Contractor capacity was also increased.

Increasing productivity

Back in 2024, we organised ourselves in production chains in order to coordinate all the activities required to work efficiently and deliver customer value more quickly. A new value chain was also set up for large-scale expansion work that we organise in long-term collaboration with implementation partners: the Large Work Packages chain. In 2025, implementation of working in chains was further consolidated, and a great deal of work was done in the chains to increase productivity and continuously improve our service provision.

We now also plan and manage our production in an integrated manner in order to increase productivity. All the activities in the implementation chain are planned and managed as a whole, rather than by department, team or type of work. This leads to the creation of a single, coherent and optimised plan to which all chains are linked. We do this eight quarters in advance.

Utilising the available capacity as efficiently as possible and achieving productivity increases are crucially important for Alliander. We do this in a data-driven manner. Two digital solutions for assigning work across the chain, optimising schedules and better matching supply and demand have been scaled up to all areas of work. We are also working on improvements to optimise the important role of the work supervisors.

More effective grid use (flexibilisation)

Our aim is to get the most out of the grids through flexible grid use. We refer to this as 'Beter benutten', i.e. more effective exploitation, and this is an essential aspect of the energy system of the future. More effective exploitation can be achieved through technical measures, but also through tariff models and usage incentives. Calculations show that these measures make a significant contribution to moderating the investment requirement for the onshore grid. Despite the steps we are taking, we recognise that acceleration is required. We are working on this continuously. In the enormous task we face, we are encountering various challenges. Among other things, it requires the introduction of new processes and IT systems. In addition, new technologies, changing legislation and growing demand for electricity require us to constantly make adjustments.

In 2025, we helped 1,961 customers get off the waiting list. This involved 912 resolved and 1,049 cancelled transmission restrictions. We also added capacity to the grid and made it available to customers by allowing a heavier load on the grid. Flex contracts are used where the grid requires this. To apply flexibility and limits responsibly, we are improving how we measure things. Last year, we performed several thousand low-voltage measurements and measured flows at a large proportion of the substations. These measurements help us to understand what is happening in our network and better respond to the needs of our customers.

Area-based approach

In our area-based approach, we offer all business customers in a given area a suitable flex solution. We do this in close collaboration with these customers and the local authorities. By addressing areas in their entirety, we can deploy more capacity and immediately leverage all possible solutions in that area. Together with local authorities and customers, we look at where we can help customers reduce the peaks. We can then use the resulting available capacity to make an offer to customers on the waiting list. Together with the customers on the waiting list, we investigate whether we can realise their sustainability plans or expansion through limited access. The area-based approach got off to a promising start in 2025. The first half of the year was dominated by development and set-up. In the second half, scaling up really took off:

- We started implementing the approach in 19 areas, and 2 of these projects have been completed (Drachten, Nijmegen).
- We issued nearly 400 offers and in more than 100 of those cases customers have already been contracted and assisted.
- In the last quarter of 2025, we sent an average of 30 offers per week. In view of the improvements we are continuing to implement, this number will increase further.
- In the areas where these projects are currently ongoing, we are providing assistance to 1,800 customers.

New tariff models

In order to distribute grid capacity more fairly and efficiently, we are working on time-dependent capacity and time-dependent tariffs for large consumers. In 2025, the design of these tariffs was finalised and the code amendment proposal prepared. We also developed a plan for time-dependent tariffs for small consumers in collaboration with the Dutch Ministry of Climate and Green Growth and Energie-Nederland. This new approach encourages customers to spread their consumption more during the day by offering lower tariffs at off-peak times and higher tariffs at peak times.

Capacity management contract

In 2025, we introduced the new capacity management contract. This involves entering into contracts with customers to temporarily purchase or feed in additional or reduced amounts of electricity at an appropriate fee, at times when the grid requires it. This expansion of our tool kit increases the likelihood that we will be able to find a suitable solution, even in difficult situations.

Technical measures: allowing heavier loading

We are taking action to safely transmit more electricity in the existing grid. In 2025, various policies were drawn up, including one that allows cyclical loading of medium-voltage cables, making hundreds of megawatts of additional integration capacity available within the limits of the safety and service life frameworks. Cyclical loading is a method that allows more load on the grid components during peak times, because we no longer adhere to static load limits. When the load is lower, components can cool down and we use these periods to make additional transmission capacity available within the permitted limits in terms of grid safety and grid service life.

In addition, variable voltage control (known as compounding: automatically adjusting the voltage of the grid based on the current load) has assisted dozens of customers without any additional infrastructure. We are also exploring greater use of the reserve capacity in the medium-voltage and high-voltage grids for customers that generate electricity. This makes it possible to connect these customers after all and transmit sustainable energy for most of the year. The risk associated with using this reserve capacity is limited, as we make agreements with these customers regarding matters like switching off their installations in the event of faults elsewhere or maintenance.

From one of our stakeholders

Royal Berry: we can actually create capacity

'The technical connection is in place, but we are not allowed to use the power,' says Jan van Genderen, the owner of strawberry grower Royal Berry. Due to congestion, his contracted capacity was unexpectedly not increased in 2022, despite earlier agreements. 'At first I thought: OK, we have a red light for a bit, but it will jump to green soon. Three years later, it is still red.'

Jan points out that Royal Berry can actually help reduce grid congestion. The greenhouses run on combined heat and power: 'We only feed back into the grid when demand and the price are high. When supply is abundant, feeding back into the grid makes no sense for us. You would have thought that would help.' Despite this, the new connection remains unused. 'There is a risk of overloading if customers feed in their capacity during periods of oversupply. But there is no incentive for us to feed electricity back into the grid when the price is low. I believe we can easily come to an agreement on this.'

He characterises the collaboration with Liander as good, but feels that the system is hindering progress. 'There is no contract form yet for what we want. The possibilities are there, the technology is there, but no one has fleshed out a suitable approach yet.' What needs to change? 'Open up opportunities through clear agreements. Electricity is no longer something you can take for granted; we need to collaborate by taking advantage of what is possible.' Jan remains optimistic. 'I'm sure a solution will be found. We are participating in a pilot project run by Liander. The important thing is to keep on making progress.'

Proactively communicating with customers

Access to energy does not depend solely on the technical side of our work: what we build and how we use our networks. For a network operator, proactive communication is essential for building trust, managing expectations and promoting collaboration. Communicating on investment plans, network capacity and future expansions in a timely manner will allow municipal authorities, businesses and residents to make better plans. Customers also increasingly have contact with us. In these interactions, they want to be heard and assisted, to know where they stand, even if something is not possible, to be given options for action and to experience convenience. Proactive communication helps to limit costs to society, increase understanding, promote collaboration and make the network future-proof.

Improved communication on Liander.nl

One of the most frequently used communication channels is Liander's website. That website was improved in a number of areas in 2025. Introduced last year, we now automatically display a summary page listing current projects for each location. The content of the individual project pages is managed by the engagement and stakeholder managers. For example, they can also include a link to the BouwApp, which connects them directly to the stakeholders in their project.
In addition, we worked on Liander.nl to improve the integration of the decision-making tool for small consumers (Keuzehulp voor kleinverbruik), the power grid checker (Stroomnetchecker) and the voltage problem checker (Spanningsproblemenchecker). This means that, rather than having to switch between different tools, customers now receive all the information in a single overview.

Development of infrastructure for heating and sustainable gases

Heat and sustainable gases play an important role in the future energy system, specifically as a complement to electrification. Heating solutions and sustainable gases can help spread energy demand, reduce peak loads on the electricity grid, enable more efficient use of existing infrastructure and avoid investment.

Heat

District heating networks ensure optimal use of sustainable resources at the lowest cost to society. Our subsidiary Firan is working on the development of new, local sources of heat and further decarbonisation of the network. In Amsterdam North, for example, work began in 2025 on the construction of a district heating network that uses waste heat from sewage water – the first system of this type in the Netherlands.

In 2025, in preparation for the entry into force of the new Dutch Collective Heating Supply Act, we launched the process for transforming Firan into an integrated heating company, effective from 1 January 2026. This new heating company will play a central role in the development of public district heating networks and will not only construct infrastructure, but also supply heat to business customers and households. This step requires a modified legal structure and clear positioning within Alliander, including the establishment of Alliander Warmtebedrijf and Firan Warmte-servicebedrijf.

Sustainable gases

Sustainable gases are a solution for making the use of gas greener. They can be deployed flexibly and help ease the pressure on the electricity grid. Through the use of sustainable gases, the gas grid retains (part of) its function.

From one of our stakeholders

The energy portfolio has sparked greater collaboration in Drachten

For local council member Maria le Roy of the Frisian municipality of Smallingerland, the energy transition starts with collaboration and a willingness to help each other. 'I see this very clearly reflected in our largest city, Drachten.' The companies located in one of our business parks there have launched a trial programme to test an energy management approach. Together with the municipal authority and Liander, they have made agreements on smarter use and storage of energy at the business park. 'That required a leap of faith, but it worked: existing businesses were able to become more sustainable, freeing up supply for new businesses, despite the limited grid capacity.'

Drachten vanuit de lucht.

In households, most of the energy demand is for heating, Le Roy adds. 'As the municipal authority, we have been working on the development of a district heating network for some time now. By using waste heat from the water treatment plant, we can connect parts of the city to a district heating network and simultaneously reduce the load on the electricity grid. Here too, we are working closely together with Liander, discussing at an early stage what this means for the infrastructure. In addition, we will be replacing roughly 112 kilometres of sewage pipes over the next ten years, which will involve excavation work in many streets. This will be a stressful period for residents, so good coordination is absolutely essential in order to combine the excavation works with Liander's scheduled work and minimise inconvenience. We hope to work together effectively to get the job done!'

Le Roy sees the collaboration with Liander as a genuine partnership. 'Both from our perspective as a government authority and in the day-to-day collaboration with our civil servants. We help each other reciprocally. I can also see that Liander is facing major challenges, due to the shortage of technical staff for example. That is precisely where opportunities for collaboration exist, for example, with our strong education cluster and training offer for technicians. Thanks to that collaboration based on trust, I am convinced we can make rapid progress in this respect.'

Hydrogen

In June, Firan signed a collaboration agreement for a detailed hydrogen network design with the Port of Amsterdam. Hydrogen supply for the decentralised network started in Deventer. The intention is to connect it to the national hydrogen network. In Lochem, we completed a successful, long-term pilot project involving hydrogen. The main conclusion of this field trial, the first of its kind in the world, is that the existing natural gas network is suitable for distributing hydrogen.

Green gas

In 2025, 31 green gas providers fed 79 million m^3 of green gas into Liander's network (2024: 82 million). This represents 1.5% of the total amount of gas transported. Seven new green gas providers were connected. Various factors are inhibiting the growth of green gas: the issue of permits for new fermentation plants has almost come to a standstill due to the nitrogen emissions crisis, obtaining an electricity grid connection for green gas installations is difficult due to grid congestion, and the cost of disposing of the residual product from fermentation is high. Nevertheless, we have launched many activities to facilitate the growth of green gas. One example is a trial in which a customer of Gasunie Transport Services receives green gas directly via Liander's network without using an expensive booster.

Sharing data and new market services

Digital data exchange is crucial for the energy market. We facilitate sharing measurement data for accurate billing, the registration of generation installations and the coordination of customer requests for connections. However, the transition to a climate-neutral energy system also requires data for purposes such as optimising networks, collaborating with customers and stakeholders, opening up a broader perspective for future action and making better choices in that collaboration. By sharing data with them, they become full partners and can contribute more effectively to solutions, better anticipate opportunities and assess impacts. Together with our industry peers, we are continuously working to develop new, uniform data products. The 'Buurtnet' and 'Netburen' apps are examples of these. Buurtnet, launched by Alliander, Stedin and Enexis, is available to residents of a number of selected residential districts affected by grid congestion. The app provides information about the grid load in those districts and helps residents time their energy usage better. By providing products of this type, we offer our customers greater insight and scope for action.

Digitalisation

Digitalisation is essential for making the energy system more sustainable. It supports better utilisation of the energy network through new solutions for flexible transmission capacity. Digitalisation also delivers the improvement in productivity and efficiency that we need. As Alliander, we play a leading role in this. For example, we use AI for digital network management, more targeted maintenance, better planning and connecting new businesses and consumers. To facilitate this, the digital energy system must be robust and secure. That requires investment, close collaboration and a change in culture.

Alliander's priorities in the context of digitalisation are the broader application of AI, facilitating sharing of data and transactions, and strengthening collaborative relationships within the sector. We are also investing heavily in replacing and improving the organisation's IT platforms and infrastructure (Fit4Future). In 2025, we took a crucial step in renewing the systems we use to monitor and control our energy network by introducing the SCADA operational management platform. In addition to being a technical tour de force, it was also a substantial investment in the future of our networks. On 1 September, the National Station Registration System (Landelijk Station Inmeld Systeem) went live. This national registration system ensures that Enexis, Stedin, TenneT and Alliander will henceforth use the same system to log on and log off at grid stations and substations. This new universal registration system is designed to increase safety at shared substations and make the station access procedure more effective for network operators and their implementation partners. In addition, we replaced the authorisation portal to achieve better Identity & Access Management. Employees use this portal to manage and request access and permissions in relation to Alliander applications, systems and data.

Innovations to accelerate progress

Alliander's challenges are significant. Among other things, we are facing increases in decentralised generation and electricity usage, the integration of new forms of energy within the system, the need for exponential acceleration of infrastructure construction, market facilitation and a call for improved customer service. Through innovation, we focus on narrowing the gap between what we must do and what we are capable of doing.

Flexibility in the low-voltage grid

In order to prevent overloading of the low-voltage grid and avoid problems for households, we launched initiatives to increase flexibility in the low-voltage grid in 2025. Examples are the use of home batteries, public charging facilities and home charging for electric cars and flexible control of high-power equipment. We implemented this in collaboration with customers, market parties, suppliers and municipal authorities. A trial with grid-friendly charging showed a possible 68% reduction in the electricity peak caused by charging cars simultaneously at home.

In 21 areas in the Netherlands with 35,000 households, Liander, Stedin, Enexis, Essent, Vattenfall, Eneco and Zonneplan encouraged consumers to shift their energy usage to quieter periods during the winter of 2025. The aim is to promote flexible energy management in households in these 21 areas as a way of preventing grid outages until the upgrade is completed. Some of the households are located in Liander's service area. This concerns large areas and some smaller areas (streets) where we see that the electricity grid is congested at certain times of the day. Our aim is to reduce peak power usage by up to 40% in each area. The energy suppliers are responsible for deciding how they will attempt to reduce electricity usage during peak times and what kind of compensation households will receive in return.

Faster connection

The pluggable medium-voltage grid is an innovation designed to accelerate and simplify the construction of the medium-voltage grid. A design competition resulted in a solution based on an extremely flexible cable with a pre-assembled right-angle plug and connection sleeve, which allows a medium-voltage station to be connected twice as quickly and in a more ergonomic manner.

VR in training and education

In many situations, virtual reality offers solutions to alleviate the shortage of technicians and address the growing work package. It also helps to keep employees' knowledge up to date in an efficient manner. Through the use of VR in training courses for technicians, we can better compensate for the shortage of practical trainers. We also developed a VR simulation that trains technicians in realistic outage situations.

New robotics lab

We launched the Robotics Lab in the spring. This is a new ecosystem that focuses on the application of robotics within the network operators sector. We work together here with colleagues, industry partners, market players and the scientific and educational communities on technologies that make our work safer, smarter and faster.

Making the energy supply and our organisation sustainable

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › **Which values do we create for the long term?** › What are the most significant social impacts? › To which global targets do we contribute?

Why this topic is important

We are dealing with an unprecedented infrastructure challenge. However, physical realisation of our work is constantly hampered by task feasibility limits. This is a general trend that we also see in other social construction projects in the Netherlands (road construction, hydraulic engineering, housing construction). The investments in our network increased again relative to 2024. At the same time, customer demand for connections and capacity on the power grid remains high. Congestion on the high-voltage, medium-voltage and low-voltage grid is growing.

As a network operator, we are preparing not only our gas and electricity networks for a sustainable future, but also our market facilitating systems and services. We are working towards a new situation of more awareness and choices in energy generation and consumption, and a future-proof energy system which is reliable, accessible and affordable.

Our performance

Making the energy supply and our organisation sustainable

KPI	Target for 2025	Performance in 2025	Target for 2026
Carbon emissions from own operations	171 kt. This includes procurement of renewable energy representing 271 kt (total: maximum of 442 kt)	176 kt. This includes procurement of renewable energy representing 263 kt (total: 439 kt)	118 kt. This includes procurement of renewable energy representing 302 kt (total: maximum of 420 kt)
Circular procurement	At least 9%	7.5%	At least 14%
Gross investments	At least €2,116 million	€2,115 million	At least €2,210 million

For a detailed report on our performance, please refer to the Objectives and performance section.

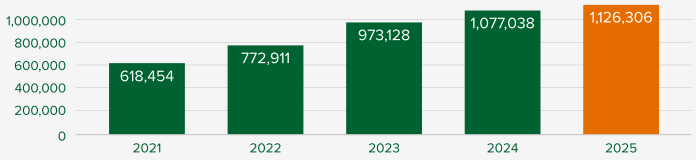
More sustainable energy supply

The energy transition is a complex system change. To be able to have a sustainable energy system in place by 2050, we need to do more than simply replace fossil fuels with renewable energy generation. Our definition of solutions goes further than creating new connections or implementing upgrades. It also includes solutions to ensure that we as a society need less energy (for example, by insulating buildings) or to achieve a better spread of the demand for energy throughout the day.

In recent years, we already addressed the obvious aspects of our energy usage as a component in the energy transition. This year and in the coming years, investments must continue to rise to achieve a profound system change: in how we produce energy, how we use our grids and how energy users will participate much more actively in the system. We are working on an update to our Energy Vision document. In it, we examine bottlenecks in the transition investments in the market and among customers.

Achieving a sustainable energy system in our area of operation

Increasing the number of connections with **active feed-in equipment**



Quantity of **green gas** fed in:

79 million m³

i.e. **1.5%** of the total quantity of gas transported and **9.9%** of the policy target (800 million m³ by 2031)

Number of installations for **green gas feed-in**:

31

Solar energy installed capacity:

8,701 MW

Wind energy installed capacity:

1,817 MW

Number of **public charging points** in Liander area:

22,726

1,961 customers **on the waiting list helped.** This involves 912 resolved and 1,049 cancelled transmission restrictions.

Number of connections with active feed-in equipment

Each year we connect more wind turbines and solar farms to the power grid. In addition, green gas producers are also increasingly turning to us for connections so that they can feed their sustainable gas into the natural gas network. In 2025, we saw another increase in the number of consumer-registered connections with an active feed-in installation in our service area, from more than 1 million to roughly 1,126,000 (up +5%). The rate of growth is levelling off for the second year running. Congestion is a major cause of this.

Decarbonisation of industry

On behalf of the steering group for the National Industry Decarbonisation Programme (Nationaal Programma Verduurzaming Industrie or NPVI), we are working on the Flywheel (Vliegwiel) project. This is a collaboration between the Dutch Ministry of Climate Policy and Green Growth, network operators and industry clusters to accelerate decarbonisation of industry. The Safe Haven pilot is part of the programme. A Safe Haven is a strategically designed area for the industry and economy of the future, where there is sufficient space and energy infrastructure. The area targets safety and future-proofing, making optimal use of the available energy sources such as electricity, heat and sustainable gas. The safe haven is a specific example of how you can build and plan based on the system of the future rather than in a demand-driven manner, and as such it is a concrete form of energy-focused urban planning.

We are also working with our largest industrial customers to develop an approach for setting up transition pathways. The aim is to provide clarity for customers and Liander as quickly as possible. Together, we will use workshops to explore the alternatives there are to natural gas, to detail the desired final solution, and to see when it could be available and what can be done in the meantime by using scope for flex products and new contract forms.

Making the built environment more sustainable by deploying gas generators

The use of electric heat pumps in the built environment is a popular sustainability strategy. The large-scale deployment of electric heat pumps can be a major problem on the coldest days of the year due to the high simultaneous power demand of these systems. This means that the low-voltage, medium-voltage and high-voltage grids will need to be upgraded in many places. The use of a gas generator at medium-voltage level can help mitigate this problem, reducing the need for upgrades to medium-voltage and high voltage grids. Investing in smart, controllable heat pumps and other large electrical appliances in households, as well as the use of hybrid heat pumps, can also help to reduce simultaneous power demand and avoid the need for grid expansion at all levels. The use of gas generators as a back-up at medium-voltage level and hybrid heat pumps in individual homes lets customers make improvements in sustainability and drastically reduces the use of natural gas and the level of carbon emissions compared to conventional central heating systems.

Mobility

In 2025, more than 400,000 new passenger cars will have been registered in the Netherlands, of which more than one in three will be fully electric. Despite further phasing out of government incentives, we expect demand for electric cars and charging facilities to continue to grow. In order to facilitate this growth responsibly, the principle of 'grid-friendly' smart charging should be made mandatory for all public and private charging points. That ensures an optimal match between electric vehicle charging and the available capacity of the electricity grid, thereby preventing peak loads.

Grid-friendly charging as the new norm

Customers with electric cars are prepared to charge their cars at home at different times if this does not cause them any inconvenience and if they receive compensation for doing so. This is the outcome of a pilot project we conducted together with network operator Enexis, in collaboration with charging facility providers ANWB Energie, Eneco eMobility and Vattenfall. In total, this form of management was applied to the charging sessions of 330 customers. These customers had both fixed and dynamic energy contracts. The load profile that was used led to a reduction in electricity demand of up to 68% during the evening peak for customers with fixed energy contracts and up to 55% for customers with dynamic energy contracts.

Customers are prepared to charge their cars at home at different times if this does not cause them any inconvenience and if they receive compensation for doing so.

Making logistics more sustainable also has an impact on the electricity grid. The majority of the electricity demand for logistics is situated behind the meter in industrial estates. The same applies to the transition to electric trucks and vans: in order to facilitate this growth in a responsible manner, flexible charging at business parks must become the norm. In collaboration with public authorities, consideration will also need to be given to suitable locations and the design of collective charging stations in order to build a comprehensive charging network.

Making our organisation sustainable

We are aware of the social impact we have as a network operator. That is why we started working in accordance with our CSR policy many years ago. We are now building on that, based on the principle of 'general prosperity'.

Why this topic is important

We are fully committed to operating as sustainably as possible. Structurally reducing emissions from our work allows us to contribute directly to the achievement of the national climate targets. By working in a circular manner, we can reduce pressure on the availability of raw materials. By setting a good example in this way, we strengthen the confidence of citizens, businesses and authorities in the opportunities offered by sustainability measures and the feasibility of the energy transition.

More information about this topic in the sustainability statement

Targeting general prosperity

At Alliander, general prosperity is the anchor point for all our activities relating to corporate social responsibility. We define general prosperity as a situation in which our own prosperity no longer comes at the expense of the prosperity of future generations and prosperity in other parts of the world. At Alliander, we do this by focusing on reducing the demand for energy and infrastructure. In 2025, for example, the Energy Awareness Platform became more clearly defined. In addition to this, we work with clear targets for our own carbon emissions, resource use and biodiversity. We also pay attention to acting fairly as an organisation by closely analysing the social consequences of new tariff structures and our disconnection policy. Everything we develop in the context of general prosperity is now done in collaboration with the other network operators. A few examples from 2025:

Validation of revised CO_2 targets by SBTi

Our participation in the Science Based Targets initiative (SBTi) represents an important positive development in tackling our own carbon emissions and those of our value chain. In 2025, we had our revised CO_2 targets assessed to determine whether they are in line with the Paris Climate Agreement and contribute to limiting global warming to 1.5 degrees. Whereas we previously primarily targeted climate neutrality – reducing and offsetting carbon emissions through measures such as planting trees or purchasing CO_2 credits – we are now focusing on reducing emissions. In addition to having a 100% electric vehicle fleet and climate-neutral buildings, this mainly means reducing gas leaks (leak detection), promoting climate ambitions among our suppliers and reducing the consumption of transported gas by our customers. In 2025, our own organisation's emissions amounted to 176 kilotonnes. This exceeds the target (171) and was caused by disappointing network losses for gas. Last year, our short-term (2026 – 2030) CO_2 targets were validated by the SBTi. This validation confirms that our objectives are transparent and credible, both for our customers and for society.

Clean and emission-free construction

Liander has constructed a cable corridor without producing any emissions for the very first time. This is an important step forward on the path to clean and sustainable construction. Under the Clean and Emission-Free Construction covenant, we are working with the sector to reduce emissions from working vehicles, trucks and vessels. This is how we contribute to meeting national climate and air quality targets and to achieving climate neutrality and circularity in infrastructure projects. As there is still very little experience with emission-free construction in relation to infrastructure, Alliander researched this further in a practice-focused pilot project. In Epe, we constructed a nine-kilometre-long corridor in a Natura 2000 area using electrical equipment such as excavators, cranes and mobile battery packs. Near Den Helder, we carried out drilling work using an 80-tonne electric drilling rig powered by hydrogen fuel cells. These activities provide valuable knowledge about the deployment, planning and charging infrastructure required for zero-emission construction. The experience gained helps us to carry out future projects in a smarter, cleaner and more efficient manner.

Circularity

Working on the energy transition requires large amounts of materials. Alliander believes that respect for people and the environment is paramount here, as we want to make choices that contribute to keeping our planet liveable: we want to build in an energy-efficient way, but we also want to use sustainable materials and help maintain a healthy living environment. At Alliander, our aim is to maximise (re)use of existing materials and circular procurement of what we really need.

In 2025, we purchased 7.5% of our key assets (primary installations) on a circular basis (2024: 6.8%, target for 2025: minimum of 9%). We achieved this by including conditions in tendering processes for cables and distribution transformers to increase the use of recycled raw materials. We also encouraged the market to be creative in adopting circular design and promoting conscious (re)use of materials.

More information about this topic in the sustainability statement

Human rights in the supply chain

In 2025, we drew up our policy on human rights in the supply chain, in line with the due diligence framework of the OECD Guidelines for Multinational Enterprises. In addition to concrete expansion of the scope of our audits and amendments to our Code of Conduct, we are working to increase chain transparency and ensure proactive action in the event of misconduct. Our value chains and the associated risks of human rights violations are often complex and multi-layered. In order to exert sufficient influence and make a real difference, collaboration is essential. That is why we sought collaboration with the other network operators and, for example, trade unions. The due diligence process is continuous and one in which we gain increasing insight into our value chains and become increasingly capable of mitigating our actual risk of human rights violations. The aim is to be at the level of the EU Taxonomy's minimum safeguards by 2026.

More information about this topic in the sustainability statement

Biodiversity

In 2025, we adopted our first Biodiversity policy plan. This policy guides how we act in respect of biodiversity: nature-inclusive measures such as hedgehog shelters, bat towers and insect hotels have become standard in new construction projects. We are making grid stations greener, making (preliminary) ecological surveys mandatory at the design stage and taking biodiversity into account in site maintenance practices. We have laid this down in policy. With these actions, we are building a solid foundation for a positive impact on nature from 2030 onwards.

Climate change adaptation

Given the low average number of outages, our energy infrastructure is extremely reliable by international standards. At the same time, climate change is leading to an increased risk of damage from drought, rainfall and even flooding. The risk topics are known and we are working to develop a more coherent approach to climate adaptation. In 2025, a project group was formed to bring together all actions and policies as a prelude to a climate adaptation programme. The Dutch sector association, Netbeheer Nederland, is investigating the risks we face at component level. A challenge session with our ExCo members has also been prepared in the context of the Critical Entities Resilience Act (Wet weerbaarheid kritieke entiteiten), which will be organised in the first quarter of 2026.

More information about this topic in the sustainability statement

From one of our stakeholders

Energy bank: an energy transition for everyone

'Energy for everyone sounds like something we can take for granted, but for thousands of people it is not,' says Marije Ruysch, director of the Energiebank for the Arnhem region. 'In the Netherlands, 1.7 million people live more or less on the poverty line. For them, paying their energy bills is often an impossible task. In total, around 116,000 households use hardly any energy, not because they want to save money, but because they have no choice. This means cold homes, stress, health issues, lack of comfort and loneliness behind the front door. People become reclusive; they cannot participate fully in society. A head full of worries and an empty wallet – that is the reality they live in.'

An energy coach visits people at home and initiates action with the home occupants to save energy and analyse their energy bills. 'We attempt to restore comfort, take some of the pressure off people. That is why I am pleased that Alliander renewed our partnership in 2025. Not only financially, but also in terms of content. Alliander looks beyond cables and meters, empathising with the people behind their front doors. Alliander gets to sit at tables that we – and certainly our target group – never get to sit at. They can set the agenda, exert influence and make an impact. That engenders hope. Because energy is a basic necessity of life. Together, we have a goal in sight – ensuring that no one is left out in the cold.'

Ensuring a safe energy network, a safe working environment and a secure data environment

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › **Which values do we create for the long term?** › What are the most significant social impacts? › To which global targets do we contribute?

Why this topic is important

Every day, we work to create a reliable and future-proof energy network. Safety is a prerequisite in this regard. We only work when it is safe to do so. This is a significant responsibility. We are required to recognise risks, organise the work effectively and make choices that guarantee safety, whether we are working out in the field or in the office. It is our job to ensure that customers, residents, suppliers, contractors, employees and passers-by get home safely every day. That is not optional; it is very much our job.

For us, safety extends beyond rules and regulations. It is a shared value that guides our actions: getting everyone home safely every day. By structurally integrating safety into our work, from excavation tasks to data security, we strengthen confidence in the infrastructure that keeps the Netherlands running and work together to build a sustainable, resilient energy supply.

Our performance

Ensuring a safe energy network, a safe working environment and a secure data environment

KPI	Target for 2025	Performance in 2025	Target for 2026
LTIF (lost time injury frequency)	N/A	2.2	N/A
Position on the Safety Culture Ladder	Level 4	Level 4	Level 4
Replacement of brittle gas pipes	At least 132 kilometres	148 kilometres	At least 132 kilometres

For a detailed report on our performance, please refer to the Objectives and performance section.

Working safely for and by everyone

Working safely is a prerequisite for the success of the energy transition. Prioritising safety and quality allows us to protect people, prevent accidents and ensure continuity in our work. Safety requires people who do their work well and with due care, because they have the right knowledge and skills, and do what has been agreed. We are continuing our efforts to establish a strong culture where employees take a proactive approach to safety. Targeted interventions and instruction sessions help us actively learn from practical situations, and are an opportunity for sharing successes and best practices. Given the strong growth in the size of the workforce at Alliander, training needs and the associated policy were also evaluated last year and further optimised where possible. We also engage in open dialogue with our contractors, suppliers, customers and other stakeholders, with a view to jointly improving safety and strengthening our collaboration. We do this on the basis of equal partnership and trust. In 2025, the number of incidents involving injury and lost time fell by 14.6% to 35 (2024: 41).

• More information about this topic in the sustainability statement

Safety through expertise

At Alliander, professional expertise is more than just technical knowledge acquired through education and training. It is all about being competent, acting within the assigned authorities and being aware of one's own role and responsibilities. Colleagues are aware of the risks involved in their work and take these into account in the design and when preparing for implementation. We work safely, as agreed and take action to prevent or eliminate any hazard or high-risk situation.

The State Supervision of Mines authority has, for example, asked network operators to work more in gas-free conditions (without releasing gas to the atmosphere). This means that fitters carry out the work without pressurised gas being present in the gas pipe. Liander is taking action to minimise work that releases gas to the atmosphere. In 2025, this included organising working group sessions and pilot projects for colleagues to familiarise them with a new working method for replacing clamp saddles in pipelines in gas-free conditions. The ultimate goal is to carry out the work entirely in gas-free conditions.

Reducing lost-time incidents

We saw a decrease in the number of incidents involving injury and lost time compared to previous years. This development indicates a positive trend in our safety performance and that is also reflected in a greater willingness to report incidents. In order to reduce the number of lost-time incidents caused by seemingly minor accidents and to strengthen the proactive culture with regard to safety, we organised an internal safety campaign. The objective: to facilitate discussions about safety in a low-threshold manner and to increase risk awareness.

We want everyone to work safely; not only out in the field, but also in the office. To ensure that we are more conscious of safety in the office, we have launched an internal campaign focusing on the safety rules regarding behaviour on stairs, behaviour in car parks and behaviour when receiving and accompanying visitors at Alliander office locations. A number of interventions are planned for 2026.

Personal safety

Having a safe working environment is important for Alliander. We believe that people’s talents and qualities come to the fore when everyone feels socially safe, welcome, seen and appreciated. For us, a socially safe working environment is one in which people feel comfortable expressing their opinions and being themselves. In 2025, we updated an e-learning programme and made it available in English for international colleagues. We also work with confidential advisers and have a ‘speak-up’ policy. Despite all the attention paid to social safety, a number of colleagues experienced undesirable behaviour such as abuse of power, bullying or discrimination on the part of their own colleagues, customers and bystanders over the past year. There is an aggression help desk to support employees experiencing aggression in the workplace. The help desk offers a safe space where such incidents can be reported and immediately looked into.

• More information about this topic in the sustainability statement

Accreditation and certification

Last year, we maintained our position on level 4 of the Safety Culture Ladder. Level 4 indicates that safety has priority throughout the company and that investments are constantly being made to raise safety awareness. In addition, we also obtained ISO certificates for occupational health and safety management and for the environment in 2025, both without any requirement for corrective action. This demonstrates that our processes are in good order. We have incorporated the areas requiring improvement identified in the audits into the annual safety plan.

Safe infrastructure

Customers expect us to ensure a safe infrastructure and guarantee their safety while we perform our work. The safety of our networks for everyone involved is a key priority. We continuously invest in the reliability of our infrastructure based on information regarding the condition of our network.

Replacement programme for grey cast-iron and asbestos cement gas pipes

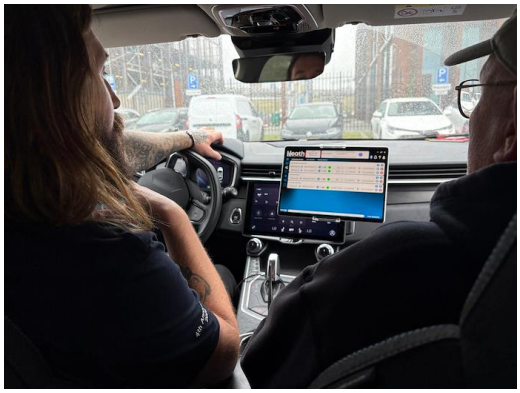
We ensure that the current gas network remains safe and well maintained, we replace old pipes and, if there are areas where the gas network is no longer needed, we remove it. Grey cast-iron and asbestos cement pipes were often used in the past in main pipelines in the gas distribution network. These pipes are renewed ahead of schedule on the basis of an agreement between the State Supervision of Mines authority and the network operators in order to keep them reliable and safe. In 2025, Liander removed over 148 kilometres of grey cast-iron and asbestos cement gas pipes. That is more than the target of 132 kilometres. The remediation work will continue until 2031. Besides replacing these pipes, we frequently check in all main pipelines and branches for (minor) gas leaks using highly sensitive equipment. Armed with this information, we can tackle them at an early stage, before they become a problem.

Regulation on Methane Emissions

Climate change has led to a sharper focus on methane emissions. Methane (CH_4) is a powerful greenhouse gas that contributes to climate change. The Methane Regulation was published in the Official Journal of the European Union on 15 July 2024. The aim of the regulation is to reduce methane emissions throughout the energy supply chain in Europe. We search for leaks and repair them promptly to comply with the requirements of this EU regulation and meet our own climate targets.

Case study

Searching for leaks? How do you do this?



In 2025, we started looking for innovative methods to reduce methane emissions. We have now adopted a two-stage method as the solution for detecting leaks efficiently, accurately and quickly. First, we detect leak indications using a leak detection vehicle: the leak detection vehicle drives along roads and through residential areas and can measure concentrations of gas molecules using highly sensitive equipment mounted on the vehicle. In combination with an anemometer, we subsequently predict the hourly outflow and the approximate location of a leak. We then have a partner company locate the leak. This is done using hand-held equipment that accurately measures the gas concentration. If a leak is found, preparations are made to repair it and our own fitters do the work. To facilitate this, tenders for the vehicles were issued in 2025.

Privacy, security and digital resilience

• More information about this topic in the sustainability statement

Privacy

Protecting the personal data of our customers, employees and other stakeholders has Alliander's continuous attention. We are taking action to achieve an increasing level of maturity when it comes to privacy. We use an automated Privacy Control Framework for optimising privacy and control measures. We also apply Privacy by Design, which involves ensuring from the start of the process that privacy is part of a product or service under development. Since early 2025, we have been using quarterly updates to inform the management teams of the most important organisational and staff units about the status of identified privacy risks, privacy controls and other relevant developments in their units.

Data breaches

In 2025, we identified a total of 25 data breaches within Alliander. None of those data breaches were so serious that they had to be reported to the Dutch Data Protection Authority or to those affected (11 other data breaches were identified in the sector in 2025). Of the 25 internal data breaches, 12 occurred at Alliander and 13 at Liander. These figures are not a cause for concern, both from the perspective of comparison with figures from previous years and because none of these 25 data breaches needed to be reported.

Security

Alliander continuously invests in resilience in order to assure its role as a vital player in Dutch society and to retain the trust of customers and shareholders. In recent years, we have seen an increase in the complexity of threats, such as geopolitical tensions, AI-driven cyber attacks, drones and physical sabotage, internal threats, climate risks and digital dependencies. This makes an integrated security approach essential. Alliander is structurally strengthening its defences against digital and physical threats through a professional crisis response organisation and an integrated security strategy, in line with legislation such as the European NIS2 Directive. We focus on prevention through a layered security architecture with defined zones in our buildings, which we updated in 2025. New security KPIs encourage teams to address vulnerabilities in a timely manner, conduct audits and increase security awareness. We also collaborate with other parties to increase knowledge and skills.

Digital resilience and dependency management

A reliable and future-proof energy supply requires digital resilience and flexibility. In concrete terms, this means that critical digital processes must remain controllable for Alliander, even in the event of disruptions, and that dependencies on technology and suppliers must be carefully assessed. Digital choices are increasingly subjected to scrutiny in connection with risks in terms of continuity, recoverability and long-term dependency. This applies in particular to the choice of (US-based) cloud services, where Alliander focuses on conscious deployment, transparency in dependencies and maintaining sufficient control over critical processes.

In 2025, action was taken in line with this approach to further secure the manageability of critical digital chains. In addition, much attention is also given to clear frameworks, mutual coordination and collaboration within the sector. We are actively preparing for risks by developing scenarios, investigating alternatives and making continuous adjustments through policy and joint action, including in collaboration with other network operators.

We also developed continuity plans and drew up disaster recovery plans for digital systems. Finally, we ensure that disruptions are dealt with more quickly and that their impact is limited. In 2025, Alliander conducted a large-scale exercise simulating digital and physical threats. This simulation improved collaboration, response procedures and awareness, and the lessons learned have been incorporated into policy and processes.

Being an attractive, inclusive employer with equal opportunities for all

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › **Which values do we create for the long term?** › What are the most significant social impacts? › To which global targets do we contribute?

Why this topic is important

Alliander acknowledges the importance of good employment practices and wishes to be and remain a top-class employer, i.e. an inclusive place of employment where employees trust the people they work with, have opportunities for personal development and feel good about what they do. An organisation where, in a pleasant atmosphere, they enjoy collaborating with colleagues, customers, suppliers and partners on the energy supply for a sustainable future.

In 2025, our organisation grew again. We succeeded in completing more and more work with our own people. This is important because the energy grid of the future requires professional expertise, collaboration and continuity. Our employees are an indispensable link in the daily performance of our tasks. In the period up to 2030, network operators and contractors will need an estimated 30,000 additional skilled professionals. That is why we are increasingly working together with other network operators, contractors, training providers, government authorities and industry organisations.

Our performance

Being an attractive, inclusive employer with equal opportunities for all

KPI	Target for 2025	Performance in 2025	Target for 2026
Women in managerial positions	At least 35% of all managerial positions	36.6%	At least 40% of all managerial positions
People with poor employment prospects	Offer at least 188 apprenticeships	190	Offer at least 221 apprenticeships
Employee survey: enthusiasm and engagement	At least 81%	84%	At least 81%
Sickness absence among own employees	Maximum 4.3%	4.2%	Maximum 4.3%

For a detailed report on our performance, please refer to the Objectives and performance section.

Composition of the organisation

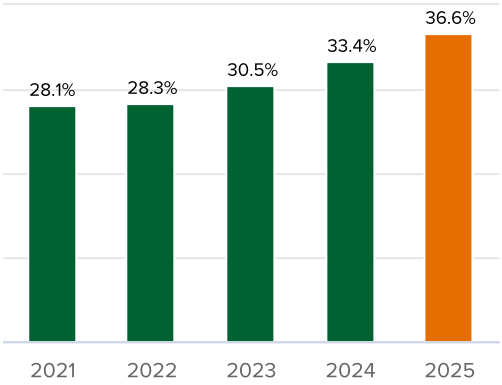
In order to succeed in our mission, it is essential that colleagues feel free and at home, so that they can get the best out of themselves. That is why we are committed to diversity, inclusion and equity, and to creating opportunities for people with poor employment prospects. We achieve this through our employee networks and other programmes. We also participated in the Pride March in Amsterdam, and during Diversity Month in October, the focus was on the strength of being different. For the group of women in our organisation, colleagues widely shared WOMEN Inc.'s 'Regel dat ze wil blijven' campaign, which called for the technical sector to become more female-friendly and make female colleagues 'want to stay'.

More information about this topic in the sustainability statement

Women in managerial positions

In 2026 and 2030, we have set ourselves the target of having women in respectively 40% and 50% of our management positions. Last year, the number of women in managerial positions rose further to 36.6% (2024: 33.4%), meaning that the target for 2025 (35%) has been achieved.

More information about this topic in the sustainability statement



For the group of women in our organisation, colleagues widely shared WOMEN Inc.'s 'Regel dat ze wil blijven' campaign, which called for the technical sector to become more female-friendly and make female colleagues 'want to stay'.

People with poor employment prospects

We strive to ensure inclusion of people with poor employment prospects, focusing those efforts on the target group covered by the agreement on employment between the Dutch government, employers and trade unions to create 125,000 additional jobs for people with occupational disabilities in 2026. We offer sustainability-oriented jobs and paid work experience placements. In 2025, we employed a total of 190 people with poor employment prospects (2024: 180, target for 2025: 188), including temporary workers. We are actively seeking new collaboration partners who have candidates with knowledge or skills that match the work we do.

• More information about this topic in the sustainability statement

Future Leader Board: Young colleagues in dialogue with the Management Board

'The Future Leader Board was formed in 2023 as a new body in Alliander's governance set-up. Seven young colleagues sit on the Future Leader Board and engage in quarterly discussions with ExCo and Management Board members about current administrative issues or current topics that they themselves put on the agenda. Through this board, Alliander ensures that the voice of young colleagues, who are our future, is represented in decision-making.

With a solid foundation in place, the Board handed over the reins to a new team in May 2025. We then organised the first brainstorming sessions for and with young colleagues. Those sessions reveal to us what is topical for them in different parts of the organisation. In addition to connection, our organisational culture, career advancement opportunities, collaboration and work processes within the value chain were frequently mentioned. In this context, we are working with the facilities department to see how we can create meeting areas that provide space for connection. We also want to ensure that new colleagues can obtain information more quickly about social activities at Alliander.

The first discussion with the ExCo about connection has also taken place. After this excellent start, we will continue to work on the topics that have been raised and, above all, keep the dialogue going.'

Getting the job done with our employees

In 2025, more than 1,700 new colleagues started with us (excluding temporary workers). Of that intake, 490 colleagues were employed in technical positions. More and more often, employees joining the company are lateral entrants, refugees with a residence permit or from outside the Netherlands. Sector initiatives, such as the Electrical Engineering Task Force, also contribute to attracting new colleagues. The Electrical Engineering Task Force was established to facilitate labour capacity oriented collaboration with other network operators, contractors, training providers and industry parties.

Additional technicians through the Sector Scale-up Plan

Network operators, contractors and the government wish to work together to achieve an increase of 5,000 technicians compared to the current number in 2030. This will be achieved through the 2030 Scale-up Plan (Opschalingsplan 2030), which was launched at the end of 2025. Government funding for this initiative is arranged through the Climate Fund. In order to meet the demand of all our customers, many additional people are needed to carry out the work. The main bottleneck here is the limited training and supervision capacity. This scale-up plan is an important step in a structural and nationwide approach to reducing the shortage of technicians and training capacity. Whereas until now the parties mainly organised their own recruitment, they are now jointly channelling significant investments into regional partnerships under the name 'Infra Talenten'. A special component is the Energy Skills programme, specifically for refugees with a residence permit. With a tailor-made preparatory programme, the sector aims to help 1,000 refugees with a residence permit find employment in the technical sector.

Inflow

The huge inflow of new employees leads to specific challenges in terms of absorption, knowledge retention and adoption of change. Our absorption capacity is a reflection of how we approach getting colleagues up to speed quickly. This starts early, before the first working day, and focuses specifically on onboarding into the organisational unit and into the daily work. To this end, we further improved the Join the Grid onboarding programme in 2025 and optimised the onboarding day for new colleagues. At the end of 2025, Alliander won two prizes for this onboarding platform at the Learning Technology Awards in London. Furthermore, we offer new employees development opportunities from the start of their employment via the My Development platform. These opportunities focus on the themes of engineering, safety, leadership, personal development and digitalisation.

From one of our stakeholders

'A job helps me make my dreams come true'

Work has always been important to Suzanne Jacobs, a member of our team responsible for invoicing and collections. Despite that, she ended up in the Wajong invalidity benefit scheme for young people in 2012 due to personal circumstances. 'That was a drastic change, because I really wanted to participate in society and earn my own money. After a few years, I decided that I wanted to go back to work. Through a talent expedition programme, I discovered that working in financial accounting suits me well. I completed a course and, with the support of a job coach, I started applying for jobs again. That is how I ended up at Alliander in a participation job as an invoicing and collection assistant.'

She found the job application process quite nerve-racking. 'But I did feel that people took me seriously right away. At Alliander, I receive excellent guidance and have the flexibility to tailor my work and working times to my needs. I work partly from home, am learning more and more, and have a variety of tasks. I now have a permanent contract, since August 2024 in fact, and no longer need benefits. And I did all that myself!'

Her job gives her energy, independence and confidence. 'I make a real contribution and enjoy coming to work. Working helps me to look ahead and make my dreams come true.'

Focus on professional expertise

To find solutions for the energy issues of today and tomorrow, we invest in our people. On the one hand, we do this by offering good remuneration and attractive terms of employment and, on the other hand, we offer training opportunities to help our employees get the best out of themselves. That is good for them and good for the company.

Alliander Technical Development

For our technical colleagues, we have Alliander Technical Development. This company school, with four locations in our service area, is responsible for providing technical training within Alliander. The school develops Alliander-wide technical competencies, provides educational courses for gas and electricity, and offers training courses in the field of safety. In 2025, the inflow of participants in the various intensive and long-term training programmes increased to 353 (2024: 250).

‘Mijn Ontwikkeling’

We have implemented the ‘Mijn Ontwikkeling’ (My Development) platform for all employees. This platform gives employees the freedom and responsibility they need to take control of their own learning and development path. On an online platform, they can choose from a wide range of educational courses and training programmes aimed at deepening their professional knowledge, developing new skills or working on personal growth, without any administrative hassle or having to waiting for approval.

Being an attractive employer

For the energy transition, it is essential that the sector is and remains attractive to employees. Based on this vision, employers and unions have agreed the ‘CAO Netwerkbedrijven’ collective labour agreement for network companies that runs until 1 January 2027.

More information about this topic in the sustainability statement

Employee satisfaction

We use the Central Employee Barometer to measure how satisfied colleagues are with their work at Alliander. The commitment and enthusiasm of colleagues at Alliander remains high: 84% are enthusiastic and 94% are satisfied with their work. Colleagues recommend Alliander to others as an employer, and staff turnover is low. However, appreciation, long-term employability and well-organised work processes are topics that require extra attention. Growth of the organisation, clear objectives, agility and cost-conscious working remain important areas for improvement.

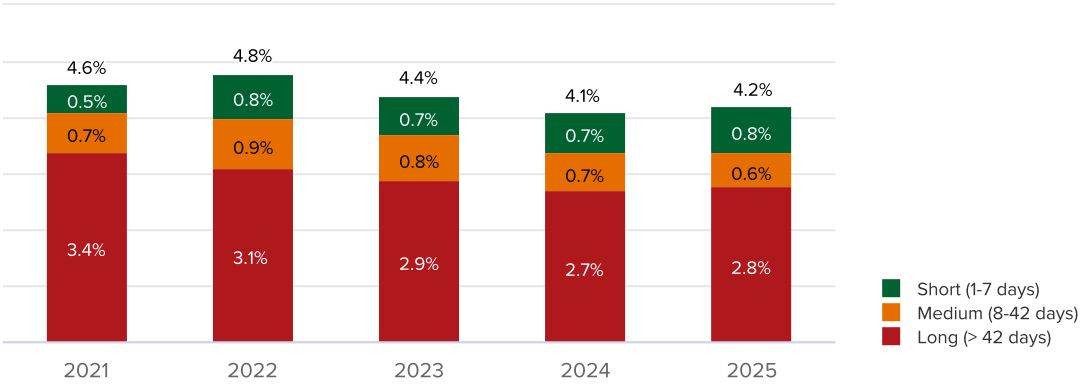
Alliander Foundation

In order to remain attractive as an employer, the Alliander Foundation encourages Alliander employees to do voluntary work and offers them support in doing so. A total of €313,000 was spent on more than 150 projects and activities of the Alliander Foundation in 2025.

Employee vitality and sickness absence

In 2025, the sickness absence rate was 4.2% (2024: 4.1%, target for 2025: maximum of 4.3%). Alliander supports employees in taking responsibility for their own well-being. We do this in various ways, such as the Long-Term Employability Budget, which they can use at their own discretion to promote their long-term employability by focusing on things like vitality, development and job satisfaction. Employees can also participate in the Alliander Fit programme, various activities such as running or cycling are organised, psychological assistance is available, and attention is paid to addiction issues.

Sickness absence trend



Anonymous care for addiction

Since 2025, we have offered every employee the opportunity of receiving anonymous and accessible help or advice for addiction or substance dependency problems via Anoniemezorg.nl. The advisers at Anoniemezorg.nl are all experienced professionals. They have had substance dependency or addiction problems themselves and have overcome them. By choosing this approach, we as an employer ensure that the threshold for assistance is low and act to prevent negative escalation.

Review by the Works Council

Alliander's Works Council commenced a new three-year term in 2025. As the Works Council, we are a representative reflection of the organisation in terms of age, ethnic origin, position and gender. When we started in early 2025, we asked ourselves this question: 'Where can we make a difference?' The response led to four strategic focus areas.

Improving safety – physical, social and digital

Safety is fundamental. For us, this means focusing on physical safety in the workplace, but also on social safety within teams and on digital safety in a world where cyber threats are on the rise. The Works Council sees it as its responsibility to contribute to a working environment in which everyone gets home safely, every day. Unfortunately, there were still near-misses or accidents in 2025, and several incidents were reported to the Works Council. We have discussed this with our Management Board members via the Safety, Environment and Quality Committee and other avenues.

Customer value and cost awareness – smart choices for social impact

The Works Council sees customer value and cost awareness as two sides of the same coin. Alliander's social responsibility requires a culture in which employees work in a customer-focused manner, but also make smart, efficient choices. However, internal signals and customer surveys indicate that customer focus is not yet sufficiently embedded. By focusing on customer value and cost efficiency, the Works Council aims to raise awareness, encourage cultural change and promote cost-conscious behaviour, in line with the challenges of the energy transition and rising social costs.

Control over growth – realistic plans with attention for people and processes

Alliander has grown exponentially in recent years. Significant growth and internal job changes mean that many employees currently have held their positions for less than two years. This growth places high demands on our employees' capacity to absorb new information. We examine the impact of the growing organisation on employees, our buildings and support processes. Through advice and dialogue, the Works Council contributes to a future-proof organisation in which growth does not come at the expense of job satisfaction and good collaboration.

Applying digital technology – working smarter with digital skills

New systems, data-driven processes and automation offer opportunities to organise our work in a smarter and more efficient way, but they also present challenges. The Works Council feels it has a duty to ensure that this transition takes place smoothly, both technically and in terms of the human aspects, by exercising control over digital developments, by monitoring privacy and data use, and by ensuring that employees receive the right support when adopting new technology. Through this approach, we promote digital literacy and prevent colleagues from falling behind in an increasingly digitalised working environment.

In the coming years, we will continue this focus on a safe, customer-oriented and cost-conscious organisation. We remain critical, constructive and committed – in the interests of all employees and of Alliander. As ever, we will continue to work constructively with the Executive Committee, with mutual trust and respect as key core values.

On behalf of Alliander's Works Council
Stephan van Aagten (Chair)

Being a creditworthy company with solid returns

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › **Which values do we create for the long term?** › What are the most significant social impacts? › To which global targets do we contribute?

As a major energy network company, we have an important social role in Dutch society. Our social, financial and sustainability performance is of significance in the considerations of shareholders and investors. Having a sound financial position enables us to perform as promised.

Why this topic is important

A sound financial base means that we can embrace our responsibility. It allows us to continue investing, respond flexibly to changes and fulfil our social mission in a responsible and future-oriented manner.

Our performance

Being a creditworthy company with solid returns

KPI	Target for 2025	Performance in 2025	Target for 2026
Credit rating	Maintain solid A rating profile	Solid A rating: S&P A, Moody's A1, Scope A+	Maintain solid A rating profile
FFO/net debt	At least 11%	15%	At least 11%
Solvency ratio	At least 30%	49.3%	At least 30%

For a detailed report on our performance, please refer to the Objectives and performance section.

Financial developments

Investments reached a record high of €2.1 billion in 2025, compared to €1.8 billion in 2024. In recent years, our investments have increased as we build the infrastructure needed to make the energy transition possible. The expectation is that investments will increase further in the coming years.

The fact that we have been able to invest at this scale is largely due to our financial position and, in particular, our ability to continue to attract funding. In 2025, two senior green bonds were concluded for a total amount of nearly €1 billion. In addition, as announced last year, a subordinated perpetual bond loan was redeemed, followed shortly after by the issue of a new green subordinated perpetual bond for the same amount (nominal value of €500 million). We also have the option of converting the €600 million convertible shareholder loan into shares, subject to certain conditions, which will increase our financing capacity. This is necessary in view of the expected scale of our investments in the near future.

Our remaining cross-border lease was terminated on 2 January 2025, resulting in the transfer of our high-voltage grids and transformers to TenneT and Kenter respectively. This resulted in a net book profit of €70 million. Partly as a result of this, the net profit for 2025 amounts to €289 million, compared to €976 million in 2024, which included the book profit on the sale of Kenter. Excluding exceptional income items of this nature, net profit increased by €22 million in 2025 compared to 2024.

Despite the net profit realised in 2025, our net debt position increased by almost €0.9 billion as a result of our investments and amounted to €4.9 billion at the end of 2025. As long as our investments continue to increase and the current regulatory system, under which compensation is included in the tariffs over an average period of 40 years, remains in effect, there will be significant funding shortfalls each year. So strengthening network company equity is a crucial precondition for being able to continue making the necessary investments and to avoid further pressure on investments in the gas and electricity networks.

From 2027 onwards, the regulatory system will change, moving from a benchmark regulation approach to a form of individual cost-plus regulation. This has the effect of creating favourable conditions for the major investment task in the area of electricity, as well as responding appropriately to declining gas consumption.

Alliander's financial policy is explained briefly later on in this section. That explanation is followed by the financial results and Alliander's position regarding matters such as cash flows and financing. These items are followed by taxation and the main regulatory developments. The section ends with a look ahead at the results expected for 2026.

Financial policy

In principle, our financial policy is designed to allow us to maintain a solid A rating. This means that we are able to continue to invest in our networks and grow the business thanks to our financial position. It enables us to pursue our strategy.

Alliander's financial policy is designed to achieve a balance between protecting bond holders and other providers of borrowed capital, and maintaining an adequate shareholders' return, while preserving the necessary flexibility to enable the company to grow and invest. The general principles of the financial policy are to ensure a balanced repayment schedule and to have access to committed credit facilities and sufficient cash and cash equivalents. By operating within the financial framework and in accordance with the general principles, we target a solid A rating profile as a minimum.

The financial framework within which Alliander operates is based on the following credentials:

- FFO/net debt: minimum of 11%.
- Compliance with regulatory requirements for network operators.

The FFO/net debt ratio at year-end 2025 amounted to 15.0% (year-end 2024: 17.9%). The decrease is mainly due to an increase in net debt of almost €1 billion. The solvency ratio at year-end 2025 was 49.3%, compared to 48.1% at the end of 2024. In 2025, a new subordinated perpetual bond with a nominal value of €500 million was issued.

Dividend policy

As part of the financial policy, the dividend policy provides for distributions of up to 45% of the profit after tax, adjusted for fair value movements, periodic payments relating to loans that are recognised in equity and exceptional items that did not lead to a cash flow, unless investments or financial criteria demand a higher profit retention percentage and/or unless the solvency ratio falls below 30% after payment of dividend. Dividend is capped at €100 million per year. From the 2026 financial year, the amount of the capped absolute dividend distribution will be indexed annually based on the actual Consumer Price Index (CPI), as published by CBS Statistics Netherlands.

After three years, the dividend policy will be evaluated. This includes assessing the impact of any new method decision on Alliander's expected financial results and, more specifically, on the expected dividend distribution and on the FFO/net debt ratio. The results of this evaluation, which will be initiated by the company, will be discussed by Alliander and the shareholders – each adopting a position based on their own responsibilities – and this may, in due course, constitute grounds for adjusting the dividend policy (i.e. tightening or broadening it).

Financial framework agreed with the Dutch State

Alliander has made agreements with the Dutch State regarding possible capital support. Based on the agreed framework, accession of the State as a new shareholder will be possible under certain conditions. This guarantees a minimum credit rating of A- (A minus) in the long term.

Investment policy

The investment policy is consistent with the financial policy and is part of Alliander's strategy. Elements of investment policy include compliance with regulatory requirements relating to investments in the regulated domain, such as safety and reliability, and the generation of an adequate return on investment. Ordinary investment proposals are tested against minimum return requirements and criteria as set out in the financial policy. Innovative schemes require specific Management Board approval. As well as quantitative standards, investment proposals must satisfy qualitative requirements. It should also be noted that, in principle, investments in the regulated domain arise from a network operator's statutory duties.

Green financing

Alliander sees that, alongside a sound financial policy, shareholders and other investors are increasingly focusing on sustainability. Alliander endorses the importance of sustainability and so the company's sustainability targets play a prominent role in the management of the business and external financing. Alliander exercises its ability to issue both bonds and ECP loans as a way of raising capital that is used exclusively to finance assets that are defined in detail in the Green Finance Framework. This concerns green financing. At the end of 2025, only green bonds had been issued.

Our sustainability efforts have earned us a sustainability class B rating from ISS ESG, a Medium Risk classification from Sustainalytics, an AA ESG rating from MSCI and a 'leading versus peers' ESG score from Bloomberg. In January 2026, the score was changed to 'above median versus peers'. Despite this change, Alliander is still among the higher performing companies in our sector in terms of sustainability performance, according to these rating agencies. These ratings allow Alliander to take advantage of the demand for green debt instruments and, as a result, achieve favourable financing conditions.

Our financial stakeholders

Alliander pursues an active policy of maintaining an open and constructive dialogue with shareholders, bondholders, financial institutions, credit rating agencies, sustainability rating agencies, analysts, and the media. We provide all stakeholders with timely and accurate relevant information on finances, strategy, risks, sustainability and other matters, in reports, in press releases, and in meetings, as well as by other means.

Shareholders

All of Alliander's shares are held directly by Dutch provincial and municipal authorities. A complete overview of all shareholders can be found at www.alliander.com. The majority of the shareholders are participants in the subordinated convertible bond loan with a nominal value of €600 million issued by Alliander in 2021. Contact with shareholders primarily takes place during the shareholders' meetings. The company and its shareholders also meet outside of the shareholders' meetings. A summary of the various shareholder dialogue structures can be found on the Alliander website.

Institutional investors

Institutional investors in bonds such as asset managers, insurers and pension funds provide a significant portion of Alliander's debt financing in the form of bond loans and ECP loans. These are mostly Europe-based professional institutional investors on the international financial markets. Existing and potential bondholders are kept informed of Alliander's financial position and results, as well as developments in the industry. To provide that information, Alliander actively engages in Investor Relations activities in addition to complying with normal publication requirements. In this context, a Non-Deal Roadshow is held every other year. We arranged the last one in October 2025.

Banks

Alliander has access to a back-up syndicated credit facility of €900 million, committed by seven banks, which matures in December 2028. The fee paid for this facility depends in part on Alliander's performance in relation to a number of sustainability KPIs. As in previous years, no use was made of the credit facility during the past year. A €300 million loan arranged with the European Investment Bank was drawn down in 2017 and 2018. The loan becomes repayable in full in 2031.

In addition to this syndicated credit facility with a group of banks, Alliander has five bilateral credit facilities with individual banks. These facilities may be used as a back-up in situations where Alliander is unable to access the market for ECP loan issues. In 2025, these committed back-up credit facilities increased from €1 billion to €1.5 billion to continue to meet the liquidity coverage requirements of the credit rating agencies. They mature at the end of 2026, with the option to extend by one year until the end of 2027. No funds were drawn down from these facilities during 2025.

Rating agencies

Alliander has credit ratings from S&P, Moody's and Scope. These ratings consist of a long-term rating with an outlook and a short-term rating. The outlook is an indication of the expected change to the long-term rating over the next few years. On 5 March 2025, S&P downgraded Alliander's credit rating by one notch to A with a stable outlook. On 10 March 2025, Moody's downgraded Alliander's credit rating by one notch to A1 with a stable outlook. On 19 December 2025, Alliander obtained a credit rating from Scope: A+ with a stable outlook. Scope also assigned the same credit rating to Liander. This means that Liander complies with the provision of the Energy Act that came into force on 1 January 2026, which requires large network operators to apply for and maintain their own credit rating. At year-end 2025, Alliander's credit ratings were as follows:

	Long term	Short term
Standard & Poor's	A (stable outlook)	A-1
Moody's	A1 (stable outlook)	P-1
Scope	A+ (stable outlook)	S-1

During the reporting period, Alliander was in contact with the rating agencies on several occasions. Among other things, these discussions focused on changes in the coming regulatory period, the updated financial policy and developments in the sector. The recent financial performance figures and forecasts that Alliander provided on these occasions were taken into account by S&P, Moody's and Scope when assessing Alliander's creditworthiness.

Financial results

Net profit amounted to €289 million in 2025, which was €687 million lower than in 2024 (€976 million). In 2024, the sale of Alliander's subsidiary Kenter resulted in a book profit of €757 million for the year 2024. In addition to the sale of Kenter, we see that the cost level is increasing, with cost increases being recovered (in part) in the regulated tariffs, leading to higher revenues.

Alliander's income split is as follows: 95% comes from the regulated income of network operator Liander and 5% is from other income sources. The latter mainly consist of work for TenneT projects and district heating network leases. As a network operator, Liander will publish its own annual report on its performance in 2025. This annual report will appear in the second quarter of 2026.

The main expenditure relates to work maintaining and extending the electricity and gas networks and the operating expenses connected with all other activities. We invested €2.1 billion in 2025, mainly in the replacement and expansion of our networks. This investment equates to 44% of our total expenditure. Expenditure on operating expenses, such as procurement for network losses, TenneT's transmission capacity and employee benefit expenses, accounts for 51% of our expenditure. Additionally, there is the dividend payable to our shareholders and the interest payments to the holders of the subordinated perpetual bond loan and other financiers. The dividend and interest payments for 2025 together amounted to 4% of our overall expenditure. The corporate income tax payment to the tax authorities in 2025 is 1% of our total expenses.

Incidental items

Alliander's results can be affected by incidental items and fair value movements. Alliander defines exceptional items as items that, in the management's opinion, do not derive directly from the ordinary activities and/or whose nature and size are so significant that they must be considered separately to permit proper analysis of the underlying results. In 2025, exceptional items had a positive impact of €70 million on our net profit. In 2024, exceptional items provided a gain of €779 million. This means that the net profit for 2025, adjusted for these exceptional items, was €22 million higher than in the previous year. The middle column in the table below shows the exceptional items, with an explanation below.

Reported figures and figures excluding incidental items and fair value movements

	Reported		Incidental items and fair value movements		Excluding incidental items and fair value movements	
€ million	2025	2024	2025	2024	2025	2024
Revenue	3,273	3,043	-	-	3,273	3,043
Other income	124	838	84	787	40	51
Total purchase costs, costs of subcontracted work and operating expenses	-2,775	-2,587	-	-	-2,775	-2,587
Depreciation and impairments	-596	-565	-	-	-596	-565
Own work capitalised	447	380	-	-	447	380
Operating profit	**473**	**1,109**	**84**	**787**	**389**	**322**
Finance income/(expense)	-99	-65	-	-	-99	-65
Result from associates and joint ventures	2	4	-	-	2	4
Profit before tax	**376**	**1,048**	**84**	**787**	**292**	**261**
Tax	-86	-72	-14	-8	-72	-64
Profit after tax from continuing operations	**290**	**976**	**70**	**779**	**220**	**197**
Profit after tax from discontinued operations	-	-	-	-	-	-
Profit attributable to minority interests	-1	-	-	-	-1	-
Profit after tax	**289**	**976**	**70**	**779**	**219**	**197**

Other income

In April 2025, we sold the Randmeren high-voltage network to TenneT TSO B.V., resulting in a book profit of €30 million. In June 2025, we also transferred the free-domain transformers to Kenter, as agreed in the deal for the sale of Kenter in 2024. This resulted in a one-time book profit of €54 million.

The exceptional income in 2024 consisted of the proceeds from the sale of subsidiary Kenter B.V. in January 2024, amounting to €757 million, and €30 million in compensation received from the ACM for past removals of gas connections.

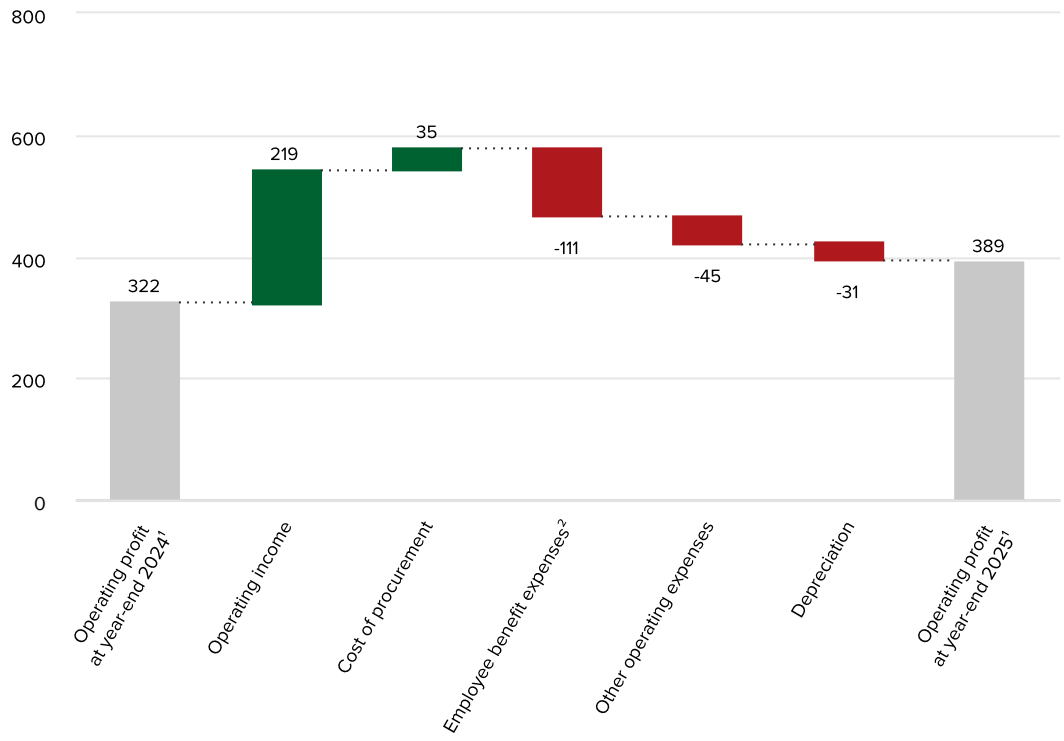
Tax

The income item of €14 million in 2025 and the income item of €8 million in 2024 are due to the impact of the aforementioned exceptional items on corporate income tax. Pursuant to the Dutch substantial shareholding exemption regime, the proceeds from the sale of the Randmeren high-voltage grid in 2025 and the sale of the Kenter shares in 2024 are exempt from corporate income tax.

Explanatory notes to the income statement

The graph below shows the development of our operating profit/loss excluding exceptional items.

Development of the operating profit/loss (€ million)



1 Excluding exceptional items.
2 Including capitalised production.

The most notable developments in our profit were as follows:

Operating income

Total operating income rose from €3,094 million in 2024 to €3,313 million in 2025. This increase of €219 million is mainly attributable to the increase in our regulated tariffs for electricity.

- Electricity revenue was €168 million higher than in 2024, mainly due to higher tariffs as a result of rising costs and a retrospective calculation of the WACC. The average tariff increase in 2025 was 9% relative to 2024. We also had a larger number of connections and higher transmitted volumes, resulting in higher revenues. This was offset by the loss of revenue in our CBL area due to the sale of our high-voltage grid to TenneT.
- Gas revenue was €23 million lower than the previous year, due to both an average decrease in tariffs of 4% and lower numbers of connections as customers migrate away from gas.
- Compared to the previous year, the revenue from metering services was €67 million higher due to an increase in tariffs.

- Other revenue and other operating income increased by €7 million net compared to the previous year, mainly driven by the growth of our activities for TenneT.

Cost of procurement

The lower procurement costs are largely due to the lower costs of network losses in 2025. Those losses came in at €198 million, down by €45 million compared to 2024. These lower costs primarily reflect a pricing effect, as the energy prices for electricity at which we purchase the network losses from the market dropped again compared to the past three years. The gas procurement costs remained the same.

The costs of transmission capacity in 2025 were practically the same as in 2024 and amounted to €837 million. These costs mainly consist of the costs for transmission capacity charged by TenneT. Although TenneT increased the tariffs, that effect was mitigated by lower peaks in the volumes transmitted.

Employee benefit expenses

Total internal and external employee benefit expenses (including capitalised production) were €111 million higher than in 2024, amounting to more than €700 million. The organisation's own workforce increased by an average of 1,000 FTEs in 2025, with the costs per FTE also rising compared to the previous year. This increase in average costs is partly due to the collective labour agreement increase (5%). As a result, the costs for Alliander’s employees will be €163 million higher than in 2024. On average, 40 more temporary FTEs were hired than in 2024. They are needed to implement the work package, among other things, but also for specific knowledge for ongoing projects. As a result, the costs for temporary staff were €15 million higher than in 2024. The larger workforce and the higher average expenses per FTE also resulted in higher capitalised production: this was €447 million, which is €67 million more than in the previous year.

Other operating expenses

Other operating expenses rose from €304 million in 2024 to €349 million in 2025. Among other things, this increase of €45 million includes the costs of a multi-year project to future-proof our information systems. In addition, higher costs were also incurred as a result of the growth of the organisation (maintenance costs, IT costs and facility costs).

Depreciation

The depreciation charges and impairment losses on non-current assets amounted to €596 million, which, in line with the higher level of investment, represents an increase of €31 million compared to the preceding year (2024: €565 million).

Finance income and expenses

In 2025, finance income and expenses resulted in a net charge of €99 million (2024: €65 million). This increase is mainly due to the new loans that were raised.

Profit/loss from non-consolidated associates

In 2025, non-consolidated associates generated a net gain of €2 million, compared to a gain of €4 million in 2024.

Tax

The effective tax rate in 2025 amounted to 23.1% (2024: 6.9%). The effective tax rate was lower than the nominal tax rate of 25.8% in both years. In 2025, this was due to the participation exemption with regard to the sale of the high-voltage grid to TenneT TSO B.V., while in 2024 it was the result of the participation exemption that meant Alliander did not have to pay tax on the proceeds from the sale of Kenter.

Balance sheet

The abridged balance sheet as at 31 December 2025 is shown below.

	Alliander N.V.	
€ million	31 December 2025	31 December 2024
Assets		
Non-current assets	13,134	11,719
Current assets	1,029	1,229
Assets held for sale	-	8
Total assets	**14,163**	**12,956**
Equity and liabilities		
Total equity	6,203	6,038
Non-current liabilities	6,831	6,092
Short-term liabilities	1,129	816
Liabilities held for sale	-	10
Total equity and liabilities	**14,163**	**12,956**

The significant changes in the balance sheet as at 31 December 2025 compared to the situation as at 31 December 2024 are explained below. Detailed information on balance sheet items is given in the financial statements.

- Non-current assets increased by nearly €1.4 billion. This increase is explained by our investments in property, plant and equipment, amounting to nearly €2.1 billion. Taking into account depreciation, divestments and the reclassification of software that is not an integral part of the hardware as intangible assets, the outcome is an increase in property, plant and equipment of €1.4 billion. The aforementioned reclassification of software leads to an increase in intangible assets of €65 million.
- Current assets are €200 million lower, mainly due to the €189 million decrease in cash and cash equivalents. At the end of 2024, cash and cash equivalents were high as a result of the proceeds received from the sale of Kenter, together with the financing raised in the last quarter of 2024. During 2025, the free cash flow, dividend and the coupon on the convertible bond loan were financed partly through new loans and partly through the available cash and cash equivalents.
- The assets and liabilities held for sale at the end of 2024 relate to Warmtenetwerk Hengelo, which was sold in 2025.
- Equity increased by €165 million. On the one hand, there was an increase in equity as a result of the €289 million profit for the 2025 financial year and the convertible bond loan issue, which is classified as an equity instrument under IFRS (€496 million). On the other hand, there was a dividend payment of €96 million, the €23 million coupon paid to hybrid holders and the repayment of the convertible bond loan, which was raised in 2018, amounting to €500 million. A summary of the movements can be found in note 12 to the financial statements.
- The €739 million increase in non-current liabilities mainly relates to the €992 million in capital raised through the newly arranged EMTN loan. Against this, there is a repayment obligation of €300 million for 2026, which is recognised under current liabilities. This repayment obligation therefore results in an increase in current financial liabilities.

Cash flow

Consolidated cash flow statement

A summary of the cash flow statement for 2025 is shown below.

€ million	2025	2024
Cash flow from operating activities	832	829
Cash flow from investing activities	-1,850	-679
Cash flow from financing activities	829	102
Net cash flow	**-189**	**252**

Cash flow from operating activities

The cash flow from operating activities in 2025 amounted to €832 million (2024: €829 million). The increase of €3 million relative to 2024 is partly due to a corporate income tax rebate relating to prior years. Against this, the working capital position deteriorated due to a prepayment received in 2024 in the matter of the sale of transformers to Kenter, which took place in 2025.

Cash flow from investing activities

The cash outflow from investing activities in 2025 was just under €1.9 billion, compared to an outflow of €679 million in 2024. This is mainly the result of the cash inflow received in connection with the sale of Kenter in 2024 (€919 million). In addition, investment expenditure rose by €342 million, leading to a higher outflow. In 2025, a total one-off cash inflow of €136 million arose from the sale of the high-voltage grid to TenneT TSO B.V. and the transfer of transformers to Kenter B.V.

In 2025, investments increased by €342 million relative to 2024. The increase is almost entirely due to higher investments in the electricity grids (€250 million). This involves both replacement and expansion of the network. Besides rolling out new and heavier-duty cables, we are building new electrical substations and expanding existing ones. Investments in the gas networks increased by €39 million compared to 2024, and other investments increased by €54 million as a result of an expanded digitalisation portfolio.

Network investments and maintenance costs

Total expenditure on grid-related investments and maintenance costs in 2025 was €2,566 million, an increase of €414 million compared to 2024 (€2,152 million). The increase was caused by higher investments (€342 million), and the costs of maintenance and outages rose by €72 million.

€ miljoen	2025	2024
Electricity regulated	1,620	1,371
Gas regulated	248	209
Metering devices	64	44
Buildings, ICT, software, etc.	183	149
Total	**2,115**	**1,773**
Maintenance costs	451	379
Total maintenance costs and investments	**2,566**	**2,152**

Cash flow from financing activities

The cash flow from financing activities for 2025 amounted to €829 million (2024: €102 million). Cash inflows in 2025 comprised €992 million in proceeds from the issue of green bond loans and the issue of a subordinate perpetual bond loan of nearly €500 million. Cash outflows included the redemption of the subordinated perpetual bond issued in 2018 and the payment of dividend (€96 million) and the coupon on the subordinated perpetual bond (€31 million).

In 2024, a green bond loan for €750 million was issued and, as in 2025, a perpetual bond was issued at a nominal value of €500 million. This was offset by repayments of the EMTN loans (€400 million) and the short-term ECPs loans (€500 million). A dividend (€173 million) and the coupon on the perpetual bond (€8 million) were also paid out in 2024.

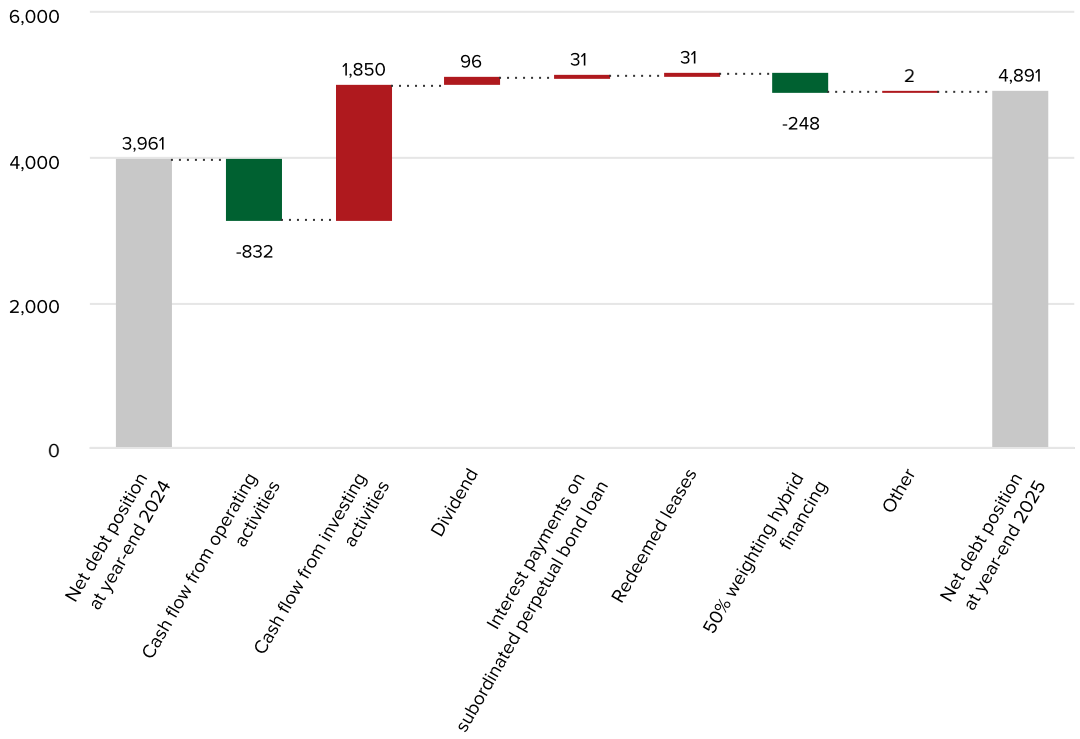
Free cash flow

€ million	2025	2024
Cash flow from operating activities	832	829
Sale of associate	136	919
Investments in property, plant and equipment	-2,115	-1,773
Paid deposits	-	47
Construction contributions received	136	128
Loans received	-	1
Loans repaid	-7	-1
Free cash flow	**-1,018**	**150**

The free cash flow in 2025 totalled €1.0 billion negative, compared to a free cash flow of €150 million positive in 2024. This difference is mainly caused by the funds received from the sale of Kenter in 2024 and higher investments.

Financial position

Development of the net debt position (€ million)



In 2025, the net debt position increased by €930 million and amounted to €4,891 million at the end of 2025 (year-end 2024: €3,961 million). The increase includes the one-time amounts received in 2025 for the aforementioned sale of the high-voltage network and transformers, totalling €136 million. Without these sales proceeds, net debt would have increased by nearly €1.1 billion. This trend is not new. For years, cash flow from normal operations has not been sufficient to cover the increasing spend on investments.

The redeemed leases are paid rental obligations that are recognised based on IFRS 16 as repayment of the financial lease obligation. These repayments reduced relative to 2024, due to the redemption of two leasehold contracts in 2024. The subordinated perpetual bond loans issued in 2024 and 2025 are both classified as equity under IFRS, but count as 50% borrowed capital under our financial policy.

The development of the net debt position during 2025 is shown in the graph below.

Net debt position

€ million	31 December 2025	31 December 2024
Long-term interest-bearing debt	4,568	3,872
Short-term interest-bearing debt	328	26
Lease liabilities	105	115
Gross debt	**5,001**	**4,013**
Cash and cash equivalents	307	496
Net debt in accordance with the annual financial statements (IFRS)	**4,694**	**3,517**
100% of the subordinated perpetual bond loan 2018	-	495
50% of the subordinated perpetual bond loan 2024	496	248
50% of the convertible shareholders loan	-299	-299
Net debt on the basis of Alliander's financial policy	**4,891**	**3,961**

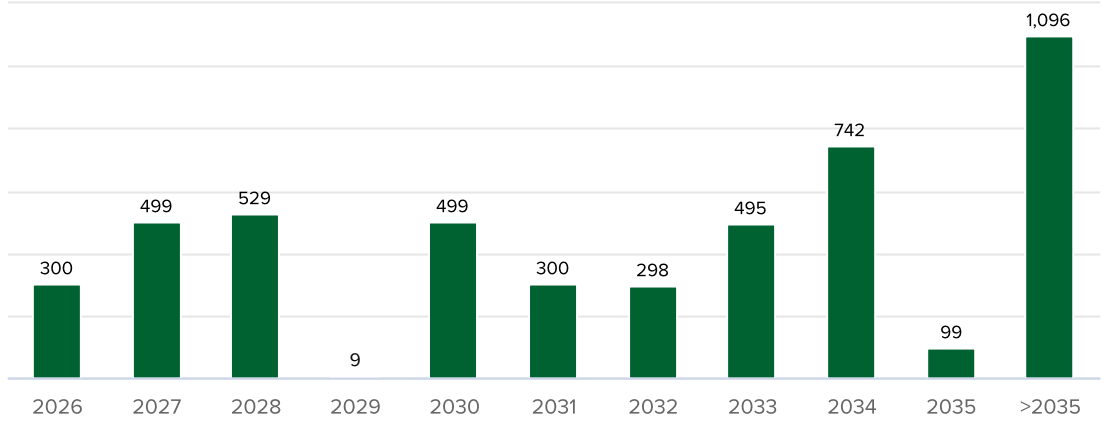
Alliander extended its Debt Issuance Programme (formerly EMTN) to a total of €10 billion in 2025. As at 31 December 2025, the carrying amount of the outstanding bonds was €4,917 million (nominal value €4,950 million).

Alliander has two euro commercial paper (ECP) programmes totalling €1,500 million, which can be used to issue short-term debt instruments. In addition to the standard ECP programme there is also a separate programme to issue green ECP debt instruments. In the latter case, the funds obtained are used to finance assets that are further specified in the Green Finance Framework. At year-end 2025 and 2024, no use was made of this programme.

Interest-bearing debt

The repayment schedule for the interest-bearing debt at year-end 2025 was as follows:

Repayment schedule for interest-bearing debt (€ million)



The amounts in 2027, 2028, 2030, 2032, 2033, 2034 and part of the payments in the period after 2035 mainly relate to the repayment of bond loans. The other amounts relate to the repayment of shareholder loans and other loans.

Available green financing capacity

Alliander has arranged 11 green financing facilities since 2016, including ten publicly issued green bond loans. The proceeds of these financing facilities have been used to fund various assets that are defined in more detail in the Green Finance Framework. These assets and financing facilities are accounted for in separate reports. A summary referred to as the allocation table is part of these reports. This summary details the size and composition of Alliander N.V.'s green asset portfolio and green financing.

Allocation table: use of funds available from green financing facilities

€ million	Net book value	Weighting factor	Weighted sum
Electricity network	6,546	100%	6,546
Smart meters	451	100%	451
Fibre optic network	43	100%	43
Total energy efficiency	**494**	**100%**	**494**
Sustainable buildings	57	100%	57
Total green asset portfolio			**7,097**

€ million	Instrument (ISIN)	Date of issue	Maturity date	Principal sum
Green bond loan	XS1400167133	22/4/2016	22/4/2016	300
Green bond loan	XS2014382845	24/6/2019	24/6/2032	300
Green private loan	XS2152901315	8/4/2020	8/4/2035	100
Green bond loan	XS2187525949	10/6/2020	10/6/2030	500
Green bond loan	XS2531420730	9/9/2022	9/9/2027	500
Green bond loan	XS2635647154	13/6/2023	13/6/2028	500
Green subordinated perpetual bond loan	XS2829852842	27/6/2024	Perp Nc8	500
Green bond loan	XS2913310095	7/10/2024	7/10/2034	750
Green bond loan	XS3065239702	6/5/2025	6/5/2033	500
Green bond loan	XS3065241195	6/5/2025	6/5/2037	500
Green subordinated perpetual bond loan	XS3193906180	2/10/2025	Perp Nc10	500
Total green financing				**4,950**

The table shows that the net weighted carrying amount of green assets as at 31 December 2025 was €7,097 million. This represents an increase of €1,068 million compared to 31 December 2024 (€6,029 million).

As a result, €2,147 million in green financing capacity was available at year-end 2025. The changes in 2025 to the total green financing of €1,500 million relate to the issue of a green subordinated perpetual bond loan at a nominal value of €500 million and two new senior bonds: a green bond with a nominal value of €500 million and a maturity of 8 years, and a green bond with a nominal value of €500 million and a maturity of 12 years.

Segment reporting

General

Alliander distinguishes the following segments:

- Network operator Liander
- Other

The figures for each reporting segment, excluding incidental items and fair value movements, are shown in the following table. These figures are a direct reflection of the regular internal reporting. Detailed information on segment reporting can be found in note 2 to the financial statements.

Primary segmentation

	Network operator Liander		Other		Eliminations		Total	
€ million	2025	2024	2025	2024	2025	2024	2025	2024
External income	3,135	2,924	178	170	-	-	3,313	3,094
Internal income	10	3	634	508	-644	-511	-	-
Operating income	**3,145**	**2,927**	**812**	**678**	**-644**	**-511**	**3,313**	**3,094**
Operating expenses	2,741	2,598	827	685	-644	-511	2,924	2,772
Operating profit	**404**	**329**	**-15**	**-7**	-	-	**389**	**322**

Network operator Liander

The Liander network operator segment consists of the legal entity Liander N.V., which, as designated network operator within network company Alliander, has a statutory duty to manage the electricity and gas networks and related assets in the provinces of Gelderland and Flevoland, as well as in parts of Friesland, Noord-Holland and Zuid-Holland. Liander connects customers to the energy infrastructure through which it distributes electricity and gas to those customers.

Liander's operating income for 2025 was up €218 million on 2024, coming in at €3,145 million. This increase is mainly due to higher regulated electricity tariffs. On the other hand, net operating expenses increased by €143 million. The increase is mainly due to higher employee benefit expenses (€74 million) as a result of workforce expansion, a 5% collective labour agreement increase and greater use of external capacity. In addition, internal costs rose (€85 million) due to higher costs for IT systems as a result of increasing demand for digitalisation and future-proofing the IT landscape. Supporting components have also been upgraded, including those relating to continuity, control and security. Furthermore, other procurement costs increased (€45 million), mainly due to higher expenditure on outsourced work as a result of an increased work package, and depreciation costs rose (€19 million) due to higher investments.

At the same time, the decline in energy prices had a positive effect on the procurement of network losses, which decreased by €45 million. In-house production also increased by €47 million, as a larger proportion of in-house hours were devoted to the increased work package relating to investment projects. Net operating profit came in at €404 million, which is €75 million higher than in 2024.

Other

The Other segment covers the entirety of the other operating segments within Alliander group, such as the activities of Qirion, Alliander AG and Firan. At €812 million, external operating income in 2025 was up €134 million compared to 2024. The operating loss moved from €7 million negative in 2024 to €15 million negative in 2025 as a result of increasing development costs at Firan.

Tax matters

Alliander's tax policy focuses on national taxes in the Netherlands, which are mainly corporate income tax, wage tax and VAT. The key aspect of this tax policy is that Alliander is an engaged, reliable and transparent tax-paying company that pays its fair share of taxes to society. Our tax policy is published on our website. In 2025, we again published our tax transparency report on our website. In this report, we have voluntarily chosen to publish the figures from our 2024 Country by Country report. From the 2025 financial year onwards, this publication is mandatory and these figures will be included in the 2025 transparency report, as published on our public website and filed with the Chamber of Commerce.

Alliander has subscribed to the VNO-NCW Tax Governance Code (hereinafter: the Code) and applies the code's principles. Its principles are:

- A clear tax strategy.
- A clear governance structure.
- Compliance with tax laws and regulations.

- A constructive relationship with the tax authorities.
- Maximum transparency about tax payments.

The peer review conducted in 2025 shows that Alliander complies properly with the code.

Alliander has renewed the horizontal monitoring agreement with the Dutch Tax Administration for a period of three years. This agreement will remain in effect until November 2028.

In 2023, Alliander made use of the discretionary depreciation scheme (Regeling Willekeurige Afschrijvingen). In 2025, an assessment was carried out to determine whether investments had been put into operation before January 2026. This is not the case for a number of investments, as a result of which the discretionary depreciation has been reversed to a limited extent. In 2025, we opted to charge investments in intangible assets to taxable profit at total value, in accordance with the statutory regulations.

Most of Alliander's activities are subject to Dutch tax law, although the local tax rules apply to our activities in Germany. The table below shows the totals per type of tax per country.

Tax payments in 2025

€ million	Netherlands	Germany
Corporate income tax	32	1
Dividend tax	1	-
Wage tax	282	1
VAT	288	2
Total	**603**	**4**

Regulatory developments

The most important development in the area of economic regulation in 2025 concerns the preparation of new method decisions for the period 2027 to 2031. In addition, significant steps have been taken in the development of a new tariff system for customers in the small consumer segment.

Tariffs for transmission and connection

In accordance with the regulation system, the 2025 tariffs for the transmission and connection service, and therefore the revenue for 2025, take into account the tariffs for the procurement of national transmission and the costs of network losses to be compensated in 2025. The higher, newly established permitted income from normal operations for 2025 is also in line with the ACM's amended decisions for the period 2022 - 2026, and in accordance with that same amended decision, most of the credit for the years 2022 to 2024 has been incorporated into the tariffs for 2024 and 2025. The remaining portion has been incorporated into the 2026 tariffs. Finally, a correction to the compensation for the costs of network losses in 2023 has also been implemented for both electricity and gas, because the actual costs of network losses in 2023 were lower than the allocated income for the year 2023.

This results in an average increase of 9% in 2025 for these tariffs for electricity and an average decrease of 4% for gas.

In November 2025, the ACM made the regular tariff decisions for the year 2026. In the context of those decisions, the final portion of the credit for electricity for the years 2022 to 2024 has been incorporated into the tariffs. This in itself does not lead to a tariff change, as 50% had already been incorporated into the 2025 tariffs. On balance, the tariffs for the electricity transmission and connection services will increase by an average of 3%, in line with inflation. The average increase in the tariffs for the gas transport and connection service is 13%. This increase compared to the 2025 tariff level is primarily due to the fact that the 2025 tariffs included a large one-off downward adjustment for the costs of network losses from 2023. This

is not the case in the 2026 tariffs, as the (lower) estimate for the costs of network losses is more in line with the actual costs for network losses in 2024. Secondly, there was an increase in the compensation amounts, because ACM concluded that the network operators are entitled to additional compensation to cover costs that do not decrease when customers purchase less transmission capacity. These include depreciation costs of existing networks.

Change to cost-plus regulation from 2027 onwards

Last year, ACM conducted an extensive consultation on the regulatory method to be used from 2027 onwards, which resulted in a draft method decision in September 2025.

The main conclusion here is that, as expected, ACM is changing its method from benchmark regulation to a form of individual cost-plus regulation. This means, for example, creating favourable conditions for the immense investment task in the area of electricity, as well as responding appropriately to declining gas consumption. This is in line with Liander's interests in carrying out its operations to efficiently implement the activities required for the energy transition, while also giving due consideration to investment security.

Under this new regulatory methodology, the future efficient cost levels are no longer estimated for all regional network operators for a period of five years based on historical data prior to the regulatory period. Instead, the aim is to ultimately reimburse the actual efficient costs per network operator. This is based on the network operator’s estimate of the cost level, investment scope and sales volumes, and ACM will supervise the development of costs by monitoring costs and assessing processes and other aspects at the network operators.

Financial outlook for 2026

Investments

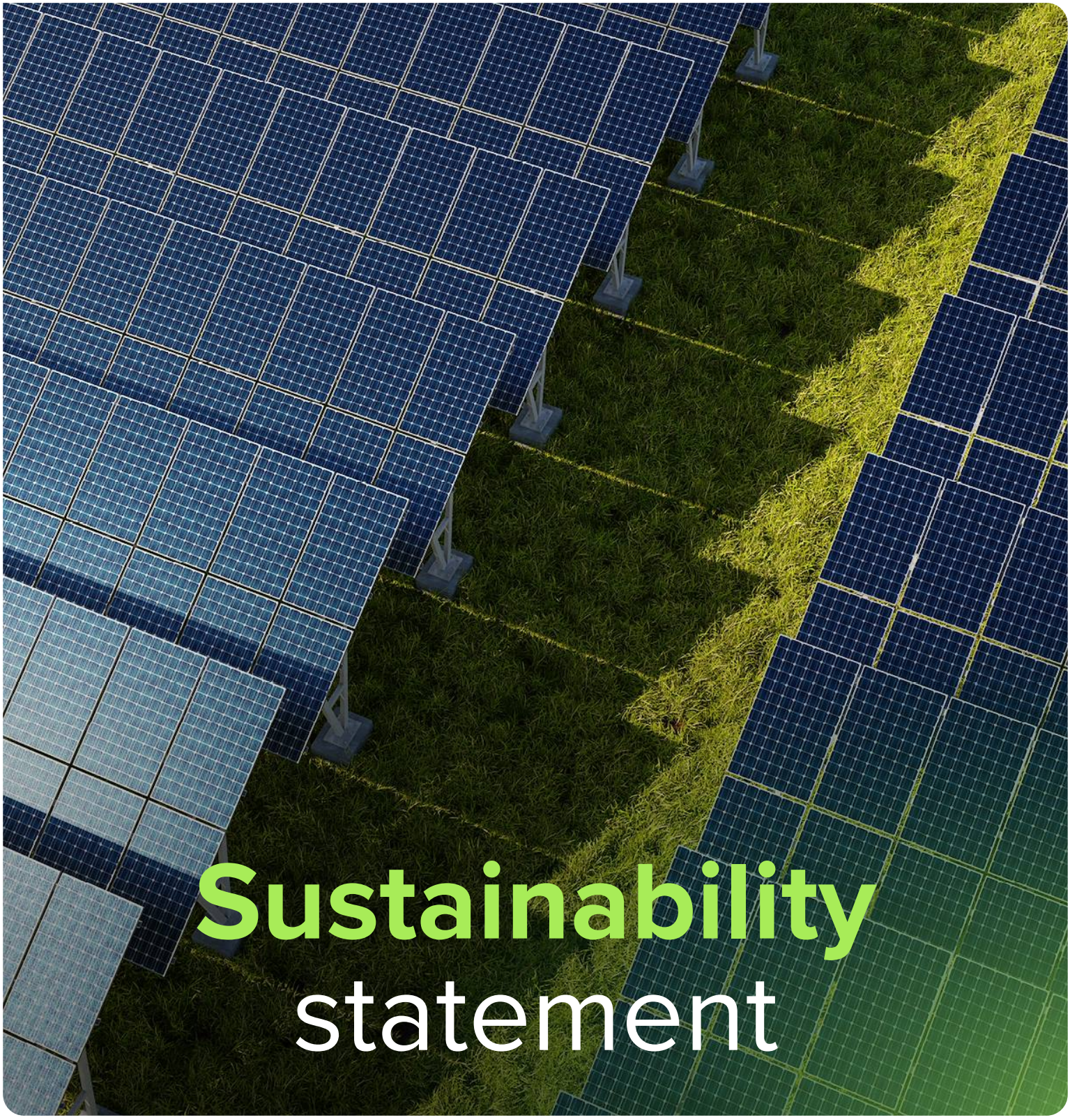
Alliander’s work package will continue to grow significantly in the coming years. We anticipate that the gross investments, mainly for expanding the networks in 2026, will total in excess of €2 billion. As a consequence of the fast-growing demand for transmission, the power grid is becoming increasingly congested, resulting in limits on transmission. Besides the traditional way of resolving this issue by laying additional cables, Alliander is continuing its programme to structurally make better use of the networks.

Cash flows and financing

As the ever-increasing investment levels cannot be fully financed with the operational cash flows, we expect a sharp negative free cash flow in 2026, which will have to be funded through bond loans, possibly in a hybrid form.

Regulation

From 2027 onwards, benchmark regulation will be replaced by regulation based on an individual cost-plus approach. In addition, the expected costs in 2027 will also be immediately factored into the 2027 tariffs. The forecasts for this will need to be submitted in the first half of 2026.



Sustainability statement

In this sustainability statement, Alliander reports on the material impacts, risks and opportunities associated with its activities and value chain, in relation to people and the environment.

Introduction

In this sustainability statement, we report in accordance with the disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD) that has been effective since the 2024 reporting year.

For the Environmental, Social and Governance (ESG) topics, we present our responsible and sustainable business practices and how we define our social impact. Using a multi-stakeholder approach, we are inspired by the social impact we have through our products and services, and by the way we operate in the world.

The structure of the sustainability statement

General disclosures

The sustainability statement starts with general disclosures:

- Basic principles for the sustainability statement.
- Governance and culture.
- Strategy, business model and value chain.

Double materiality assessment

This sustainability statement includes details of the double materiality assessment (DMA) we conducted, as set out in the following sections:

- Double materiality assessment.
- Our impacts, risks and opportunities.

ESRS topics

The double materiality assessment returned the following material topics for Alliander, which we will report on in detail in the sustainability statement. They are:

Environment

- Climate change (E1).
- Circular economy (E5).

Social

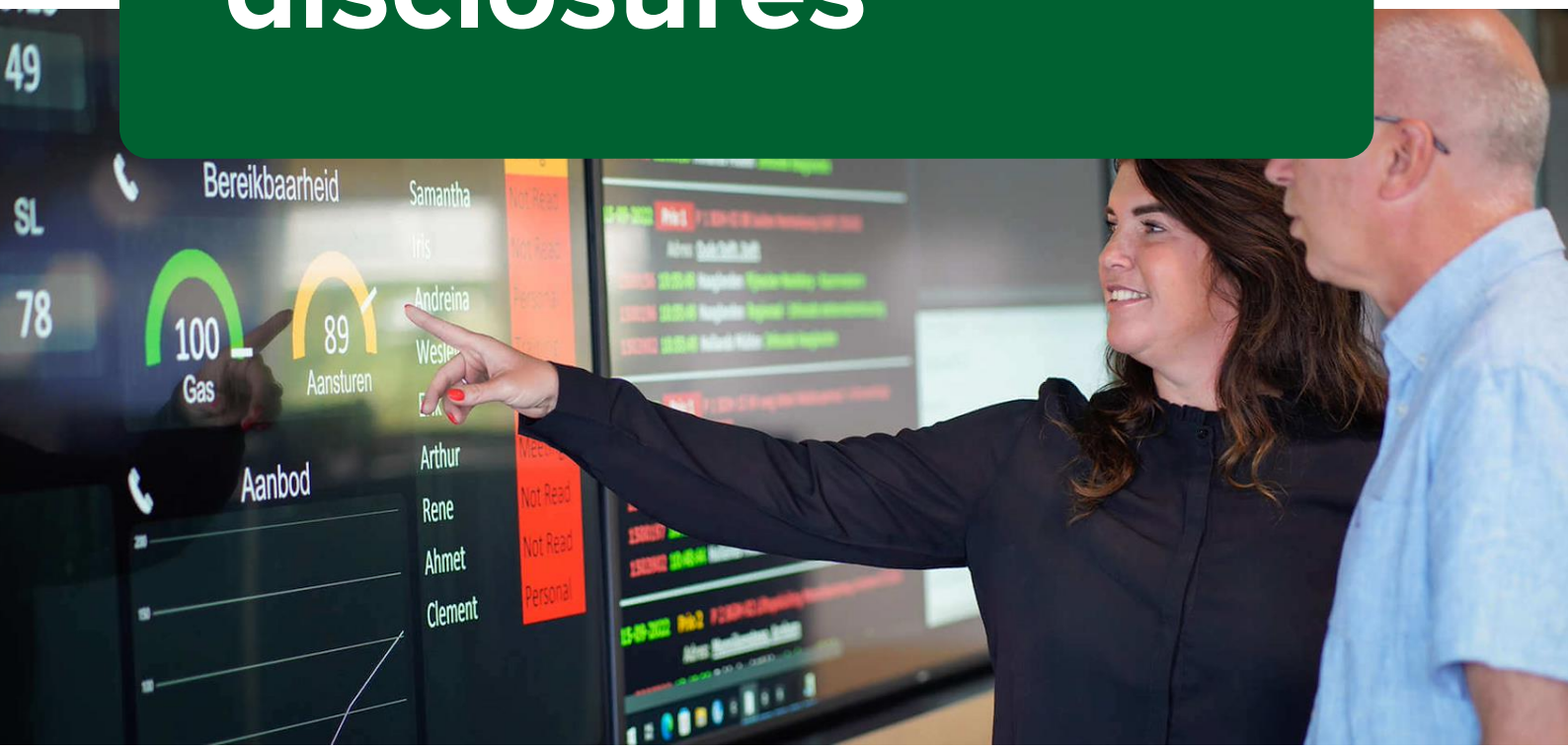
- Own workforce (S1).
- Workers in the value chain (S2).
- Consumers and end-users (S4).

Governance

- Business conduct (G1).

See the ESRS reference table at the end of the sustainability statement for a list of topic references to the various ESRS disclosures.

General disclosures



Basic principles for the sustainability statement

Basis

General

The sustainability statement relates to the 2025 reporting year. The report has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), including the application of applicable quick-fix amendments approved by the EU in 2025.

Consolidation

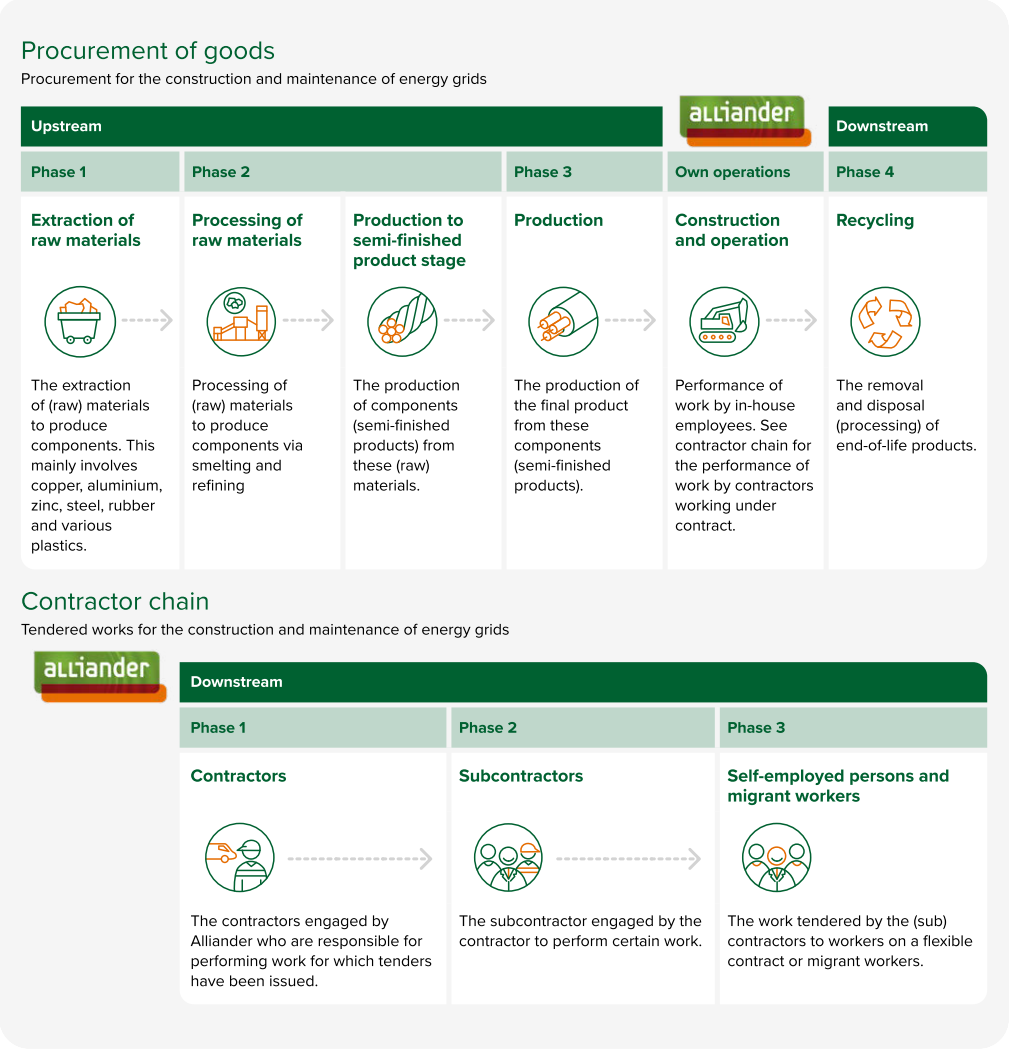
In principle, the sustainability statement uses the same consolidation structure as Alliander's financial statements. Any deviations in scope arise from the results of the double materiality assessment. The double materiality assessment is intended to determine which impacts, risks and opportunities are material and may therefore focus on specific parts of the organisation or value chain. Any deviations from this structure in the report are explicitly stated. Alliander does not have any subsidiaries that are exempted from the obligation to report on their sustainability performance under Directive 2013/34/EU. There are no specific circumstances impacting preparation of the sustainability statement, nor has there been any deviation from the medium or long-term horizon. The standard time horizon we use in the sustainability statement is the same as the financial time horizon (short < 1 year, medium 1-5 years, long > 5 years).

Alliander's operating income totalled €3.4 billion in 2025 (2024: €3.9 billion). Pursuant to IFRS 8, Alliander distinguishes two segments: network operator Liander and Other. Total operating revenue, including internal revenue and excluding exceptional items, came in at €3.1 billion (2024: €2.9 billion) at the Liander segment and at €0.8 billion (2024: €0.7 billion) at the Other segment. Operating income from gas totalled €0.6 billion (2024: €0.6 billion). See note 2 'Segment information' to the financial statements.

Value chain

For the purposes of this sustainability statement, the value chain is made up of Alliander's own operations and two further links, with Alliander and its direct and indirect suppliers on the upstream side and end-users and contractors on the downstream side, which also includes contractor staff as workers in the value chain. We purchase products from suppliers and hire contractors as part of our obligation to maintain the grid. Alliander's role in the energy value chain is detailed in the 'Profile of Alliander' section of this annual report.

Alliander's value chain



Estimates and assumptions

In preparing the sustainability statement, we use estimates and assumptions regarding our own operations and those across our value chain. This applies in particular to the indicators for Climate change (E1) (including Scope 3 GHG emissions) and Circular economy (E5). When we use estimates and assumptions to determine the value of indicators, we include explanatory notes with references to source documentation, details of the degree of accuracy and the methodology used.

We review our estimates and assumptions periodically and adjust them as necessary. We account for any changes resulting from such reviews in the period when the changes occurred.

Inclusion by reference

Certain disclosure requirements in scope for this sustainability statement are included by reference in other sections of this annual report. This information falls under the limited assurance procedures for the sustainability statement. Whenever we include information by reference, this is clearly indicated in the relevant section. The following information is included by reference to other sections of the annual report:

Reporting requirement	Description	Location in this annual report
ESRS 2, Article 21c	Composition and diversity of members of administrative, management and supervisory bodies with regard to relevant experience in sectors, products and geographical locations	Corporate Governance section, Governance roles, Management Board and Executive Committee subsection
		Personal Details section, Management Board subsection
		Corporate Governance section, Governance roles, Supervisory Board subsection
		Personal Details section, Supervisory Board subsection
ESRS 2, Article 40b	A breakdown of total revenue, as included in the financial statements, by significant ESRS sectors, reconciled with IFRS 8 information	Financial statements, note 2
ESRS E1, Article 55	Reconciliation between the line item in the financial statements and the net revenue amounts used in the calculation of the GHG emissions intensity	Financial statements, note 21
	Information on assumptions and estimates made in relation to network losses	Financial statements, note 35
	EU taxonomy	Financial statements, notes 3, 4 and 21
ESRS S1, Article 50f	Cross-reference to the total number of employees in service (in FTEs)	Financial statements, note 24

The ESRS reference table also specifies which disclosure requirements are included by reference.

Comparative figures

Where possible, we included comparative figures in this sustainability statement. Where comparative figures for certain indicators were not yet available, we indicated this and provided a separate explanation.

In accordance with ESRS 2 Article 13, comparative figures were adjusted to improve consistency and comparability with the 2025 reporting year. Adjustments were made on account of calculation methods and data availability. The majority of the adjustments resulted from recalculations. In addition, a single error from 2024 has been corrected. Adjustments to comparative figures are explained for each indicator, including the nature of the adjustments. While the adjustments did not lead to new insights regarding the nature of impacts, risks or opportunities, they do ensure better alignment with the method used for the current reporting year.

Other

The external auditor has performed a limited assurance review of the sustainability statement. No other external bodies validate one or more of the sustainability indicators other than the following. Kiwa conducted an audit under the CO_2 Performance Ladder and certified our cable suppliers' raw material passports, while SBTi (Science Based Targets initiative) assessed our climate targets. Besides these specific processes, sustainability indicators were not externally validated.

Alliander kept the structure and layout of the sustainability statement for 2025 as closely aligned as possible with that of the 2024 edition. For the sustainability statement for 2026, the structure and layout will be reassessed on the basis of the final version of the new ESRS standards and adjusted where necessary.

Governance and culture

Organisation of management and supervision

Management Board and Supervisory Board

Alliander's management and supervisory function are organised based on Dutch law in a so-called 'two-tier' system made up of a Management Board consisting solely of executive directors and a Supervisory Board consisting solely of non-executive directors. The Supervisory Board supervises and advises the Management Board, and ensures an external presence in the company's governance. The Supervisory Board acts as the employer of the Management Board. The two boards are independent of each other and are accountable to the General Meeting of Shareholders in respect of their performance.

By-laws

	Chair of the Management Board and CEO	Member of the Management Board and CFO
Primary task	Bears ultimate responsibility for the Company's share price and performance. Obtain a robust social role in coordinating the energy transition. Strengthen Licence to Operate and Licence to Grow based on reputation and regulatory framework.	Solid internal leadership and operational management of the Company. Maintaining the Company's financial/ economic position. Leading the Company systematically towards growth and performance ('in control'), including focusing on social impact.
Key focus areas	Corporate strategy	Financial strategy
	Corporate governance	Long-term financing
	Exercising influence over policy, legislation and regulations	Cost savings
	External positioning and reputation management	Unregulated activities within Alliander
	Sustainability and diversity	Business & Corporate Control
	Meetings and resolutions of the Management Board and Executive Committee	Financial and sustainability reporting
	Relations between Management Board and Supervisory Board/Executive Committee	Relations with external auditor
	Relations with internal audit function	Risk management
	Transformation and Development of the energy system of the future (CTO portfolio)	Providing services to customers, installing connections, ensuring continuity of energy supply and helping energy markets to run smoothly
	Labour market, organisational transformation and HR (CHRO portfolio)	Planning, prioritising and performing work on energy grids on a programmatic basis and creating the conditions required for collaboration with external partners
	Digital transformation of the organisation (CDO portfolio)	

The rules of procedure for the Management Board set out the Management Board's responsibilities. The members of the Management Board have agreed on an allocation of specific duties and responsibilities while maintaining the collective responsibility of the Management Board as a whole. As a collegial board, the Management Board is responsible for allocating tasks and responsibilities to various bodies to manage related material impacts, risks and opportunities. In April 2025, two Management Board members stepped down, namely the Chief Operating Officer (COO) and the Chief Transition Officer (CTO). Their duties were transferred to the CEO and the CFO respectively and have been included in the above summary.

Works Council

Alliander has a Works Council at the level of Alliander N.V., on which the company's employees are represented. The Works Council looks after the interests of all employees at Alliander and is involved in making the policy regarding the company and its employees. As at 1 January 2025, the Works Council had 14 members from across all Alliander business units. The chair of Alliander's Management Board acts as the Works Council's discussion partner.

Twice a year, the Works Council meets with a Management Board delegation to discuss the company's general course of business, including developments, risks, the results and effectiveness of policy, targets and measures, based on the quarterly business review that Alliander compiles specifically for these consultations. Two Supervisory Board members were appointed to Alliander's Supervisory Board after the Works Council exercised its 'enhanced right of recommendation'. The members of the Supervisory Board who were appointed on the basis of the Works Council's enhanced right of recommendation have regular contact with the Executive Team of the Works Council. The Works Council and a delegation from the Supervisory Board meet once a year to discuss predetermined specific focus points and topics.

Gender and other forms of diversity

Both the Management Board and Supervisory Board recognise the added value of diversity in a broad sense and gender diversity in particular. The current diversity policy applicable to the Management Board and Supervisory Board was written with this in mind. Alliander is subject to the provisions on the balanced allocation between men and women of seats on the Management Board and Supervisory Board pursuant to the Dutch Act on appointment quota and target ratios ('Diversity Act'). The Supervisory Board has adopted a diversity policy for the composition of both the Management Board and the Supervisory Board that gives consideration to the following elements:

- A balanced gender ratio with a target of at least 33% women and at least 33% men.
- A complementary composition in terms of experience and professional background.
- A balanced age structure.

As at mid-April 2025, the Management Board had two male members, namely the CEO and the CFO. Prior to that and in 2024, the Management Board consisted of three male members (CEO, CFO, CTO) and one female member (COO), meaning that the gender ratio target was met neither in 2024 nor in 2025. The gender diversity ratio was 2:0 (male:female) in 2025 (2024: 3:1). There is a good balance in terms of diversity of knowledge, background and experience and age on the Management Board. Further details of the composition of the Management Board are provided by reference to the 'Governance roles, Management Board and Executive Committee' paragraph of the 'Corporate governance' section and the 'Management Board' paragraph of the 'Personal details' section of Alliander's annual report.

Until 17 October 2025 and in 2024, the Supervisory Board was made up of two men (40%) and three women (60%), meaning that the target gender ratio was met. The Extraordinary General Meeting of Shareholders of 17 October 2025 appointed Menno Snel to the Supervisory Board. After his appointment, the Supervisory Board was made up of three men (50%) and three women (50%), meaning that the target gender ratio was still met. Alliander believes that the Supervisory Board has a sufficiently diverse composition, both in terms of gender and in terms of background, experience and age.

Independent directors

All Supervisory Board members are 100% independent under the definition from the Dutch Corporate Governance Code. One of the Supervisory Board members is not independent within the meaning of the Dutch Electricity Act of 1998 and the Dutch Gas Act. The other Supervisory Board members are independent within the meaning of these Acts, meaning that the majority of Supervisory Board members do not have any direct or indirect connection with an organisational entity that produces, procures or supplies electricity and/or gas. Supervisory Board members give the Supervisory Board advance notice of other positions. None of the Supervisory Board members holds more than the maximum number of supervisory positions with large Dutch companies or major foundations. In accordance with the Code, every (potential) conflict of interest of a Supervisory Board member must be reported to the chair of the Supervisory Board immediately. In 2025, one conflict of interest was reported by a Supervisory Board member (2024: one conflict reported). Further details of the composition of the Supervisory Board are provided by reference to the 'Governance roles, Supervisory Board' paragraph of the 'Corporate governance' section of Alliander's annual report.

Before accepting any kind of position outside of Alliander, Management Board members must report it to the Supervisory Board. A member of the Management Board needs the Supervisory Board's approval to accept a seat on a supervisory board or another paid position, including positions of an advisory or supervisory nature. Both in 2025 and 2024, all board members complied with the cap on the number of supervisory directorships someone can hold, as stipulated in Book 2 of the Dutch Civil Code. In accordance with the Code, every (potential) conflict of interest of a director must immediately be reported to the Supervisory Board chair and the other Management Board members. In 2025 and 2024, there were no conflicts of interest involving a Management Board member.

Other positions held by Management Board and Supervisory Board members are discussed at a Supervisory Board meeting at least once a year.

Sustainability

The Management Board is responsible for integrating the sustainability agenda into the business strategy and monitoring sustainability performance through the planning and control cycle. This includes risk awareness. The Management Board is responsible for implementing all policies outlined in the sustainability statement. Sustainability is on the Supervisory Board's agenda on a quarterly basis. In addition, the Supervisory Board, and specifically the Audit Committee, are kept informed of developments in sustainability reporting. Both the Management Board and the Supervisory Board possess the pertinent expertise and skills, or have access to specialist knowledge, to understand, assess and make strategic decisions on sustainability topics. By engaging external expertise, such as specialist consultants, and by conducting self-evaluations, they determine whether additional knowledge or skills are needed.

Governance in the management of (top) risks

Management responsibility for supervising the quality of the management of our top risks also consists of three layers.

- Alliander has created an Executive Committee (ExCo) to support the Management Board in the performance of its duties and responsibilities. The ExCo also provides direction for the execution of Alliander's strategy. The ExCo consists of two Management Board members who were appointed by the General Meeting of Shareholders as required under the articles of association, plus five Management Board members who were not appointed under the articles of association: Chief Human Resource Officer (CHRO), Chief Digital Officer (CDO), Chief Transition Officer (CTO), Chief Operating Officer (COO) for Networks and Chief Operating Officer (COO) for Customers. The ExCo manages attitudes and behaviours regarding risk management and internal control. The ExCo discusses the portfolio of top risks every six months, and they frequently put specific risks on the agenda for their meetings. If necessary, the ExCo initiates implementation of additional measures. Moreover, the ExCo monitors the risk management and control system, which it regularly tests against the expectations of and developments at our key stakeholders. The CHRO also takes part in meetings of the Works Council and the CEO.

- The Alliander Resilience Committee has the CFO as its chair and issues recommendations on privacy and security, compliance, risk acceptance, risk profile, external risk reporting requirements, exceptions of a temporary nature or events that diverge from the applicable risk policy and risk acceptance guidelines. The Committee also discusses risk reports and monitors and advises on the follow-up actions arising from the internal and external audits. Finally, it also promotes the embedding of risk management and internal control processes within Alliander's organisational units and value chains.
- The Supervisory Board supervises the design and effectiveness of the risk management and control system. The management report for 2025 is the first to include a Risk Management Statement (RMS), in which the Management Board issues limited assurance on the sustainability statement and other sustainability information. For details of the risk management statement, see 'Risk management and internal controls over sustainability reporting'.
- The Audit Committee reviews the portfolio of top risks every six months and the fraud risk assessment every year, issuing a summary of its deliberations to the Supervisory Board. The Management Board provides an explanation of the risk report and the fraud risk assessment, which the Audit Committee takes on board in its supervision. Proposals for adjustments to the risk management policy are put to the Audit Committee before being implemented. Governance processes are highly geared towards controlling risk. The introduction of the CSRD has led to a broadening of the risk control scope to include sustainability risks.

Defining objectives and monitoring progress

General responsibility for sustainability lies with the Management Board, which is also the body that makes all the decisions about strategy and objectives. The Management Board's focus is on overarching objectives. On an operational level, the Management Board and senior management focus on developing and achieving the more detailed sustainability objectives. The sustainability objectives defined are aligned with the overarching objectives and strategy. The Corporate Social Responsibility (CSR) Manager reports to the Director of Corporate & Social Affairs (CSA) and coordinates the implementation and disclosure of the strategic initiatives. Responsibility for managing sustainability initiatives and achieving objectives lies with the relevant business units and support functions. This is how the effectiveness of sustainability measures is monitored.

For the governance of Alliander, we use the Objective, Goals, Strategies and Measures (OGSM) method with qualitative and quantitative objectives and indicators to monitor progress on strategic sustainability initiatives. The OGSM model is a strategic planning tool that helps us translate our vision and strategy to specific actions. The Supervisory Board receives Alliander's quarterly business review for monitoring purposes. The corporate dashboard is reviewed by the Management Board and discussed with the Supervisory Board on a quarterly basis.

The Management Board and Supervisory Board are aware of the importance of having knowledge, skills and experience in the area of sustainability represented on their respective boards. The backgrounds of the individual Management Board and Supervisory Board members differ and, as a result, so do their knowledge, skills and experience. Depending on the needs and topics, we organise deep-dive sessions.

Information on sustainability topics

At Alliander, we manage our material impact by applying a strategic allocation of resources and effective control practices. In order to do that, we have made funds and resources available in various domains:

- Financial investments: an annual budget for sustainability initiatives.
- Human resources: teams and jobs focused specifically on sustainability.
- Technological resources: systems and software used to monitor and manage impacts.

Alliander runs an annual budget and business plan process. Based on an environmental analysis of trends and developments, an internal analysis of the organisation and the performance delivered, the budget and business plan process gives the Management Board the insights they need to recalibrate the business strategy. Next, the organisation uses the business plans to prepare the annual plans and incorporates them into the OGSM method that forms the basis for Alliander's decision-making and ability to achieve objectives. The budget and business plan process aligns the objectives for the short, medium and long term for both financial and non-financial KPIs. Integration of the defined impacts, risks and opportunities (hereinafter referred to as 'IROs') into the current planning and control cycle will be further optimised.

Sustainability-related performance in incentive schemes

Management Board members do not receive variable pay. They receive a fixed gross annual salary, including holiday allowance. The fixed gross annual salary of Management Board members does not exceed 130% of the limit under Dutch legislation on high income earners (WNT) and is adjusted annually to the current WNT remuneration limit. Sustainability is an integral part of the corporate dashboard. There is no direct link to directors' remuneration in this regard.

Statement on due diligence

Due diligence is the process that sees Alliander identify, prevent and mitigate (potential) negative impacts and render account on its response to the impacts of its activities on people and the environment. These impacts comprise negative impacts of Alliander's own activities and those in the upstream and downstream value chain. Given below is the overview of how the core elements of the due diligence process are incorporated into the sustainability statement.

Key elements of due diligence		Section of sustainability report
A	Embedding due diligence in governance, strategy and business model	Governance and culture, Organisation of management and supervision
		Strategy, business model and value chain
B	Engaging with affected stakeholders in all important steps of the due diligence process	Interests and views of stakeholders
C	Identifying and assessing adverse impacts	Double materiality assessment
D	Taking actions to address those adverse impacts	Risk management and internal controls over sustainability reporting
		Objectives and results
E	Tracking the effectiveness of these efforts and communicating about it	Governance and culture, Organisation of management and supervision

Risk management and internal controls over sustainability reporting

Risk management is about looking ahead and is focused on effectively and systematically dealing with potential events that may affect our organisation and/or objectives. It involves being proactive rather than reactive, by anticipating such events and developing an appropriate approach in advance.

The risk management framework details Alliander's risk management and internal control system. Through this framework, we provide direction for risk management efforts within Alliander and the way various risk management activities are carried out and are interconnected.

The Three Lines model provides insight into the allocation of risk management responsibilities across the three lines to prevent errors and/or omissions in sustainability reporting:

- The first line is fully responsible for achieving objectives and for identifying, managing and monitoring the risks within its processes and for an effective risk management and control system. The first line is responsible for defining the quantitative data points and safeguarding their quality, as reported in the sustainability statement.
- The second line supports, advises, coordinates and sets frameworks to ensure that the management genuinely takes responsibility. It thus provides additional assurance within Alliander. In the context of the CSRD, the DMA is drawn up from the second line. The same goes for accountability in compliance with the EU Taxonomy. The second line decides which data points to disclose.

- The third line provides additional assurance about the question whether the first and second lines can jointly manage the risks, so that the organisational objectives are achieved. The third line gives an objective and independent opinion on this matter, including suggestions for possible improvements. The third line operates objectively and independently from all other parts of the organisation. With respect to the sustainability statement, the third line assesses a limited number of quantitative data points relating to circularity and work-related accidents.

We have integrated the topic of sustainability into the organisation's risk management process, for example, by including sustainability in the standard scope of the risk sessions we hold at various levels across the organisation (including the ExCo and the MTs of organisational units and value chains). We classify risks based on the Alliander risk matrix. The risk matrix comprises six impact categories based on corporate values, with sustainability being one of our corporate values. After they have been identified, risks affecting sustainability are prioritised in the same way as other identified risks. We record and track identified and classified risks and associated control measures in the Alliander Management System. For each subtopic in the sustainability statement, we set out the relevant impacts, risks and opportunities, as well as the associated measures, which are subsequently detailed under the respective subtopics. This information is currently not yet recorded in the Alliander Management System.

In 2026, we will be developing a control framework for sustainability to ensure key sustainability processes and internal control measures are recorded, embedded and tracked on a permanent basis.

We report on our risks on a regular basis in the planning and control cycle, our quarterly 'in control' updates and the Alliander risk report. The risk report and the quarterly 'in control' update are prepared by the Risk Management & Compliance department and approved by the Management Board.

Strategy, business model and value chain

Business model and value chain

Being an energy infrastructure company, Alliander is tasked with ensuring an energy supply that gives everyone in our service area access to reliable, affordable and sustainable energy. Driven by our mission, Alliander also considers it part of its core task to enable and accelerate the decarbonisation of the Dutch energy system.

Our main business activities

- Electricity distribution – We ensure reliable and efficient distribution of electricity to millions of households and companies. This includes building, operating, managing and maintaining power grids, connecting producers and consumers to those grids as requested, measuring consumption and recording, managing and exchanging data to facilitate the energy market.
- Gas distribution – We ensure reliable and efficient distribution of gas to millions of households and companies. In doing so, we see to it that our gas grid is technically sound, that network losses are minimised and that the gas grid is repurposed for the transmission and feed-in of renewable gases. Gas distribution includes building, operating, managing, modernising and maintaining gas grids, connecting producers and consumers to those grids as requested, measuring consumption and recording, managing and exchanging data to facilitate the energy market.
- District heating networks – We ensure integrated development of district heating networks, either independently or in partnership with other companies. The development of district heating networks is an important element in greening the energy supply and phasing out fossil fuels.

Customer groups

We have two customer groups within our service area: low-volume consumers (households and small businesses) and high-volume consumers (large service providers and industries). The customer groups are primarily defined by the Dutch Energy Act, which came into force on 1 January 2026. There were no major changes to these customer groups during the reporting period.

Banned services, banned substances

Alliander does not supply products or services that are banned and does not use banned substances. In the past, however, certain materials were used to build our networks that we now know involve certain risks and are now banned or may be banned in the future. We have implemented precautionary measures and replacement programmes for these materials.

Climate-related emissions

Alliander abides by current Dutch government policy aimed at reducing carbon emissions by at least 55% by 2030. Another target is for the energy system to be climate-neutral by 2050.

The key challenge is to accelerate sufficiently to make the energy transition possible. To meet this challenge, we have been scaling up our workforce, materials and services for several years now. However, scaling up to the required degree also creates sustainability dilemmas, such as increased use of diesel-powered generators in case of network congestion. We mitigate these effects as much as possible by using sustainable alternatives to diesel, such as HV100.

Alliander's business model is largely the same as that of other network operators. The business model is based on the Nbility model, which incorporates the activities of the infrastructure group. We count both Alliander's own operations and those of our direct suppliers and customers as part of our value chain. We buy materials and components for the energy infrastructure from suppliers. Installers and contractors provide engineering services and carry out infrastructure projects. On the customer side, we ensure that everyone has access to reliable, affordable and sustainable energy on equal terms.

Material impacts, risks and opportunities are directly or indirectly linked to the strategy.

Interests and views of stakeholders

Through targeted interaction and by organising stakeholder panels, Alliander involves stakeholders in its strategy development process and in defining and putting a value on material topics. We have identified four key stakeholder groups: customers, employees, local and regional authorities in our service area, and our shareholders and investors. In addition to these groups, we have a variety of societal stakeholders and partners. See the 'Double materiality assessment' section for a more detailed description of our stakeholder groups.

We engage with the following and other stakeholder groups on a regular basis to discuss the major grid congestion and energy transition challenges:

- Customers: households and businesses.
- Partners in the implementation chain: suppliers of materials, services and technology, permitting authorities and financiers.
- Public authorities, policymakers and other parties with a major role in the energy system overhaul: supervisory authorities, municipal authorities, regional authorities, other network operators, government ministries in charge of policy in our domain and civil society organisations.

Customers

We not only engage with our customers to get a proper understanding of their questions and future energy needs that guide their choices, but we also aim to actively involve customers in energy issues and align their energy-related behaviour with congestion management services and other aspects. We do this in various ways, including by conducting targeted customer surveys, having relationship or account managers reach out to customers, sending out questionnaires and running pilots. Besides our customer services department and website, we use social media for customer contact. These channels are used to respond to individual queries and post updates on works in people's local area. Alliander has made improving communication with customers and stakeholders one of its priorities. We continuously monitor how often our communication channels are used and what customers think about them. Where appropriate, customers can share negative experiences through the Complaints Procedure.

Partners in the implementation chain

With our suppliers, contractors and other parties, we maintain close and long-term relationships that are necessary to scale up quickly and effectively, as well as to get more work done. To this end, we have an organisational unit called 'Major Work Packages' that helps these partnerships scale up further. In June 2024, we sealed an implementation agreement with other regional network operators, public authorities and partners. This implementation agreement contains arrangements with respect to working together to accelerate implementation and the energy transition. Having sufficient work supervision capacity available is essential in this regard. Our aim is to ensure we have sufficient qualified workers available to be able to carry out the four national work packages from the implementation agreement: the local low-voltage grid approach, building charging infrastructure, the large-scale medium-voltage grid upgrade and the customer self-connection service.

Other partners

We are in consultation with the Dutch Ministry of Climate Policy and Green Growth and the Ministry of Housing and Spatial Planning to ensure effective policies for topics like the decarbonisation of the energy system and solving grid congestion. These consultations are part of programmes such as the National Network Congestion Action Programme, the National Energy System Plan and the National Programme on Sustainable Industry. We work with municipal and provincial authorities on the issue of spatial integration of infrastructure. Through integrated programming, we also work together on developing the future energy system. Energy Boards have been set up in each of the provinces for administrative collaboration in this area, aimed at acceleration and making choices. We involve civil society organisations and organisations representing specific stakeholders so that we can take their views and insights into account. We seek their input for our investment plans, for example, both when defining the starting points for the scenarios and later in the process when we submit the draft investment plan for consultation. Together with other network operators, we are working on the scenarios that Netbeheer Nederland, the association of power and gas grid operators, uses in developing the energy system of the future. These scenarios were published in May 2025.

How we harness stakeholder insights

We use our stakeholders' insights to fine-tune our strategy. For our stakeholders, network congestion is the single biggest problem they face in the short term. As we do not always have a cut-and-dried solution to that problem yet, we continue our search for unconventional solutions to rise to the challenges, so that we can ultimately meet the needs of our customers and society.

Preventing stakeholder bias

Stakeholder bias is something that can manifest itself in all kinds of different ways. When estimating and determining materiality, we continuously analyse which stakeholders are affected by our impact or affect our decisions. Bias is something we want to prevent as much as possible by inviting multiple stakeholders and stakeholder groups to observe what we do. We have internal and external talks on topics, seeking input from various sections of the organisation and from external stakeholders. This is monitored by the annual report steering group and reviewed separately by the Management Board. We ask our youth panel called the Future Leader Board to co-read and review our annual report, and we organise a stakeholder panel every year to go over the annual report. This process reveals a wide range of insights, perspectives and interests. The input provided informs our decisions.

Ensuring stakeholder engagement

In making policies and setting objectives, we weigh the interests of key stakeholders. Policies are posted on the intranet, our website or, where applicable, divulged through other appropriate channels. The Management Board has delegated responsibility for incorporating our stakeholders' views on our strategy and business model to several business units/departments within the organisation:

- Corporate & Social Affairs (CSA) is responsible for engaging our social stakeholders.
- Customer & Design is responsible for customer relationships with respect to future transmission needs and for acquiring land for new substations.
- Strategic Resource Management is responsible for supplier relationships.
- Asset & Product Management is responsible for gauging stakeholders' views as part of the process of preparing our investment plan.
- Private Customers and Market Services are responsible for contact with consumers and large business customers.
- High-Volume Connections, Reconstructions & Grids is responsible for large business customers in the context of setting up new high-volume connections.
- Major Work Packages is responsible for organising large-scale projects we are taking on as part of long-term and meaningful partnerships with implementation partners and public authorities.

Stakeholder table

Stakeholder	Items for discussion	Type of interaction	Topics discussed
Customers (consumers)	Collaboration, relationship management, dialogue, service improvements	Digital panel	Climate change (E1), Consumers and end-users (S4)
		Quantitative research	
		Complaints and mediation (per case)	
		Qualitative research (various)	
		Dialogue	
Customers (business)	Collaboration, dialogue, service improvements	Dialogue and relationship management (e.g. VEMW, Uneto VNI, Bouwend Nederland, VNO NCW)	Climate change (E1), Consumers and end-users (S4)
Employees	Participation, dialogue, employee engagement and initiatives, formal negotiations (on pay and employment conditions)	Formal consultation meeting	Own workforce (S1), Consumers and end-users (S4)
		Dialogue, workshops, meetings	
		Employee association	
		Employee volunteering	
		Periodic negotiations on pay and employment conditions	
Shareholders	Formal/informal consultations, knowledge and insight into activities	General Meeting of Shareholders	All topics
		Meeting of Major Shareholders	
		Consultative meetings, individual contact	
		Biennial reputation survey	
Investors	Relationship management, explanation and disclosure	Bi-yearly in-person non-deal roadshow, online deal roadshows	All topics
		Annual and half-yearly reporting and disclosure	
Local and regional authorities	Coordination of climate and energy plans and projects, investment areas	Consultation, collaboration, projects	Climate change (E1), Consumers and end-users (S4), Business conduct (G1)
Government bodies	Expression of interest and active/ proactive dialogue	Consultation, having a say, views	Climate change (E1), Consumers and end-users (S4), Business conduct (G1)
Politicians	Keeping them informed generally and on specific topical subjects	Relationship management, working visits, proactive and reactive updates	Climate change (E1), Consumers and end-users (S4). Business conduct (G1)
		Qualitative research	
Industry regulators	Informing, sharing knowledge, providing explanations and disclosure	Regular meetings on topical subjects and issues, standard and ad hoc information requests	Own workforce (S1), Workers in the value chain (S2), Consumers and end-users (S4), Business conduct (G1)
Energy sector	Knowledge sharing, partnerships, promotion of interests, collaboration	Participation in boards	All topics
		Working groups	
Suppliers	Collaboration, relationship management, dialogue	Contracting Day	Climate change (E1), Circular economy (E5), Workers in the value chain (S2)
		Supplier Days	
		Topic consultations	
		Responsible procurement consultations	
Knowledge institutions	Knowledge sharing and partnerships	Collaboration, knowledge development, co-creation, knowledge sharing	Own workforce (S1)
Media	Informing, positioning	Relationship management, proactive information, crisis communications, qualitative research	All topics
Social sector organisations	Volunteering	Employee volunteering	Own workforce (S1)
	Participation, dialogue and relationship management	Alignment, participation in associations and foundations	Climate change (E1), Own workforce (S1), Consumers and end-users (S4)
Partnerships	Collaboration with knowledge institutions, the business community and government bodies, promoting sustainability, new models for innovation and social development, facilitating a sustainable energy supply	Participation in boards, meetings, sponsoring, strategic collaboration, consultation and dialogue	Climate change (E1), Circular economy (E5), Workers in the value chain (S2), Consumers and end-users (S4), Business conduct (G1)
Corporate partnerships	Collaboration with the business community and government bodies, promoting sustainability, new models for innovation and social development, sustainable energy supply	Meetings, collaboration, development, consultation and dialogue, commissioning projects, strategic partnerships	Climate change (E1), Circular economy (E5), Workers in the value chain (S2), Consumers and end-users (S4), Business conduct (G1)

Material impacts, risks and opportunities and their interaction with the strategy and the business model

Based on the double materiality assessment (DMA) we conducted, we have defined six ESRS topics as material topics. The 'Information on sustainability topics' paragraph will explain how these interact with our strategy and our business model.

Alliander has a solid financial position, and therefore also has a resilient business model and resilient strategy in order to address material risks and impacts. Current financial impacts are recognised in the financial statements. For more background information, please see the financial statements. We have not performed any further IRO-specific qualitative or quantitative assessments based on this. Targeted financial effects are included in our business plans. Scenario analyses are part of our business plan process.

Double materiality assessment

Double materiality assessment update for 2025

In 2024, Alliander conducted an extensive DMA in line with the requirements from the CSRD and ESRS. In 2025, we performed an update analysis to check whether the material topics identified in 2024 were still relevant. Among other things, this analysis included key acquisitions and/or disposals, relevant amendments to laws and regulations, and changes to our KPI-based management, ultimately confirming that there were no significant changes and the existing material topics could be maintained.

Further development of the DMA

We are confident that our DMA delivers a truthful picture of our material topics and their impacts, risks and opportunities. At the same time, we continue to execute our due diligence procedures and new strategies, activities, modified processes and stakeholder interests may require us to make changes. This not only means that our double materiality is subject to change in the future, but also that our sustainability statement may not cover every impact, every risk and every opportunity that individual stakeholders or stakeholder groups may consider important.

Material	Not material
Climate change (E1)	Pollution (E2)
Circular economy (E5)	Water and marine resources (E3)
Own workforce (S1)	Biodiversity and ecosystems (E4)
Workers in the value chain (S2)	Affected communities (S3)
Consumers and end-users (S4)	
Business conduct (G1)	

We have summarised the outcome of our DMA in the above materiality matrix. The topics of Climate change (E1), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Consumers and end-users (S4) and Business conduct (G1) are material both from an impact and a financial perspective. These topics are closely related to our strategic priorities of driving the energy transition, delivering a sustainable energy supply, ensuring energy supply security for our customers and communicating with and providing information to our customers. The topics of Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4) and Affected communities (S3) are not material, neither in terms of impact nor from a financial perspective.

We have not screened our assets and business activities for actual and potential impact risks in our own operations and the value chain with respect to pollution, water and marine resources, and biodiversity and ecosystems. Neither have we engaged with affected communities on these topics. We discussed these topics with internal subject matter experts.

The DMA process in steps

Step 1: identify relevant aspects and issues

We compared the ESRS (sub)topics with the material topics from previous annual reports and other sources, such as peer reviews, Alliander trend reports and strategy documents. A trend report is a periodic analysis of key external developments, including those at our customers, whereby Alliander interprets the impact of these trends on its operations.

Step 2: determine the impacts, risks and opportunities

For all topics that we identified as material in the first step, we determined actual and/or potential impacts, risks and opportunities for our own operations and across our value chain. For our value chain, this mainly involved assessing impacts, risks and opportunities with respect to Workers in the value chain (S2), Climate change (E1) and Circularity (E5).

The topics were assessed on scale, scope, remediability (only in case of adverse impact) and probability.

Financial materiality

Financial materiality was determined based on the Alliander risk framework. Risks and opportunities were rated based on their financial impact and the probability of the risk or opportunity actually materialising. The financial impact was assessed for the short (up to 1 year), medium (1-5 years) and long term (over 5 years).

It must be noted that the defined risks and opportunities may have a material effect on Alliander’s financial position, net profit and cash flows. There is always an inherent risk of a material adjustment to the carrying amount of assets and liabilities in the next reporting period,

Step 3: determine materiality

Alliander determined materiality based on analyses and consultations with experts, designating a topic as material if it was deemed material from an impact or financial perspective. The outcomes have been incorporated into a materiality table.

Step 4: validate relevance to stakeholders

As part of the materiality assessment, we reached out to stakeholders on various occasions to get their input, both through individual interviews and in a group (stakeholder panel), as well as through internal experts who are in direct contact with stakeholders. We used the outcomes in the final assessment of the topics. The resulting material topics recorded in the draft version of the annual report were subsequently discussed with a panel of social actors at an annual session held in December that was also attended by the Management Board.

Our stakeholders confirmed the perception of the material topics, while raising a few focus points. The outcome of the materiality assessment and the scores were brought together in a draft materiality matrix. No impacts, risks or opportunities were specifically suggested by the Works Council or Supervisory Board.

The DMA results and the list of key topics and subtopics were discussed and ultimately adopted by the Management Board and the Supervisory Board. One of the conclusions was that the topics where Alliander has or could have the most impact are largely aligned with the most important strategic challenges Alliander is addressing.

Step 5: place topics in the materiality matrix

The combination of the inside-out and outside-in impact shows how topics affect Alliander's social performance, thus determining their materiality in the annual report. The materiality matrix shown earlier in this section lists the material and non-material topics for Alliander's sustainability statement.

(Sub-)subtopics

Based on the ESRS, topics can be broken down into several subtopics and sub-subtopics, although not all subtopics are broken down further into sub-subtopics. The table below gives an overall view of material topics and (sub-)subtopics.

Material ESRS topic	Subtopic	Sub-subtopics
Climate change (E1)	Climate change mitigation	
	Climate change adaptation	
	Energy	
Circular economy (E5)	Resource inflows and use	
Own workforce (S1)	Employment terms and conditions	Job security
		Collective bargaining, incl. collective bargaining coverage for employees
		Work-life balance
		Health and safety
	Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value
		Training and development of skills
		Employment and inclusion of persons with disabilities
		Actions against violence and intimidation in the workplace
		Diversity
Workers in the value chain (S2)	Employment terms and conditions	Job security
		Working hours
		Adequate wages
		Work-life balance
		Health and safety
	Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value
		Training and development of skills
		Employment and inclusion of persons with disabilities
		Actions against violence and intimidation in the workplace
	Other workers' rights	Child labour
		Force labour
Consumers and end-users (S4)	Impact on information for consumers and/or end-users	Privacy
	Personal safety of consumers and/or end-users	Health and safety
		Personal safety
		Protection of children
	Social inclusion of consumers and/or end-users	Access to products and services
Business conduct (G1)	Corporate culture	

Material ESRS topic	Subtopic	Sub-subtopics
	Protection of whistleblowers	
	Corruption and bribery	Prevention and detection, incl. training
		Incidents

Step 6: sustainability statement

An assessment was made for each European Sustainability Reporting Standard of what information is deemed material for the sustainability statement. Additionally, Alliander uses business-related indicators that we include in the sustainability statement if they are relevant to the accountability process. The materiality designated by the Management Board provides the basis for the organisation of content and for the overall management of the reporting process.

Topics that are not considered material under the ESRS, but are still relevant due to trends, legal requirements or stakeholder interests, may be included in other sections of the annual report or in an appendix.

Our Impacts, risks and opportunities

ESRS E1 Climate change				
	Material impact, risk, opportunity	Description	Value chain	Time horizon
Climate change mitigation				
Negative impact	GHG emissions from fossil energy sources used for internal and value chain applications contribute to climate change.	GHG emissions contribute to climate change (contributor to global warming) across the entire value chain.	Upstream, own activities, downstream	Short, Medium
Potential negative impact	Expanding and upgrading the network leads to emissions and an increase in network losses, which contributes to climate change.	The growth of the network and the heavier load on the network leads to emissions and an increase in network losses. This may contribute to climate change.	Upstream, own activities, downstream	Medium
Risk	New legislation for climate change mitigation leads to higher costs.	Mandatory measures from laws and regulations may lead to additional investments and costs in addition to previously planned measures.	Own activities	Medium, Long
Risk	Failure to hit climate targets leads to higher cost of capital.	Inadequate and late accomplishment of climate targets may erode the organisation's credibility and reputation. In addition, it may lead to higher costs and possible fines.	Own activities	Medium, Long
Opportunity	The use of innovative technologies in sustainable energy supply delivers an increase in revenue or cost benefits.	The use of new technologies and innovation creates opportunities for storage, supply/demand management and decentralisation in the transition to a sustainable energy supply. These activities may lead to cost benefits, efficiency or revenue growth.	Own activities	Medium, Long
Climate change adaptation				
Risk	Disruptions in vital energy infrastructure lead to increasing maintenance costs or loss of assets.	Frequency and severity of intense weather events may pose a risk to vital infrastructure and result in damage to or loss of assets.	Own activities	Short, Medium
Risk	Disruptions in the value chain for materials needed for vital energy infrastructure leads to higher procurement costs.	Indirect value chain effects on materials, assets and elsewhere in the energy chain due to disruptions in the supply chain. This may drive up costs.	Upstream	Short, Medium
Energy				
Positive impact	The creation of infrastructure for the purpose of electrification and the use of renewable energy contributes to the energy transition.	Use of renewable sources leads to a reduction of emissions and a shift in the energy mix from fossil fuels to renewable energy.	Own activities	Medium, Long
Risk	The decrease in gas consumption and the number of gas connections drives up the cost per gas connection and reduces revenue from gas consumption.	The heat transition may cause the financial support for the gas grid to decrease and drive up the costs per connection. Agreements on the financing of the transition are needed in this respect.	Own activities	Medium, Long

Risk	Rising expenditures for necessary grid investments lead to potential funding shortfalls.	Pressure on profitability and funding sources may restrict investment financing. The rising level of investment creates a structural negative cash flow and therefore an increase in our financing requirements. This will eventually put pressure on our financial ratios and our rating.	Own activities	Long
Opportunity	Climate agreements increase demand for heat connections, leading to higher revenue.	Supranational, national and regional climate agreements such as the Dutch climate agreement on the heat transition offer opportunities to replace gas with alternative heat sources.	Own activities, downstream	Medium, Long
Opportunity	Introduction of new technologies leads to increased revenue or cost benefits.	The introduction of new technology such as hydrogen technology and more sustainable transport and mobility offer opportunities for new business and jobs. Alliander is actively researching and developing ways to use these alternatives.	Own activities	Medium, Long

ESRS E5 Circular economy

	Material impact, risk, opportunity	Description	Value chain	Time horizon
Resource inflows and use				
Negative impact	Use of resources contributes negatively to their availability.	The use of resources may lead to depletion of natural resources. In this IRO, Alliander focuses on the procurement of core assets that are essential for its core activities (management of gas and electricity grids). This includes the assets: cables, meters, pipes, transformers and switchgear.	Upstream, own activities	Long
Risk	Disruptions in the supply chain due to material shortages and/or geopolitical circumstances may lead to increased costs for material procurement.	Prolonged shortages of materials and components due to supply problems and production capacity affect the completion of work packages and inventories, which can lead to pressure on supplier relationships. This may lead to price rises.	Upstream	Short, Medium
Opportunity	Reuse of materials and components in our own business activities and in the value chain, and collaboration between suppliers and network operators reduce the consumption of (scarce) resources.	By purchasing and using circular materials and components, and forging collaboration in the value chain, we reduce the demand for resources. This may bring costs down in the long term.	Upstream, own activities	Short, Medium, Long
Opportunity	We reduce our sensitivity to disruptions in the international value chain through wider availability of materials and by collaborating with suppliers and sheltered work providers to repair and overhaul materials. This reduces purchases of new products and creates cost savings.	By repairing and overhauling materials, we reduce dependence in the value chain. This means less procurement and lower costs.	Upstream, own activities	Medium, Long

ESRS S1 Own workforce

	Material impact, risk, opportunity	Description	Scope	Time horizon
Employment terms and conditions				
Positive impact	Good working conditions and terms of employment contribute to employee well-being.	Good working conditions and terms of employment contribute to physical, mental and social well-being, which has a positive effect on productivity, sickness absence rates and work atmosphere.	Own activities	Short, Medium
Positive impact	Alliander's growth leads to job creation.	Alliander's growth due to the energy transition generates additional demand for workers and, consequently, jobs.	Own activities	Short
Negative impact	Health and safety incidents lead to (fatal) injury to workers.	Workplace incidents may cause workers to suffer (fatal) injuries.	Own activities	Short

Risk	Shortage of available (technical) personnel in the labour market leads to higher costs.	Insufficient availability of suitable technical professionals in the labour market prevents us from getting the work done. This makes attracting and retaining well-trained (technical) personnel more challenging and expensive.	Own activities	Short
Risk	Personnel safety incidents lead to sickness absence, damage to our reputation, damage claims and fines.	Personnel safety incidents may occur while working on power grids. Safety incidents lead to sickness absence, damage to Alliander's reputation, damage claims and fines.	Own activities	Medium
Equal treatment and equal opportunities for all				
Positive impact	Equal treatment and opportunities for all contributes to employee well-being and development.	Equal treatment and opportunities (including training opportunities) contributes to the well-being and development of all employees. Training plays an important role in this subtopic. Providing training to all employees has a positive effect on their development and employability, as well as on the company's performance.	Own activities	Short, Medium
Negative impact	Inappropriate behaviour in the workplace may lead to a reduction in employee well-being.	Inappropriate behaviour in the workplace has a negative effect on employee well-being, health and productivity.	Own activities	Short, Medium
Risk	Insufficient diversity and inclusion leads to loss of talent and higher employee benefit expenses.	A lack of diversity and inclusion causes underrepresented groups to not feel 'at home' at Alliander, which may lead to a negative impact on their well-being and productivity. This may result in the loss of talented employees due to high staff turnover, which results in higher employee benefit expenses.	Own activities	Short, Medium

ESRS S2 Workers in the value chain

	Material impact, risk, opportunity	Description	Value chain	Time horizon
Employment terms and conditions				
Negative impact	Poor working conditions in the value chain lead to a reduction in the well-being of workers in the value chain.	Poor working conditions lead to physical and mental stress and social discomfort, which has a negative impact on productivity, absenteeism and the work atmosphere.	Upstream, downstream	Short, Medium
Risk	Inadequate compliance with standards on working conditions in the value chain may damage our reputation and lead to higher costs.	Risks relating to working conditions in the value chain. These risks include human rights violations, unequal treatment and forced labour. This may damage our reputation and lead to financial losses.	Upstream, downstream	Short, Medium
Other workers' rights				
Risk	Violations of workers' rights and human rights in the value chain may lead to liability or fines.	Modern slavery or other forms of forced labour and child labour or involvement in such practices in the value chain may damage our reputation and lead to legal problems and fines.	Upstream, downstream	Short, Medium

ESRS S4 Consumers and end-users

	Material impact, risk, opportunity	Description	Value chain	Time horizon
Privacy				
Negative impact	A breach of confidentiality of our customer data relating to the operation of our power and gas grids may lead to unauthorised use of their personal data.	Privacy breaches for consumers may lead to unauthorised use of their personal data.	Downstream	Short
Personal safety of consumers and/or end-users				
Potential negative impact	Potentially unsafe conditions in the infrastructure (our power and gas grids) may cause injury or death to customers or passers-by.	Unsafe conditions may negatively affect the health and/or safety of customers and/or passers-by.	Downstream	Short, Medium
Risk	Safety incidents related to the operation of our power and gas grids damage our reputation and lead to damage claims and fines.	Safety incidents for local residents/passers-by may occur during work on power and gas grids. Safety incidents damage Alliander's reputation and lead to damage claims and fines.	Downstream	Short, Medium
Access to products and services (energy security for customers)				

	Positive impact	Customers get access to power and gas, leading to an increase in their well-being.	Access to energy has a positive effect on customer well-being.	Downstream	Short, Medium
	Risk	Power and gas supply disruptions lead to damage claims.	Disruptions may occur due to external factors such as weather conditions and due to the focus being on expansion. This leads to financial losses and possibly claims.	Own activities, downstream	Short, Medium, Long
	Risk	Growing pressure on limited grid capacity, resulting in increasing waiting times, may lead to damage claims.	Grid capacity is under increasing pressure due to growing demand for connections and power consumption. This leads to longer waiting times for new connections or grid expansion. As a result, affected parties may file damage claims.	Own activities, downstream	Short, Medium
	Risk	Cyberattacks threaten power operations, leading to damage claims and costs related to the attack.	Alliander's business processes are extensively digitalised and increasing cybersecurity threats create a risk of the energy supply being shut down. Hackers hack vital infrastructure and demand a 'ransom' to lift the hack.	Own activities	Short, Medium, Long
	Opportunity	Innovative solutions improve access to power and grid management, leading to higher revenue or lower costs.	Innovative technologies make it easier to access power and optimise grid management. These improvements lead to higher revenue (access) or lower costs.	Own activities, downstream	Medium, Long

ESRS G1 Business conduct				
	Material impact, risk, opportunity	Description	Value chain	Time horizon
Corporate culture				
Positive impact	A good corporate culture adds to employee well-being and motivation.	A good corporate culture leads to higher job satisfaction and well-being, because a good corporate culture ensures a balanced workload and a positive work environment.	Own activities	Medium
Risk	A poor corporate culture may result in potential wrongdoing, which will damage our reputation and increase costs.	A poor corporate culture results in damage to our reputation and possible wrongdoing with financial consequences.	Own activities	Short, Medium, Long
Protection of whistleblowers				
Positive impact	A known whistleblower policy promotes transparent operations, leading to the prevention of wrongdoing.	A known whistleblower policy has a positive effect on safety, trust and ethical behaviour and helps to prevent misconduct. The whistleblower policy applies to employees and other Alliander stakeholders.	Own activities	Short
Corruption and bribery				
Potential negative impact	Potential corruption and bribery incidents contribute negatively to transparency and honesty in the industry.	Potential corruption and bribery incidents can negatively affect ethical standards inside and outside the organisation. It may also damage our reputation.	Upstream, own activities, downstream	Long

Environment

Our activities, products and services have both a positive and negative impact on the environment. In this section on environmental performance, we summarise the key environmental indicators. We focus on the material topics that emerge from our double materiality analysis:

- E1 - Climate change (subtopics: climate change mitigation, climate change adaptation and energy). The explanation is followed by the justification in accordance with the EU taxonomy.
- E5 - Circularity (subtopics: resource inflows and resource use).

Climate change (E1)

Climate change affects Alliander's value, due to its central position in the energy chain. Energy infrastructure is the crucial facilitating link in the energy chain for the transition to a sustainable, low-carbon energy supply. Our network management activities focus on distributing electricity, gas and heat, and on achieving sustainability in the energy system. Alliander has no business activities in relation to the fossil fuels coal and oil and does not invest in such activities.

Stakeholder expectation

As a network operator, we have a direct and indirect impact on climate through our energy systems. The energy we distribute is partly of fossil origin and this contributes to the climate impact on our stakeholders. They expect Alliander to have an active policy aimed at maximising our contribution to the energy transition goals and limiting climate-related emissions. Alliander is taking various steps to limit climate impact, in which we take account of stakeholder concerns. For instance, we collaborate with non-governmental organisations (NGOs) and other organisations dedicated to the transition to a sustainable energy supply. The starting point for this work is formed by the international climate objectives laid down in the 2015 Paris Climate Agreement and further specified in the Dutch Climate and Energy Agreement. Alliander is working on the implementation of this policy.

Policy and approach

Alliander adheres to the SBTi to limit climate-related emissions from our operations and across our value chains. Since managing climate-related emissions in line with the SBTi reduction pathway is part of our strategy, we have drawn up an action plan that includes a transition plan on how we will be managing our climate impact through to 2030. This plan was approved by the Management Board in mid-2025. In early 2025, we explored the impact of climate change on our assets.

The carbon emissions KPI is part of the dashboard of the topmost management bodies. This KPI covers Scope 1, 2 and 3 emissions of the company's operations and is also reported on the basis of emissions after decarbonisation measures and reported on every quarter. We set CO_2 budgets for each scope. Alliander reports on all emissions categories that are material to its own operations and any part of the chain.

The climate policy and its implementation are managed by the CO_2 steering group, which is made up of portfolio holders from the business units that face the most pressing climate issues. The CO_2 steering group intervenes based on information provided in the quarterly reports. Progress on policy, targets and actions is regularly evaluated. Targets may be adjusted following changes to material climate impacts, risks and opportunities.

Alliander regularly draws up an energy management plan, which focuses on emissions in the organisation and the value chain. This plan forms part of the CO_2 Performance Ladder, for which Alliander is audited annually by Kiwa. Our energy management plan bundles and integrates the various actions, activities and measures aimed at reducing emissions at Alliander and parties across the value chain. The operating targets for CO_2, network losses, buildings and transportation have been adopted by the Alliander Management Board.

Our financing policy includes a considerable green finance component. Alliander has the option to issue both bonds and ECP loans to raise capital that can only be used to invest in assets that are defined in detail in the Green Finance Framework. The company also has a committed sustainability-linked credit facility. This financing structure is a financial incentive for Alliander to make sustainable investments and to conduct its business sustainably.

Governance

The energy transition, climate change mitigation and climate change adaptation are integral parts of our strategy and targets. Progress towards our targets from the business plan is monitored through quarterly and annual reports, where achievement and implementation are discussed with management and the process owners. The SBTi targets for the 2026-2030 period serve as input for the business plans of the relevant departments for the coming years.

The targets form part of the dashboard for the topmost management bodies. The approach is approved annually by the Director of Corporate & Social Affairs. Owing to Dutch legislation for public companies such as Alliander, executive and management compensation within the organisation currently includes no financial or other incentives.

Actions

- Internal and external validation was completed for the CO_2 targets for the 2026-2030 period. For details, see the 'Science Based Targets initiative' paragraph.
- We are investing not only in mitigation measures focused on energy savings and efficiency in our operations, but also in Guarantees of Origin (GOs).
- The climate transition plan for the 2026-2030 period was developed in collaboration with the departments involved. Details of the plan are provided in the 'About the transition plan' paragraph.
- The CO_2 Performance Ladder audit was completed (level 5). See the 'CO_2 Performance Ladder' paragraph for details.

About the transition plan

Alliander's climate transition plan is a strategic plan that describes how our organisation will make the transition to a more sustainable energy system. It contains specific steps, targets and measures that we will take to both cut carbon emissions (mitigation) and adapt to the effects of climate change (adaptation). This plan is essential to ensure that we take our share of the responsibility for a sustainable future.

Mitigation

The integrated 2026-2030 transition plan sets out our plans for climate change mitigation within Alliander. In the 'EU taxonomy' paragraph, we go into the climate-related KPIs for capital and operating expenditure at corporate level. The KPIs form part of our overall business planning and accountability. The starting points for the transition plan are:

- The transition plan is aligned with Alliander's strategy.
- The transition plan is in line with the SBTi framework.
- The transition plan is aligned with Alliander's planning and budget cycle. Our financial planning will incorporate our targets, activities and measures into the budget over several years.
- The budget cycle covers the availability of resources and labour, and contains plans for a feasible work package.

Adaptation

Climate risks have been integrated into our risk system and are monitored at the level of the relevant departments. The main risks are flooding, drought and heat, for which we have set up weather protocols, recovery plans and a well-drilled crisis organisation. Alliander has joined forces with Netbeheer Nederland and regional partners to build adaptive infrastructure and develop emergency plans. All the measures have been consolidated in the Climate Change Adaptation framework document that is updated every two years and charts a course for our operational and organisational actions.

Climate change mitigation

The vast majority of Alliander's carbon emissions are directly related to our core tasks of distributing and transforming electricity and gas. At the same time, these core tasks are a vital part of making the energy transition a reality and thus meeting the national climate targets, for instance by connecting sustainable energy sources to the energy networks and by facilitating the heating transition. We understand mitigation to mean taking measures to reduce greenhouse gas emissions. This includes measures such as switching to green energy sources, improving the energy efficiency of our networks and reducing our energy usage.

Impacts, risks and opportunities

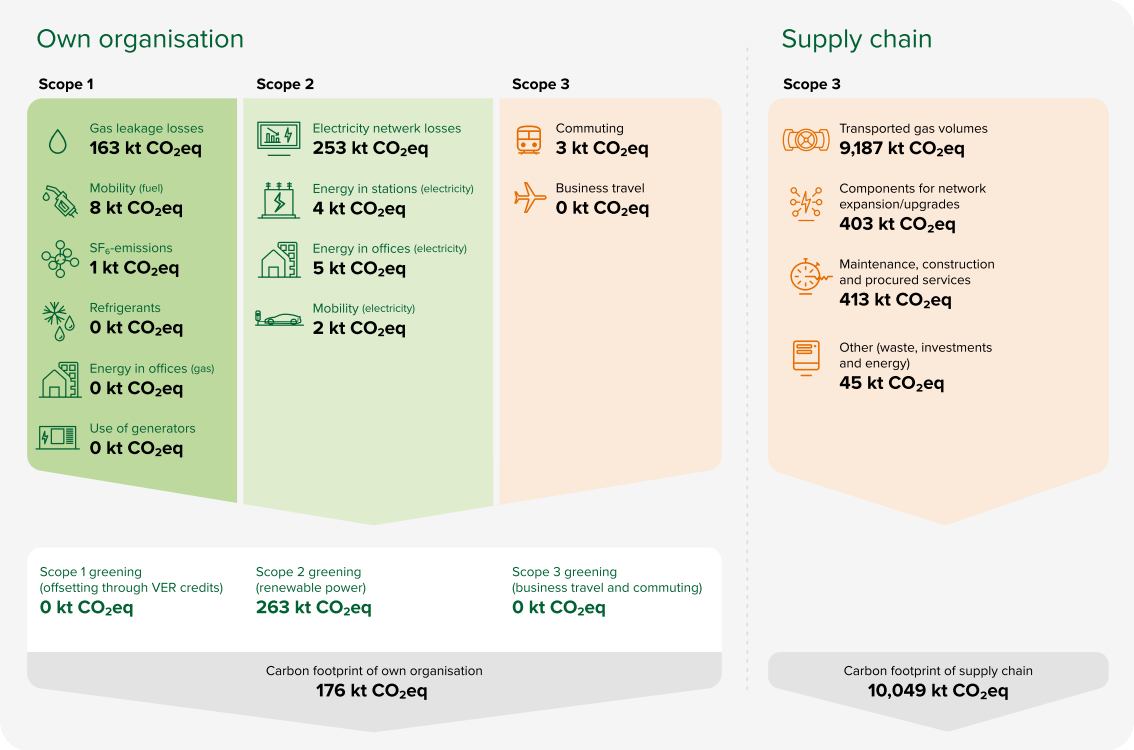
- Negative impact – GHG emissions from fossil fuels used internally and in the value chain contribute to climate change.
- Potential negative impact – Network expansion and higher loads cause emissions and increase network losses, which contribute to climate change.
- Risk – New climate change mitigation regulations lead to higher costs.
- Risk – Failure to hit climate targets leads to higher cost of capital.
- Opportunity – Using innovative techniques for sustainable energy supply leads to increased revenue or cost savings.

Policy and approach

Alliander pursues a mitigation policy aimed at limiting the company-related CO_2e under its immediate control and greening part of its carbon emissions. This policy focuses on:

- Scope 1: gas network losses, owned and leased company vehicles, SF_6 leaks, buildings and generators.
- Scope 2: power network losses and indirect emissions from power and heat consumption in our buildings.
- Scope 3: commuting and purchased goods and services.

To achieve our targets, we are investing in mitigation measures focused on energy savings and efficiency in our operations. We also invest in GOs. Having taken the next step forward in its climate policy in 2024, Alliander now primarily focuses on reducing and managing rather than offsetting climate-related emissions. Given that Alliander was still awaiting approval of its SBTi target in 2025, a decision was made to follow a simplified SBTi-based reduction pathway that targets an average reduction of 4.2% per year for the organisation as a whole. Our carbon footprint for the year 2025 was as follows:



Objectives

The target for 2025 was to keep carbon emissions from our own operations below 171 kt, and we maintained our ambition to decarbonise our power usage using GOs. We have set reduction targets for each of the three scopes. The starting point for climate change mitigation is that we direct our efforts towards enabling our energy network to facilitate the energy transition and the feed-in of sustainable energy, as well as towards limiting the carbon emissions from our operations.

The carbon emissions from our Scope 2 activities were calculated using the market-based method from the Greenhouse Gas Protocol, factoring in the GOs we purchased, which validate the degree to which the electricity we consumed can be considered renewable. The table in the ‘Climate-related emissions’ paragraph specifies the respective impact of electricity losses and decarbonisation through GOs.

Our targets for 2025 were defined based on the scope classification in the Greenhouse Gas Protocol. This means that we have targets for Scope 1 and 2. For Scope 3, we have only included a target for mobility within our own operations. In anticipation of the new climate target for 2030, we based the reduction rate for the aforementioned categories for the year 2025 on the 1.5°C pathway from the Paris Climate Agreement, as required by the SBTi.

Alliander has adopted 2021 as the base year for reporting on its targets. Since that year, we have complemented our total footprint by an extended Scope 3 analysis.

Science Based Targets initiative

In 2025, the Management Board decided to align the company's CO_2 reduction targets for the 2026-2030 period with the SBTi guidelines, meaning that Alliander's targets comply with the 2015 Paris Climate Agreement under the 1.5°C pathway. Since SBTi approval was pending for most of 2025, before ultimately being given late in the year, we went by a simplified reduction pathway in line with SBTi in 2025, with an organisation-wide average annual reduction of 4.2%. This validation was approved by the initiative's Target Validation Board in late 2025, meaning that the following of our targets have now been approved by the SBTi as of 2026:

- Given that we have set more ambitious targets for Scope 1 and Scope 2, the focus has now shifted from offsetting emissions to reducing emissions. This includes significant emission sources such as technical and administrative network losses.
- We are setting new ambitions for a broader group of Scope 3 emission categories, including emissions from the combustion of distributed gas by end-users.
- We are encouraging our suppliers to reduce their emissions and those in their value chain and to set their own science-based CO_2 targets.
- 98% of our total direct (Scope 1 and 2) and indirect (Scope 3) emissions are subject to the 1.5°C pathway from the Climate Agreement.

SBTi targets are converted to maximum carbon emissions by sector and by company on both a domestic and an international level. We have broken the impact down by business unit and assessed it at various levels across the organisation. This has led to a company-wide climate transition plan that will deliver the required reduction by 2030. Alliander's SBTi-aligned targets are listed in the table in the 'Climate-related emissions in 2025' paragraph.

Following the release of the SBTi's guidance on the SBTi Power Sector Net-Zero Standard in 2025, Alliander sat down with the other network operators in September 2025 to discuss the expected changes and impacts set out in this standard. This led to a joint response that was shared with the SBTi during this consultation round. We are keeping a close eye on this process and are fully aware of possible future changes that may apply to us.

CO_2 Performance Ladder

We assess our approach to and the reduction of our climate footprint based on the criteria for the CO_2 Performance Ladder. In 2025, we retained our level-5 rating on the Ladder, which is the highest rating,

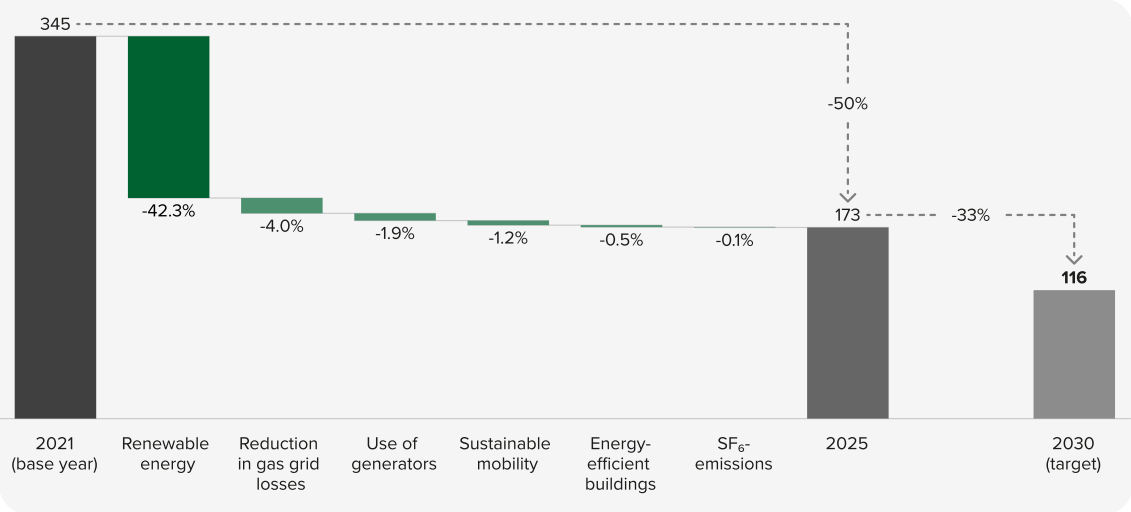
following Kiwa's reassessment and reconfirmation of the adequacy and scope of our certificate. Given the adoption of SBTi as the guiding framework, it was decided at the end of 2025 not to continue with the CO_2 Performance Ladder. While it has helped our CO_2 management mature, the CO_2 Performance Ladder has become largely redundant due to the adoption of SBTi.

Climate transition plan and decarbonisation levers

Our climate transition plan contains specific measures and tools called 'decarbonisation levers' that we use to bring down our carbon emissions in the short to medium term. These levers help us to achieve our climate targets by 2030 and make a positive contribution to the energy transition. We have opted to use a combination of measures and tools.

Carbon emissions trend

Key Scope 1 and Scope 2 reduction measures in kt CO_2e



Scope 1 and 2 decarbonisation levers

Renewable energy – electricity network losses

Network losses can roughly be broken down into three parts. About half of these losses are so-called 'transmission losses', i.e. losses created during energy transmission, such as the heat dissipated by cables and transformers. Additionally, around 30% of network losses can be attributed to unpaid consumption, which is caused by administrative errors in metering and master data, by situations where consumption has not been linked to a market party (such as when electricity is consumed without a contract or in a vacant property), as well as by theft and fraud. Finally, roughly 20% is made up of electricity consumption by the network itself, such as metering equipment and transformers. Alliander has set itself the goal of fully offsetting the carbon emissions associated with the production of the electricity used to compensate for our network losses by 2030, which Alliander intends to do by using GOs.

Alliander is actively working to reduce technical network losses in the power grid by using thicker cables, more efficient transformers and shorter stretches of cable. The internal price of network losses, which also includes Alliander's internal carbon price of €150 per tonne, ensures that investments to cut energy losses and emissions are prioritised in our decision-making. This ensures that CO_2 reduction is systematically considered in our technical and operational choices, while the actual impact still depends on the emission factor of the electricity mix and external market developments.

Liander maintains a continuous focus on reducing network losses caused by unpaid consumption, with departments that deal with connections without a contract, theft and fraud, with various kinds of reporting used to reduce metering and master data errors, and with ongoing initiatives to improve tracking of consumption, for example, at the level of network connections and medium-voltage stations. The resulting insights help detect and resolve metering and master data errors.

Carbon emissions resulting from technical and administrative network losses are fully offset using certificates for Dutch GOs.

Reduction of gas network losses – technical

Methane emissions caused by technical network losses from the gas transmission network make up a substantial part of our direct emissions, partly because this gas is a significantly stronger greenhouse gas than CO_2. Both fossil natural gas and renewable natural gas, also known as ‘green gas’ or ‘biomethane’, have high methane content that causes technical network losses to directly contribute to climate change. Technical network losses occur partly due to leaks in our gas transmission network caused by ageing infrastructure, soil movement or corrosion, but also during excavation and maintenance work on our gas grid (burning off and flaring). Reducing technical network losses, and with that methane emissions, is essential to achieving our climate targets.

Alliander complies with the EU Methane Regulation (2024) and has aligned its policies accordingly. In 2025, we introduced an innovative leak detection method in the form of a gas leak detection vehicle with smart calculation models. This vehicle, equipped with state-of-the-art sensors and sophisticated calculation models, detects methane in the atmosphere and calculates emissions per leak in grams per hour. The resulting data empowers us to act more quickly and efficiently through targeted repairs, while also improving our estimates of methane emissions from our network. Additionally, we are continuing our policy of accelerated replacement of pipelines that are vulnerable to breakage and corrosion, such as grey cast iron pipelines. These replacements are carried out in accordance with agreements with the relevant regulatory authority, i.e. the Dutch State Supervision of Mines (SodM). However, the net emission reduction delivered by this measure is limited and will decline further as more leaks are repaired and the regulation requires us to scale up the inspection frequency for these materials.

Although complete elimination of methane emissions is not feasible as long as the gas network remains operational, our goal is to significantly reduce these emissions by 2030. We expect the annual reduction rate to rise from 2026 onwards, as the roll-out of the new detection method makes us more effective in prioritising gas leak repairs.

Reduction of gas network losses – administrative

Administrative network losses occur when gas is not correctly allocated to end-users, rather than gas physically being released into the atmosphere. Such losses can result from metering errors, incorrect or missing readings from traditional meters, connections without a contract or energy fraud. Although these losses are less visible than physical leaks, they do contribute to our carbon footprint when the misallocated gas is burnt. As a network operator, Alliander is responsible for procuring gas to compensate for network losses and managing administrative network losses.

We are currently exploring various approaches to reduce administrative gas losses, looking for ways to invoice and allocate more of the non-contracted consumption to the actual end-user, to ensure that the associated carbon emissions can be attributed where they were generated. Additionally, we are monitoring developments in green gas certificates and the blending obligation that will come into effect from 2027 to explore how these can further contribute to reducing and compensating administrative network losses. Based on the above measures, we have developed several scenarios to meet the desired reduction target. As for technical network losses, we believe that, based on our transition plan, the targeted reduction by 2030 compared to 2021 is realistic.

Use of generators

Due to increasing network congestion, customer reimbursements for generators are gradually decreasing, and we use generators ourselves in exceptional cases only. Whenever we do use a generator, we always run it on HVO fuel. This has already brought down emissions and is expected to completely eliminate these kinds of emissions by 2030.

Sustainable mobility

Alliander has a sustainable mobility strategy that revolves around electrification of its vehicle fleet. Employees with a company-leased vehicle can only choose fully electric vehicles. For company vehicles, we go by an 'EV unless' policy that sees us steadily move towards a fully electric fleet. We are also taking steps when it comes to our vans, as we require 75% of vans up for replacement to be replaced with an electric van, unless this is not possible. The transition to electric vehicles is not uniform across all vehicle types. We are taking a phased approach to preparing our technicians and units for electric vehicles, and then company vehicles and commercial vans in particular. Clear communication and proper guidance are crucial to keep the transition moving forward and realise our ambitions.

Electric vehicles not only help reduce emissions, they are also the only way we can keep accessing zero-emission zones in city centres. This policy is expected to result in a 79% emission reduction by 2030 compared to 2021.

In 2026, we will take our efforts in this context to the next level by introducing a new mobility policy that emphasises sustainable and healthy choices. We promote active transportation and cleaner mobility, while discouraging fossil-fuelled mobility options. With this approach, we aim to limit the growth of emissions from commuting (Scope 3) and achieve reductions compared to a reference scenario without additional measures.

Energy-efficient buildings

Our buildings and their management remain an important focus area within our transition, as we strive to have offices that are energy efficient and in some cases circular. Thanks to the sustainability improvements we made in recent years, an analysis has shown that we already meet the CO_2e reduction requirements under the SBTi Buildings Criteria, which provide guidelines for real estate. This made us decide not to set a separate target for our buildings, since it has already been met. Carbon emissions from our buildings are,

however, included in our overall Scope 1 and 2 targets. For all our real estate, we align with the Dutch 'Paris Proof' standard, which focuses on actual energy consumption (kWh/m^2) and thus puts the accent on energy efficiency. Since 2021, gas consumption has fallen by over 80%. For our buildings and sites, we are committed to sustainable generation, alternative heat sources, insulation and energy certification, as we aim to improve efficiency despite the expected growth of our workforce.

We have recorded the required investments in 'Paris Proof' roadmaps that include measures and investments that deliver the targeted energy and CO_2 reductions. These roadmaps have been embedded in our Facilities unit's long-term plan. Additionally, we have integrated the sustainability objectives into Alliander's management, procurement and leasing policies.

SF_6 emissions

A potent synthetic greenhouse gas, sulphur hexafluoride (SF_6) is used for its outstanding insulating properties. However, it may also be emitted to the atmosphere during the production, installation, maintenance and decommissioning of installations.

Alliander has started to replace older installations and is placing greater emphasis on maintenance, in part through stricter policies and an improved reporting system that is coordinated with other network operators. As of 1 January 2026, new legislation requires a phased introduction of SF_6-free installations. The use of new SF_6 will be completely prohibited from 2035. We expect to achieve our targets by persevering with our current policy, which is expected to stabilise SF_6 emissions and the associated CO_2 equivalents. To prevent any increase in SF_6 emissions, larger installations will also be overhauled. We expect the final remaining SF_6-containing installations to be part of the network until 2078.

Scope 3 measures

Procurement from value chain partners

When it comes to carbon emissions from Alliander's procurement activities, our supplier engagement initiatives form a crucial decarbonisation lever in our climate transition plan. Alliander aims for suppliers, who are responsible for the majority of our upstream Scope 3 emissions (at least 80% of emissions) within the categories of purchased goods and services, capital goods and transportation, to commit to setting their own science-based targets (SBTs) or comparable climate objectives. This means that suppliers must have committed to SBTi or equivalent science-based targets by 2030 at the latest, i.e. five years after we start setting our own targets in 2026.

To achieve this, we are focusing efforts on targeted dialogue, monitoring and collaboration with suppliers. In addition to achieving our main target, we are integrating climate performance into our procurement criteria and contract terms. This approach will enable us both to reduce our own emissions and contribute systematically to the sustainability of the value chain.

Emissions from the combustion of distributed gas by end-users

Within our climate targets, the reduction target for emissions resulting from the combustion of the gas we transport presents a complex challenge. As a gas network operator, we are legally required to continue transporting natural gas. At the same time, however, the SBTi framework requires us to cut Scope 3 carbon emissions by at least 42% by 2030, compared to the base year 2021.

Accelerating the execution of our core tasks, such as expanding electricity networks and enabling green gas distribution, will allow us to indirectly contribute to bringing down natural gas demand among our customers. While we actively promote energy savings and the transition to sustainable alternatives, we realise that this is a shared responsibility where our direct influence is limited,

which leaves us in a challenging balancing act. On the one hand, the scale of these carbon emissions in our value chain is largely determined by factors beyond our operational control, such as government policy, energy market prices, weather conditions and end-user choices, while on the other we remain legally responsible for gas transport. Over the coming years, we will increase transparency regarding these emissions and assess specifically where our influence is real and demonstrable, and where it is not. This clarification will feed into realistic targets and credible reduction pathways as part of our commitment to the SBTi framework.

Climate-related emissions in 2025

Adjustment of comparative figures on carbon emissions

Where possible, we disclose quantitative data in the table below, including comparative figures from the previous year and the base year, to provide context and comparability. In 2025, the greenhouse gas emissions disclosed for 2021 and 2024 were partially recalculated and corrected. On the one hand, this involved adjustments to the measurement and recognition of network losses for electricity and gas within Scope 1 and Scope 2, and on the other, an update of the emission factor set for the spend-based method within Scope 3 following the transition from DEFRA 2011 to DEFRA 2022.

The effect varies by scope. Within Scope 1 and Scope 2, the differences are related to recalculations and corrections in the measurement and recognition of network losses for electricity and gas, including the correction of volumes previously recorded as administrative network losses but subsequently invoiced to end-users, as well as the assumptions applied. For 2021, this resulted in Scope 1 emissions being 5 kt CO_2e lower, location-based Scope 2 emissions being 11 kt CO_2e lower and market-based Scope 2 emissions being 3 kt CO_2e lower.

For 2024, differences in the figures arise from the same method, supplemented by reconciliation corrections for the previous year's volumes, as initial allocations based on profiles were subsequently adjusted using actual meter readings. For further details, see note 35 to the financial statements. As a result of the adjustment, Scope 1 emissions were 27 kt CO_2e lower, location-based Scope 2 emissions were 12 kt CO_2e lower, while market-based Scope 2 emissions remained unchanged.

The updated emission factors for the spend-based method resulted in Scope 3 emissions turning out 65 kt CO_2e higher in 2021 and 157 kt CO_2e higher in 2024, compared to the figures disclosed in the 2024 annual report. The table below shows both the previously disclosed figures and the recalculated figures.

tonnes of CO_2 equivalent	Reported 2021	Recalculated 2021	Reported 2024	Recalculated 2024
Direct GHG emissions (scope 1)	**204,031**	**199,156**	**171,525**	**144,581**
Indirect GHG emissions (scope 2)				
Location-based	588,693	577,257	369,939	357,664
Market-based	149,065	146,211	22	22
Upstream indirect GHG emissions (scope 3)				
C1. Purchased goods and services	205,830	218,632	304,192	321,765
C2. Capital goods	164,382	217,450	205,265	339,663
C3. Fuel- and energy-related activities	112,019	112,019	17,318	17,318
C4. Upstream transportation and distribution	13,977	16,058	9,514	11,318
C5. Waste generated in operations	2,562	2,562	2,597	2,597
C6. Business travel	64	64	231	231
C7. Employee commuting	1,421	1,421	2,618	2,618
C15. Investments	6,399	3,101	4,095	7,438
Total upstream indirect GHG emissions (scope 3)	**506,654**	**571,307**	**545,829**	**702,948**
Total GHG emissions (location-based)	**1,299,377**	**1,347,720**	**1,087,293**	**1,205,193**
Total GHG emissions (market-based)	**859,749**	**916,674**	**717,376**	**847,550**

Emissions trend and reduction in carbon emissions

Alliander uses 2021 as the reference year for comparison of energy and carbon emissions data. That year, Alliander's carbon emissions from its own operations, i.e. Scope 1, Scope 2 and Scope 3 transportation emissions, totalled 512 kt CO_2 without offsetting through GOs. Total carbon emissions in 2025 were 439 kt CO_2 (2024: 378 kt CO_2), which represents a 14% drop on 2021 and a difference of 73 kt.

tonnes of CO_2 equivalent					Target	
	2021	2024	2025	% 2025 / 2024	2026	2030
Direct GHG emissions (scope 1)						
Use of generators	6,677	48	36		31	
Refrigerants	67	67	78		67	
Gas usage in buildings	2,014	312	383		338	
SF_6 emissions	1,441	1,920	1,149		1,033	
Lease & company cars	12,148	9,111	7,963		5,006	
Gas network losses, administrative	81,097	47,658	77,598		40,767	
Gas network losses, technical	95,712	85,465	85,465		67,486	
Total indirect GHG emissions (scope 1)	**199,156**	**144,581**	**172,672**	**19%**	**114,726**	**42%**
Indirect GHG emissions (scope 2)						
Location-based[1]						
Heat consumption in buildings	209	102	88		93	
Lease & company cars	985	1,733	2,074		2,346	
Electricity consumption in buildings	3,322	2,150	2,007		2,244	
Electricity consumption in stations	4,963	3,373	2,793		2,459	
Electricity network losses, administrative	185,401	114,388	89,425		95,535	
Electricity network losses, technical	382,378	235,918	184,433		197,035	
Total location-based	**577,257**	**357,664**	**280,820**	**-21%**	**299,712**	
Market-based[2]						
Heat consumption in buildings	32	22	19		24	
Lease & company cars	587	-	-		-	
Electricity consumption in buildings	1,566	-	-		-	
Electricity consumption in stations	2,339	-	-		-	
Electricity network losses, administrative	53,938	-	-		-	
Electricity network losses, technical	87,748	-	-		-	
Total market-based	**146,211**	**22**	**19**	**-10%**	**24**	**-100%**
Upstream indirect GHG emissions (scope 3)[3]						
C1. Purchased goods and services	218,632	321,765	403,286			
C2. Capital goods	217,450	339,663	413,450			
C3. Fuel- and energy-related activities	112,019	17,318	20,402			
C4. Upstream transportation and distribution	16,058	11,318	9,298			
C5. Waste generated in operations	2,562	2,597	3,333			
C6. Business travel	64	231	214			
C7. Employee commuting	1,421	2,618	2,753			
C15. Investments	3,101	7,438	12,005			
Total upstream indirect GHG emissions (scope 3)	**571,307**	**702,948**	**864,741**	**23%**		
Total GHG emissions (location-based)	**1,347,720**	**1,205,193**	**1,318,233**	**9%**	**414,439**	
Total GHG emissions (market-based)	**916,674**	**847,550**	**1,037,433**	**22%**	**114,751**	

1 Total greenhouse gas emissions under the location-based method are calculated using the average emission factors for the national electricity grid. This means that carbon emissions per kWh consumed are multiplied by the average emission factor for the Dutch energy mix, disregarding any individual contracts for renewable energy such as GOs.

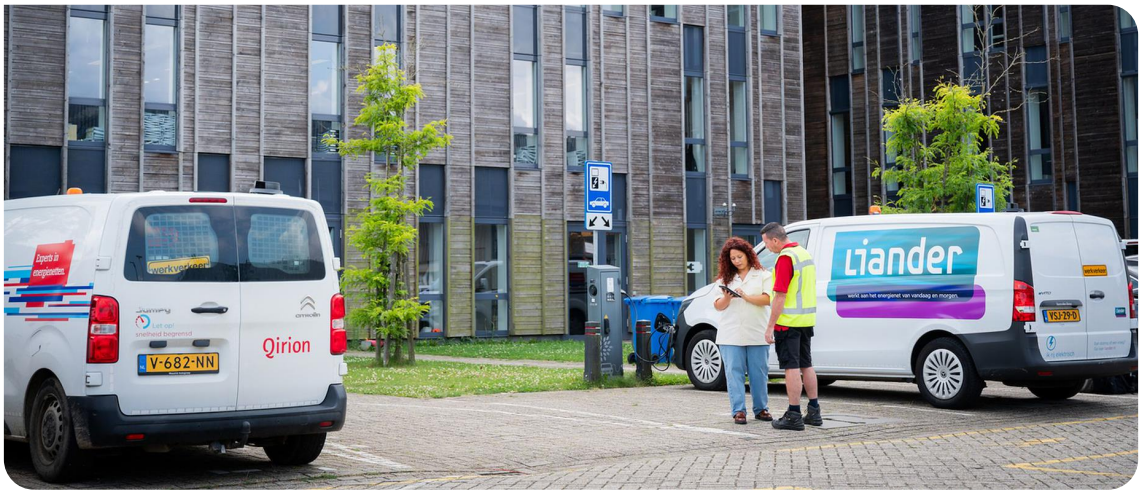
2 Market-based Scope 2 emissions include the effect of using renewable energy through the purchasing of GOs. These are used to bring carbon emissions from electricity consumption down to 0 tonnes of CO_2 equivalent. A total of 1,645 kt, 231 kt and 263 kt of CO_2 equivalent were offset using GOs in 2021, 2024 and 2025 respectively. Our target for 2025 is to offset 304 kt of our electricity consumption using GOs.

3 Not all Scope 3 categories are applicable to Alliander. Categories C8, C9, C10, C11, C12, C13, and C14 are not disclosed because they are either entirely absent or only marginally present in Alliander's value chain and therefore not material. For Scope 3, Alliander has not yet set an absolute target for 2030. Alliander will do this in 2026 in line with the SBTi framework.

Climate footprint development and results for 2025

95% of CO_2e emissions from Alliander's own organisation were caused by network and leakage losses that arose mainly from the distribution of electricity and gas, compared to 96% in 2024. We are working to reduce our technical and administrative network losses each year by using measures such as an internal carbon price. The network losses percentage is an accurate approximation. Assumptions and estimates are used when calculating the carbon footprint and energy usage. Since 2016, the CO_2 emission factor for electricity network losses has been calculated on the basis of energy purchased from our suppliers to cover

network losses. The 2024 electricity labels were used for the 2025 annual report, returning a CO_2 coefficient of 0.2024 kg CO_2 per kWh (2024: 0.16889 kg CO_2 per kWh). In 2025, 58% of the organisation's gross carbon emissions were caused by electricity network losses (2024: 58%). The emission factor for 2024 (0.16889 kg CO_2 per kWh) was recalculated based on the most recent electricity labels. In the 2024 annual report, we used a factor of 0.19318 kg CO_2 per kWh.



Scope 1 emissions

Our Scope 1 emissions come from the use of generators, coolants, natural gas to heat our offices, SF_6 emissions from switchgear, fuel consumption (owned and leased company vehicles), and gas network and leakage losses. In 2025, Scope 1 emissions totalled 173 kt CO_2e, up 28 kt on the adjusted figure for 2024 (145 kt CO_2e). The increase is mainly due to gas network losses. This is related to a reconciliation and adjustment of the gas network loss figure for 2024, as network losses were revised downward by 12 million m^3 in 2024 based on the most recent available data. For 2025, network losses are expected to be 7 million m^3 higher than in 2024. Emissions from gas network and leakage losses amounted to 163 kt CO_2e in 2025. Administrative network losses totalled 78 kt CO_2e (2024: 48 kt CO_2e), while technical network losses amounted to 86 kt CO_2e (2024: 86 kt CO_2e).

Emissions from owned and leased company vehicles totalled 8 kt CO_2e in 2025 (2024: 9 kt CO_2e). These emissions fell on the back of further electrification and the introduction of medium-sized electric vehicles. At the same time, a number of diesel vehicles will continue to be necessary to carry out work. Given the relatively minor emissions in the other Scope 1 categories, these do not significantly affect the overall picture.

Scope 2 emissions

Our Scope 2 emissions originate from the generation of the electricity and heat we purchased for our buildings and stations, as well as from electricity network losses and the charging of owned and leased company vehicles. In this section, we will provide further details of electricity network losses, as these are the main driver of the trend in Scope 2 emissions. In 2025, the total location-based emissions amounted to 281 kt CO_2e, down 77 kt CO_2e on 2024 (358 kt CO_2e). The reduction came largely as a result of a drop in electricity network losses.

Electricity network losses can be broken down into technical and administrative losses. Technical network losses occur during the transport of electricity through the grid. Administrative network losses are related to factors such as energy fraud and connections for which no formal contract has been signed. Total electricity network losses fell by 52,621 MWh in 2025 compared to 2024, from 1,297,428 MWh to 1,244,807 MWh. In terms of CO_2 equivalents (for the location-based method), emissions from electricity network losses declined from 350 kt CO_2e in 2024 to 274 kt CO_2e in 2025. This reduction is related to a drop in network losses, partly due to the transfer of the Randmeren high-voltage line to TenneT in early 2025, which meant that the associated network losses were no longer attributed to Liander.

Scope 2 emissions are disclosed using both the location-based and the market-based method. Market-based Scope 2 emissions were 0 kt CO_2e (rounded down) in 2025 (2024: also rounded down to 0 kt CO_2e). Market-based emissions from purchased electricity amounted to zero because GOs were used and cancelled for all Scope 2 electricity consumption. The gross emissions associated with our Scope 2 electricity consumption totalled 231 kt CO_2e in 2024 and 263 kt CO_2e in 2025, with the gross market-based portion of these emissions from electricity network losses coming in at 221 kt CO_2e in 2024 and 253 kt CO_2e in 2025. Although network losses were down in 2025, gross market-based emissions before allocation of GOs were up. This was because the average CO_2 emission factor of electricity purchased to cover network losses in 2025 was higher than in 2024 due to a change in the procurement mix and associated electricity labels. The remaining emissions related to heat and totalled 19 t CO_2e, which has been rounded down to 0 kt CO_2e.

Scope 3 value chain emissions

In 2025, total Scope 3 emissions came in at 865 kt CO_2e (2024: 703 kt CO_2e), up 162 kt CO_2e (23%). This increase was almost entirely driven by category 1 (purchased goods and services) and category 2 (capital goods). Looking solely at non-rounded values, these two categories jointly were up by 156 kt CO_2e, which accounts for approximately 96% of the total increase. Category 1 rose from 322 kt CO_2e in 2024 to 403 kt CO_2e in 2025, while category 2 increased from 340 kt CO_2e to 413 kt CO_2e.

Category 1: purchased goods and services

Category 1 emissions amounted to 403 kt CO_2e in 2025 (2024: 322 kt CO_2e). For this category, Alliander used a spend-based method, because detailed emission data from suppliers was largely lacking.

The increase of approximately 82 kt CO_2e in 2025 was mainly due to higher expenditures in contracting because of the larger work package for grid upgrades, expansion and replacements.

Category 2: capital goods

Category 2 emissions amounted to 413 kt CO_2e in 2025 (2024: 340 kt CO_2e). For this category, we used a combined method that involved calculating part of the emissions based on volume data from raw material passports, combined with environmental factors from Delft University of Technology's Idemat database. The remaining part was calculated using the spend-based method, based on DEFRA emission factors, including CPI indexing.

The rise in 2025 was mainly driven by the volume-based part (+45 kt CO_2e). This was due to increased use of materials, including aluminium, steel, copper and printed circuit boards, combined with increased material consumption and higher emission factors per kilogram of material. The spend-based part was up 29 kt CO_2e.

Emissions in the other Scope 3 categories were relatively minor compared to categories 1 and 2 and do not significantly alter the overall picture.

Total emissions according to the SBTi target boundary (including combustion of distributed gas by end-users)

In addition to the disclosure of total greenhouse gas emissions under the ESRS in the 'Emissions trend and reduction in carbon emissions' table, Alliander also discloses a summary of total emissions according to the SBTi target boundary for the purposes of monitoring and transparency. This summary includes Scope 1, Scope 2 and Scope 3 upstream emissions, plus emissions generated when end-users burn the natural gas that was transported through our gas network. Since Alliander does not sell the natural gas directly to these end-users and does not have economic ownership of it, these emissions are disclosed in a separate table rather than within the ESRS Scope 3 category breakdown in the carbon emissions table.

Total greenhouse gas emissions were up 516 kt CO_2e, rising from 9,708 kt CO_2e in 2024 to 10,224 kt CO_2e in 2025. This rise came largely on the back of end-user emissions from the combustion of natural gas distributed through Alliander's gas network. These emissions increased to 9,187 kt CO_2e in 2025 (90% of the total GHG emissions), compared to 8,861 kt CO_2e in 2024 (91% of the total GHG emissions), mainly as a result of an increase in the total volume of natural gas transported as cold weather conditions pushed up demand for heat. However, after a temperature correction based on the number of heating degree days, the volume in 2025 was down approximately 110 million m^3 on 2024 (about 2.2%), which represents a reduction of around 195 kt CO_2e.

In addition, Scope 3 upstream emissions increased by approximately 162 kt CO_2e, while Scope 1 emissions rose by around 28 kt CO_2e. Scope 2 emissions were still minor in both years. Electricity purchased and consumed by Alliander was certified as renewable energy through GOs. In 2025, 263 kt CO_2e was accounted for in this manner, compared to 231 kt CO_2e in 2024 and 165 kt CO_2e in 2021.

For further details on Scope 1, Scope 2 and Scope 3 (upstream) emissions, see the 'Climate-Related Emissions 2025' paragraph.

Greenhouse gas emissions (tCO_2eq)	2021	2024	2025	% 2025 / 2021	2030
Direct GHG emissions (scope 1)	199,156	144,581	172,672	-13%	42%
Indirect GHG emissions (scope 2 market-based)	146,211	22	19	-100%	-100%
Upstream indirect GHG emissions (scope 3)	571,307	702,948	864,741	51%	
Emissions from combustion of transported natural gas (end users)	9,186,756	8,860,745	9,186,756	0%	42%
Total greenhouse gas emissions, market-based (tCO_2eq)	**10,103,430**	**9,708,295**	**10,224,189**	**1%**	

CO_2 intensity ratios

Greenhouse gas intensity reflects the ratio of total greenhouse gas emissions to the net revenue from activities in the 'distribution and transformation of electricity' sector (NACE D35), plus the distribution of gas. The trend in greenhouse gas intensity is primarily driven by changes in total greenhouse gas emissions and net revenue. In this regard, emissions are influenced mainly by Scope 1 and 2 emissions from network management operations, the volume of natural gas burnt by end-users and indirect upstream emissions (Scope 3), particularly in category 1 (purchased goods and services) and in category 2 (capital goods).

In 2025, greenhouse gas intensity was down slightly compared to 2024. Location-based intensity was down 3%, from 3,308 to 3,210, and market-based intensity fell by 2%, from 3,190 to 3,124. This drop in intensity came primarily as a result of net revenue growing 7.6% from €3,043 million to €3,273 million, while total greenhouse gas emissions showed only a modest increase of 4% and 5% for location-based intensity and market-based intensity respectively. The increase in CO_2e is largely caused by emissions at end-users from the combustion of natural gas distributed through our gas network. This results from higher gas transmission volumes due to an increase in heat demand due to weather conditions. As a result, CO_2e emissions per billion euros of revenue fell slightly.

When not including emissions at end-users from the combustion of gas distributed through our gas network, intensity amounted to 403 tonnes CO_2e per million euros of revenue under the location-based method (2024: 396 tonnes, +2%) and 317 tonnes CO_2e per million euros of revenue under the market-based method (2024: 279 tonnes, +14%). This uptick was driven by a rise in indirect upstream emissions in Scope 3 due to increased operational activities, particularly in category 1 (purchased goods and services) and in category 2 (capital goods). In addition, direct Scope 1 emissions rose due to higher network losses in the gas grid.

Greenhouse gas intensity by net revenue (tCO_2eq/€ million)	2021	2024	2025	% change in 2025 compared to 2024
Location-based emissions	636	396	403	2%
Market-based emissions	432	279	317	14%

Carbon emission reduction through decarbonisation using GOs

Part of Alliander's policy involves decarbonising electricity network losses by generating additional energy from renewable sources in the Netherlands. In 2025, we offset 253 kt CO_2e of our total electricity network losses using GOs from Dutch wind certificates (2024: 230 kt CO_2e). In addition, we used 23,320 MWh of green power in our buildings, which corresponds to 9 kt CO_2e. For EV charging outside our buildings, we used 5,164 GOs, which translates to 2 kt CO_2e. In 2025, we decarbonised 100% of the total electricity network losses using Dutch wind certificates by activating additional contractually secured green certificates. Alliander assesses the supplier of the certificates against the supplier criteria in its general procurement policy. This approach ensures that our network losses are low-carbon and supports growth in renewable energy generation.

The reliability of purchased GOs is guaranteed by VertiCer criteria. The GO system is designed to prevent double counting of avoided carbon emissions. One GO represents one megawatt of sustainable electricity. If a country exports a GO to another country, the avoided emissions can no longer be counted in national reporting to the European Commission. This rule applies to all European countries, as well as to countries with which the European Commission has agreed a sustainability target. After decarbonisation, our footprint for Scope 2 emissions was 0 kt CO_2e in 2025 (2024: 0 kt CO_2e).

No other carbon offsetting using carbon credits

Until 2024, Alliander decarbonised all its other emissions, such as those associated with gas network losses, commuting and business travel in Scope 3, using (Gold Standard) carbon credits. Alliander ceased the use of carbon credits in 2025. Following the switch to the SBTi framework, the use of (Gold Standard) carbon credits is no longer relevant, because they are not permitted.

Internal carbon price

We use an internal carbon price as a weighting factor when assessing our investments. Energy savings or reductions in methane leaks are assigned greater weight as a result. In 2020, Alliander took the initiative to persuade all the network operators to reach a sector-wide agreement on (higher) internal carbon pricing, and in 2021 the network operators resolved to use the same carbon price of €50 per tonne and to raise it progressively over time. The network operators raised the internal carbon price to €100 per tonne in 2022 and to €150 per tonne in 2023. In 2024, the internal carbon price was kept at €150 per tonne. The internal carbon price also remained unchanged in 2025.

When assessing our tenders, we include the energy consumption of components during their service life as far as possible. Given the volumes we purchase, we are always looking for improvements in this area. Working with an internal carbon price ensures stronger prioritisation of higher CO_2 reductions in respect of our own investments and the components we purchase from others. We are finding that price rises in the energy market, together with our tender specifications regarding energy efficiency in combination with carbon pricing, are making a clear difference. The internal carbon price is a shadow price and has no impact on the company's financial statements.

Carbon price types used

The internal carbon price of €150 per tonne forms part of the Price of Network Losses. The Price of Network Losses is a shadow price used to incorporate network losses and the associated carbon emissions into investment decisions and business cases. The figure of €150 is based on the 'prevention price' for CO_2. This is higher than the market price in the European Emission Trading System (ETS) and is also 'consensus-based' within our sector. In 2025, a more extensive integrated sensitivity analysis of the core processes in case of future rises in the carbon price was completed. The thresholds for various investments were reviewed again, as well as the level (carbon price) that aligns best with the other network operators. The idea is to prevent excessive market distortion (exclusion of suppliers or price disruptions) and ensure that investments in the energy grid for the energy transition are not undermined. The recommendations made based on the sensitivity analysis do not suggest that the carbon price needs to be increased in the short term.

Basis of greenhouse gas emissions disclosure and methodology

Alliander discloses greenhouse gas (GHG) emissions in line with the Greenhouse Gas Protocol (GHG Protocol), as required under ESRS E1. For Scope 1, 2 and 3, the operational control method is applied. Disclosed Scope 1 emissions comprise carbon dioxide (CO_2), methane (CH_4) and sulphur hexafluoride (SF_6). Alliander is not governed by the provisions of the ETS. Within Scope 2, no biomass is used for energy generation, which is why no biogenic carbon emissions from combustion or biodegradation are disclosed. Biogenic emissions related to green gas feed-in fall outside the boundary of our CO_2e footprint and are not included. In 2025, it was determined that these emissions are not material in the context of SBTi accreditation. Compared to 2024, biogenic emissions remained largely unchanged.

Location-based and market-based Scope 2 emissions

In Scope 2, we disclose both location-based and market-based emissions, as per the GHG Protocol. Under the location-based method, emissions are calculated using the average emission factor for the Dutch power grid, as published on CO_2emissiefactoren.nl. Under the market-based method, supplier-specific and product-specific emission factors are applied based on electricity labels and supplier information. Since electricity labels relate to the previous year, emissions are updated in the subsequent reporting year based on the most recent labels. For Scope 2 electricity consumption, GOs are used and cancelled, validating the market-based allocation of electricity as renewable. Scope 1 and 2 emission factors and critical estimates

Emission factors published on CO_2emissiefactoren.nl were used for Scope 1 and the location-based Scope 2 method. For items based on estimates, including gas network losses and electricity network losses, final metering and payment data in the sector may be updated over a longer period. Volumes of both gas and electricity network losses were partly determined based on estimates and subsequently adjusted through reconciliation. See note 35 to the financial statements (critical accounting policies).

Scope 3 principles and data quality

Calculating Scope 3 emissions entails a greater degree of uncertainty than calculating those in Scope 1 and Scope 2. This is because a significant share of these emissions lies outside of Alliander's direct sphere of influence and we partly rely on information from external parties when calculating these emissions. Where such primary data is unavailable, we use secondary data and assumptions.

Breakdown of methods used for each Scope 3 category

For Scope 3, we applied a combination of methods, depending on data availability.

Spend-based method

Where physical data was unavailable, emissions were calculated based on procurement expenditure and spend-based emission factors. For this year's annual report, we used DEFRA 2022 emission factors. The comparative figures and the base year were also recalculated using DEFRA 2022 emission factors to ensure consistency across the time series. For the 2024 annual report, we used DEFRA 2011 emission factors. Procurement data in euros is converted to pound sterling (GBP) at the exchange rate as it was on 31 December of the relevant reporting year. The set of emission factors is updated to the reporting year through indexation using CPI inflation figures for the Netherlands. This method was applied to category 1 (purchased goods and services) and to the spend-based portion of category 2 (capital goods), as well as to other categories where relevant and where physical data was not available.

Use of physical data where available

Where possible, physical data was used, including raw material passports and life cycle data from Delft University of Technology's Idemat database. For category 2 (capital goods), we applied a hybrid approach, calculating emissions for the part with raw material passports based on material volumes and LCA data, and using the spend-based method for the remainder. To avoid double counting, expenditures relating to components for which raw material passports were provided were excluded from the spend-based calculation.

Emissions from gas consumption by end-users

Emissions generated when end-users burn the natural gas they have received through our gas network were calculated based on the total outgoing gas flow and the emission factor for natural gas as published on CO_2emissiefactoren.nl. These emissions are disclosed separately, as Alliander does not sell the gas to end-users and does not have economic ownership of it, while the associated emissions are still part of the total value chain emissions and the SBTi target boundary.

Excluded Scope 3 categories

Not all Scope 3 categories are applicable to Alliander. Categories C8, C9, C10, C11, C12, C13, and C14 are not disclosed because they are either entirely absent or only marginally present in Alliander's value chain and therefore not material.

CO_2 intensity ratios

Greenhouse gas intensity based on net revenue is calculated as the sum of Scope 1 emissions, location-based and market-based Scope 2 emissions and Scope 3 emissions, including the carbon emissions from distributed gas, divided by reported net revenue (see note 21 to the financial statements). Furthermore, emissions at end-users from combustion of gas transported using our gas network are detailed separately.

Climate change adaptation

Alliander aspires to be fit for the future through effective management of the risk and opportunities that come with climate change. These include physical risks, e.g. flooding, but also business and commercial effects, such as changes to tax or legislation. Although Alliander does not have a current risk analysis in line with ESRS requirements, this is an important issue for us. Climate risks form part of the Alliander risk management framework and are included in the annual risk session with the Management Board. Adaptation includes adapting our infrastructure and processes to ensure continued reliable energy supply during extreme weather events.

Impacts, risks and opportunities

Climate change creates several risks for our assets.

- Risk – Disruption in vital energy infrastructure leads to increasing maintenance costs or asset loss.
- Risk – Disruption in the value chain for materials (provisioning) required for vital energy infrastructure leads to higher purchasing costs.

Stakeholder expectations

The intensity, length, scope and consequences of extreme weather seem to be increasing, sometimes affecting large areas, especially also in Europe, our surrounding countries and in the Netherlands. Public authorities are working on catastrophe planning and involve us in designing adaptive policies to make regions more resilient, for example, to flooding risks. Capital providers are asking questions about risks and risk mitigation in relation to planned investments. For Alliander, this means having to deal with new and different criteria, which we apply in consultation with stakeholders and to which we want to offer a timely response.

Actions

- We have compiled a climate change adaptation framework document that outlines our approach, initiatives and next steps with respect to this topic, while also managing these through an evaluation cycle. For details, see the 'Risk management' paragraph.

Summary of identified risks and opportunities

Physical risks and opportunities

Our physical risks mainly stem from supply chain effects in the event of extreme weather conditions and flooding. This involves potential damage to our own components or TenneT's high-voltage pylons, as well as to Gasunie's above-ground installations. Given the low elevation of some of our service areas, rising sea levels also pose a risk. Having to deal with higher temperatures more frequently also drives up electricity consumption, as homes and offices use more air conditioning.

Transition risks and opportunities

Our networks are an indispensable element for ensuring a successful transition to a sustainable energy supply. The transition offers opportunities: growing electrification in society and the feed-in of more green gas into our networks. But there are also transition risks: the demanding but unavoidable pace at which we must fulfil our task, and phasing out the gas infrastructure.

Physical risks	Possible effects
Extreme weather events like drought, heat waves, wildfires and heavy rainfall	Damage to infrastructure Power outages Damage at suppliers, in the energy supply chain and to transmission infrastructure
Rising sea level	Damage to energy supply chain, assets and at customers
Increasing average temperature	Damage to company assets Pest damage/insect plagues More demand for air conditioning, cooling, etc.

Transition risks	Possible effects
Technological innovation and market changes	Decrease in natural gas distribution in our networks in combination with the transition to other sources for heating Limitations in available workforce More and more consumers are becoming 'prosumers' Electrification of society Energy storage Opportunities for hydrogen
Changes in policy and regulation	Cost allocation of energy transition Carbon pricing

Impact of physical and transition risks

We drew up a qualitative catalogue of our physical and transition risks in late 2020. The risks were determined based on two average global temperature rise scenarios: the 1.5 degree Breyer scenario and the 4 degree scenario defined by the International Energy Agency (IEA). Impact projections up to the year 2100 were prepared for both, incorporating chain, asset and customer-related climate risks. The climate scenarios were used to assess physical and transition risks in relation to our trend reporting, which is used in the nationwide Energy System Plan and in the annual risk assessment with business units. The 1.5 degree scenario is used because it corresponds to the approach followed by the Dutch government. This scenario assumes having 100% sustainable energy by 2050: far-reaching electrification, decentralised generation, higher efficiency, large-scale use of solar and wind energy, increased energy storage and a more independent energy supply.

The 4 degree scenario is applied, because it represents the most extreme trajectory in terms of physical risks and climate change adaptation. It involves an intensification of current trends up to a temperature rise of nearly 4 degrees in the current century and 5.5 degrees over the longer term. This is the worst climate scenario, involving major physical risks worldwide. In this scenario, fossil fuel use and large-scale carbon emissions dominate. The high temperature scenario assumes a situation in which physical risks manifest in more extreme ways than under the low, one-and-a-half degree scenario. This affects the speed at which the company needs to take action and adapt its activities, not least because of the serious threat of extreme weather effects and an energy supply breakdown. The one-and-a-half degree scenario identifies the opportunities that arise for various transition techniques such as sustainable and decentralised feed-in and storage. These are considered to be relatively favourable.

Following on from this 2020 study, Alliander intends to recalibrate the scenarios and associated impact analysis, which includes building on elements required under the ESRS. This involves application of new climate scenarios, the use of different and longer time horizons, further quantification of the impact on assets and operations, the performance of a resilience analysis and reflecting on the potential implications for the financial statements in the annual report (in line with the EU Taxonomy).

The aim was to complete this recalibration in 2025, but recent developments, such as implementation of the Critical Entities Resilience Act and a request for information from the Ministry regarding supra-regional stress tests related to extreme rainfall, ended up delaying this process.

We will now assess to what extent the recalibration will also meet the requirements under the Critical Entities Resilience Act, which puts great emphasis on climate threats and risk assessments. To prepare for this, Alliander has joined the NEN committee on a pre-standard for the application of climate scenarios in critical infrastructure. This standard supports organisations in meeting regulatory requirements and promotes a consistent picture of climate risks across critical infrastructure in the Netherlands.

Risk management

Climate risks in relation to operations form part of Alliander's risk system. Annual updates are performed of the extent to which the organisation manages and monitors these risks. Responsibility for asset maintenance lies with the business units, which also mitigate the risks identified in that regard. Physical and value chain risks both form part of the risk assessment with business units. The results of the risk assessment and the performance of risk management in relation to climate risks are regularly discussed (at least once a year) with the topmost management level. The impact of climate change on the organisation (assets and operations) and future energy demand was last examined in 2024. This examination covered our current and targeted adaptability. No specific time horizon was applied, but this is to be added in the course of a follow-up scenario analysis. The results of the risk sessions indicate a high risk of damage and asset loss due to flooding. The effects of drought and high temperatures can also pose a risk to the continuity of our operations. Our current adaptability comprises:

- The use of weather protocols (applicable to all production chains).
- Safeguarding and recovery plans to prevent network overloading and outages, and restore supplies as soon as possible.
- A stable crisis organisation is in place with established crisis plans, which cover the whole organisation and are the subject of regular drills. These include extreme weather scenarios.
- Business continuity management plans (applicable to the whole organisation).
- A strategic asset management plan (SAMP) that specifies scenarios for the future and takes account of transition risks. This includes ways in which the strategy and operating plans can be more closely adapted or aligned to climate change.

Alliander regularly assesses its physical and transition risks in line with international standards and current insights. The results form the basis for possible adjustments to climate change adaptation policy and measures with a view to implementing efficient and effective mitigation steps. Alliander participates in national and regional alliances. We work together with other network operators in Netbeheer Nederland and agree on national policy and planning. A Climate Change Adaptation working group is investigating the potential physical effects of climate change on network components and energy infrastructure under the

banner of the industry association Netbeheer Nederland. This group is also developing recommendations for climate change adaptation measures for infrastructure. This is needed in order to determine the actual resilience of our organisation more precisely. Agreeing on policy is essential given the many dependencies and roles in climate policy. Differences between regions demand focused agreements about policy and approach. Alliander caters for this with a multi-layer adaptation policy. We work together with regional and local actors on spatial planning and measures such as local water management, dykes and quay reinforcement. In the development phase, we align the overall development plan and take measures accordingly. In existing situations, we take ad hoc measures where necessary. Lastly, we participate in (regional) emergency plans and crisis response simulations. In 2025, all measures related to climate change adaptation and our assets were consolidated into the Climate Change Adaptation framework document that will serve as the basis for all asset-related activities on this topic, recorded at both an operational and organisational level. It will be updated annually by an internal working group and includes actions that will be further developed during the current year.

Energy

We manage energy and gas networks, which means that very large volumes of energy pass along our networks every day. A great deal of our energy usage is associated with this. Alliander is accountable for the energy loss caused by the rapidly increasing transmission of energy in the part of the transmission networks it manages. Electricity network losses in 2025 were 1,245 GWh (2024: 1,297 GWh), while 49 million m^3 (2024: 32 million m^3) of gas was lost. In addition, we consumed energy as part of our own operations, including electricity and gas in buildings and at our sites, as well as energy for transportation in the form of fuel and electricity for our company fleet.

Transition and our own energy usage

Alliander wants to contribute to the energy transition by giving all customers access to sustainable energy on equal terms. In 2025, we facilitated the distribution of a total of 10,518 MW (2024: 10,077 MW) of solar and wind power through our networks. At the same time, we aim to keep the social cost of the transition as low as possible. Climate change means that rising energy use will ultimately have to be met solely from renewable forms such as wind, solar, hydropower or sustainable heating sources. Our contribution to the

energy transition and a fossil-free energy supply forms part of our strategy and is thus our most important social pillar. Secondly, we work within the limitations of the planet, which is why we align our strategy and business targets with the one-and-a-half degree scenario under the Paris Climate Agreement. To this end, we are making our own electricity usage more sustainable and are working towards making our operations circular.

Impacts, risks and opportunities

- Positive impact – Creating infrastructure for further electrification and use of renewable energy make a positive contribution to the energy transition.
- Risk – Declining gas consumption and fewer gas connections increase the cost per gas connection and reduce revenue from gas consumption.
- Risk – Accumulating expenditures for necessary network investments lead to possible financing shortages.
- Opportunity – Climate agreements increase demand for heating connections, leading to higher revenue.
- Opportunity – Introduction of new technologies leads to higher revenue and cost savings.

Energy consumption and energy mix

Total energy usage related to own operations

Alliander has formulated targets for sustainable and efficient energy use for its operations. At least 10% of the electricity consumed in our buildings is renewable electricity we generate ourselves on site using solar panels (2,193 MWh in 2025). The remaining electricity consumption for buildings is procured. The electricity label for this represents a value of 380 g CO_2/kWh. All of Alliander's office buildings meet the criteria for an A or B label in accordance with the Building Structures (Living Environment) Decree (Besluit bouwwerken leefomgeving).

Our total energy usage rose by 7% from 1,687,361 to 1,798,055 MWh. This rise was mainly the result of an increase in administrative network losses and gas consumption in our network. Our total share of renewable energy went down by 10 percent, from 78% to 71%. The comparative figures for 2024 were adjusted following a recalibration of gas and electricity network losses. Volumes of both gas and electricity network losses were partly determined based on estimates and subsequently adjusted through reconciliation. For more details, see note 35 to the financial statements (critical accounting policies). The figure for gas network losses was subsequently revised to 116,823 MWh and the figure for electricity network losses to 45,464 MWh. As a result, total energy consumption for 2024 was corrected from 1,849,648 MWh to 1,687,361 MWh, constituting a downward revision of 162,287 MWh.

Energy consumption and mix	2025	2024
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	45,503	51,381
Fuel consumption from natural gas (MWh)	476,098	311,297
Fuel consumption from other non-renewable sources (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from non-renewable sources (MWh)	400	378
Total consumption from non-renewable sources (MWh)	**522,002**	**363,057**
Share of non-renewable sources in total energy consumption (%)	29%	22%
Consumption from nuclear sources (MWh)	-	-
Share of nuclear sources in total energy consumption (%)	0%	0%
Fuel consumption for renewable sources, including biomass (also industrial and municipal organic waste, biogas, renewable hydrogen, etc.) (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	1,273,861	1,323,078
Consumption of self-generated non-fuel renewable energy (MWh)	2,193	1,226
Total consumption from renewable sources (MWh)	**1,276,053**	**1,324,305**
Share of renewable sources in total energy consumption (%)	71%	78%
Total energy usage (MWh)	**1,798,055**	**1,687,361**

Energy intensity per million euros of net revenue

The energy intensity ratio is based on total energy consumption within Scope 1 and 2. This includes gas and electricity consumed in buildings, fuel consumption for transportation and generators, electricity consumption at stations and charging points, and electricity and gas network losses.

Total energy consumption is tied to our network management operations. The energy intensity ratio is calculated as total energy consumption divided by net revenue. For the net revenue figure, see note 21 to the financial statements.

In 2025, the energy intensity ratio fell slightly from 554 to 549 MWh per million euros of net revenue, as net revenue rose approximately 8% from €3,043 million to €3,273 million and total energy consumption rose approximately 7% from 1,687,361 MWh to 1,798,055 MWh. The increase in energy consumption was mainly related to greater administrative gas network losses that were caused in part by variations in gas pressure measurements and colder weather in 2025 compared to 2024. Electricity network losses, however, were down in 2025. Given that net revenue grew at a greater rate than total energy consumption, energy consumption per million euros of revenue fell slightly.

Energy usage and energy intensity (D35)	2025	2024[1]
Total energy usage (MWh)	1,798,055	1,687,361
Revenue (€ million)	3,273	3,043
Energy intensity (MWh/€ million of revenue)	549	554

1 The energy intensity ratio for 2024 was recalculated following the recalibration of gas and electricity network losses, as explained in the 'Total energy usage related to own operations' paragraph. As a result, the ratio was adjusted from 608 to 554 MWh per million euros of net revenue.

Notes to EU taxonomy key figures for sectors with high energy usage – Alliander

Net revenue from activities in sectors with a high climate impact, as defined in the EU Taxonomy, was €703 million in 2025 (2024: €709 million). This revenue derives mainly from the natural gas sector. Net revenue from activities that do not qualify as high climate impact sectors under the EU Taxonomy was €2,570 million (2024: €2,334 million). This comes mainly from electricity distribution. Both activities fall under Nace code 35.

EU taxonomy

Alliander implements the agreements on the national climate policy. This means that all our activities must contribute to national and international climate goals. We expect the distribution of OpEx, CapEx and revenue growth to increasingly reflect the achievement of these targets.

In order to achieve the objectives of the Paris Agreement by 2050, the European Union drew up the EU Action Plan in 2018 as part of the Green Deal to ensure that the European economy becomes more sustainable. The three main elements of the EU Action Plan are:

- Redirecting capital flows towards a more sustainable economy.
- Making sustainability a permanent aspect of risk management.
- Encouraging transparency and long-term thinking.

The next step was the adoption of the EU taxonomy, a classification system that shows whether cash flows support environmentally sustainable business activities. Under the EU Taxonomy Regulation (EU) 2020/852, companies report three financial indicators regarding environmentally sustainable business activities: turnover, CapEx and OpEx. The EU taxonomy serves six environmental objectives:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and control.

- Protection and restoration of biodiversity and ecosystems.

Alliander's operations have to be assessed against the EU taxonomy to establish whether they qualify (are 'eligible') as climate-related business activities on the basis of the definition. The assessment of the climate-related business activities involves determining whether they meet the criteria for making a 'substantial contribution' to the environmental objectives and also meet the 'do no significant harm' criteria in relation to the other five environmental objectives. At a corporate level, it must be determined whether Alliander meets the minimum safeguards with regard to human rights, corruption, tax and fair competition. If the aforementioned conditions are met, these business activities qualify as environmentally sustainable ('aligned') under the EU taxonomy.

In this sustainability statement, Alliander reports under the previous EU Taxonomy rules, in accordance with Delegated Regulation (EU) 2021/2178 (the EU Taxonomy Regulation).

Business activities that are eligible under the EU taxonomy

The EU taxonomy (Climate Delegated Act 2021/2139) defines which business activities are climate-related and thus qualify as eligible under the taxonomy. Some of Alliander's business activities fall under the 'climate change mitigation' environmental objective: 'Transmission and distribution of electricity' (code 4.9) and 'District heating/cooling distribution' (code 4.15). The business activities 'Transport by motorcycles, passenger cars and light commercial vehicles' (code 6.5) and 'Acquisition and ownership of buildings' (code 7.7) are also reported on; although they do not generate revenue, they do contribute to Alliander's sustainable objectives as supporting business operations.

Alliander has no business activities that focus on the five other environmental objectives stipulated by the Environmental Delegated Act 2023/2486. The climate-related business activities were therefore assessed on the basis of the 'climate change mitigation' objective. They do not overlap with other business activities, so there is no duplication in the reported figures. Transmission and distribution of electricity is an environmentally sustainable business activity under the EU taxonomy.

Alignment assessment

Transmission and distribution of electricity (4.9)

The infrastructure for distributing electricity is part of the European electricity network, so this facilitative business operation meets the criterion relating to substantial contribution.

However, direct connections between the network and third-party production units with emissions exceeding 100 grams CO_2 per kWh do not meet the requirements. Energy meters that are not smart meters are likewise excluded. The financial value of these activities is therefore included in a separate line. Electricity distribution meets the 'Do No Significant Harm' (DNSH) criteria for the other environmental objectives; a climate impact assessment has been carried out within the context of climate change adaptation and the criteria relating to circularity, pollution prevention and biodiversity are satisfied.

Heat distribution (4.15)

Heat distribution complies with the substantial contribution criteria (more than 50% of the distributed heat is residual heat) but not with the DNSH criteria. For instance, no climate impact assessment specifically for the district heating networks has been carried out yet. It is also not possible to demonstrate that the DNSH criteria for the marine environmental objective or for pollution prevention have been met.

Transport by motorbikes, passenger cars and light commercial vehicles (6.5)

As regards transport by motorbikes, passenger cars and light commercial vehicles, some of the passenger cars meet the emission requirement of releasing no more than 50 grams CO_2 per kilometre as set in the substantial contribution criteria. The lease companies do not yet have information to determine whether these vehicles also meet the DNSH criteria for the other environmental objectives.

Acquisition and ownership of buildings (7.7)

As regards acquisition and ownership of buildings, we have determined the locations at which investments have been made in new-build or renovation. These projects meet the substantial contribution criteria as regards energy efficiency. No climate impact assessment was performed for this business operation in 2025 to determine which measures have to be taken for climate change adaptation, and no data is available for the other environmental objectives to determine whether they meet the DNSH criteria. Due to the fact that the aforementioned business activities do not meet the DNSH criteria, they cannot be designated as environmentally sustainable.

Business activities that are not eligible under the EU taxonomy
Natural gas distribution and other (supporting) operations are not considered to be climate-related business activities under the EU taxonomy and are therefore not eligible for the EU taxonomy.

Minimum safeguards

We started raising awareness within Alliander and updating the risk analysis with regard to the violation of workers' and human rights in the value chain. We communicated with fellow network operators and with suppliers in the chain about the introduction of the CSRD and the actions required to gain a better insight into human rights in the value chain and to safeguard them. For components that are made up of many parts, it can be difficult to get a clear picture of the entire value chain. On the other hand, suppliers are often major European businesses that also implement human rights legislation. The introduction of Human Rights Due Diligence in the supply chain is a continuous process aimed at organising human rights monitoring in accordance with international legislation throughout the supply chain and implementing measures to rectify and prevent violations where required. We are expanding due diligence measures to respect workers' and human rights across our value chain, in line with the expectations of the minimum safeguards from the EU Taxonomy. The added measures include identifying, preventing, mitigating and monitoring actual and potential risks in the value chain, and taking appropriate corrective and remedial action where necessary. For further details, see the 'Workers in the value chain (S2)' and 'Business conduct (G1)' sections.

For the 2025 reporting year, Alliander does not yet disclose EU Taxonomy alignment, because it cannot yet be proven for all eligible business activities that all requirements regarding the minimum safeguards are being met.

Financial information

The turnover under the EU taxonomy (Disclosure Delegated Act 2021/2178) is consistent with IFRS reporting standards and is therefore equal to the net revenue included in the financial statements under note 21. The turnover is allocated to Alliander's various business operations on the basis of sales records. The table shows how each operation is classified under the EU taxonomy. The CapEx relates to investments in property, plant and equipment (note 3), investments in intangible assets (note 4) and additions to right-of-use assets (note 3). Investments associated with assets held for sale are not part of this CapEx. The portion of the total investments that concerns climate-related business activities was determined by identifying the economic activity to which each asset group is related and assessing whether this activity is mentioned in the EU taxonomy. The OpEx under the EU taxonomy is defined as the non-capitalised direct costs for preserving the assets. Based on this definition, Alliander has only classified maintenance and outage costs as operating expenses under the EU taxonomy. We have determined which part of these maintenance and outage costs is associated with climate-related business activities based on the underlying work order and project records.

Activities in relation to nuclear energy and non-renewable gas

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

EU taxonomy key figures

Turnover 2025				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**Turnover**	**Proportion of Turnover**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1**	**Category (enabling activity (E))**	**Category (transitional acitivity (T))**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	F	
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		T
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission and distribution of electricity	4.9	2,552	79%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								76%		
Transmission and distribution of electricity	4.9	9	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Distribution of district heating and cooling	4.15	9	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,570**	**79%**	**79%**	**0%**	**0%**	**0%**	**0%**	**0%**								**77%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**2,570**	**79%**	**79%**	**0%**	**0%**	**0%**	**0%**	**0%**								**77%**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		**703**	**21%**																
Total for Alliander (A+B)		**3,273**	**100%**																

CapEx 2025				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**CapEx**	**Proportion of CapEx**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1**	**Category (enabling activity (E))**	**Category (transitional acitivity (T))**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		T
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission and distribution of electricity	4.9	1,663	77%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								77%		
Transmission and distribution of electricity	4.9	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Distribution of district heating and cooling	4.15	20	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Transport by motorcycle, passenger car or light commercial vehicle	6.5	23	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Transport by motorcycle, passenger car or light commercial vehicle	6.5	8	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	7.7	34	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,748**	**81%**	**81%**	**0%**	**0%**	**0%**	**0%**	**0%**								**80%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**1,748**	**81%**	**81%**	**0%**	**0%**	**0%**	**0%**	**0%**								**80%**		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities (B)		**404**	**19%**																
Total for Alliander (A+B)		**2,152**	**100%**																

OpEx 2025				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity and ecosystems**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1**	**Category (enabling activity (E))**	**Category (transitional acitivity (T))**
		€ million	%	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y;N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	F	
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		T
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission and distribution of electricity	4.9	166	75%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								75%		
Transmission and distribution of electricity	4.9	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Distribution of district heating and cooling	4.15	2	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Acquisition and ownership of buildings	7.7	7	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**175**	**79%**	**79%**	**0%**	**0%**	**0%**	**0%**	**0%**								**78%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**175**	**79%**	**79%**	**0%**	**0%**	**0%**	**0%**	**0%**								**78%**		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities (B)		**46**	**21%**																
Total for Alliander (A+B)		**221**	**100%**																

Circular economy (E5)

Achieving the energy transition will require a lot of (critical) materials such as copper, aluminium and plastic. These materials are scarce and increasingly play a role in geopolitical conflicts. For us as a network operator, they are indispensable in the production of cables, transformers and gas pipes. Prolonged shortages caused by supply issues or limited production capacity may affect our ability to complete the work package and potentially put pressure on our relationships with suppliers, which may result in higher costs.

Resource inflows and use

Inflow

Inflows include raw or processed materials that are required for the production of our most important components and equipment.

Impacts, risks and opportunities

- Negative impact – Using materials makes a negative contribution to the availability of those materials.
- Risk – A disruption in the supply chain due to material shortages and/or geopolitical circumstances could lead to higher material procurement costs.
- Opportunity – Reusing materials and components in our operations and in the value chain, and collaboration between suppliers and network operators could reduce the consumption of (scarce) raw materials.
- Opportunity – Through greater availability of materials and collaborations with suppliers and sheltered work enterprises for the repair and overhaul of equipment, we can reduce our vulnerability to disruptions in the international value chain. This would reduce purchases of new products and create cost savings.

Policy and approach

In 2025, Alliander developed a Circular Strategy that formulates an ambition, defines KPIs and sets targets. Circular procurement is one of the KPIs. The strategy is intended as a management framework to integrate circularity into the organisation. Alliander does not yet have a policy relating to circularity.

Given that Alliander did not yet have a formal circularity policy in place in 2025, further detail was added to the strategy to move towards developing a policy. This ultimately produced a policy plan for circularity that was approved by the Management Board in January 2026.

Raw material passport

To calculate our circular procurement of our core assets, we ask our suppliers to submit a raw material passport. We have not yet received raw material passports for all our core assets. A raw material passport specifies the quantity of each raw material in the product and the percentage that is recycled or otherwise reused or recovered. Raw material passports for cables are certified by Kiwa, whereby the suppliers themselves request certification. For other core assets, we validate the information provided by suppliers by performing audits. We also validate data from the passports, except those for cables, using the CE Delft method, which sees us check the data submitted by suppliers against a central database.

Reuse

Applying circularity measures to materials, such as reuse (after repair and overhaul), will increase the availability of our existing inventories. This will also improve our ability to anticipate the maintenance of outdated facilities that cannot yet be replaced or do not need to be replaced. Reuse of materials contributes to the feasibility of the energy transition and reduces costs over the long term.

The incomplete (un)coded material flow for grid components and tools is screened upon use by the Circular team. During the intake process we distinguish between product types and possible purposes. In so doing we follow the value chain, assessing suitability for:

1. Alliander
2. Other network operators
3. Suppliers
4. Commercial sales
5. Charities

If repurposing in one of these categories is not possible, the product is regarded as waste.

Actions

As well as pursuing circular procurement, we have also carried out other activities in relation to circularity.

- Alliander is a member of the CEE (Circular Energy Economy) platform, which is a joint initiative by network operators, InvestNL and the FEDET industry association to promote circularity within the energy sector. One of the campaigns that CEE organised in 2025 was a sprint focused on the procurement of recycled aluminium for cables and recycled steel for distribution transformers.
- We formulated the definition and terms of (potential) overhaul products and established a financial framework. In 2024, we set up a pilot project for overhauling multi-joints (gas couplings) with a sheltered work enterprise, who helped us with the cleaning, disassembly and reassembly. The supplier provided missing materials for this purpose. The pilot ultimately showed that over 90% of multi-joints are suitable for reuse. There are no new pilot results for 2025. A key takeaway from the pilot is that we only want to pursue overhauls when there is a clear business need. This aligns with the ‘Refuse’ step of the R-ladder method for a circular economy (‘Do we really need it?’). In collaboration with suppliers, we had 34 compact stations overhauled in 2025 (2024: 76). Such stations are made up of a reused transformer and switchgear (magnefix). We collect stations that come from the network and have them checked for reusability by a technical specialist. The numbers for 2025 are lower than those for 2024. We saw demand lag significantly behind supply. We developed an action plan and began implementing the improvement measures.
- We created a circular materials warehouse in our inventory management system, which gives us better insight into our inventory, and we shared this with Liander Logistics and other parties. In 2024, we began introducing coded tools and so created a blueprint for the systematic introduction of other circular materials. The number of reused tools issued to operations totalled 3,102 (2024: 1,624).

Objectives and results in 2025

The circular procurement KPI shows which percentage of the materials we procure are recycled materials. Within the scope of this KPI, our core assets include low-voltage, medium-voltage and high-voltage cables, gas pipes, distribution and power transformers, (smart) electricity and gas meters, and switchgear. For 2025, the target is to procure 9% of our core assets from circular sources. In 2024, no target had been set yet for the proportion of procured materials that are recycled.

In 2025, we purchased 7.5% of our materials on a circular basis (2024: 6.8%). Among other things, we did so by including conditions in tender processes for cables and distribution transformers that were aimed at increasing the use of recycled materials and stimulating the market's creativity regarding the development of circular materials. Alliander has set a target of 50% circularity in procurement by 2030. Based on the Circular Strategy we have designed, we are developing a roadmap and implementation plan outlining the actions needed to achieve the target.

The table below shows the total weight and the circularity of materials used:

Key components	Total weight (tonnes)		Circularity (tonnes)		Circularity (%)	
	2025	2024	2025	2024	2025	2024
Cables	18,856	18,911	1,746	1,165	9.3%	6.2%
Meters	465	344	79	105	17.0%	30.5%
Pipes	1,745	1,521	77	57	4.4%	3.8%
Transformers	9,197	7,398	511	699	5.6%	9.0%
Switchgear	1,818	1,289	-	-	0.0%	0.0%
Total	**32,080**	**29,462**	**2,413**	**2,026**	**7.5%**	**6.8%**

The total volume of purchased products and materials is the total weight in tonnes of low, medium and high-voltage cables, gas pipes, distribution and power transformers, (smart) electricity and gas meters and switchgear purchased for our network management activities (electricity and gas). If the exact weight is wholly or partly unavailable, the weight is calculated on the basis of standard weights per core asset.

The weight of secondary reused or recycled components, products and materials is determined from the raw material passports provided by suppliers. If the exact weight is wholly or partly unavailable, the weight is calculated on the basis of current industry data per core asset.

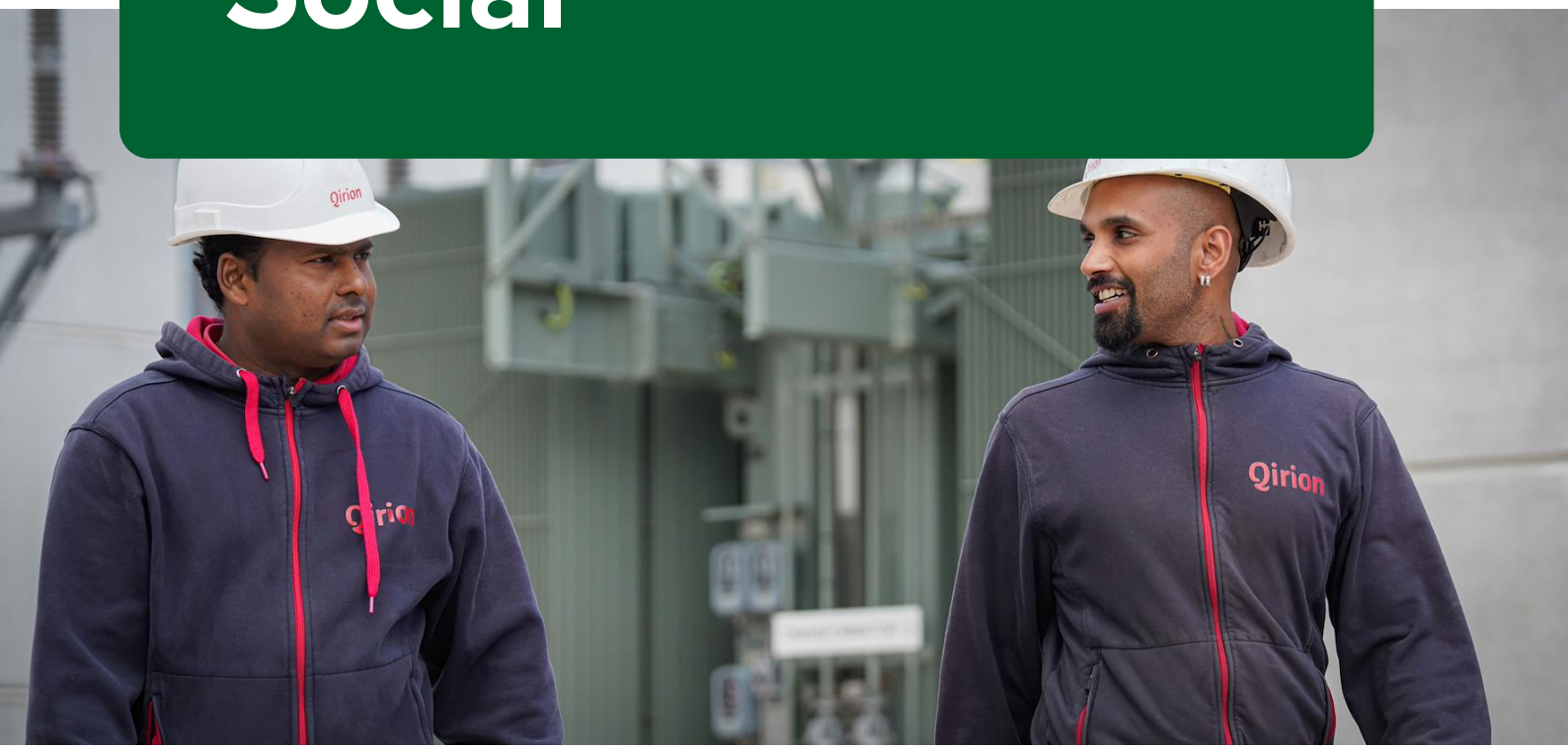
The percentage of secondary reused or recycled components, products and materials is determined from the raw material passports provided by suppliers. If the exact percentage is wholly or partly unavailable, the percentage is calculated on the basis of standard weights per core asset.

To determine the weight of a core asset and the percentage of recycled materials, our suppliers provide raw material passports stating these weights and percentages. Item data for the purchased products is retrieved from SAP and then linked to the raw material passports. If a raw material passport is not available for products purchased from a supplier, the material's weight is determined based on a raw material passport from a comparable supplier or, if necessary, determined based on data from SAP. This applies to a limited number of our high-voltage cables and some of our switchgear. In addition, the recycled content stated on the raw material passport is compared with data from independent research and advisory bureau DNV for verification purposes. To prevent overestimates, the lower of these two values is used in the calculation. If the raw material passport for an article is unavailable, it is assumed that the percentage of recycled materials is nil. This information is then used to calculate circularity.

Our plans

The year 2026 will be about operationalising our Circular Strategy. Life cycle analyses (LCAs) will be conducted for cables and transformers. Raw material passports will be available for over 90% of our core assets.

Social



As a regional network operator, we are committed to providing a safe, healthy and inclusive working environment for our own employees and employees of our value chain partners. We also have a social responsibility to consumers and the end-users of our services and products. In this section, we will report on our activities and performance with regard to the following topics:

- S1 – Own workforce (subtopics: employment conditions and equal treatment and opportunities for all).
- S2 – Workers in the value chain (subtopics: employment conditions, equal treatment and opportunities for all, and other labour-related human rights).
- S4 – Consumers and end-users (subtopics: information-related impacts, personal safety and social inclusion).

Own workforce (S1)

Alliander employs about 10,800 people (2024: approx. 9,900 employees), including agency workers. In terms of full-time equivalents (FTE), this is around 10,400 FTEs (2024: over 9,400 FTEs). The number of employees in FTEs includes employees converted to FTE based on a 38-hour working week, as on the final day of the reporting year.

The number of employees in service (in FTEs) is recognised in the financial statements under note 24.

Alliander acknowledges the importance of good employment practices and wishes to be and remain an 'employer of choice', i.e. an inclusive workplace where employees trust the people they work with, have opportunities for personal development and are proud of what they do. Alliander wants to be an organisation where they enjoy working in a pleasant atmosphere with colleagues, customers, suppliers and partners on the energy supply for a sustainable future.

Gender	Number of employees	
	2025	2024
Male	8,284	7,651
Female	2,448	2,154
Other	2	3
Not reported	103	79
Total	**10,837**	**9,887**

The total number of employees is made up of the number of employees employed directly by Alliander and the number of agency workers on the final day of the reporting year.

The 'Other' category concerns employees who chose not to disclose their gender. The 'Not reported' category concerns employees whose gender has not been recorded.

Employees in Germany account for less than 1% of the total workforce, which is why this figure is not disclosed separately.

	2025					2024				
	Male	Female	Other	Not specified	Total	Male	Female	Other	Not specified	Total
Total number of employees	8,284	2,448	2	103	10,837	7,651	2,154	3	79	9,887
Total number of permanent employees	5,768	1,667	2	-	7,437	5,055	1,400	1	-	6,456
Total number of temporary employees	2,516	781	-	103	3,400	2,596	754	2	79	3,431
Total number of on-call employees	-	-	-	-	-	-	-	-	-	-
Total number of full-time employees	6,817	1,333	-	74	8,224	6,112	1,065	1	65	7,243
Total number of part-time employees	1,467	1,115	2	29	2,613	1,539	1,089	2	14	2,644

The 'Other' category concerns employees who chose not to disclose their gender. The 'Not reported' category concerns employees whose gender has not been recorded.

Organisation and application

Our commitment to employee retention is outlined in policies, targets and measures of various types. Policies regarding our own employees apply to staff employed directly by Alliander on a contract governed by the collective labour agreement. Where indicated, these policies also apply to agency workers.

We comply with Dutch labour law and international human rights and labour standards, as laid down in the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). While they have not been explicitly incorporated into our policy, these declarations do set the frameworks for it. In our policy, we embrace diversity and emphasise freedom of association, the right to collective bargaining and prevention of discrimination.

The HRM (Human Resource Management) department is responsible for personnel policy. The SEQ (Safety, Environment and Quality) department is responsible for safety policy.

Working based on the Objective Goals Strategies Measures (OSGM) model

Based on the strategic topics and the underlying impacts, risks and opportunities, we formulate specific targets in relation to personnel and safety. These have been enshrined in the business plans and translated into concrete strategies and measures. The HR and SEQ departments each have their own OGSMs. See 'Defining objectives and monitoring progress' for details of this method.

The topics of personnel and safety form part of the OGSM of every Alliander business unit. Progress towards the targets is monitored on a monthly basis in consultation with the Management Board. Additional measures are formulated where required.

Employment conditions

Within our employment conditions, we distinguish between general employment conditions and health & safety. General employment conditions cover the sub-subtopics of job security and collective bargaining, including the percentage of staff covered by collective labour agreements and work-life balance.

General employment conditions

Impacts, risks and opportunities

To make the energy transition possible, we are growing substantially as an organisation, both by attracting more permanent employees and by bringing in agency workers. At Alliander, we are conscious of the impacts, risks and opportunities of our strategy and business model in relation to our workforce. We are expecting labour shortages to continue to grow over the next few years. Due to the ageing population and growing demand for skilled workers, there are persistent staff shortages in the engineering, construction and energy sectors, especially for technical and IT positions. This poses a risk to our mission to create an energy supply that gives everyone access to reliable, affordable and sustainable energy. For Alliander, good employment conditions are an indispensable part of attracting and retaining highly qualified and motivated staff. Good employment conditions also have a positive impact on employee well-being. Alliander remains committed to attracting and retaining well-qualified and motivated staff by offering attractive employment conditions and development opportunities. We take a variety of actions to encourage more people to take an interest in technology. We gauge employee satisfaction in order to respond to the needs of our different groups of staff and offer appropriate support and training.

- Positive impact – Good employment conditions make a positive contribution to employee well-being.
- Positive impact – Alliander's growth leads to more employment opportunities.
- Risk – A shortage in the availability of technical or other personnel on the market could lead to higher costs.

Policy and approach

Collective labour agreements

Given the tight labour market, employers and trade unions have agreed on a collective labour agreement for network companies that is based on a joint ambition to ensure the sector continues to be an attractive sector to work in. This collective labour agreement will run until 1 January 2027. The collective labour agreement for network companies includes provisions for regular salary increases and extended leave in the event of a death. Agreements were also reached on how to spend the long-term employability budget available to employees, which they can now also use to pay off student loans. The Vitality Scheme and the Sectoral Social Plan were also extended, and the sectoral frameworks for the Early Retirement Scheme exemption were adjusted in line with the Dutch national agreement on early retirement. Finally, agreements were made to carry out several sectoral studies, such as a study into improving the long-term employability of employees who work night, on-call and breakdown service shifts. In 2025, we reached an agreement with the unions on the new Alliander collective labour agreement, which will see the year-end bonus added to the employee flexible benefits allowance (Individueel Keuze Budget or IKB) as of 1 January 2026. As a result, employees will have a larger allowance, giving them more freedom to make their own choices regarding their employment conditions. Alliander and the unions also agreed to increase the allowance employees receive when they are promoted. Employees with contracts under the collective labour agreement make up 99.4% of the workforce (2024: 99.6%). Employees of our German businesses are covered by an equivalent German agreement. Employees not covered by the collective labour agreement include the members of the Management Board, TReNT employees and some of the employees working in our German operations.

All employees who fall under the collective labour agreement, as well as all employees working in our German operations, are entitled to family leave (99.7%). The percentage of entitled employees that actually took family-related leave was as follows:

Employee category (%)	2025	2024
Male	17.2%	15.9%
Female	18.6%	18.3%
Other	0.0%	0.0%
Total	**17.5%**	**16.4%**

Sectoral Social Plan

The Sectoral Social Plan, which runs from 1 July 2025 to 1 January 2027, applies to employees who are potentially affected by organisational changes. The underlying goal for the unions and the employers in the Energy Network Companies sector of the WENB (the employers' association for firms in the energy, telecoms, recycling and environment sectors) is to prevent redundancy and unemployment due to organisational change as far as possible. The Sectoral Social Plan is focused on finding alternative work and offers employees various possible ways to do this.

Senior management

In 2025, we implemented a new policy for senior management. Introduced to maintain Alliander's standing as an attractive employment option for experienced managers within the framework of the Dutch Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act and international labour standards, the new policy provides room for growth, transparency and recognition, while remaining socially responsible. The policy governs the employment conditions for senior management positions and specifies when the collective labour agreement and company schemes do or do not apply. Where applicable, this policy makes a distinction based on position and authority. The policy has been approved by the Management Board.

Employee participation

Like in 2024, employee participation at Alliander represented over 99% of permanent staff members in 2025. Alliander has a single Works Council at the level of Alliander N.V. The Works Council is directly elected by the employees and is involved in developments, progress towards targets, and measures affecting the company and its employees. The Works Council receives input from organisational unit committees (OCs), permanent committees (VCs) and preparatory committees (VBCs). Organisational units are represented in an organisational unit committee, and each organisational unit committee has a representative on the Works Council. Each organisational unit committee discusses all relevant matters concerning their organisational unit and its employees with the unit's director. Organisational unit committees can make use of focus groups to coordinate with the staff they represent, as set out in the Works Council regulations. For formal Works Council projects, i.e. requests for advice or requests for consent, the Alliander Works Council can appoint a preparatory committee (in consultation with the business unit committee) to handle the request and submit a draft letter of advice or consent to the Works Council. There are also permanent committees, each of which covers a focus area, such as the Finance, HR, Safety, Well-being and Environment committees. Elections took place in late 2024 and the new members have taken their seats on the Works Council.

The Works Council has monthly consultation meetings with the CEO, which are also attended by the CHRO. Members of the Supervisory Board attend these meetings twice a year. In 2025, the Executive Committee and the Works Council jointly organised so-called '*Praat maar raak*' sessions, which loosely translates as 'Get it off your chest', at 12 different locations. During these sessions, they engaged with employees directly based on their questions and concerns.

Labour market

With labour shortages expected to increase further over the next few years, Alliander has launched various initiatives to attract talented workers and to get a broader target group excited about engineering.

These initiatives include the deployment of engineering promoters, (regional and sectoral) initiatives to encourage people to switch careers to our sector or take training to join our sector, target group campaigns, talent matching and objective recruitment. Working together with sector partners in these efforts, we are focusing specifically on groups such as refugees with a provisional residence permit and women in technology, while also exploring ways for us to transition to a skills-based organisation.

Working internationally

In 2025, Alliander ensured that all HR-related information is available in English as well as Dutch. This includes all documents that employees have to read, consult and fill in throughout their employee life cycle, from onboarding to offboarding, as well as the HR systems they use. Additionally, we have optimised HR services for international employees and their (hiring) managers, streamlining procedures around work permits, A1 certificates for cross-border workers, application of the expat scheme (30% tax break) and workations.

Actions

- On 10 June 2025, the employers and trade unions signed a new collective labour agreement for network companies. For details, see the 'Collective labour agreement' paragraph.
- In 2025, a new policy was implemented for senior management, as explained under 'Senior management'.
- In 2025, Alliander ensured that all HR-related information is available in English as well as Dutch. For details, see the 'Working internationally' paragraph.

Objectives and results in 2025

Employee satisfaction survey

The Central Employee Barometer is an important way to measure how things are going with employees, how we are doing as an employer and what things we can improve. We measure this, among other things, by way of an employee satisfaction score and the employee Net Promoter Score (eNPS). This year's response was similar to last year's: 74%, topping the sector benchmark of 64%. Among our own employees, the response rate was 83% (2024: 84%). The employee satisfaction survey shows that employees are highly engaged (84% in 2025, 84% in 2024, against a target score of 81%) and feel proud to work for Alliander. In this context, the term 'engagement' means that when employees are engaged they enjoy their work. Thanks to the combination of a high eNPS score (36 in both 2025 and 2024 with the target being > 25) and the high score on being a good employer (74%; 76% in 2024), Alliander earned the 'World-class Workplace' designation for the third consecutive year. The Word-class Workplace survey compared Alliander against the Dutch average scores of 7.0 for the eNPS and 72% for the good employer score.

The Central Employee Barometer also shows that there are opportunities for improvement in areas such as Alliander's agility and effectiveness. Half of the employees (50%) believe that Alliander is taking the right steps to become a more agile and effective organisation. This is a drop of 4 percentage points compared to 2024. A considerable number of Alliander employees (26%, 2024: 23%) stated that work processes at Alliander are not well organised, which is in line with the industry benchmark. In 2025, 60% of respondents confirmed that innovations and improvements are indeed converted into solutions that work (2024: 67%). Of all Alliander employees, 65% believe that Alliander's mission is achievable (2024: 66%). Experience of work-related stress has decreased and is below the benchmark. Nevertheless, some of our teams still perceive their workload as high or very high. The barometer shows that more colleagues are now looking around for a job outside Alliander. The various organisational units and teams have been informed of the most important points for improvement from the employee barometer and can use the results as a starting point for discussions and improvement initiatives.

New hires

Last year, Alliander welcomed 219 new IT staff (2024: 246) and 490 new technicians (2024: 515). This year, like in previous years, we ran a development programme for refugees to train for a qualification in electricity grid installation and maintenance.

A target has not yet been formulated for the number of new hires. The FTE headcount of employees employed directly by Alliander in 2025 came to 8,608 FTEs (target: 8,566 FTEs).

Employee departures

In 2025, 530 employees left Alliander (2024: 863, including 390 due to the sale of Kenter), which puts our staff turnover rate at 6.4% (2024: 11.7%).

Outflow	2025		2024	
	Number	%	Number	%
Male	412	6.4%	675	11.7%
Female	117	6.2%	188	11.7%
Other	1	40%[1]	-	0.0%
Total	**530**	**6.4%**	**863**	**11.7%**

1 In 2025, one employee of undisclosed gender left the company, which represents 40% of the average number of employees of undisclosed gender.

The employee departure rate is calculated by dividing the total employee departures (excluding agency workers) by the average number of permanent employees during the reporting year.

Employees who leave Alliander receive a questionnaire and attend in-depth interviews on their reasons for leaving. Based on the results of these inquiries, we take measures to increase employee satisfaction and reduce staff outflows.

Our plans

In the 2026 reporting year, we will seal a new appropriate collective labour agreement for the sector and Alliander.

Due to the expected persistent labour shortages, we will continue working on expanding the target pool for technical personnel in 2026, through measures such as:

- Increasing the hiring of untapped potential through an industry-wide technical advancement programme.
- Setting up a technical operations school to provide optimal training to technical staff while minimising the burden on the organisation.
- Readying the organisation for international employees.

As of 1 January 2026, we will implement a new transportation policy that will give employees the flexibility to take a smart approach to travel and commuting by choosing the right means of transportation for every situation. This will allow employees to travel sustainably and comfortably, both for work and privately.

Health and safety

Our work involves safety risks. The impact of incidents can be severe. The number one priority is the personal suffering of those immediately affected and their families, colleagues and others around them. An accident often has a direct impact on business continuity (work comes to a halt) as well as on Alliander's reputation as a business and employer in a tight labour market. Safe, incident-free working is vital for everyone. The safety of networks for everyone involved is therefore our top priority. The possibility that incidents could occur in the energy network makes it even more essential to adopt a targeted approach. To achieve this, we ensure that we understand the risks and take action to mitigate them. The measures we take include procuring safer materials and better work equipment, improving working methods and training our employees and contractors. The safety policy is geared towards specific, higher-risk jobs, such as our technicians who work directly on the gas or electricity network.

Scope of the issue

Work-related accidents and sickness impair the well-being and happiness of those concerned. As an employer and project manager, Alliander always aims to make a positive contribution to the well-being of internal and external employees. Our impact extends further to our contractors and value chain partners. Safe and responsible working conditions are a fundamental human right, enshrined in national and international legislation, and agreements such as OECD, ILO and UN treaties. Safety incidents can also involve other stakeholders such as the general public, visitors or passers-by at locations where we are working.

Alliander is currently facing a variety of issues that lead to increased health and safety risks. These include the increasing speed of the energy transition, staff shortages, increasing material shortages, the outsourcing of work to contractors and the ageing of our assets.

On balance, we are having to handle a much higher workload, under high pressure, with less experienced employees. We have a duty to ensure that everyone gets home safely and to strive for a successful energy transition with zero accidents. Given the challenges, this is an exceptionally hard task. To ensure that we live up to this responsibility, we continued to place greater emphasis on the safety transition in 2025. There are three key aspects to this: safety controls, broad safety expertise and safe behaviour. We work on these aspects for and together with our staff, local communities, suppliers and contractors.

Impacts, risks and opportunities

Safety is the foundation that underpins our strategy and an essential precondition for our work. Health and safety risks are increasing due to the growing quantity of work, high work pressure, the growth of the organisation and the increased outsourcing of work to contractors. The biggest risk of incidents is faced by the employees who work directly on our energy networks. Our commitment to safety goes beyond our own organisation, extending to our value chain partners, contractors, suppliers, customers and local communities. We have a safety management system for identifying and managing the safety risks associated with our operations. Alliander also promotes a proactive safety culture. This results in a learning and performing organisation where ‘continuous safety improvement’ plays a central role.

- Negative impact – Health & safety incidents lead to the injury and death of employees.
- Risk – Safety incidents involving our staff lead to sickness absence, reputational damage, compensation and fines.

Safety

Policy and approach

The ‘Safety Vision’ policy document has been drawn up for safe working on our networks and has been approved by the Management Board. It addresses the following topics:

Safety controls

Together with its partners, Alliander has firmly embedded safety objectives and risks for working on assets in safety systems and structures. Measures to mitigate these risks are included in the production process. Incidents and nonconformities are always reported centrally and analysed, so that we can learn from them. This leads to better risk estimation and to improvements in the associated mitigation measures. Our primary focus is on full transparency. Safety data and information about our assets, projects, processes and risks are collated in conjunction with our partners and are made available to them. This results in a learning and performing organisation where ‘continuous safety improvement’ plays a central role. That enables us to follow new techniques and processes in a safe way.

Broad safety expertise

All staff at Alliander and our partners have the knowledge and skills required to work and act safely. We make sure of this in the selection, training and assessment of employees. Together, we are committed to technical and personal skills. We embed this in selection, assessment, training and education by explicitly defining the skills required for each role. We look at the hard and soft skills of all colleagues, we maintain those skills, and we no longer select technicians based on technical skills alone. New joiners, including those from other industries and speakers of other languages, can be deployed more easily, as the safety risks for numerous tasks have been reduced and the training requirements have been adjusted downwards accordingly.

Safe behaviour

Reducing the accident count to zero demands broad safety expertise and controls in systems and structures, but above all it demands a permanent change in behaviour. We realise that rules alone are not enough to ensure safety.

Actions

- Mandatory training: Safety is continuously embedded by ensuring that all authorised operational employees complete the required training on time, including instructions for first-time visitors, the HSE checklist for contractors (VCA) and life-saving actions. In addition to this, we have our tools tested and calibrated centrally to ensure that technicians have access to the right tools in a timely manner and without having to interrupt their work.
- Life-Saving Rules: Alliander goes by the 'Life-Saving Rules'. A safe working environment and a culture where a proactive attitude and behaviour regarding safety are central help us raise safety awareness and improve safety behaviour.

Objectives and results in 2025

Our goal is: 'Everyone safely home! With zero accidents.' We have not set a target for the Lost-Time Injury Frequency (LTIF), because the number of accidents leading to sickness absence should ideally be zero. On top of that, Alliander forges a culture with a proactive attitude and behaviour where safety comes first. We want a permanent change in behaviour that we can demonstrate by remaining consistently at level 4 on the Safety Culture Ladder. This score is monitored continuously via an internal safety management system comprising internal self-assessments, behavioural audits and topic-based analyses.

ISO 45001

Alliander has obtained ISO 45001 certification for all of its operational organisational units with the highest safety risks. These are the O&S, GVRN, KV and Qirion operational business units. ISO 45001 is the standard for health and safety management systems. Of Alliander's total workforce, 46% (2024: 49%) of employees employed directly by Alliander and 29% (2024: 31%) of agency workers at Alliander work for an ISO 45001-certified business unit. No quantitative target has been formulated. In addition to an internal safety management system, we have also documented the safety processes and had them tested under ISO 45001. We subsequently had these processes recorded in a central IT application so that they can be consulted by all employees.

Accidents

In 2025, there were 35 lost-time accidents (2024: 41) and 75 accidents without lost time (2024: 71). The majority of lost-time incidents in 2025 constituted falls and trips. There were no lost-time accidents due to electric arcing in 2025 (2024: 3, with 1 resulting in very serious injury). At contractors, Alliander recorded a total of 20 lost-time accidents (2024: 12) and 29 accidents without lost time (2024: 12).

	2025	2024
Coverage of the health and safety management system (%)	96%	96%
Number of accidents with no lost time	75	71
Number of lost-time accidents	35	41
Number of accidents resulting in fatalities	-	-
Number of cases of absence due to work-related ill health	145	90
Days lost to work-related accidents	975	501
Days lost to work-related ill health	22,593	13,043

The number of days lost to work-related ill health was calculated based on the company doctor's assessment of the work-related share of sickness absence reported to the company doctor. Since some of the cases of sickness absence had not yet ended when the original report was prepared, we were unable to recognise all cases. We therefore applied a partial recognition for these outstanding cases. This involved calculating the percentage of cases of sickness absence due to work-related ill health among the completed cases and using this percentage to estimate the share of cases of sickness absence due to work-related ill health in the ongoing cases.

As a result, the method used to determine the number of days of sickness absence due to work-related ill health involves some degree of estimation. The assumption is that employees are, on average, referred to the company doctor after 43 days of sickness absence. For cases of sickness absence lasting 43 days or more, the average duration of sickness absence was estimated at 158 days. The number of work-related sickness absence cases was subsequently multiplied by this average duration of 158 days to get the total number of days of sickness absence due to work-related ill health.

	Own		Agency/Contract		Total	
	2025	2024	2025	2024	2025	2024
Accidents with no lost time	71	68	4	3	75	71
Lost-time accidents	34	39	1	2	35	41
Accidents (%) (LTIF)	2.6	3.4	0.3	0.7	2.2	2.9

The LTIF figure was 2.2 in 2025 (2024: 2.9). LTIF indicates the number of work-related accidents during the financial year in which Alliander employees were involved and which led to time off work after the accident, expressed per million of man-hours worked. Like in 2024, the LTIF figure was calculated using the average number of FTEs in the financial year and a standard number of 1,600 hours worked per employee.

Adjustments to comparative figures

The table below provides an overview of the adjustments to the comparative figures. The nature and background of these adjustments are briefly explained below.

	Reported 2024	Recalculated 2024
Coverage of the health and safety management system (%)	100%	96%
Days lost to work-related ill health	52,048	13,043

The coverage rate of the health and safety management system was adjusted from 100% to 96% for 2024, because not all employees have access to the IT tool for the management system. In previous annual reports, we assumed full coverage. For the comparative figures, the coverage rate has now been aligned with the approach used in the 2025 reporting year, which aligns the assumed coverage rate with the ratio between employees with and without access.

The number of days of absence due to work-related ill health recorded in 2024 was based on an inaccurate figure. This was related to the use of data from the external company doctor's reporting system. As a result, the number of days of absence due to work-related ill health has been corrected from 52,048 to 13,043 days.

To rectify the error and ensure comparability between reporting years, the figures for the comparative year were subsequently recalculated using the method applied from 2025 onwards. This method involves some level of estimation. The assumption is that employees are, on average, referred to the company doctor after 43 days of sickness absence. For sickness absence cases lasting 43 days or longer, an average duration of 158 days was established based on 2025 data. The number of cases of absence due to work-related ill health in 2024, as provided by the external company doctor, was multiplied by this average duration of 158 days.

This method was applied consistently for 2025 and will be reproducible for subsequent years.

Our plans

Our aim remains to achieve the energy transition with zero accidents. Given this responsibility, together with the influx of new employees, maintaining a solid foundation remains a priority in 2026. Understanding and managing the risks is key. This means ensuring that employees know and can locate up-to-date information, instructions and agreements, with a focus on demonstrable expertise. We will increase safety consciousness by embedding the desired safety behaviour into all interventions. We will continue to comply with all laws, regulations and certification requirements in relation to safety.

Health

Policy and approach

Alliander supports employees in taking responsibility for their own well-being. We do this through the Long-Term Employability Budget, by enabling flexible, location-independent working and by giving employees the opportunity to strike the right work-life balance. Investing in long-term employability contributes to retaining employees and enhances Alliander's attractiveness as an employer. We have specified Alliander's vision and approach to long-term employability in a communication document. This is not an official policy document.

Staff members unable to work: recuperation

If an employee is not available for full-time work, the sickness absence and reintegration process is led by their manager. The manager receives assistance and support from an in-house prevention and leave specialist (case manager) and a certified occupational health and safety service (the Arbodienst), who can help managers with answers and advice. To maximise the employability of employees, interventions are performed by the collective health insurer Zilveren Kruis. Alliander has two protocols:

1. The time-off-work protocol (a brief summary of the time-off-work process).
2. The sick leave timelines for managers and staff, which contain detailed process descriptions.

Around 10% of Alliander employees take sick leave three times or more each year. For employees of our German operations, the proportion of frequent sickness absence has, for reporting purposes, been estimated based on the proportion of frequent sickness absence at Alliander, as separate source data was not available. Taking sick leave three or more times in any one year is what we call ‘frequent sickness absence’ and is an important indicator for a decline in long-term employability. Alliander believes it is important to pay close attention to frequent absentees, firstly to ascertain the underlying cause of their absence, but mostly in order to resolve it. Managers can also rely on the frequent absence protocol.

Actions

- In 2025, Alliander implemented a new sickness absence tracking system, Newdays. Newdays supports managers and internal prevention and sickness absence specialists by providing up-to-date and structured insights into the sickness absence process. It enables them to take timely and appropriate action, and contributes to effective employee guidance and the promotion of long-term employability.
- As part of creating a safe and healthy working environment, Alliander also struck up a partnership with Anoniemezorg.nl in 2025. This is a platform that gives employees access to low-threshold, confidential (anonymous) support for addiction or dependency issues, such as excessive use of alcohol, drugs, medication, gaming or gambling, without involving their managers.

- All employees, colleagues and managers who are concerned about themselves or someone else can use this service. The advisers at Anoniemezorg.nl are lived-experience experts who provide tailored guidance, including referral to appropriate care if necessary. This new initiative brings a sensitive topic more into the open and supports Alliander in promoting long-term employability and psychosocial workplace safety.
- Every three to five years, every Alliander employee is invited to undergo a Periodic Medical Check, which provides insight into their health and employability. On-call and breakdown service employees aged 55 or above are invited once every two years. Periodic Medical Checks are always voluntary. They consist of an online questionnaire, a medical check-up and a talk with a vitality coach. In 2025, 1,597 invitations were sent (2024: 1,426) and 722 checks were performed (2024: 662).

Objectives and results in 2025

The sickness absence rate was 4.2% in 2025 (2024: 4.1%). This was lower than the 2025 target of 4.3% (2024: 4.3%). The absence rate reports sickness absence (short, medium and long term) for permanent staff over a rolling 12-month period, excluding absence due to pregnancy.

Our plans

The target for the next few years will be to keep the average sickness absence rate below 4.3%. In 2026, we want to achieve this through policy and long-term employability programmes based on mental relaxation, physical fitness and social engagement.

Alliander wants employees who regularly work from home to have a healthy and safe home workspace. In 2025, Alliander launched the Home Working project to ensure safe and ergonomically sound workplaces for employees who work from home permanently or part-time. The project lets employees order a variety of safe and ergonomic products to set up their home workspace. Since Alliander covers the costs, employees will no longer have to pay for such equipment from their personal long-term employability budget. It is expected to be implemented in the first quarter of 2026.

Equal treatment and equal opportunities for all

Alliance is committed to being an inclusive organisation that reflects the diversity of our society in its Management Board, management and workforce. Diversity in terms of gender and culture makes us more innovative and more effective, which safeguards our future. In equal treatment and equal opportunities, we distinguish between inclusion and equality, training and development, and actions against violence and intimidation in the workplace.

Impacts, risks and opportunities

To deliver on our mission, we maintain a focus on inclusion and diversity. We pay particular attention to women in managerial positions, the cultural background of our employees, people from the LGBTIQ+ community, people with poor employment prospects and the age structure of our workforce. This applies both to our permanent and temporary employees, and to all our partners in the energy supply chain. We believe that a safe workplace where everybody feels at home contributes to the welfare of our employees and benefits productivity. However, there are challenges. Inappropriate behaviour has a negative impact on the shop floor and can diminish employee well-being. Moreover, a lack of diversity and inclusion leads to a loss of talent and higher staff costs. To manage and mitigate such impacts and risks, we invest in special employee networks, raise awareness of social safety and pay a great deal of attention to the Speak Up (Spreek je uit) policy so that we can identify and correct abuses.

- Positive impact – Equal treatment and equal opportunities for all contribute positively to the welfare and development of employees.
- Negative impact – Inappropriate behaviour on the shop floor can diminish employee well-being.
- Risk – Insufficient diversity and inclusion lead to a loss of talent and higher staff costs.

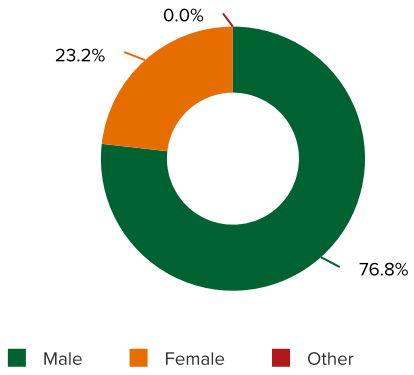
Inclusion and equality

Policy and approach

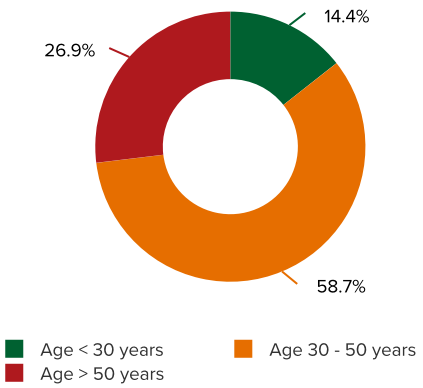
The Management Board approved the current diversity, inclusion and equality policy in 2023. The policy was incorporated into a multi-year plan containing spearheads in the field of cultural diversity, women in managerial positions, management and data, advancement and retention of colleagues from minority groups. Our inclusion policy focuses on five areas:

- Gender: we aim to create equal opportunities for everyone, regardless of their gender. We aim to balance diversity in all layers and parts of our organisation. Our policy specifically targets representation of women in managerial positions and in technical positions.
- Cultural background: we aim to create equal opportunities for everyone, regardless of their ethnic background (colour, religion, culture). We aim to improve cultural diversity across all layers and parts of our organisation, with a special focus on greater cultural diversity in managerial positions.
- LGBTIQ+: we aim to create a culture where everyone can be themselves and feels safe to express their sexual orientation, gender identity, relationships or family situation.
- Poor employment prospects: we aim to include people with poor employment prospects, focusing on the target group that falls under the government's job promise scheme ('banenafspraak'). We offer long-terms jobs and work experience placements.
- Age: we aim to create a culture where both young and old feel at home and realise their potential.

Employee breakdown by gender



Employee breakdown by age



Actions

- Alliander launches initiatives every year that are aligned with women's needs to create a more inclusive working environment. To start conversations on this topic, we carried out various webinars and organised the Hi Vrouw ('Hi Woman') event. We also expanded our range of safety workwear and continued providing inclusive facilities for women in the workplace.
- Every year, Alliander marks days and occasions that are important to certain groups of colleagues to promote cohesion and inclusion, such as Ramadan, Keti Koti, Coming Out Day and Diversity Month.
- Six employee networks play a role in promoting inclusion and social cohesion, namely: 'Wij zijn Nexus' (a multicultural network), Lianne (a women's network), Pride (an LGBTIQ+ network), Young Alliander (a youth network), Mission Possible (for people with occupational disabilities) and Globals (for international colleagues). The Young Alliander network organised a generation show. The Lianne network regularly holds open-to-all events where women can meet female colleagues. The Globals network contributed to the inclusion of non-Dutch speaking colleagues by holding information sessions in English on topics such as the collective labour agreement and the intranet.

Objectives and results in 2025

Women in senior management

The proportion of women in senior management up to N-2 positions, i.e. the Management Board, directors and managers in the hierarchical layer directly below the Management Board), is 40% (2024: 38%), meaning that we met our target of 33% for 2025.

	2025		2024	
	Number	%	Number	%
Women in managerial positions up to N-2	8	40%	11	38%
Men in managerial positions up to N-2	12	60%	18	62%
Total	**20**	**100%**	**29**	**100%**

Equal pay

The gender pay gap is -7.4% (2024: -1.3%). Alliander aims to provide equal pay for equal work, regardless of gender, so we have not formulated a quantitative gender pay gap target. In other words, women are paid slightly more on average than men. The gender pay gap is the difference between the average pay of male employees and female employees, as a percentage of the male employees' average pay. The pay gap is calculated based on the number of staff employed at the year-end and gross monthly pay in December of the year in question.

The ratio of the total annual pay for the best-paid person to the median annual pay for all employees is 4.1 (2024: 4.2). The ratio of the total annual pay for the highest-paid person to the median annual pay for all employees is calculated based on total annual pay.

Number of participation jobs

Alliander also strives to include people with poor employment prospects. We offer long-term work to people with poor job prospects who meet the criteria of the Dutch Labour Participation Act. With 157.1 FTEs held by persons from this category in 2025 (2024: 145.3 FTEs), we did not hit our target of 186.1 FTEs. Alliander has opted for a realistic growth model based on solid analyses and realistic expectations, which allows us to offer opportunities to people with poor employment prospects. In our experience, the tight labour market also applies to the target group of people with poor employment prospects. Finding suitable candidates requires additional effort. We are looking for new partners who have candidates with the right level of education. Alliander's demand for candidates currently exceeds the supply.

Jobs for persons with poor employment prospects	2025		2024	
	Own	Agency/Contract	Own	Agency/Contract
Male	1.5%	0.9%	1.4%	1.2%
Female	2.1%	0.8%	1.9%	0.9%
Other	0.0%	0.0%	0.0%	0.0%
Total	**1.6%**	**0.8%**	**1.5%**	**1.1%**

The number of participation jobs is made up of the number of permanent employees and agency workers who, on 31 December, are registered with the Employee Insurance Agency UWV as having an illness or disability that is making it harder for them to find work. Employees who have a registration and employees participating in the practical route* are counted. *Practical route: The municipality conducts what is known as a 'wage value measurement' to determine whether an employee is capable of earning the Dutch minimum wage and forwards the result to UWV, which then includes the employee in the target group register. These employees are counted until the application is completed.

Age structure

Age structure	2025		2024	
	Number	%	Number	%
Employees aged < 30 years	1,279	14.4%	1,093	14.1%
Employees aged 30-50 years	5,215	58.7%	4,411	57.0%
Employees aged > 50 years	2,390	26.9%	2,232	28.9%
Total	**8,884**	**100.0%**	**7,736**	**100.0%**

The age structure of our workforce is based on the number of permanent employees on the last day of the reporting year.

Our plans

We will continue to build an inclusive and diverse organisation. In 2025, we shaped our policy, regulations, financial resources and assistance opportunities so as to make it easier to create, source, fill and make a success of participation jobs and the people who work in them. We aim to comply with the statutory target by 2029. In 2026, we will decide which measures we can implement and monitor.

Training and development

We invest in our people with good employment conditions and training opportunities to tackle today's and tomorrow's energy challenges. Employees are encouraged to develop their professional skills with a range of training and development opportunities. Special attention is devoted to safety training for specialist roles or roles involving specific risks.

Policy and approach

After launching the Learning and Development model in 2024, which had been approved by the Management Board in 2023, the first academies for specific organisational units went live in 2025. The academies will serve to structure and classify training courses and other interventions to support each unit's strategy. In 2025, we took important steps to better organise and use certificates within the various organisational units. Employees can use the My Development platform to check which certificates they have attained.

We also set up academies that focus on five topics that are strategically important to Alliander: engineering, safety, leadership, personal development and digital. In these academies, the first training courses and interventions are being identified and made available to everyone at Alliander.

My Energy Plan is the approach we are using to set agreements and targets for permanent staff. It enables us to pay attention to the performance, conduct and development of employees. In My Energy Plan, pay is no longer linked to performance assessments. My Energy Plan forms the basis for meetings between employees and their managers.

Actions

- In 2025, we collaborated with a managed service provider for training. This is an external partner that performs supplier management on our behalf and meets Alliander's external training needs. The associated digital platform gives employees access to the Academies. Moreover, by engaging this service provider, Alliander can offer unlimited learning to the majority of permanent employees (as from 2025). This means we are making training courses equally available to the majority of own employees, subject to a set of ground rules, and so are offering equal opportunities for development.
- We offer various training programmes and opportunities for development to make teams better able to perform and learn. In addition, the right professional knowledge and skills are available when needed and we apply a broad approach to talent development, both professional and personal. These learning and development opportunities are offered by way of team coaches and training and development programmes. They are part of our talent management and trainee programmes.
- We have a general onboarding programme called 'Join the Grid' that gives new employees an inspiring and efficient welcome. This programme is mandatory for all new employees and consists of several activities during the first 100 days after joining Alliander. In addition to the general onboarding, most departments have their own specific onboarding programmes. During the first or second month of employment at Alliander, every new colleague takes part in the Introduction Day, which offers opportunities to network, ask questions and learn more about their role in the energy transition, the organisation's structure and the importance of safety. In total, we have 15 e-learning modules containing practical information, essential safety guidelines, useful details about the organisation, our strategy and the work we do together. Finally, we organise various webinars that new colleagues can sign up for during their first 100 days. A webinar is an online session that provides useful information and helps new employees grow their personal network. These improvements have enhanced the overall onboarding experience for new employees.

Objectives and results in 2025

In 2025, Alliander invested 3.8% of its wage bill in employee training (2024: 3.6%). The aim is to ensure equal learning opportunities for all employees. No target has been formulated yet.

Career centre

The career centre supports all Alliander employees who are exploring their next career move. No colleagues became redundant in 2025 (2024: 4), and 448 (2024: 415) people made use of careers advice and coaching. In 2025, 44 employees managed to find a new job or an appropriate alternative (2024: 65). Our career counsellors support employees in finding a suitable and future-proof role, taking into account both personal ambitions and organisational goals. We believe that everyone is worth investing in, and we do this by offering internships, secondments, and training. We talk to employees about their future development in their current role or elsewhere. Investing in our employees in a timely manner enables us to ensure a strong internal labour market where everyone has the opportunity to make the most of their talents.

Our plans

Employees improve their performance, conduct and development in meetings with managers through My Energy Plan. In 2025, we made unrestricted learning available to all employees with an Alliander contract. Career and development pathways are also available for critical target groups in the production chains. We aim to further develop this in 2026.

Actions against violence and intimidation in the workplace

Policy and approach

Code of conduct

The code of conduct sets out how we deal with each other, business and personal interests, business assets, health and safety, and the environment. In this way, we protect Alliander's customers, relationships and reputation, and jointly safeguard a pleasant and safe working environment. Code of conduct violations are handled fairly and may result in disciplinary measures. Depending on the severity of the violation, measures can range from a (formal) warning to termination of employment.

In order to identify and address possible misconduct on a timely basis, we have Speak Up processes in place for employees and managers, describing where and how employees can report inappropriate behaviour or suspected misconduct and how managers should handle such reports. Various options exist, such as the scheme for reporting suspected misconduct, the complaints procedure for inappropriate behaviour and the general regulation on complaints. The Management Board monitors the effectiveness of and compliance with Alliander's code of conduct. Every six months, the Management Board informs the Supervisory Board of its findings and observations via the Audit Committee. These reports are based on investigations into suspected violations of Alliander's code of conduct.

The Internal Audit department acts as a fraud disclosure desk and investigates reported incidents in accordance with the investigation protocol. Every new employee, including Management Board members and agency workers, is given the code of conduct when they start work. In addition, employees are required to periodically complete an e-learning course on integrity, which covers topics from the code of conduct. With this, we aim to state clearly how employees should behave towards one another, what standards and values we cherish in our organisation and how and where they can report inappropriate behaviour. In this way, we can all safeguard a pleasant and safe working environment.

Acting with integrity

The integrity e-learning course helps employees to become and stay conscious of integrity requirements and challenges. Integrity issues and ways of dealing with dilemmas in this field are also discussed in team meetings. Aspects covered include a safe working environment, anti-corruption measures, prevention of conflicts of interest, dealing with gifts, and handling confidential information. Articles and blogs by managers and directors focusing on integrity risks are also regularly published on the intranet.

Reporting channels

Alliander is committed to fostering a socially safe organisation and working environment, where employees feel comfortable, can be themselves, and can act in the best interests of both the organisation and society. This means doing the right things (in line with our strategy) in the right way (according to our values), with our code of conduct as the basis.

To ensure social safety, we have several reporting channels available to employees: the complaints procedure, the whistleblower policy and the aggression help desk. Although these channels are intended for different types of concerns, they share an important common goal: they jointly contribute to creating an ethical, safe and respectful working environment for everyone at Alliander.

Handling complaints

The complaints procedure for inappropriate behaviour, the scheme for reporting suspected misconduct and a whistleblower policy are in place so that employees can report suspected misconduct safely and in a structured way. In addition, the regulation on complaints related to employment conditions – previously applicable only to reorganisations – is available as a procedure for objecting to all decisions affecting employment conditions. Employees can also raise concerns in confidence with nominated officers within Alliander.

Whistleblower policy

The whistleblower policy encourages employees to report every complaint or inappropriate situation within the organisation. More information about the whistleblower policy can be found under 'Business conduct (G1)'. Every six months, the nominated officer for the whistleblower policy provides the Management Board and the Audit Committee of the Supervisory Board with a list of whistleblowing reports received and the actions taken in response.

Aggression help desk

We have seen an increase in aggression towards Alliander employees, both from customers and local residents. To support employees in these situations, we have set up the Aggression Help Desk. This help desk provides access to training, toolboxes and protocols for prevention, intervention and aftercare. Employees can report incidents to the Aggression Help Desk using a form in the safety management system. This allows us to gain insight into the nature and extent of aggression and to implement targeted measures.

Although the help desk serves as a central point of contact, willingness to report incidents of aggression is low, partly due to a lack of awareness of the resources available and because aggressive behaviour has become normalised in our society. As a result, we are not aware of the full extent of the actual impact of aggression on our employees and the organisation.

It is important for Alliander to convey unequivocally that aggression is always unacceptable. Raising awareness, strengthening communication and improving access to support contribute to building a safer working environment.

Actions

- In 2025, we took several measures to strengthen social safety within Alliander. We updated the 'How we do things at Alliander' e-learning course and now also have an English version of it for our international colleagues. These interactive modules help employees recognise and assess integrity issues, including dilemmas and practical situations related to social safety.
- At the beginning of 2025, we set up the Multidisciplinary Integrity Team (MDT) to follow on from the Social Safety working group. Made up of representatives from Risk Management & Compliance, HR (Advisory and Diversity & Inclusion), Internal Audit, the Works Council and SEQ, as well as confidential advisers, the MDT prioritises and coordinates integrity-related actions. To support these efforts, we organised several workshops on social safety and integrity to increase knowledge and provide employees with practical guidance within the organisation.

Objectives and results in 2025

Personal safety

The 2025 Central Employee Barometer shows that 87% (2024: 87%) of employees view Alliander as a socially safe workplace. Since Alliander aims to make sure *all* employees experience their working environment as socially safe, we have not formulated a quantitative target for this. However, 7% (2024: 7%) of our colleagues indicate that they experienced inappropriate behaviour last year like abuse of power, bullying or discrimination. Of these cases, 99% involved verbal misconduct and 1% physical misconduct. 8% of our employees have suffered inappropriate behaviour by customers or members of the public. This appears to be a social trend, which is having a major impact on our colleagues. Approximately nine out of ten employees (92%) feel safe to openly discuss mistakes. There is a positive trend in perceived appreciation when employees express a dissenting opinion.

Reporting to confidential advisers

The number of times people reported situations to confidential advisers increased to 149 (2024: 116). Of these cases, 13 concerned discrimination (2024: 10). Alliander aims to provide a safe and respectful working environment where inappropriate behaviour is prevented, and ideally there is no need to make any reports of inappropriate behaviour at all, so we have not formulated a specific target for this. The number of serious human rights incidents remained at zero. We found no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights (UNGPs). These reports to confidential advisers did not give rise to fines or compensation for discrimination or human rights breaches. The rise in the number of reports is partly due to the growth of Alliander's workforce and the greater awareness of confidential advisers within the organisation. In 2025, employees had eight confidential advisers (2024: 8) they could turn to, one of whom was an external confidential adviser (2024: 1), to report incidents of inappropriate behaviour such as discrimination, sexual harassment, bullying, aggression and violence.

Reporting fraud and incidents

The fraud disclosure desk completed 15 investigations into fraud and incident reports in the year under review (2024: 31). Alliander aims to provide a working environment where integrity and compliance are safeguarded, which prevents fraud and incidents so there will ideally never be a need to report anything, which is why we have not formulated a target for this. Following the completed investigations, the management involved decided to impose a measure or sanction in four cases (2024: 23), including summary dismissal, termination of the employment contract through a settlement agreement and termination of the business relationship with an external party. Apart from reports of fraud and incidents, there were 63 cases where managers decided to impose sanctions (2024: 80) varying from an official warning to a settlement agreement. These cases ranged from attitude issues and behaviour (including inappropriate behaviour) to issues around employee performance.

Our plans

Alliander will continue to focus on strengthening social safety in 2026. In January, we organised the third sector-wide Integrity Week in collaboration with other energy companies and suppliers, which involved various activities, including a webinar and an in-person event. In addition, the Integrity working group will carry out targeted actions, such as developing toolboxes on sexually inappropriate behaviour, reviewing integrity procedures and organising workshops for teams within Alliander.

To further enhance the effectiveness of policies and measures, efforts will focus on formalising review processes and conducting more targeted research among employees, with specific attention for vulnerable groups and victims of inappropriate behaviour.

Workers in the value chain (S2)

Employment conditions, equal treatment and equal opportunities for all, and other work-related rights

The expansion and maintenance of our networks and the assets for supporting those activities result in a substantial demand for materials.

The increased workload due to the energy transition has led to more purchases of goods and services from our direct and indirect value chain partners. That has an impact on them. On the one hand, this impact is positive, because increased demand creates jobs, and because agreements on employment conditions, such as working hours and safety, can be reached in our direct relationships with business partners.

On the other, the impact is also negative, especially further up the chain. Higher demand means more mining of raw materials and increased production of specific materials and components. This can negatively impact the environment and working conditions. Lengthy product chains are associated with risks in terms of human rights compliance. Through them, we indirectly contribute to the impact on circumstances elsewhere.

Outsourcing, investments and production sometimes lead to an increased risk regarding the recognition and observance of norms in such areas as fundamental human rights, safety and the environment. Findings from external research also show that there are risks to workers' rights in our value chains. We will investigate these risks further in 2026, partly in collaboration with NGOs. Collaborating with these parties will enable us to increase transparency in our value chain. Based on the identified risks, we can develop a collective action plan with specific measures to mitigate those risks.

We organise supplier assessments, audits and consultation meetings to address topics such as safety, working conditions and compliance with labour and human rights for the workers of our partners across the value chain. The resulting insights are taken into account in being a responsible client and in our procurement criteria and forms of collaboration. This is how we ensure that the interests and rights of workers in the value chain are always considered.

Within our value chain, we are seeing that adverse impacts on workers can be both incidental and systemic, such as staff shortages, increasing workloads and challenges resulting from the acceleration of the energy transition. These insights enable us to implement targeted measures together with our value chain partners, including a stronger focus on safe working practices and clear agreements on working conditions.

Impacts, risks and opportunities

- Negative impact – Poor working conditions in the value chain lead to a decline in the welfare of workers in the value chain.
- Risk – Insufficient compliance with employment conditions in the value chain may lead to reputational harm and higher costs.
- Risk – Breaches of labour rights and human rights in the value chain could lead to Alliander being held liable or fined.

Policy and approach

Wherever they are in the world, workers deserve to work in humane, decent and safe conditions. At Alliander, ethical and honest business practices are paramount. By setting criteria for circularity, carbon emissions, working conditions and the social performance of business partners, both they and Alliander will contribute to sustainability and increase the social impact of their spending. These criteria are laid down in Alliander's code of conduct for business partners. This code is based on OECD guidelines and also respects the international treaties on employment conditions and working environments drawn up by the International Labour Organization (ILO).

This code of conduct for business partners sets requirements for matters such as the ban on child labour, human trafficking, forced labour, discrimination, safety, the environment and employment conditions. Alliander expects business partners to comply with this code of conduct in their own business operations and in their dealings with their own suppliers upstream.

If a situation arises where Alliander or a business partner causes a human rights violation, this can be reported through the reporting procedure. In the event of potential violations, we take action appropriate to the situation and our level of involvement.

Within the sector, a report was received regarding a possible breach of the Fair Labour Association (FLA) / International Labour Organization (ILO) guidelines at a supplier that had moved its production from Europe to Asia. The parties involved conducted a joint investigation. It ultimately led to the supplier committing towards Alliander to make improvements, which Alliander actively monitors.

Compliance with the code of conduct in the chain

In interviews with some large suppliers it was noted that, like us, they try to ask questions of their suppliers about compliance with the code of conduct. We perform audits to monitor compliance with agreements on workers' rights. In 2025, we performed 27 human rights audits, whereby we used a new framework of standards for 8 of these audits. These are snapshots which are planned in advance. Alliander aims to promote reporting and the visibility of abuses. This requires us to form a reliable and equal partnership with our direct suppliers.

Actions

- In late 2024, we updated the code of conduct for business partners. It now states more explicitly what we expect from suppliers, how to report (potential) violations and how we take appropriate action in the event of possible breaches. In 2025, we developed a policy plan on workers in the value chain, setting out our ambition, planned actions and policy guidelines regarding workers in the value chain. This plan will be approved and implemented in 2026.
- We gained initial insights into the risks related to human rights, labour rights and environmental aspects in the supply chains for contracting, cables, transformers and gas pipes. In 2025, we maintained our improvement drive for these high-risk core activities, following an audit conducted by an external firm and the recommendations that came out of that audit.
- In 2025, Alliander also improved its human rights audit processes. We developed a framework of standards on human rights to assess both compliance with the code of conduct for business partners and respect for human rights during audits at our business partners.
- From 2025 onwards, the topic of corporate social responsibility (CSR), including both human rights and environmental aspects, is included in strategic supplier consultations to promote transparency and to take and monitor joint action.
- Safety incidents are evaluated and discussed on the contractors platform. The purpose is to learn so that we can improve our work processes and continuously increase safety at work.

Objectives and results in 2025

Alliander has not yet set specific objectives regarding workers in the value chain and current actions are being defined more precisely in connection with the ESRS. This will be a baseline measurement that we will use to set realistic targets in 2026. Each year, we review whether our direct suppliers of components we regard as critical recognise and comply with correct working and environmental conditions, in line with our code of conduct for business partners.

Our plans

The key due diligence actions that Alliander will focus on in 2026 will be aimed at performing human rights audits at strategic suppliers, following up on due diligence within the supply chains for cables, transformers and contracting, and increasing the visibility of the grievance mechanism for reporting irregularities in the value chain.

Improving audit processes and increasing transparency in the whole of the value chain (where our raw materials ultimately come from) are two of the most important activities relating to supply chain responsibility that Alliander will continue to undertake in the next few years. We perform human and labour rights audits at most of our strategic suppliers. Having suppliers fill in a standard questionnaire based on applicable laws and regulations and assessing the results promotes transparency in the value chain and provides insight into potential irregularities, enabling appropriate (joint) action. Whenever we identify new risks with an impact on human rights, we carry out risk-based audits. We implement a continuous due diligence process in accordance with the OECD Guidelines, making environmental and social impacts visible. Each year, we identify, prioritise and address the most significant risks for workers in our value chain.

Over the coming years, Alliander will take stock of the types of workers across the value chain, including downstream workers. This will also be charted geographically and we will examine on a product-by-product basis whether there is a structurally increased risk of human rights abuses, such as child labour or forced labour. Structural consultation with workers throughout the value chain is important, including on the information channels to be maintained and regular reporting. We are fostering this by raising awareness of Alliander's grievance mechanism for the reporting of irregularities and misconduct, discussing this topic in strategic supplier meetings and engaging in dialogue with employees themselves or their representatives, such as trade unions.

By extension, we will work on policies and processes to contribute to rectification where we have caused or contributed to a material negative impact on workers in the value chain. In the event of irregularities further upstream or downstream in our value chain, we will endeavour to exert our influence to stop or limit these irregularities. Regular evaluations will be performed, including of the effectiveness of the measures taken. In addition, we aim to collaborate within the sector and with NGOs to prevent and mitigate human rights violations in the value chain and to implement remedial measures.

From 2026 onwards, we will assess the effectiveness of our current grievance mechanism for workers in the value chain.

Under the Accreditation Scheme, we require contractors to demonstrate that they have achieved at least level 3 on the Dutch Safety Culture Ladder.

Working safely is not limited to our own organisation; it also affects our value chain partners, contractors, suppliers, customers and local residents. We are responsible for implementing measures to prevent accidents involving employees, including those of our direct and indirect value chain partners, and members of the public. Alliander's incident reporting system will provide the technical means to systematically log incidents and near-misses involving value chain partners and members of the public. In this regard, Alliander wants work to be performed in line with specific safety protocols and standards for working with gas and electricity infrastructure, such as VIAG and BEI. Contractor and subcontractor employees must comply with these protocols and standards as well.

Consumers and end-users (S4)

At Alliander, we believe energy is a basic need. We stand for an energy supply that is affordable, reliable and accessible to everyone on equal terms. It follows that Alliander's customers are among our most important stakeholders. Within that group, we distinguish between business customers and consumers, specifically in terms of our network management activities in our area of operation. The following subtopics and sub-subtopics are material for our customers:

- Privacy.
- Personal safety of consumers and/or end-users.
- Access to products and services.

Customers are regarded as stakeholders in stakeholder management. In 2025, like in 2024, there were no reports of human rights violations concerning consumers and end-users. At present, we do not have a (fully developed) human rights policy. Work is being done in the organisation involving human rights in relation to consumers and end-users. We expect our business partners to view their own customers as important stakeholders and serve customers accordingly, for instance by establishing a complaints process.

Privacy

Alliander has a firm grip on the swift and controlled achievement of its social mission. Meeting our objectives inevitably involves processing personal data. At the same time, Alliander greatly values the trust of its customers, employees and society, even as it looks towards the current rapid growth of the organisation. The Management Board therefore seeks to maintain adequate personal data protection and respect the privacy of all customers, employees and other data subjects.

Impacts, risks and opportunities

- Negative impact – A data confidentiality breach in relation to the management of our electricity and gas networks could lead to the misuse of customers' personal data.

Policy and approach

Privacy policy

We have a privacy policy in order to address potential negative effects. Alliander's Privacy Policy sets out the processes for the organisation, implementation, operation, management, monitoring and continuous improvement of privacy within Alliander and its subsidiaries. Alliander's Privacy Policy has been approved by the Management Board and is evaluated annually to make sure it is up to date, fair and complete, and it is modified where required. The policy concerns all Alliander customers and employees. Stakeholders expect us to use their data and personal details safely and carefully. Data exchange has become a permanent social and economic phenomenon. Exchanging and storing privacy-sensitive data requires maximum security at all times.

The privacy statement is available online on Alliander's website. It includes detailed information on data processing and the procedure for making complaints. Alliander also has a whistleblower policy.

Actions

- The Alliander Privacy Office uses a risk register which prescribes appropriate measures. The register contains relevant measures from the privacy-by-design instruments and ISO 27701, which are linked to privacy maturity levels. The maturity levels enable Alliander to set a target level per topic and data domain/organisational unit and to assess the status of personal data protection within the organisation.
- Besides the existing GDPR privacy controls in the various organisational units, the Privacy Control Framework (PCF) became available in 2025 in the form of a reporting tool including dashboards. The PCF contains instruments that translate the GDPR into a data protection quality cycle for Alliander processes as indicated in the 1Alliander Process Model. The framework thus offers specific tools to guarantee the secure handling of personal data within the organisation. We also started sending out quarterly Privacy Updates to the relevant organisational units in 2025, with a summary of their personal data processing operations, risks and any data breaches.

To prevent misuse of personal data, data protection impact assessments are performed by the Privacy Officers. When misuse does occur, it is usually due to a data leak. Measures are then taken to seal the leak and notify the affected persons and, where necessary, the Dutch Data Protection Authority.

Objectives and results in 2025

Alliander respects the privacy of its employees and customers. This means that we exercise due care in using their personal data and treat it confidentially. We meet the requirements set out in the law implementing the General Data Protection Regulation (GDPR). Customers and employees can be confident that Alliander handles personal data with care and acts immediately if the integrity of that data is threatened.

We measure our privacy and data protection performance (privacy maturity) by the number of identified leaks reported to the Data Protection Authority and affected customers. In 2025, like in 2024, there were no data breaches involving customers that required reporting to the Dutch Data Protection Authority and the customers concerned. At present, no significant objectives and actions have been formulated in connection with ESRS; however, other measures are discussed in this chapter.

Personal safety of consumers and/or end-users

For Alliander, the ‘personal safety of consumers and/or end-users’ subtopic translates into safe infrastructure. Work on gas and electricity infrastructure involves risks. Safe working practices without incidents are vital for all stakeholders and are our highest priority. The possibility that incidents could occur in the energy network demands a targeted approach. To achieve this, we ensure that we understand the risks and take action to mitigate them.

Safe infrastructure is vital for all those involved. Employees expect a working environment where they can concentrate and work safely. Customers expect us to guarantee their safety during the performance of our work. Safety incidents can also involve members of the public, visitors or passers-by at locations where we are working. Occasionally, discharges of gas or electricity may occur that endanger or cause damage to the surrounding area. Accidents affecting individual lives caused by our networks always have a very severe impact.

Impacts, risks and opportunities

- Potential negative impact – Unsafe conditions in the infrastructure (our electricity and gas networks) could cause death or injury to customers or members of the public.
- Risk – Safety incidents involving the management of our electricity and gas networks lead to reputational damage, compensation and fines.

Policy and approach

Electricity Network Code

The Electricity Network Code (Netcode Elektriciteit) contains requirements for network operators and users in three areas:

- Operation of the networks.
- Connecting customers to the networks.
- Transmitting electricity through the networks.

The equivalent requirements for gas are set out in the Dutch Gas Act. We want to maintain the optimal reliability and safety of the network by performing maintenance in a targeted way. We call this value-focused maintenance. Maintenance is focused on ensuring the ongoing safety and reliability of the networks.

For a description of the policy, please refer to the 'Own workforce (S1)' topic, the 'Health and safety' sub-subtopic and the 'Safety controls', 'Broad safety expertise' and 'Safe behaviour' paragraphs.

Actions

- Alliander has an active Incident Review Group, at which incidents, accidents and near-misses are discussed with the aim of learning from them and improving the safety and quality of our facilities. We work constantly on improving a safe infrastructure, both for our own people and for our partners and customers.
- In major outages and emergencies, an internal crisis organisation is mobilised. Within this organisation, staff members of various departments work on-call shifts. Depending on the nature and scale of the incident, we set up a case and/or investigation team when the crisis is over to assist with and finalise any internal and/or external investigations. All major incidents are evaluated to identify and implement possible improvements.

Objectives and results in 2025

At Alliander, our safety objective is 'Everyone safely home! With zero accidents.' There were 4 accidents involving members of the public in 2025 (2024: 0). For these purposes, a 'member of the public' is defined as a person who does not have a direct role in network management activities, but is present nearby such activities. In this report, only members of the public who are involved in an incident as a result of these activities are included.

Access to products and services

The vast majority of Alliander's products and services concern access to energy. Energy is a basic need for our everyday lives. Being able to offer connection to the energy network and acting with social empathy to prevent disconnection are therefore high priorities. Amidst the ongoing transformation of the energy system, it is vital to ensure that everyone retains access to affordable energy on equal terms. Our products also have a digital component. Customers count on excellent service, communication and handling of interruptions, questions and complaints. When they contact Liander, they want to feel they are being listened to and helped, know where they stand, and feel at ease.

Stakeholders can report complaints or misconduct relating to our company and work carried out on our behalf through Liander.nl and our telephone customer service.

We have defined Access to Energy and Cybersecurity as the key issues under this subtopic. We are successively drawing up a policy and approach, measures and objectives for both issues.

Access to energy

Impacts, risks and opportunities

- Positive impact – Customers get access to electricity and gas, which increases their well-being.
- Risk – Disruptions to electricity and gas supplies lead to compensation payments.
- Risk – Increasing pressure on limited network capacity, resulting in increased maintenance times, may lead to compensation claims.
- Opportunity – Innovative solutions improve access to power and grid management, leading to higher revenue or lower costs.

Policy and approach

Energy laws and codes

The way in which managers and users of electricity and gas should behave is largely laid down in the Dutch Gas Act and the Dutch Electricity Act. Both these acts were replaced by the new Dutch Energy Act as of 1 January 2026. In addition, more operational and detailed rules will be established in subordinate legislation and energy codes, which are issued by the ACM and contain agreements between the users and managers of the gas and electricity network. They are available on ACM's website. Important changes to the regulations are made public through the Netherlands Government Gazette and other channels. The Dutch Gas Act and Dutch Electricity Act contain provisions relating to tariff structures, terms and conditions, and the application of compensation resulting from outages. The ACM checks compliance with the codes.

The Electricity Network Code and the Gas Task Code contain provisions on the operation of the networks, connecting customers and the transmission of electricity. Liander as network operator has a duty of connection and a duty of non-discrimination. All consumers and business customers are connected and given equal treatment. This means that we do not further subdivide customers into different types.

Security of supply is covered in Article 11 of the Electricity Network Code and Article 2 of the Gas Task Code. Security of supply means that the supply of electricity and gas to small consumers must be continuous. Specific obligations are imposed on energy suppliers, the parties responsible for network balancing and for metering, and regional network operators. These responsibilities have been laid down by MFF-HetNormo (the Market Facilitation Forum and central data sharing entity) in a standardised process model called the Detailed Process Model for Security of Electricity and Gas Supply. MFF-HetNormo shares these agreements

with participants and other stakeholders on its website. In addition to MFF-HetNormo, Energy Data Services Nederland B.V. also plays an important role in facilitating these processes. This company's tasks include managing the Central Connections Register, which makes it possible for customers to switch between energy suppliers. Regional network operators ensure that switches between energy suppliers run as smoothly as possible and that small consumers always have access to gas and electricity.

Disconnection policy

The disconnection policy is set out in the Ministerial disconnection policy for small consumers of electricity and gas regulation (Disconnection Policy Regulation). The regulation specifies that network operators must terminate the supply of electricity or gas in cases where:

- The customer requests it.
- There is a case of fraud or the conditions are unsafe.
- There is no known supplier (active energy contract) for the connection.

The Disconnection Policy Regulation and the Electricity and Gas Information Code set out the responsibilities in the event that a contract is terminated by a supplier (termination of supply). Disconnections are carried out by the network operator on the basis of a supply termination notice, by physically disconnecting the meter at the customer's premises. This is done in accordance with the standardised Termination of Supply market process prescribed under Retail Processes in the MFF-HetNormo Market and Subprocesses.

The operation of the Disconnection Policy Regulation is discussed in the Flanking Policy working group at Netbeheer Nederland, whose participants also include the Ministries of Climate and Green Growth, Social Affairs and Employment Opportunities, and the industry association Energie Nederland. These parties are also consulted when the Disconnection Policy Regulation needs to be amended. The network operators prepare their input for these consultations jointly within the Disconnection Policy working group.

The number of supply terminations and disconnections is provided monthly by the various parties to Netbeheer Nederland, which then shares the aggregated data with the Ministries of Climate and Green Growth, and Social Affairs and Employment Opportunities.

Energy poverty prevention policy

The government's introduction of the Disconnection Policy Regulation in April 2023 is intended to give consumers who struggle to pay their energy bills better protection against being cut off. Customers eligible for solutions to payment difficulties, which are often the cause of disconnection, are often unable to obtain them in good time. Customers for whom Liander receives a supply termination notice are referred again to debt counselling. The network operators are striving to ensure that they stop receiving supply termination notices for households that include vulnerable consumers and/or are in energy poverty. However, the new disconnection policy under the Energy Regulation, effective from 2026, does not ban this. In addition to network operators, other key partners, such as the Energy Bank, energy suppliers and local authorities, are also exploring ways to improve the disconnection process. In this context, Radboud University and Erasmus University are currently conducting a study focused on reducing energy inequality through alternative disconnection policies. This study, together with previous studies by network operators, is intended to provide input for a vision and plan for future system changes that include safeguards to prevent vulnerable consumers from being disconnected.

Within Alliander, the director of the Market Services department has overall responsibility for implementing policy on security of supply, the disconnection policy and the policy to prevent energy poverty. The department also ensures that this policy is agreed with government and authorities, such as the Ministry of Climate Policy and Green Growth, the Netherlands Authority for Consumers & Markets, and with partners in the industry such as the NVVK (the industry association for debt relief and financial services), MFF-HetNormo, energy suppliers and other regional network operators.

Congestion management

We are working to address network congestion. The grid is not being expanded and upgraded quickly enough. Due to shortages of workers, resources and space, as well as lengthy permitting processes, the waiting lists continue to grow. This is why we are working on solutions to better utilise the grid as it is today,

with the help of market parties and customers. Together, we are exploring how to reduce consumption peaks and further shift demand to quieter periods. We do this by entering into capacity-limiting contracts (CBCs). In 2025, we entered into several day-ahead contracts: CBC-A (on call) and CBC-T (fixed time window). Under these contracts, Liander and the customers in question agree on when the customer can or cannot use the additional capacity. This can be based on fixed time agreements or on an 'on-call' basis, where Liander lets the customer know one day in advance when they have to consume less capacity and how much less. This applies both to receiving electricity from the grid and feeding electricity into the grid. Next, Liander issues a request for reduced capacity on GOPACS, to which Congestion Service Providers (CSPs) respond on behalf of the customer. At the agreed time, the customer is switched back by the CSP. We also assess, on a case-by-case basis, whether and how the outage reserve can be used to help customers on the waiting list. These customers will then not be able to use the contracted capacity during an outage or maintenance. Additionally, we are looking into and testing where and when we can increase the load on our assets. Using the latest innovations, we are gaining better insight into grid loads and are able to prevent overloading safely and sustainably using tools such as the Realtime Interface (RTI). These efforts will allow us to connect more and more customers.

Customer convenience

The key determining factor of customer satisfaction is their perception of convenience in their contacts with parties such as our technicians and our Customer Contact Centre. Immediately after completion of a job, we ask customers for feedback on our services. The Customer Effort Score (CES) gives us insight into the perceived convenience and areas for improvement in our services. In 2025, Alliander switched from the Net Effort Score (NES) to the Customer Effort Score (CES) to measure customer convenience. While the NES calculates the difference between the percentage of customers experiencing convenience and those finding it difficult to use a company's services, the CES focuses solely on the proportion of customers who have to put effort into their dealings with a company. Alliander aims to reduce the effort its customers have to exert in their interactions with Alliander, which is why the CES is better suited as a management tool.

Customers count on excellent service, communication and handling of service interruptions, questions and complaints. Business customers expect a clear point of contact and expect us to deliver on our commitments. Focusing on customer satisfaction is a priority.

Our CES is increasingly under pressure, as customers sometimes feel that they are not being offered a solution or prospects, or because cases are closed without a solution. As a result, customers give the overall process a negative rating, which pushes up the effort score. This effect is amplified by the fact that we survey a broader group of customers for our CES. Our strategic focus in this respect rests on three pillars:

- End-to-end management in the value chain – managing and setting priorities based on customer value.
- Predictable and proactive communication – informing customers clearly and in a timely manner about status and next steps.
- Data-driven feedback.

Actions

Uninterrupted delivery

- If an outage occurs, customers want to be informed as soon as possible about its nature, extent and probable duration. We provide this information to customers by text message.

Energy poverty

- In April 2024, clear guidelines on energy poverty were issued by the EU. These require certain changes to be made to our policy and market model. The Ministry of Climate Policy and Green Growth is currently working on an amendment to the Ministerial Disconnection Policy from the Energy Regulation under the Energy Act (also referred to as the General Disconnection Policy). This amendment, coordinated with the Ministry of Social Affairs and Employment, ensures that provider obligations for contract termination are more closely aligned with the early warning system and municipal debt counselling programmes (Municipal Debt Counselling Act).
- In 2025, Alliander made a one-time financial contribution to the Dutch Temporary Energy Emergency Fund, which covers part of the energy bill for qualifying households over a period of six months following their application. These payments are made through their energy provider.
- Together with value chain partners, Alliander has worked on a vision and plan geared towards preventing (energy) debt and energy poverty, and towards guaranteeing energy access and affordability.

Congestion management

- To better utilise network capacity and help customers get connected more quickly, we focus on managing supply and demand. We do this by steering customer behaviour through customer insights and various kinds of flexible contracts to help prevent peak loads and better distribute available capacity. Our efforts in this respect include running awareness campaigns that include explainer videos, monitoring instances where customers exceed their contracted capacity and offering consumers handy tools such as smart EV charging. In all of this, we team up with public institutions and housing corporations to increase impact and ensure broad support.
- We are investing heavily in the energy network. We do so proactively, including through our neighbourhood approach, but also reactively through capacity assessments and by monitoring network loads across all network levels.
- We are exploring ways to better utilise the existing network. First we look at the network-related technical solutions we could apply, such as increasing loads or using emergency capacity. If this does not provide enough capacity, we switch to congestion management. This starts with a congestion management study, following which we ask existing customers if they could be flexible in their energy usage. If necessary, we can make it mandatory for customers with capacity above 1 MW to switch to flexible usage. If this still does not free up sufficient capacity, we can apply non-market-based congestion management at a market-based tariff.
- We offered customers various types of flexible contracts, including CBCs, redispatch contracts and group contracts (GTOs or Group CBCs). Given our commitment to working with the market on this, we try to partner with CSPs under a framework agreement as much as possible.
- Since a sustainable, future-proof energy system will always require flexibility, we are also working on contract types that can be used when we are not applying congestion management. These are the so-called ‘alternative transport rights’ (ATRs). In 2026, we will be able to offer customers the first block power contracts.
- We have set up a number of measures that we take as soon as we notice the grid getting overloaded. These measures include reducing feed-in from customers who have an RTI device. If there is a real risk of overloading, we can also disconnect customers who are feeding electricity into the grid. When it comes to consumption, we can disconnect medium-voltage stations as a last resort only.

Customer convenience

- We have created a central customer profile that employees can use, implemented a customer awareness programme and ensure that customers receive information about the status of their requests, outages and (work being done on) the energy network, including information about what they themselves can do.

Objectives and results in 2025

Alliander’s long-term objective in terms of access to energy is to ensure that the switch to sustainable energy is achieved in a manageable way, so that the future energy system remains affordable, reliable and available to everyone on equal terms. Nobody should be excluded from participating in society by energy poverty. To make this measurable, we work with various KPIs.

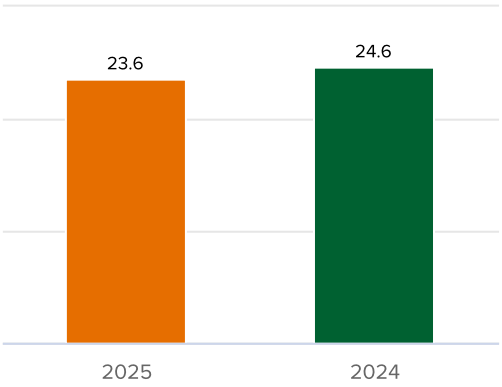
Uninterrupted delivery

We monitor security of power supply based on the power outage duration KPI, which records the average number of outage minutes per connection. The target for 2025 was 26 minutes (2024: 23 minutes). The average power outage duration in 2025 was 23.6 minutes (2024: 24.6 minutes).

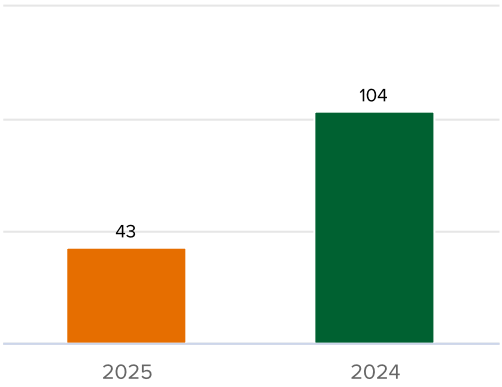
To monitor gas supply security, the KPI we use is the average gas outage duration per gas network connection (in seconds). The average gas outage duration in 2025 was 43 seconds (2024: 104 seconds). With respect to the duration of gas outages, we have set a benchmark of below 105 seconds without formulating a specific target. Note that the gas outage duration is largely determined by isolated events.

The electricity and gas outage durations of our German operations are consolidated using a revenue-based allocation key. Revenue provides a reproducible and transparent measure for the ratio between the different activities.

The average outage duration per electricity network connection (minutes)



Average outage duration per gas network connection (seconds)



Congestion management

Congestion management targets are measured using two specific KPIs:

The number of transmission restrictions imposed by Liander (2025 target: 8,535). The number of transmission restrictions represents the number of current transmission restrictions where the customer (within the technical limits) is unable to transport the desired amount of power through their existing connection (type 4). In 2025, 7,044 transmission restrictions were imposed (2024: 6,862). Due to increasing demand for capacity, partly as a result of the energy transition, parts of the power grid are reaching full capacity faster than Liander can expand the network. However, we expect the number of transmission restrictions to gradually decrease as alternative contract types are rolled out and the network is expanded. From 2026, we will align our definition of transmission restrictions with the sector-wide definition, which includes both internal transmission restrictions and externally imposed transmission restrictions.

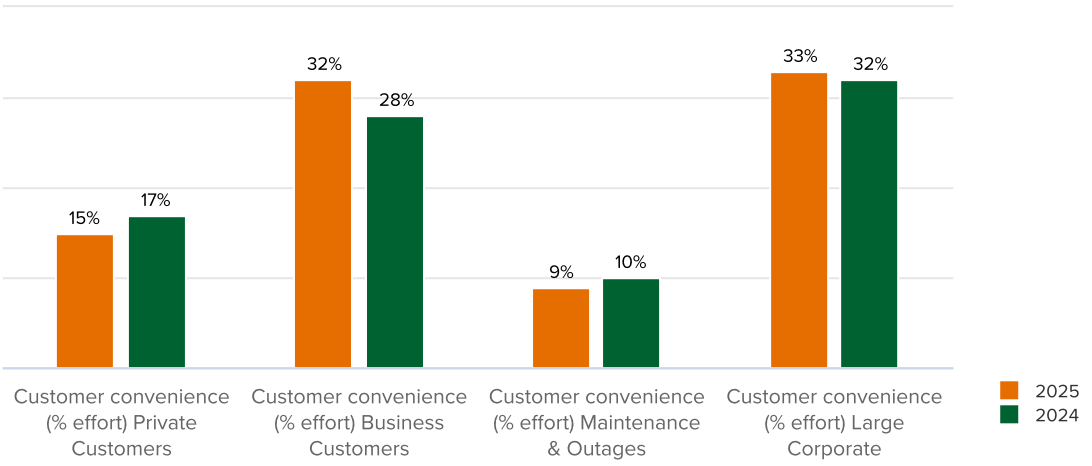
The number of CBCs concluded. The number of CBCs concluded is the number of CBCs that came into effect at any point during the reporting year. A CBC (from the Dutch for ‘capacity-limiting contract’) is an agreement whereby the customer consents to reduce their electricity consumption. There are several different types of CBCs. A CBC-T is a capacity-limiting contract in which fixed time windows are agreed with the counterparty for the full duration of the contract. The time windows may vary by customer and station, and by time of day, week/weekend or month. Under the CBC-A agreement with a business customer, Liander is entitled to ‘call’ a capacity limitation one day in advance. The customer receives compensation from Liander in exchange. In a mandatory bid contract, a congestion service provider (CSP) undertakes to make flexible capacity available when congestion occurs in an area where the provider is active.

In 2025, 216 capacity-limiting contracts were concluded (2024: 104). The target for 2025 was 1,029 (2024: 1,300). This is the number of capacity-limiting contracts that took effect during 2025. Growth in this number is still lagging, however, because the contracting process is still too slow, even though it is improving, and because a large portion of potential contracts are still being prepared.

Customer convenience

The Customer Effort Score (CES) is our benchmark for customer service. The CES is divided into four segments, each with a specific target: Private Customers (17%), Business Customers (22%), Maintenance & Outages (9%) and Large Corporate (30%).

Customer convenience (% effort)



The Customer Effort Score (CES) reflects the extent to which customers and market parties feel they have to put in an effort to achieve a requested outcome in dealing with Alliander (% effort). Monitoring these targets is a priority, as the CES guides us in achieving process simplification, predictable lead times and transparent communication. The CES is embedded in our corporate dashboard, which makes it a variable that has a bearing on our decision-making.

Cybersecurity

Impacts, risks and opportunities

- Risk – Cyberattacks threaten electricity operations, leading to compensation payments and costs in relation to the attack.

Policy and approach

The Strategic Alliander Security Policy sets out how security is organised and managed. This policy was drawn up by the Management Board, based on ISO 27000. The Security Rules of Conduct form part of the policy. These set out how the Alliander N.V. organisation and its subsidiaries should contribute to Alliander's security.

The Chief Information Security Officer (CISO) defines Alliander's standards (controls) for each security domain under ISO 27002 (organisation, personnel, physical and technical). This Alliander-specific content is updated annually. The standards then form the basis for the specific measures. Organisational units must in principle abide by the standards, but may deviate from the set of measures in accordance with the 'comply or explain' principle. Deviations from the set of measures must be evaluated and approved by the CISO.

The processes for ensuring data security are drawn up under the auspices of the CISO. The overall system for ensuring data security is based on ISO 27000. Validations are currently ongoing within Alliander for the partial ISMSs under ISO 27001. This will apply in the future to the Alliander-wide Information Security Management System.

Actions

The CISO Office operates from five strategic pillars to make Alliander resilient and future-proof in an increasingly complex digital landscape. These strategic pillars are:

- Security maturity: Increasing the security maturity of all organisational units to at least level 2 of the Cybersecurity Capability Maturity Model (C2M2) by 2027.
- Alliander ISMS: Implementing an organisation-wide information security management system (ISMS) to ensure demonstrable control and compliance, with certification planned for 2026.
- Business continuity management: Ensuring continuity through robust plans and measures for critical processes and systems.
- Security by design: Integrating security into all digitalisation initiatives from the design phase.
- Resilience: Strengthening resilience against cyber threats and geopolitical risks through collaboration and innovation.

Together, these strategic pillars make up the foundation for a secure, reliable and agile organisation that is ready to face the challenges of tomorrow.

To make employees cybersecurity-aware, we have taken the following measures:

- There is a CISO office intranet page on which security incidents can be directly reported.
- The CISO office has established liaison officers who act as primary and secondary contacts for the Alliander organisational units.
- The CISO office offers various security services, such as penetration tests, security monitoring and training.

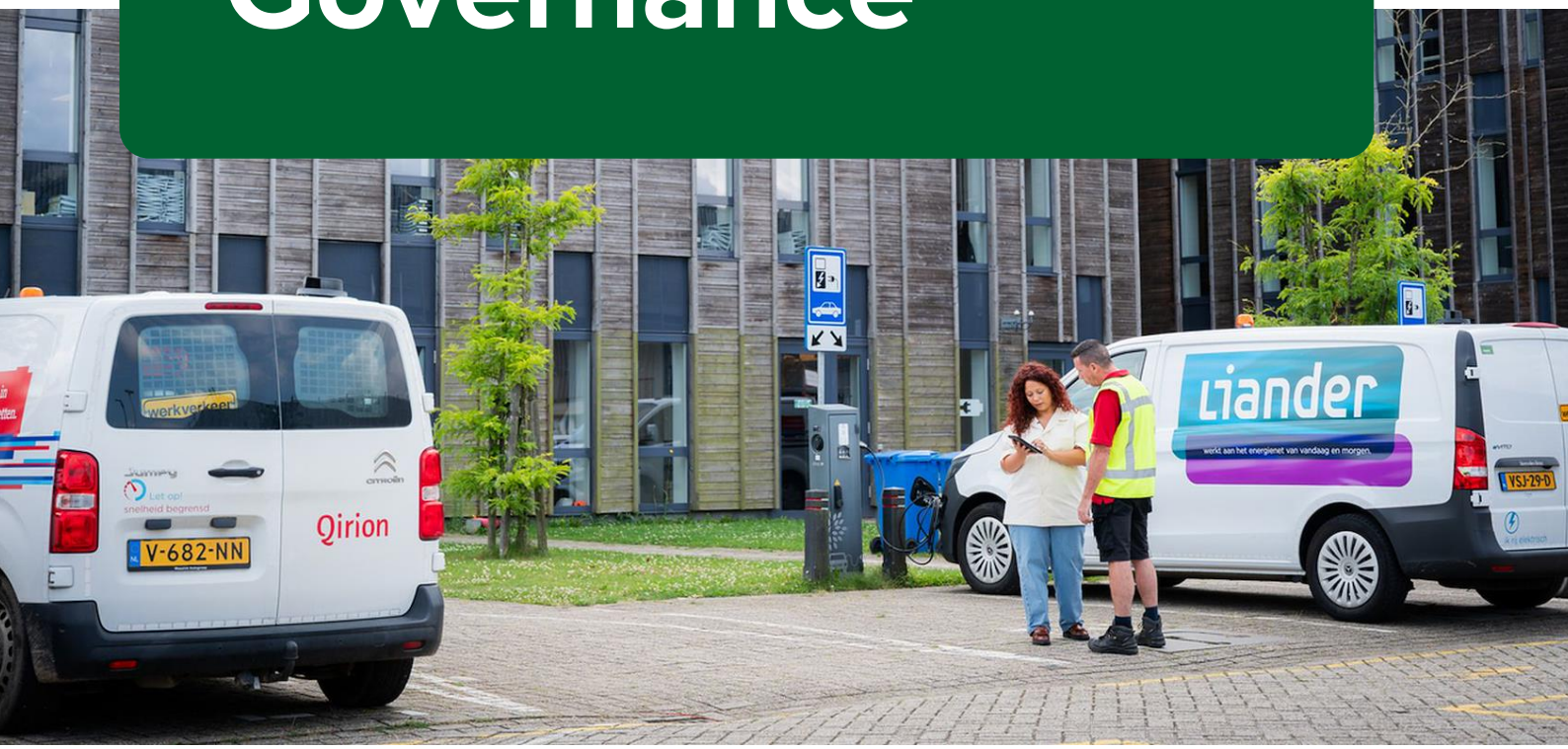
We also engage in coalitions with network operators, the scientific community, industry and knowledge institutions so that we can create the required digital products and services faster and more efficiently.

We have real-time insight into the status of the landscape and we are doing everything possible to automate the response to matters found in the landscape.

Objectives and results in 2025

For the objectives and results, please refer to the ‘Objectives and results in 2025’ paragraph in the Privacy subtopic.

Governance



As we strive to meet our social objectives, we aim to be a responsible partner in society. We act with integrity towards our employees, customers, value chain partners and shareholders, as well as the broader community in which we operate. We discuss this in the section on:

- G1 - Business conduct (subtopics: corporate culture, protecting whistleblowers, bribery and corruption).

Business conduct (G1)

Alliander is committed to good governance and proper business conduct. We make our choices in the interests of all our stakeholders. We are guided in this endeavour by our mission, core values and internal code of conduct, and comply with relevant and mandatory codes of conduct.

Impacts, risks and opportunities

- Positive impact – A good corporate culture promotes the well-being and motivation of employees.
- Positive impact – A well-publicised and active whistleblower policy promotes transparent operations, which leads to the prevention of abuses.
- Potential negative impact – Bribery and corruption incidents could have a negative impact on transparency and honesty in the industry.
- Risk – A poor corporate culture can give rise to potential abuses, leading to reputational damage and higher costs.

Policy and approach

As a business and as individuals, we at Alliander are confronted by financial, technical, commercial and ethical challenges every day. With our policy for good business conduct, as laid down in Alliander's code of conduct, we aim to ensure a healthy corporate culture with a high level of integrity. We help our employees to conduct themselves in the way we expect, both within Alliander and in interactions with stakeholders. A good corporate culture has a positive impact on employee well-being and motivation, and reduces the risk of misconduct, which can harm Alliander's reputation and give rise to higher costs.

Governance of business conduct

The responsibilities with respect to business conduct are detailed in the 'Governance and culture' section. The Management Board is responsible for defining what constitutes desirable business conduct and for making it happen within the company, with supervision falling to the Supervisory Board. The Internal Audit department is responsible for investigating reports and incidents of breaches or non-permitted conduct. The department operates independently and objectively. Under Alliander's code of conduct, the CHRO is responsible for how we deal with business partners, business and personal interests, business assets, corporate information, safety and personal conduct within Alliander.

Alliander's code of conduct forms the basis for a socially safe organisation and environment for our employees. The code is supported by additional policies, such as the screening policy. Based on the risk level of certain jobs, we have set screening levels and taken measures to vet the trustworthiness of potential employees. Other examples of supporting policies are the onboarding and Speak Up policies. We have defined procedures and measures to monitor compliance with the code of conduct and additional policies, as well as to investigate breaches and impose sanctions where required. These procedures and measures can be found in the Confidential Advisers Regulation and the Investigation Protocol.

All employees are invited once a year to take part in the Integrity e-learning course, which tests their knowledge of the code of conduct. Rather than laying down the target audience, frequency and level of depth of the training on business conduct in a separate policy, they have been determined in consultation with an external adviser and applied in the design of the e-learning course.

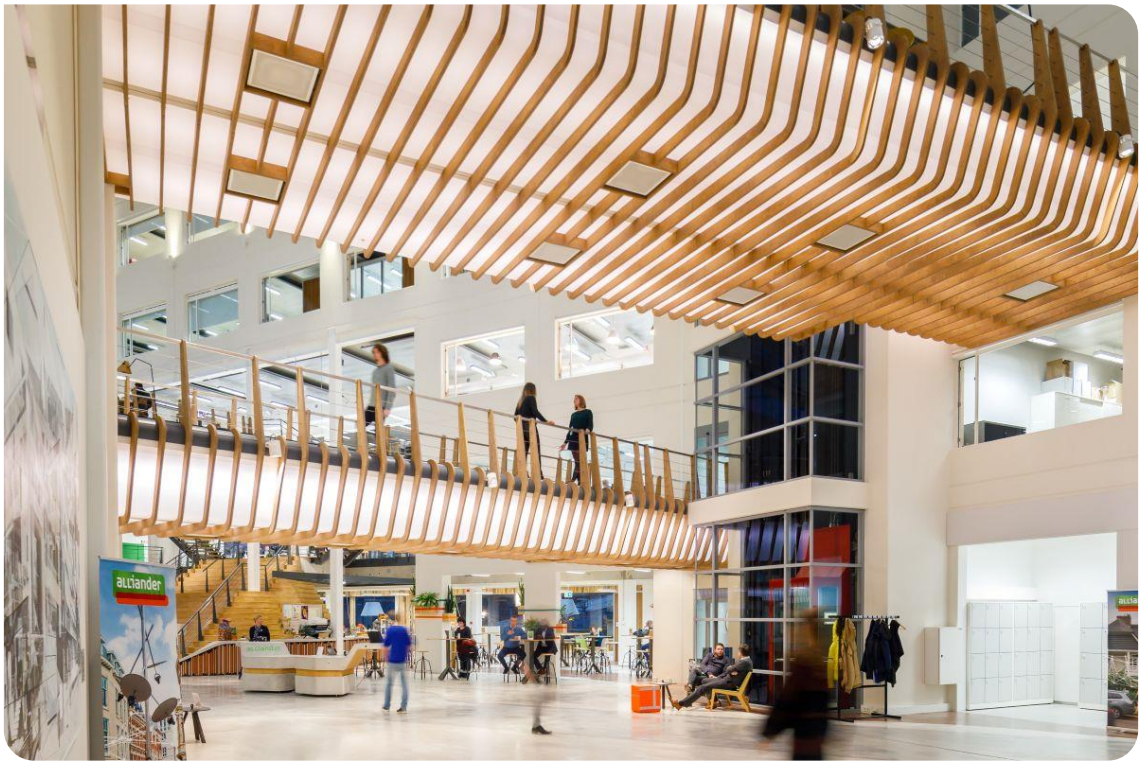
Protecting whistleblowers

Alliander has a whistleblower policy for reporting misconduct. This enables us to promote transparency in operations and prevent abuses. The whistleblower policy is based on the applicable laws and regulations and is open to our own staff and external parties. The procedure enables people to report cases or suspicions of fraud, deception or other irregularities to Alliander's Fraud Disclosure Desk or to an independent third party outside the company. The whistleblower policy is the organisational responsibility of the Internal Audit department. The Whistleblower Policy Officer is formally appointed by HR and a new officer is appointed whenever there have been personnel changes. The expertise of those dealing with whistleblower reports is embedded in Internal Audit, including through periodic in-depth knowledge sessions with external experts; there is no separate certified training programme for staff handling whistleblower reports.

Corruption and bribery

We expect suppliers and employees not to succumb to bribery or kickbacks and to exercise restraint in giving and receiving business gifts. The policy laid down in the codes of conduct for employees and suppliers is designed to prevent corruption and bribery, and forearm employees against it. Corruption and bribery incidents undermine transparency and honesty in business. Such incidents lead to reputational damage and compensation claims.

Alliander works with an independent fraud disclosure desk. This enables employees to report suspected corruption or bribery incidents to an independent place, separate from management. Persons making reports under the whistleblower policy are protected. Reports are investigated, resolved and reported in accordance with the Investigation Protocol. The Investigation Protocol is based on European and Dutch laws and regulations. Based on the investigation, disciplinary measures may be taken under the collective labour agreement for network companies or the Dutch Civil Code. Alliander already reports serious incidents and any resulting convictions and terminated business relationships to the Supervisory Board.



Actions

- Corporate culture is evaluated at least once a year as part of the employee satisfaction survey.
- Last year, we also introduced re-screening for the highest-risk jobs, so that existing employees in certain jobs are also screened on a regular basis. All jobs at Alliander are assigned a risk class from 1 to 3 and screening measures are set for each class. Screening takes place on recruitment and on transfers to another position. It covers both internal employees and agency workers.
- We have made the confidential advisers regulation, investigation protocol, whistleblower policy and other relevant documents accessible online and regularly draw attention to them in mandatory e-learning courses and internal blogs, thereby ensuring that our employees are aware of our policy and abide by it in their daily work.
- In 2025, all employees were again offered the opportunity to complete the annual Integrity e-learning course. They are presented with dilemmas in the form of practical examples to enhance their awareness of integrity. Management is informed about the percentage of employees who take part. Alliander has no specific training programme on preventing corruption and bribery. Employees in high-risk roles are expected to complete the Integrity e-learning course.

Objectives and results in 2025

	2025	2024
Number of convictions for violation of anti-corruption laws	-	-
Number of fines for violation of anti-corruption laws	-	-

The number of convictions for breaches of anti-corruption legislation represents the number of convictions recorded by the legal affairs department.

The number of fines for breaches of anti-corruption legislation represents the number recorded by the legal affairs department.

The table below shows the level of participation in the Integrity e-learning course. This e-learning course also covers matters related to corruption and bribery to a limited extent.

Integrity e-learning	Taken by at-risk functions		Taken by managers at level N-2		Taken by Management Board and Supervisory Board managers[1]		Taken by other employees and non-employees[2]	
	2025	2024	2025	2024	2025	2024	2025	2024
Offered	3,220	2,619	16	29	2	4	8,453	8,266
Completed	2,341	2,051	14	25	2	4	6,098	6,253
Participation rate	73%	78%	88%	86%	100%	100%	72%	76%
Frequency	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Topics covered:								
Policy	x	x	x	x	x	x	x	x
Situations	x	x	x	x	x	x	x	x

1 The e-learning course was not offered to members of the Supervisory Board in 2025 or 2024. The Supervisory Board will follow a specific training course on integrity in 2026.

2 The e-learning course was not offered to employees of TReNT in 2025 (approx. 20 employees) and was not offered to employees of Alliander AG in 2025 or 2024 (approx. 90/70 employees in the years concerned).

The number of high-risk jobs is based on the classification of high-risk jobs for screening policy purposes.

Reporting on senior management covers the topmost level (N) to managers two ranks below (N-2). The highest level (N-1) is the Management Board. N-2 comprises managers who report directly to the Management Board.

‘Other employees’ are employees with an employment contract who do not fall under any of the other categories.

‘Non-employees’ are persons who are temporarily associated with the organisation for educational or development purposes but do not form part of the workforce, such as interns and students on work experience placements.

ESRS reference table

The table below shows the ESRS 2 disclosure requirements that are relevant to Alliander's material topics. Incorporation by reference is indicated by an asterisk (*).

#	Description	Reference(s)	Notes
ESRS 2: General disclosures			
BP-1	General basis for preparation of sustainability statements	Basic principles for the sustainability statement	The option under BP-1 5(d) was not used.
BP-2	Disclosures in relation to specific circumstances		There are no specific circumstances.
GOV-1*	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	Organisation of management and supervision*	'Corporate governance' section: Governance roles, Management Board and Executive Committee. 'Corporate governance' section: Governance roles, Supervisory Board. Personal Details section: Management Board. Personal Details section: Supervisory Board.
GOV-2	Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Information on sustainability topics	
GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability-related performance in incentive schemes	
GOV-4	Statement on due diligence	Statement on due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting	
SBM-1*	Strategy, business model and value chain	Business model and value chain	
SBM-2	Interests and views of stakeholders	Interests and views of stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Material impacts, risks and opportunities and their interaction with the strategy and the business model	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality assessment	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Double materiality assessment	
MDR-P	Policies adopted to manage material sustainability matters		All material topics are disclosed in compliance with the MDR.
MDR-A	Actions and resources in relation to material sustainability matters		All material topics are disclosed in compliance with the MDR.
MDR-M	Metrics in relation to material sustainability matters		All material topics are disclosed in compliance with the MDR.
MDR-T	Tracking effectiveness of policies and actions through targets		All material topics are disclosed in compliance with the MDR.
ESRS E1: Climate change			
ESRS-2	Disclosure Requirement for ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	Sustainability-related performance in incentive schemes	
E1-1	Transition plan for climate change mitigation	Climate change, Policy and approach Climate change, About the transition plan	
E1-2	Policies related to climate change mitigation and adaptation	Climate change, Policy and approach Climate change, About the transition plan Climate change mitigation, Policy and approach	
E1-3	Actions and resources in relation to climate change policies	Climate change, Actions Climate change, About the transition plan Climate adaptation, Actions	
E1-4	Targets related to climate change mitigation and adaptation	Climate mitigation, Objectives	
E1-5	Energy consumption and mix	Energy consumption and mix	
E1-6*	Gross scope 1, 2, 3 and total GHG emissions	Climate-related emissions	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits		Not material.
E1-8	Internal carbon pricing	Internal carbon price	
E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities		Phase-in option applied as per ESRS 1 Appendix C.
ESRS E5: Circular economy			
ESRS 2	Disclosure requirement ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities for resource use and circular economy	Double materiality assessment	

E5-1	Policies related to resource use and circular economy	Policy and approach	
E5-2	Actions and resources related to resource use and circular economy	Policy and approach	
E5-3	Targets related to resource use and circular economy	Objectives and results	
E5-4	Resource inflows	Objectives and results	
E5-5	Resource outflows		Not material.
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities		Phase-in option applied as per ESRS 1 Appendix C.

ESRS S1: Own workforce

ESRS 2	Disclosure requirement ESRS 2 SBM-2 – Interests and views of stakeholders Disclosure requirement ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Interests and views of stakeholders Material impacts, risks and opportunities and their interaction with the strategy and the business model	
S1-1	Policies related to own workforce	Own workforce, Organisation and application General employment conditions, Policy and approach	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Interests and views of stakeholders	
S1-3	Disclosure requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Health and safety, Safety, Policy and approach Health and safety, Health, Policy and approach Equal treatment and equal opportunities for all, Actions against violence and harassment at work, Policy and approach	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	General employment conditions, Actions Health and safety, Safety, Actions Health and safety, Health, Actions Equal treatment and equal opportunities for all, Inclusion and equality, Actions Equal treatment and equal opportunities for all, Training and development, Actions Equal treatment and equal opportunities for all, Actions against violence and intimidation in the workplace, Actions	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	General employment conditions, Objectives and performance Health and safety, Safety, Objectives and results Health and safety, Health, Objectives and results Equal treatment and equal opportunities for all, Inclusion and equality, Objectives and results Equal treatment and equal opportunities for all, Training and development, Objectives and results Equal treatment and equal opportunities for all, Actions against violence and intimidation in the workplace, Objectives and results	
S1-6*	Characteristics of the undertaking's employees	Own workforce	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Own workforce	
S1-8	Collective bargaining coverage and social dialogue	General employment conditions, Policy and approach, Collective labour agreement	S1-8 Social dialogue is not material.
S1-9	Diversity metrics	Own workforce Equal treatment and equal opportunities for all, Inclusion and equality, Objectives and results	
S1-10	Adequate wages		Not material.
S1-11	Social protection		Not material.
S1-12	Persons with disabilities	Equal treatment and equal opportunities for all, Number of jobs for persons with poor employment prospects	
S1-13	Training and skills development metrics		Phase-in option applied as per ESRS 1 Appendix C.
S1-14	Health and safety metrics	Health and safety, Safety, Objectives and results Health and safety, Health, Objectives and results	
S1-15	Work-life balance metrics	General employment conditions, Policy and approach, Collective labour agreement	
S1-16	Compensation metrics (pay gap and total compensation)	Equal treatment and equal opportunities for all, Equal pay	

S1-17	Incidents, complaints and severe human rights impacts	Actions against violence and intimidation in the workplace, Objectives and results, Personal safety	

ESRS S2: Workers in the value chain

ESRS 2	Interests and views of stakeholders Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Interests and views of stakeholders Material impacts, risks and opportunities and their interaction with the strategy and the business model	
S2-1	Policies related to value chain workers	Policy and approach	
S2-2	Processes for engaging with value chain workers about impacts	Interests and views of stakeholders	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Policy and approach	
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Policy and approach	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Objectives and results Outlook	

ESRS S4: Consumers and end-users

ESRS 2	Disclosure requirement ESRS 2 SBM-2 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Interests and views of stakeholders Material impacts, risks and opportunities and their interaction with the strategy and the business model	
S4-1	Policies related to consumers and end-users	Privacy, Policy and approach Personal safety of consumers and/or end users, Policy and approach Access to products and services, Access to energy, Policy and approach Access to products and services, Cybersecurity, Policy and approach	
S4-2	Processes for engaging with consumers and end-users about impacts	Consumers and end users Interests and views of stakeholders	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Privacy, Actions Personal safety of consumers and/or end users, Policy and approach	
S4-4	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Privacy, Actions Personal safety of consumers and/or end-users, Actions Access to products and services, Actions Access to products and services, Cybersecurity, Actions	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Privacy, Objectives and results Personal safety of consumers and/or end users, Objectives and results Access to products and services, Access to energy, Objectives and results Access to products and services, Cybersecurity, Objectives and results	

ESRS G1: Business conduct

ESRS 2	Disclosure requirement ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies Disclosure requirement ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Policy and approach Material impacts, risks and opportunities and their interaction with the strategy and the business model	
G1-1	Corporate culture and business conduct policies	Policy and approach	
G1-2	Management of relationships with suppliers		Not material.
G1-3	Prevention and detection of corruption or bribery	Policy and approach	
G1-4	Confirmed incidents of corruption or bribery	Objectives and results	
G1-5	Political influence and lobbying activities		Not material.
G1-6	Payment practices		Not material.

List of data points under other EU legislation

List of data points in cross-cutting and topic-based standards that derive from other EU legislation:

ESRS standard	Disclosure requirement and related data point	Data point	Reference(s) to sustainability statement
General disclosures			
General disclosures (ESRS 2)	GOV-1 Board's gender diversity	21 (d)	Governance and culture, Organisation of management and supervision, Gender and other forms of diversity
	GOV-2 Percentage of board members who are independent	21 (e)	Governance and culture, Organisation of management and supervision, Independent directors
	GOV-4 Statement on due diligence	30	Governance and culture, Statement on due diligence
	SBM-1 Involvement in activities related to fossil fuel activities	40 (d) i	EU taxonomy, Business activities that are eligible under the EU taxonomy
Environment			
Climate change (E1)	E1-1 Transition plan to reach climate neutrality by 2050	14	Climate change, Policy and approach Climate change, About the transition plan
	E1-4 GHG emission reduction targets	34	Climate change mitigation, Objectives
	E1-5 Total energy consumption from renewable sources	38	Energy consumption and mix
	E1-5 Energy consumption and mix	37	Energy consumption and mix
	E1-5 Energy intensity	40 - 43	Energy consumption and mix
	E1-6 Gross scope 1, 2, 3 and total GHG emissions	44	Climate-related emissions
	E1-6 Gross GHG emissions intensity	53 - 55	Climate-related emissions
Social			
Own workforce (S1)	S1-1 Human rights policy commitments	20	Own workforce, Organisation and approach
	S1-1 Workplace accident prevention policy or management system	23	Health and safety, Safety, Policy and approach
	S1-3 Grievance/complaints handling mechanisms	32 (c)	Actions against violence and intimidation in the workplace, Policy and approach, Complaints procedures
	S1-14 Number of fatalities and number and rate of work-related accidents	88 (b) and (c)	Health and safety, Safety, Objectives and results, Accidents
	S1-14 Number of days lost to injuries, accidents, fatalities or illness	88 (e)	Health and safety, Safety, Objectives and results, Accidents Health and safety, Health, Objectives and results
	S1-17 Incidents of discrimination	103 (a)	Actions against violence and intimidation in the workplace, Objectives and performance, Reports to confidential advisers
Workers in the value chain (S2)	S2-1 Human rights policy commitments	17	Policy and approach
	S2-1 Policies related to value chain workers	18	Policy and approach
Consumers and end-users (S4)	S4-1 Policies related to consumers and end-users	16	Privacy, Policy and approach Personal safety of consumers and/or end users, Policy and approach Access to products and services, Access to energy, Policy and approach Access to products and services, Cybersecurity, Policy and approach
Governance			
Business conduct (G1)	G1-1 United Nations Convention against Corruption	10 (b)	Corruption and bribery
	G1-1 Protection of whistleblowers	10 (d)	Protection of whistleblowers
	G1-4 Fines for violation of anti-corruption and anti-bribery laws	24 (a)	Objectives and results

Other data points that are reported in ESRS 2 Appendix B but not shown in the table above are considered to be immaterial or not relevant.

Our impact on society

We want a fair energy transition: one that is fast enough, but also socially and ecologically responsible. We take social impact into account in every decision we make.

Our impact on society

What do we have at our disposal? › What is our role and which choices do we make? › What do our stakeholders notice in the short term? › Which values do we create for the long term? › **What are the most significant social impacts?** › **To which global targets do we contribute?**

General prosperity means that, in addition to creating economic value, we also consider our social and ecological contribution to society. We want to avoid passing on unnecessary costs to future generations or deflecting problems to other vulnerable regions. In our general prosperity approach, we monitor the pace of the energy transition and are committed to making it ecologically and socially fair.

That is why we set targets in the areas of climate, circularity and good employment practices, and report on our social impact. This approach also links us to ESRS, ensuring that our reporting methods comply with European reporting standards and that our social performance is presented in a consistent, comparable and future-proof manner.

Our approach to general prosperity is based on six types of capital: financial, manufactured, intellectual, human, social and natural capital. Together, these six types of capital form the foundation for our policy and for measuring and managing impact. As a result, general broad prosperity is not just an ambition: it is a clear guiding principle in our daily work. The method we use helps us make choices and gives us an accurate indication of the social costs and benefits.

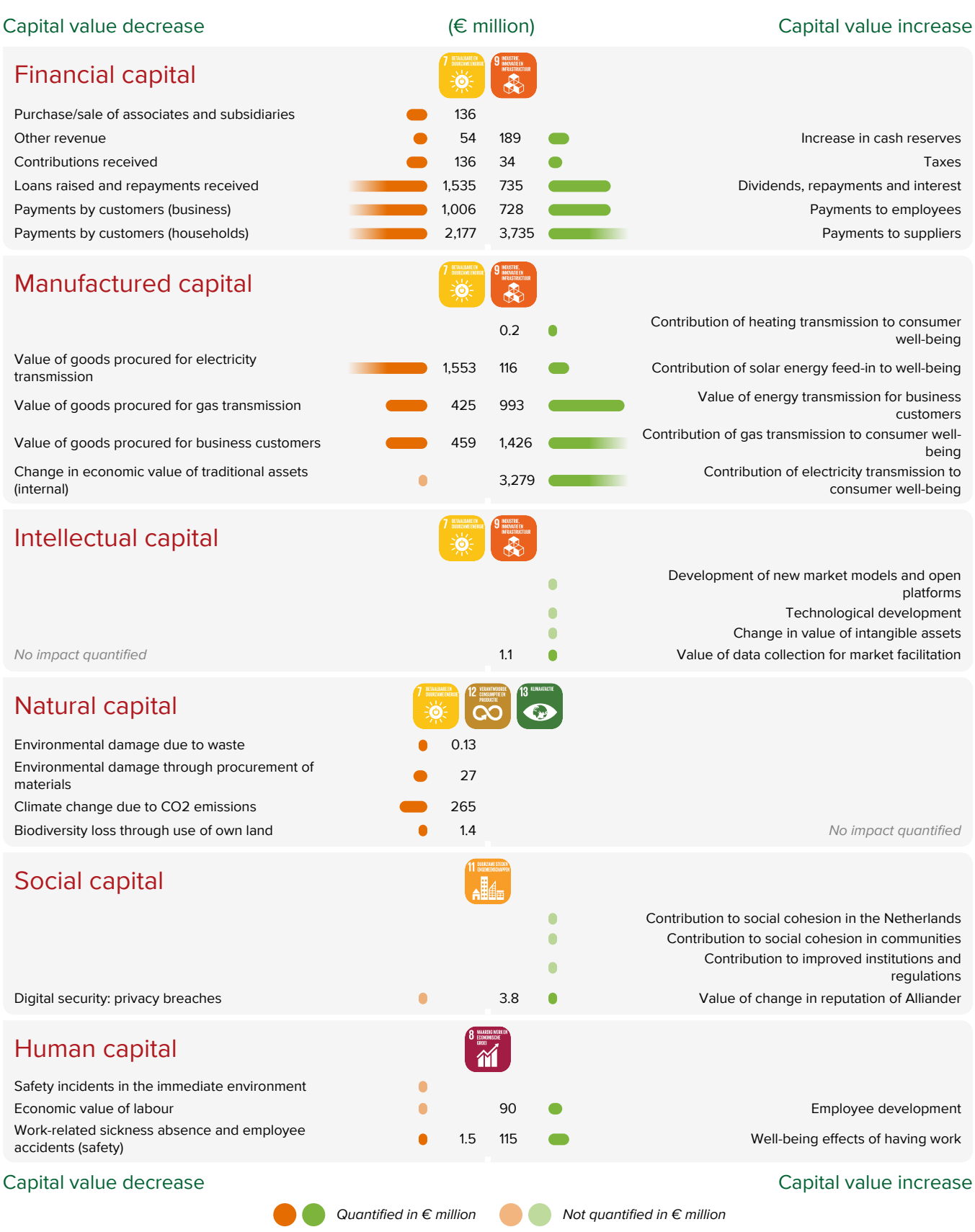
Our Sustainability and Corporate Responsibility report

This year, we are publishing our sustainability and corporate report for the tenth time as part of the annual report. Managing based on general prosperity requires fundamental change and is a long-term process. That is precisely why we are particularly proud of this integrated sustainability and corporate report, marking ten years of accurate disclosure of information on our social impact.

In our impact model (presented later in the report), we quantify and monetise the impact in terms of where we make the largest contribution to society in our direct activities and in the value chain. We have described the other indicators qualitatively and made an estimation on the basis of external sources. Value chain impacts are effects for which parties in the value chain are jointly responsible.

Main developments in 2025

- In economic terms, we see that our contribution to consumer well-being through gas and electricity transmission has increased significantly because end users have consumed more energy at lower energy costs per m^3 and kWh compared to 2024. This is despite the fact that the network management costs for electricity have increased.
- Our negative impact on the climate is decreasing. The carbon emissions from our own business operations increased slightly due to stricter policies (Science Based Target initiative) that exclude a form of CO_2 compensation. However, due to progress made in the energy transition, the emission coefficient per kWh of transmitted electricity has fallen. This, together with the reduction in network losses, will lead to a decrease in the impact on climate change of €12 million in 2025 compared to 2024.
- Our negative impact from waste has increased. Due to a significant increase in project work, we also saw a corresponding increase in the amount of waste (+20%). Nevertheless, our efforts in the area of responsible waste management have ensured that the percentage of waste that is recycled has remained the same (84%).
- The positive impact on human capital has mainly increased due to a growing workforce. Fortunately, the negative impact in terms of the number of accidents has remained virtually unchanged. Long-term absenteeism increases the negative impact.


Capital value decrease
(€ million)
Capital value increase
Financial capital
Purchase/sale of associates and subsidiaries 136
Other revenue 54 189 Increase in cash reserves
Contributions received 136 34 Taxes
Loans raised and repayments received 1,535 735 Dividends, repayments and interest
Payments by customers (business) 1,006 728 Payments to employees
Payments by customers (households) 2,177 3,735 Payments to suppliers
Manufactured capital
0.2 Contribution of heating transmission to consumer well-being
Value of goods procured for electricity transmission 1,553 116 Contribution of solar energy feed-in to well-being
Value of goods procured for gas transmission 425 993 Value of energy transmission for business customers
Value of goods procured for business customers 459 1,426 Contribution of gas transmission to consumer well-being
Change in economic value of traditional assets (internal) 3,279 Contribution of electricity transmission to consumer well-being
Intellectual capital
Development of new market models and open platforms
Technological development
Change in value of intangible assets
No impact quantified 1.1 Value of data collection for market facilitation
Natural capital
Environmental damage due to waste 0.13
Environmental damage through procurement of materials 27
Climate change due to CO2 emissions 265
Biodiversity loss through use of own land 1.4 No impact quantified
Social capital
Contribution to social cohesion in the Netherlands
Contribution to social cohesion in communities
Contribution to improved institutions and regulations
Digital security: privacy breaches 3.8 Value of change in reputation of Alliander
Human capital
Safety incidents in the immediate environment
Economic value of labour 90 Employee development
Work-related sickness absence and employee accidents (safety) 1.5 115 Well-being effects of having work
Capital value decrease
Capital value increase
Quantified in € million
Not quantified in € million

Most notable changes to impact in 2025

The section below explains the most notable (positive and negative) impact-related developments in 2025 compared to 2024. The models and method remained unchanged in 2025. Indexation for inflation (etc.) has been applied and some secondary data sources have been updated. In the comparative figures, the figures are compared with the impact in previous years. For a complete overview of the impact in 2025, please refer to the detailed explanatory notes to the impact model. For the basic principles and calculations, please refer to the detailed explanation of the impact indicators.

Manufactured capital: contribution of gas and electricity transmission to consumer well-being

Impact on well-being due to gas transmission in 2025: €1,426 million (2024: €1,300 million)
Impact on well-being due to electricity transmission in 2025: €3,279 million (2024: €2,894 million)

We create value for consumers with Alliander's gas and electricity network. This value is reflected in the perceived well-being that comes from reliable access to energy. In 2025, this well-being value increased compared to 2024: by 9.7% for gas and by 13.3% for electricity. In 2025, the number of connections to our electricity grid increased by approximately 1%. Unlike gas transport, we saw hardly any increase in the amount of electricity (+0.4% compared to 2024).

The falling price of electricity leads to increased well-being for consumers. At the same time – unlike gas – electricity transmission tariffs actually increased. This also led to an increase in transmission revenues, resulting by extension in an increased contribution to consumer well-being from Alliander's perspective. On the other hand, the decline in the electricity price has caused the perceived well-being of consumers through the feed-in of solar energy to fall from €147 million* in 2024 to €118 million in 2025. Due to the fall in price, the use of self-generated energy and feed-in resulted in a reduced financial advantage compared to households without solar panels.

* This positive impact has been corrected due to a change in scope. 2024 Annual Report: €157 million. For an explanation, see the comparative figures.

Natural capital: contribution to climate change

*Impact in 2025: €280 million negative (2024: €279 million negative)**

In 2025, there were several developments that had a reinforcing effect on Alliander's negative climate impact. First, the indexation of the CO_2 price meant that the impact of emissions was given greater weight. In addition, Alliander no longer offset its entire carbon emissions, which led to a further increase in the climate impact. The slightly higher transmission level, particularly of gas but also electricity, compared to the previous year also contributed to this, while our network losses decreased.

However, these developments were offset by a significant positive change. The carbon emissions per unit of electricity dropped further as a result of the transition to more sustainable electricity production. This is partly due to the influence of the increase in the number of households with solar panels. This effect was so strong that it completely offset the negative influences previously mentioned. On balance, this resulted in an almost unchanged contribution to climate change in 2025 compared to 2024. Due to increasing transmission volumes and the partial loss of compensation for Alliander's own emissions, major efforts will also be required in the coming years to meet the climate targets for 2030 and 2050.

* This negative impact has been corrected by indexing the CO_2 price. 2024 Annual Report: €269 million negative. For an explanation, see the comparative figures.

Natural capital: Environmental damage due to waste

Impact in 2025: €133 thousand negative (2024: €103 thousand negative)

In 2025, we launched many projects and invested a record amount in our energy networks. The sharp increase in work has led to a 20% increase in the amount of waste compared to 2024.

Although we focused strongly on circular waste processing, the ecological damage caused by waste has nevertheless increased by 29% over the past year compared to 2024. This is because the processing method used for waste that could not be recycled caused greater ecological damage compared to the previous year. The total increase in environmental damage can therefore not only be attributed to the increase in volume, but also to the composition of the waste and the increased costs of waste processing.

Despite an increase in the amount of waste, we succeeded in holding the percentage of recycled waste at the same level (84%). The proportion that could not be recycled and was therefore incinerated has been accounted for in the 'commercial waste' category for 50%. The challenge is to further reduce waste flows. To achieve this, we will continue to focus on circular waste processing in the coming years through prevention, reuse, recycling and, where possible, better separation of waste flows.

Human capital: Impact caused by work-related sickness absence and employee accidents

Impact in 2025: €1.5 million negative (2024: €1.0 million negative)

In 2025, the impact of work-related sickness absence rose relative to 2024. This increase is linked to the considerable growth in Alliander’s workforce. A significant portion of the increased impact is explained by long-term sickness absence. In addition, the social value assigned to sickness absence has increased compared to 2024. This contributes to the remaining portion of the total increase. Despite the growth in the workforce, the number of accidents has remained virtually the same. This demonstrates that our commitment to a safe and healthy working environment is having effect.

General prosperity in practice – business case studies

Our Sustainability and Corporate Responsibility report paints the overall picture of the impact we have on the six capitals. This impact can be traced back to the choices we make within our business operations. We constantly seek ways to reduce negative effects and reinforce positive effects. We do this by challenging the status quo: we explore alternatives to existing policies and look at how we can make more impactful choices. Every year, we conduct several qualitative and quantitative impact analyses in respect of proposed projects and choices, thereby contributing to well-considered decision-making. In this report, we highlight two current business case studies that we initiated in 2025, each involving an issue with a specific impact in relation to our business operations and our environment.

Casus

Reuse of power transformers

In order to facilitate the energy transition, intensive efforts are being made to expand the electricity grid. To achieve this, power transformers are installed in the grid every year, or old transformers are replaced by new, more powerful versions.

Situation and study question

In grid upgrade projects, power transformers that are functioning perfectly well are often written off prematurely because they do not comply with the recently introduced standard for modular construction. Although these projects are essential for the energy transition and increasing operational reliability, replacing fully functional transformers leads to higher costs and a higher ecological impact. This is diametrically opposed to Alliander's objective of achieving an affordable and sustainable energy supply. In addition, the current shortage of transformers and personnel is causing unpredictability in the supply of new equipment. In order to limit the impact, research has been carried out to determine whether transformers can be kept in operation for longer by upgrading them. Two scenarios were compared with each other in an impact study:

- Using new transformers in grid upgrade projects
- Upgrading existing power transformers in accordance with the standard

Key results

Upgrading power transformers leads to the following pros:

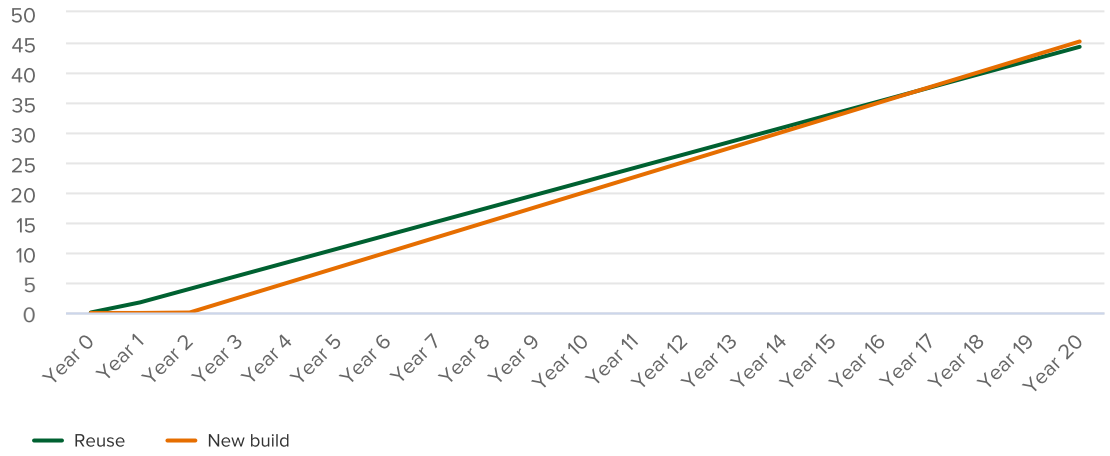
- Reduction of greenhouse gas emissions through reduced transport and material use.
- Increased security of supply through shorter connection times and fewer minutes of restricted transmission.
- Strengthening of Alliander's market position because it acts as a good employer and focuses on innovation, knowledge development and reliability.

The cons are as follows:

- Higher network losses compared to newly built transformers.

Despite these higher network losses, reusing a transformer delivers more social value than installing a new transformer, thanks to the shorter connection time and the CO_2 impact that is thereby avoided. After approximately 18 years, the social costs of redeployment exceed the social benefits.

Social costs of redeployment (€ million)



Follow-up

Based on these results, a field test will be initiated in which an 'old' transformer will be tested in the field. This test should reveal whether the use of a second-hand transformer actually contributes to achieving Alliander's objectives and accelerates the energy transition towards a sustainable and affordable energy supply.

Casus

Optimal use of fibre-optic connections (for business operations and communication)

In the case of applications that place very high demands on the reliability and availability of telecom connections, such as measuring equipment in the electricity grid and for data communication and control, Alliander uses fibre-optic networks. This is managed partly in-house and partly by leasing capacity on third-party fibre-optic networks.

The required reliability is achieved through the use of separate fibre-optic cables and high-quality equipment. The network is designed in such a way that messages can quickly reach the company operations centre via multiple routes. Due to increasing complexity and the risk of disruption to the existing network, an impact study was conducted to assess how alternative scenarios score in terms of their social impact and how they meet the requirements of a future-proof, reliable and secure network.

Situation and study question

To ensure reliable communication between our company operations centres in the west and east of the Netherlands, the dual operational fibre-optic connection needs to be upgraded. This can be achieved in three ways:

- Utilising existing fibre-optic lines of the infrastructure companies collaborating in the FiberFederatie – a platform where excess capacity of public and semi-public parties can be leased by other participating parties.
- An extension under our own management and ownership.
- Leasing existing connections from third parties.

Key results

The impact comparison of the three options shows that collaboration with the FiberFederatie has the most favourable impact on general prosperity for most capitals.

- Due to the excavation work required, this option still results in a minor adverse impact in terms of climate, raw materials and costs of the work, but much less so than the option of expanding under Alliander's own management.
- In terms of financial capital, more than €5 million in construction costs will be saved compared to building our own facilities, and €0.5 million compared to commercial lease.
- The FiberFederatie option results in reciprocal collaboration with efficient capacity utilisation and greater reliability than the commercial lease option.
- The collaborative element promotes the coordination of maintenance and prevention of faults, and encourages knowledge sharing and development, allowing innovations to be implemented more quickly.
- There is less disruption to the surrounding area due to limited construction work.

Conclusion

The analysis regarding the construction of a new fibre-optic connection reveals which option offers the greatest financial savings and which scenarios score better in terms of sustainability, reliability and collaboration. The FiberFederatie solution results in lower carbon emissions and material usage, and causes less disruption. The approach makes the decision-making process more transparent, better substantiated, future-proof and provides insight into particular interests. This helps us to make choices that are in line with both our strategic goals and our social responsibility as a network operator.

Corporate Governance

As a large public company with a vital role within society, we endorse the importance of effective and responsible management and supervision, and transparent governance.

Corporate governance

As a major energy network company, we have a significant social task to fulfil in Dutch society. In this role, we feel responsible for transparent business operations and rules for good governance, effective supervision and adequate accountability to our stakeholders.

Alliander Group

The Alliander Group includes Alliander N.V. (Alliander) and subsidiaries Liander N.V., Qirion B.V., Alliander Telecom N.V., TReNT Infrastructuur B.V., QTERRA B.V. and Firan B.V. Alliander heads up the group structure and applies the full two-tier governance model. Alliander has a two-tier management structure, with a Management Board and a Supervisory Board. The Management Board and Supervisory Board are accountable for the performance of their duties to the General Meeting of Shareholders (AGM). The Management Board is supported by the Executive Committee. All of Alliander's shares are held by Dutch provincial and municipal authorities.

Governance framework

Alliander's governance structure is based on Book 2 of the Dutch Civil Code and the Dutch Corporate Governance Code. The Dutch Gas Act and the Dutch Electricity Act 1998 also influence the governance of Alliander. The structure is set out in articles of association, various internal regulations and other documentation on corporate governance.

The shares in Alliander are not listed on the stock exchange. Alliander voluntarily applies the principles of the Dutch Corporate Governance Code (the Code), which was updated in March 2025. The Code is applied at the level of Alliander N.V. as a holding company. See our corporate website for full details of our compliance with the Code in the 2025 financial year based on the principle of 'apply or explain'. The updated Code applies from the 2025 reporting year. Where necessary, internal regulations and other internal rules and procedures have been amended to comply with the updated Code.

In addition, Alliander endorses the VNO-NCW Tax Governance Code and we publish an annual transparency report on the tax policy pursued in line with this code.

Governance roles

Management Board and Executive Committee

The Management Board is responsible for managing Alliander and is accountable for setting and achieving the objectives, strategy and policy, and the ensuing results. In addition, the Management Board ensures compliance with all relevant legislation and regulations, risk management and financing of the company. At the end of 2025, the Management Board consisted of two members: the CEO and the CFO. The members of the Management Board have agreed on an allocation of specific duties and responsibilities while maintaining the collective responsibility of the Management Board as a whole. The Supervisory Board has approved the split of tasks and responsibilities.

The Management Board is supported in the performance of its duties and responsibilities by the Executive Committee (ExCo). As of 17 April 2025, the ExCo consists of seven members. Of the members, the Chief Executive Officer and the Chief Financial Officer are company officers appointed under the articles of association. In addition, five members who are not company officers appointed under the articles of association sit on the ExCo: the COO Networks, the COO Customers, the CTO, the CHRO and the CDO. This leadership structure ensures direct and integrated control of Alliander Group's key operational responsibilities, such as scaling up production, increasing customer value and developing a future-proof and integrated energy system. The broad composition of the ExCo strengthens business operations and promotes the implementation of the strategy. The ExCo jointly manages Alliander on a day-to-day basis. The Management Board has ultimate responsibility for the actions and decisions of the ExCo. The CEO is the

ExCo chair and the primary point of contact between the ExCo and the Supervisory Board and its chair. The Supervisory Board's supervision only extends to the ExCo members who are company officers under the articles of association. The ExCo members who are not company officers under the articles of association only attend Supervisory Board meetings if there are items on the agenda that pertain to their specific portfolio.

The Supervisory Board appoints the members of the Management Board. Members of the Management Board are appointed for an indefinite period of time. The Supervisory Board also has the power to suspend or dismiss members of the Management Board. The Management Board appoints, suspends and dismisses the other members of the ExCo.

Supervisory Board

The Supervisory Board supervises the policy of the Management Board and the general course of affairs within Alliander. The Supervisory Board also advises the Management Board. In addition, the Supervisory Board is the employer of the Management Board. Alliander's Supervisory Board has also been designated as the supervisory body for Liander N.V., the network operator within the Alliander group. The Supervisory Board is fully responsible for the performance of its duties.

New members of the Supervisory Board are nominated by the Supervisory Board and appointed by the General Meeting of Shareholders, taking into account the job profile and the diversity policy. Supervisory Board members are appointed in accordance with the Code, in the sense that a term of appointment of two four-year periods applies as a starting point, and any subsequent appointment is justified in the Supervisory Board's report. At year-end 2025, the Supervisory Board had six members. The members of the Supervisory Board step down in accordance with the retirement schedule established by the Supervisory Board.

The Supervisory Board has set up two permanent committees from among its members, an Audit Committee and a combined Selection, Appointment and Remuneration Committee. These committees prepare the materials required for decision-making in the Supervisory Board meetings. The Supervisory Board remains collectively responsible for the decisions prepared by a committee.

Shareholders

The shares in Alliander are held by four Dutch provincial authorities and 70 municipalities. A full list of the shareholders can be found on our corporate website.
The AGM is the body in which the shareholders exercise their rights to control Alliander. This annual meeting is held within six months of the end of the financial year, in the presence of the members of the Management Board and the Supervisory Board. In this meeting, the shareholders discuss the annual report, adopt the financial statements and dividend, and grant discharge from liability to the members of the Management Board for the policy implemented and to the members of the Supervisory Board for the supervision exercised. In the intervening period, the Management Board, the Supervisory Board and the shareholders may convene general meetings as often as desired.

Certain powers of the AGM have been assigned to the Committee of Shareholders. These include powers regarding recommendation, appointment and dismissal of Supervisory Board members and regarding appointment and dismissal of Management Board members. Furthermore, there are regular informal consultations between the Management Board and representatives of the major shareholders through the Sounding Board Group (official forum) and the Meeting of Major Shareholders (administrative forum).

Internal audit function

Within Alliander, the Internal Audit department performs the internal audit function. Internal Audit provides the Management Board and management of Alliander with independent and objective insight, advice and (additional) assurance regarding the effectiveness of the risk management, control and governance processes.

Internal Audit falls under the responsibility of the Chief Executive Officer and has direct contact with the Audit Committee and the external auditor. The Internal Audit manager normally attends Audit Committee meetings. The Audit Committee supervises the internal audit function and advises the Supervisory Board on the role and performance thereof. The Management Board annually assesses the way in which the internal audit function carries out its task, after consultation with the Audit Committee.

Each year, Internal Audit draws up a risk-based audit plan after consultations with the Management Board, the Audit Committee and the external auditor. The audit plan is submitted to the Management Board for approval and then to the Supervisory Board. The Audit Committee discusses the progress of the plan, the main findings and follow-up in respect of the recommendations at its meetings. The external auditor also receives this information.

External auditor

The AGM appoints the external auditor, as proposed by the Supervisory Board. PricewaterhouseCoopers Accountants N.V. has acted as Alliander's external auditor from the 2024 financial year onwards.

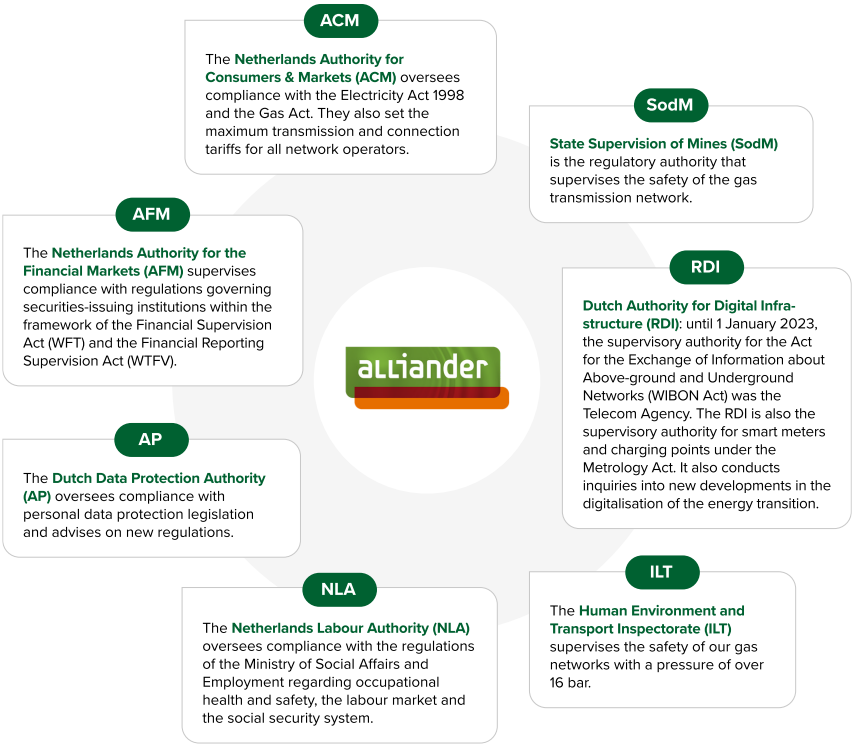
The Audit Committee oversees the relationship with the external auditor. In principle, the external auditor attends all meetings of the Audit Committee. The external auditor also attends the meeting of the Supervisory Board in which the external auditor’s report on the audit of the financial statements and review of the sustainability statement are discussed. The external auditor also attends the Supervisory Board meeting where the half-year figures will be discussed. Additionally, the external auditor attends the meeting of shareholders to answer any questions the shareholders may have regarding their audit activities and opinion on the financial statements and the sustainability statement.

Risk Management & Compliance

Risk Management & Compliance (RM&C) supports the Management Board and management in achieving the business objectives by providing insight into risks and compliance issues in relation to Alliander’s strategy and activities, and by advising on (control) measures to be taken. The RM&C manager reports to the Corporate Control director. RM&C submits a risk report to the Management Board and Audit Committee every six months. The Corporate Control director attends all Audit Committee meetings as standard.

Industry regulators

External organisations supervise Liander N.V. in its capacity as a network operator active in a regulated environment. They supervise such aspects as compliance with specific legislation and regulations. The main industry regulators:


ACM
The **Netherlands Authority for Consumers & Markets (ACM)** oversees compliance with the Electricity Act 1998 and the Gas Act. They also set the maximum transmission and connection tariffs for all network operators.
SodM
State Supervision of Mines (SodM) is the regulatory authority that supervises the safety of the gas transmission network.
AFM
The **Netherlands Authority for the Financial Markets (AFM)** supervises compliance with regulations governing securities-issuing institutions within the framework of the Financial Supervision Act (WFT) and the Financial Reporting Supervision Act (WTFV).
alliander
RDI
Dutch Authority for Digital Infrastructure (RDI): until 1 January 2023, the supervisory authority for the Act for the Exchange of Information about Above-ground and Underground Networks (WIBON Act) was the Telecom Agency. The RDI is also the supervisory authority for smart meters and charging points under the Metrology Act. It also conducts inquiries into new developments in the digitalisation of the energy transition.
AP
The **Dutch Data Protection Authority (AP)** oversees compliance with personal data protection legislation and advises on new regulations.
NLA
The **Netherlands Labour Authority (NLA)** oversees compliance with the regulations of the Ministry of Social Affairs and Employment regarding occupational health and safety, the labour market and the social security system.
ILT
The **Human Environment and Transport Inspectorate (ILT)** supervises the safety of our gas networks with a pressure of over 16 bar.

Risks

Alliander works hard to keep energy reliable, affordable and accessible for everyone. Risk management helps bring focus to Alliander's management so that we achieve our objectives. Our work involves risks, including safety and financial risks. These risks cannot be entirely eliminated. However, risk management does provide insight into these risks, so that we can take informed decisions about (measures to control) these risks. We use a single risk management method within Alliander. This ensures that the risk management process takes place in accordance with the same steps everywhere in the organisation.

Risk awareness

The management of risks forms part of our governance and decision-making. The Management Board and Supervisory Board of Alliander regularly discuss the principal risks. They assess what effects the risks can have on the strategic objectives, the operations and our reputation.

Alliander is committed to complying with the guidelines in the (revised) Corporate Governance Code. In the 'Corporate governance', 'Statement by the Management Board' and 'Other information' sections, we provide more information on how risk management has explicitly been embedded in the organisation's governance and decision-making procedures.

Risk appetite

To achieve the corporate objectives, we sometimes need to accept risks to a certain extent. The extent to which we are prepared to run risk in attaining our goals (i.e. our 'risk appetite') ranges from risk to risk.

- When it comes to the safety of our employees, our customers and our networks, we aim to keep risk to a minimum. We eliminate all risks where possible and realistic.
- Our risk appetite is low when it comes to compliance. We are expected to comply with laws and regulations, and are committed to acting in accordance with internal procedures and the Alliander code of conduct.
- Where strategic risks are concerned, we seek the right balance between the risks and our longer-term ambitions.
- We have a low appetite for financial risks. This ensures that we have a healthy financial basis and meet our key financial ratios.

Developments in top risks

Given the trends around us, the same topics have largely remained relevant to us. Both domestically and internationally, many relevant trends have continued, with shifting power relations, unrelenting pressure on the supply chain, rising defence spending and climate risks. Domestically, we are seeing that the formation of the new coalition government and their plans have brought uncertainty about progress in policy and legislation. Government priorities on a national level, as well as the public debate and our society becoming more intransigent are topical issues that impact our top risks.

Overall reflection on the total risk spectrum

We are facing major strategic challenges that we are working hard to overcome, but we are not yet where we want to be. At the same time, while there is indeed a growing focus on the main risk topics, these are often addressed through initiatives spanning several years that will only deliver results in the long term. The additionally implemented control measures are intended to bring down risk scores over the coming years. Here's a run-down of our main risks:

Risk	Risk trend vs. 2024	Link to strategy	Risk response
Inadequate completion of work package	Constant	3. Making better use of the network 4. Completing more work	- Making better use of the network - Completing more work
Not meeting customer expectations	Falling	1. Excellent management 2. Reducing demand for transmission capacity	- Managing customer expectations and proactive customer communications - Monitoring customer profile - Performing preventive and corrective maintenance
(Cyber)security resilience	Rising	3. Making better use of the network 5. Sharing data and developing new market services 7. Future-proof base	- Alliander-wide information security management system - Security maturity measurements - Business continuity management - Security by design
Uncertainty over the future energy system	Constant	2. Reducing demand for transmission capacity 3. Making better use of the network 5. Sharing data and developing new market services 6. Developing infrastructure for heating and sustainable gases	- Improving customer prognoses based on forward-looking scenarios - Close collaboration on energy planning with provinces and municipalities - Closer collaboration with high-volume customers and in the industry
Accidents caused by unsafe situations	Falling	7. Future-proof base	- Ensuring the safety of networks and assets - Embedding safe working practices in processes and instructions - Reinforcing a proactive safety awareness culture
Restrictions and uncertainties around laws, regulations and policy	Falling	2. Reducing demand for transmission capacity 5. Sharing data and developing new market services 6. Developing infrastructure for heating and sustainable gases	- Long-term good relations with legislator and supervisor - Monitoring political developments and Dutch House of Representatives agenda - Work on drafting legislation and policy (including in NBNL) - Work on European laws and regulations
Inadequate capacity to deliver and change	Constant	1. Excellent management 4. Completing more work 7. Future-proof base	- Managing transformation - Organisation-wide interventions in relation to strategy, organisational effectiveness and culture & leadership - Targeted interventions on supply chain management challenges regarding output and productivity increases
Ineffective growth of the organisation	Constant	7. Future-proof base	- Strategic personnel planning - Integrated implementation plan on scaling up personnel, infrastructure and services
Uncertainty about effects of climate change	Rising	4. Completing more work 7. Future-proof base	- Working in compliance with construction standards, including climate scenarios - Taking measurements in the network - Setting up a crisis management organisation
Pressure on our financial position	Falling	7. Future-proof base	- Strengthening capital base - Cost-effective organisation

The above table lists the risks in descending order. We will go into greater detail on the five highest-scoring risks below. Additionally, we will go into the new risk that we have identified, which is the uncertainty around the effects of climate change.

1. Inadequate completion of work package

The ‘Inadequate completion of work package’ risk continues to be our greatest risk. The volume of work, especially in the work package for electricity, continues to increase due to the energy transition and economic growth. The shortage of technical staff in the labour market, lengthy training and volatility in the forecasts concerning the type and volume of work make timely scaling up of capacity challenging. In addition, we are seeing certain materials becoming increasingly scarce on the market and, as a result, we

are not able to complete all of our work package and some work is being postponed. This is compounded by the complexity of predicting system changes and planning for the emergence of new technologies and trends. The aim is for our adopted market approach, improved plan reliability and progress on our 'Making better use of the network' initiative to help us bring down this risk score. Risk management on this front is geared towards reducing the likelihood of this risk materialising.

2. Not meeting customer expectations

While the 'Not meeting customer expectations' risk diminished in terms of impact, it remains a very high risk. Due to the enormous demand, it is becoming increasingly difficult to meet customers' expectations. The shortage of transmission capacity is worsening and waiting periods for connections are getting longer. Interaction with customers is increasing too. All this has an impact on our customers and requires good, timely personal communication. At the same time, our customers have ever higher expectations concerning transparency and service provision. National and regional media are focusing more attention on network operators. The growing network capacity issues are impacting our customer rating.

We are better able to manage customer expectations on the front end and customer communications have improved over the past year, but it is still a challenge to meet growing demand from customers. In all our processes, we need to be aware of their impact on customers. The measures we have implemented are effective, and additional measures have also been defined.

3. (Cyber)security resilience

When it comes to the '(Cyber)security resilience' risk, we are focusing heavily on containment. Geopolitical developments have led to a heightened threat level. Threats we have identified include espionage, sabotage, infiltration and disinformation. Security expertise is in short supply and the number of qualified staff we are managing to bring in and develop internally still falls short of the organisation's needs. Strong organisational growth is having an adverse impact on social cohesion and, consequently, on our last line of defence, i.e. our workforce. Increased risk of unauthorised access or abuse of authorised access by insiders. New legislation in response to these challenges has already been passed in the form of the Cybersecurity Act and the Critical Entities Resilience Act, placing high demands on the security of Alliander's organisation and processes.

We continue to prioritise keeping our business continuity management (BCM) plans and business impact analyses of critical processes up to date. New external threats are expected to keep risk at a high level over the coming years.

4. Uncertainty over the future energy system

Building energy infrastructure for a new energy system comes with uncertainty. There is a risk that the future energy system will develop in a different direction than what we currently think, which could create a mismatch with our investments. We may turn out to have invested too much, in the wrong sites, or in the wrong energy carriers, or to have created too much overlapping infrastructure (electricity, heat, hydrogen), or simply not enough infrastructure. This can lead to higher costs for society and damage to our reputation.

5. Accidents caused by unsafe situations

Safety features increasingly prominently and broadly on the agenda at all our organisational units. Our activities involve health and safety risks for our employees, contractors, customers and local communities. There are two types of safety risk: one is the risk of employees being injured on the job and the other is the potential for explosions, fire, suffocation, short circuit or other accidents that can occur as a result of an asset failure. Despite all the measures taken the risk of an accident always remains. The potential impact is huge.

While our LTIF rate is falling and Level 4 safety awareness is growing, we are seeing that we have not met our targets when it comes to the number of accidents and development of a safety culture. Given people's growing risk awareness and increased readiness to raise concerns, the number of reported incidents has increased. We are pursuing targeted behavioural change, specific and measurable improvement measures and active leadership engagement to strengthen our foundation and achieve real improvement in our safety performance.

Uncertainty about effects of climate change (new risk)

A new risk that we have identified is the uncertainty about the effects of climate change. Climate change leads to challenges in the performance of our duties as a network operator. It impacts the condition of our assets and affects our operations and safety. While climate change does not have a major effect on us at this point, it is something we have to keep monitoring. In new-build projects, we take climate scenarios into consideration. We conduct regular risk assessments to assess whether our maintenance strategy is still adequate for our existing buildings.

Other risks – non-compliance with legislation

Besides the main risks set out above, we also face obligations under laws and regulations. Despite our commitment to compliance in our policy choices, processes and activities, there were instances of non-compliance with the Dutch Public Procurement Act and in the implementation of network codes in the past year. As far as procurement is concerned, Alliander reassessed a number of previously concluded contracts in 2025, like it had done in 2024. The original contracts had been concluded after a European tendering procedure, but they were not put out to tender again after reassessment. Alliander found itself obliged to amend the contracts for social impact reasons. This was done in complete transparency and the associated risks have been mitigated. When it comes to the network codes under the Dutch Energy Act, which network operators are required to implement, we found that measures and customer products intended to ensure more efficient use of networks were not yet implemented at all or only partly. Following a request from the Netherlands Authority for Consumers & Markets (ACM), an improvement plan has now been made to tackle the challenges.

Report of the Supervisory Board

In this report, the Supervisory Board declares how it fulfilled its role as supervisor, adviser and employer of the Management Board in 2025. In addition, the Supervisory Board describes the most important topics it was involved in this year.

The impact of the energy transition is becoming increasingly apparent. The electricity grid is becoming congested in more and more places. The Supervisory Board endorses Alliander's approach to preventing grid congestion. In addition to expanding and upgrading the electricity grids, smarter use of the existing grid and broadening of the energy mix – with district heating networks, for example – are needed to achieve a congestion-free energy system. Despite these efforts, the waiting lists for connections continued to grow in 2025. The affordability and financing of the energy transition also required urgent attention, as did the increasing social and political pressure on the organisation. These topics have been discussed in detail with the Management Board. In addition, the Supervisory Board focused on Alliander's role in the development of public district heating networks, the change to the top management structure and the selection process for a new Supervisory Director.

Significant issues and developments in 2025

Safety

Safety is a top priority at Alliander and a permanent item on the agenda. The Supervisory Board requested and received extensive information about the integrated safety approach, which targets achieving a structurally higher level of safety. This included internal safety campaigns, which were launched to increase risk awareness.

The Supervisory Board closely monitors the number of accidents resulting in lost time through quarterly reports. Although there is a downward trend, the number of incidents is not yet at the desired level. The Supervisory Board therefore emphasises the importance of maintaining a focus on safety and embedding this in the organisational culture. Safety remains an important focus in 2026.

Strategy

The progress made in relation to the strategy is on the agenda at every meeting. This is monitored through quarterly reports that present the operational and financial performance. In addition, strategically relevant topics are discussed in virtually every meeting, leading to constructive dialogue.

Scaling up production was a key topic that required the Board’s attention. In this context, the Supervisory Board was informed about initiatives such as the district-oriented approach to upgrading low-voltage grids and the strategy for increasing contractor capacity. More flexible use of the grid was also a recurring theme, with attention being paid to technical solutions (such as subjecting assets to heavier loads), flexible contracts, the area-based approach and new tariff models. Attention was also given to digitalisation and the use of artificial intelligence (AI), improving customer service and the further transformation of the organisation.

During the annual strategy day, progress, dilemmas and challenges relating to scalability and standardisation were discussed at length. In addition, the Supervisory Board was involved in the further development of the energy system. Following an introduction by the CTO on Alliander's future plans, additional visions were shared, both from a regional perspective (Port of Amsterdam) and from a national policy perspective (Ministry of Climate and Green Growth). This was a valuable and inspiring day in the opinion of the Supervisory Board.

Financing the energy transition

The energy transition requires major investments and leads to a significant need for financing. Due to rising investments, there was a negative cash flow of €1.2 billion in 2025. In order to finance the expansion of the electricity grid, Alliander will increasingly turn to the capital market in the coming years.

The lion's share of the financing requirement in 2025 was met through bond loan issues. The Supervisory Board approved the issue of two green bond loans totalling €1 billion and a green hybrid bond loan of €500 million. These bond loans were successfully placed in April and October 2025.

With long-term financial sustainability in mind, the dividend policy was reviewed at the beginning of 2025. Following constructive discussions between the Management Board and the major shareholders, and intensive consultation between the Management Board and the Supervisory Board, the Supervisory Board agreed to update the dividend policy, adding a dividend cap of €100 million per year. Reinvesting a larger portion of its profit in the energy networks will allow Alliander to limit its need for external, relatively expensive financing. The updated dividend policy was explained during the AGM held on 16 April 2025. On 22 September 2025, the ACM published the draft method decisions for the regulatory period starting in 2027. These decisions determine how the income of network operators is regulated and are therefore of great importance for financing. The ACM is switching from benchmark regulation to a cost-plus model. The Supervisory Board is, in principle, positive about this new regulatory method, which is better suited to the challenges of the energy transition and offers greater certainty about the timely coverage of the investments needed. The ACM is expected to adopt the final decisions in February 2026.

Heat

With the adoption of the Dutch Collective Heating Supply Act, an important precondition was put in place for accelerating the construction of district heating networks. However, Alliander has advocated that other preconditions regarding financing and tariffs should be met as well. They are necessary to ensure that district heating networks can actually be constructed.

Alliander feels that it also has a responsibility to play an active role in the construction of public district heating networks and has therefore decided to establish a public integrated heating company, including a heating service company, as of 1 January 2026. This heating company will play a central role in the construction of public district heating networks and, in addition to building infrastructure, will also supply heat to business customers and households. These steps are in line with Alliander's vision of heat being part of the energy system of the future. The Supervisory Board supports the chosen growth strategy and has advised the Management Board on risks, governance and financial aspects.

Risk management

The management report for 2025 is the first to include a Risk Management Statement (RMS). This statement describes the degree of risk management in the following domains: finance, sustainability, compliance and operations. The approach, the chosen level of certainty for the 2025 financial year and the supporting evidence were discussed with the Audit Committee in the presence of the external auditor, who acted as a constructive sparring partner. The Audit Committee critically questioned the Management Board about the degree of certainty and the substantiation of the RMS and reported on this to the Supervisory Board.

Sustainability

Sustainability is an integral part of Alliander's strategy and its day-to-day operations. We are constantly looking for improvements, with Alliander's sustainability profile playing an important role in the considerations of stakeholders. Further steps were taken in 2025, including steps to improve circularity and reduce carbon emissions. The Supervisory Board supports these initiatives and considers them to be important contributions to sustainable value creation in the long term.

In its 2025 management report, Alliander has included a sustainability statement in accordance with the requirements of the ESRS for the second time. This guideline contains comprehensive and standardised reporting requirements in respect of the Environment, Social aspects and Governance.

Transfer of the high-voltage grid to TenneT

The Supervisory Board approved the sale of the 150 kV Randmeren high-voltage grid to TenneT for a net selling price of €139.1 million. Liander was legally obliged to make this transfer after the termination of the last cross-border lease. The selling price was determined in a careful process. The shareholders approved this sale during the AGM of 16 April 2025.

Change to the top structure

To strengthen the implementation of its strategy, Alliander formed an Executive Committee (ExCo) in April 2024. In addition, the four members of the Management Board who are company officers appointed under the articles of association, the ExCo included two further members who are not appointed under the articles of association, namely the Chief Human Resources Officer (CHRO) and the Chief Digital Officer (CDO). Following the departure of the CTO on 1 April 2025 and the COO on 17 April 2025, the Supervisory Board and the Management Board reviewed the composition of the ExCo.

The Supervisory Board approved an amendment to the top structure under the articles of association, reducing the Management Board to two company officers appointed under the articles of association: the CEO and the CFO. In addition, it was decided to add an additional member to the ExCo by appointing two COOs. With the appointment of a new CTO and two COOs, the new top management structure is now complete. This structure allows Alliander to respond more effectively to customer needs and implement the operational measures necessary for a future-proof and sustainable energy system.

The Supervisory Board's role as an employer

The Selection, Appointment and Remuneration Committee of the Supervisory Board annually assesses the performance of the individual members of the Management Board and reports this assessment to the Supervisory Board. This also took place in 2025. The assessment included looking at the progress made in respect of collective and individual objectives and personal development. The Supervisory Board's role as an employer also includes succession planning for the Management Board. Accordingly, the Supervisory Board discusses the succession plan for all members of the Executive Committee on an annual basis.

Other important matters

During its meetings, the Supervisory Board also addressed a variety of other topics, such as:

- Relevant new and upcoming legislation. Examples of this are the new Energy Act, the new Collective Heating Supply Act and the RMS.
- The results of the 2025 Central Employee Barometer.
- Approval of the 2026 – 2030 Business Plan, including the 2026 budget.
- Fit4Future portfolio, portfolio of programmes aimed at designing a future-proof IT landscape.
- Proposal regarding the reappointment of Gerard Penning as a Supervisory Director and proposal regarding the appointment of Menno Snel to the Supervisory Board.
- Additional positions held by the members of the Management Board and Supervisory Board.
- Relevant political developments and Alliander in the media.
- Approval of the Internal Audit annual plan for 2025 and the appointment of the Director of Internal Audit.

About the Supervisory Board

Composition of the Supervisory Board and appointment and retirement schedule

During the AGM held on 16 April 2025, Gerard Penning was reappointed for a second four-year term. In addition, Menno Snel was appointed as a member of the Supervisory Board for a period of just over four years during the Extraordinary General Meeting of Shareholders (EGM) on 17 October 2025. As a result, the Supervisory Board will temporarily consist of six members until the AGM in April 2026. Menno Snel will assume the chair of the Supervisory Board from the AGM in April 2026. As a new Supervisory Director, he will participate in a tailor-made onboarding programme. The personal details and the principal and additional positions of the members of the Supervisory Board are included in the 'Supervisory Board' paragraph in the 'Corporate Governance' section.

Name	(Year of) first appointment	Term	Final year of current term
Annemarie Jorritsma (chair)	2016	3rd term	2026
Frits Eulderink	2019	2nd term	2027
Thessa Menssen	2019	2nd term	2027
Marinka Nooteboom	2023	1st term	2027
Gerard Penning	2021	2nd term	2029
Menno Snel	2025	1st term	2030

The personal details, principal and additional positions of the members of the Supervisory Board are included in the 'Supervisory Board' paragraph in the 'Corporate Governance' section.

Procedure and member attendance

In 2025, the Supervisory Board met seven times: five scheduled meetings and two extraordinary meetings. Prior to each scheduled meeting, the Supervisory Board holds a 'Supervisory Board-only' session, in which discussions take place without the presence of the Management Board. The results of these sessions are shared with the Management Board during the scheduled meeting. Depending on the agenda items, other stakeholders may be invited, such as ExCo members who are not officers of the company appointed under articles of association, the external auditor and directors.

Outside the meetings, the Management Board kept the Supervisory Board informed of current developments, and there was regular interim contact between members of the Supervisory Board and between the Supervisory Board and the Management Board. The secretary prepared the meeting agendas, liaising with the chairs of the Management Board and the Supervisory Board when doing so.

The Audit Committee met five times in 2025, and the Selection, Appointment and Remuneration Committee held four meetings.

Supervisory Board members' meeting attendance record

Name	Supervisory Board	Audit Committee	Selection, Appointment and Remuneration Committee (4)
Annemarie Jorritsma*	86%	N/A	100%
Frits Eulderink	71%	80%	N/A
Thessa Menssen	100%	100%	N/A
Marinka Nooteboom	100%	100%	N/A
Gerard Penning	100%	N/A	100%
Menno Snel**	100%	N/A	100%

* Annemarie Jorritsma was not present at an extraordinary meeting of the Supervisory Board because it concerned her own succession

** Menno Snel joined the Supervisory Board and the SAR Committee on 17 October 2025

Independence

The Supervisory Board's articles of association and the by-laws contain provisions about the independence of Supervisory Board members. The composition of the Supervisory Board is such that the members are able to operate independently and critically vis-à-vis one another, the Management Board and any particular interests involved. The Supervisory Board fully complies with the independence requirements set out in the Corporate Governance Code.

Additional positions are reported to the Supervisory Board in advance. None of the Supervisory Board members holds more than the maximum number of supervisory positions with large Dutch companies or foundations. A permitted exception under the Electricity and Gas Act applies to one Supervisory Director: Frits Eulderink is also chair of the Supervisory Board of Energie Beheer Nederland. The Supervisory Board concluded that Frits Eulderink has a potential conflict of interest with respect to Alliander's future heating company due to his position as chair of the Supervisory Board of Energie Beheer Nederland. To avoid situations that might appear to indicate a conflict of interest, he did not attend the discussions on this subject and did not receive any information.

Diversity

The Management Board, the ExCo and the Supervisory Board all endorse the importance of diversity, in a broad sense and with specific attention for gender diversity. The diversity policy applicable to the Management Board, the ExCo and the Supervisory Board is geared towards this. The provisions of the Dutch Act on appointment quota and target ratios apply to Alliander. When determining the composition of the Management Board, the ExCo and the Supervisory Board, consideration is given to the following aspects:

- a balanced gender ratio with a target percentage of at least 33% women and at least 33% men;
- a complementary composition in terms of experience and professional background (the areas of knowledge and experience for the Supervisory Board are included in the Supervisory Board's Profile);
- a balanced age structure.

The gender diversity target for the Supervisory Board and the ExCo has been met. The Management Board does not meet the target figure for gender diversity. Diversity is an important consideration when filling vacancies within the Supervisory Board, the ExCo and the Management Board. For each vacancy, we discuss what is desired in the context of diversity. The table below shows the gender split of the members of the Supervisory Board, the Management Board and the ExCo at the end of 2025.

Diversity	Supervisory Board		Management Board		Executive Committee	
	Number of	Ratio	Number of	Ratio	Number of	Ratio
Male	3	50%	2	100%	3	43%
Female	3	50%	-	0%	4	57%

Annual evaluation

The Supervisory Board conducts an annual evaluation that examines the performance of the Supervisory Board itself, as well as that of individual members and the various committees, while also evaluating collaboration with the Management Board. Once every three years, the Supervisory Board does this under external supervision. That was the case in 2024. In 2025, the Supervisory Board conducted the evaluation on its own. The general assessment of 2025 is positive. The relationships between the Supervisory Board members are characterised by a high degree of trust, there is effective and constructive collaboration and a sharp focus on the issues at hand and the development of the organisation and its leadership. In general, the Supervisory Board is satisfied with its own performance and that of the committees. The relationship and dialogue with the Management Board, and where relevant with the ExCo, is open, professional and results-oriented, which both the Supervisory Board and the Management Board greatly appreciate.
The assessment of 2025 also shows that the Supervisory Board is pleased with the change to the top structure (as previously explained), the expansion of the ExCo to include an additional member and the strengthened joint focus during the meetings. The atmosphere remains constructive and the Supervisory Board looks back with satisfaction on the decision to explore substantive topics in greater depth outside the scheduled meetings, such as the application and development of AI at Alliander. For 2026, the Supervisory Board sees opportunities to reduce the volume of the meeting documents, further increase the focus on profit/loss in both the documents and the topics to be discussed, and create greater opportunity for strategic reflection within the busy meeting agendas.

Supervisory Board committees

Audit Committee

The Audit Committee is made up of Thessa Menssen (chair), Marinka Nooteboom and Frits Eulderink. Its meetings were attended by the CFO, the external auditor, the Director of Corporate Control and the Internal Audit Manager. Depending on what was on the agenda, internal specialists also joined Audit Committee meetings.

Topics discussed by the Audit Committee in 2025 included the 2024 annual report and financial statements, quarterly reports and the 2025 half-year report, reports issued by the external auditor and Internal Audit department, the business plan for 2026-2030, the functioning of internal risk and control systems, the main business risks, our fraud risk resistance, the update to our dividend policy, the risk management statement, our digital resilience, financing and the transfer of the Randmeren high-voltage grid to TenneT.

Selection, Appointment and Remuneration Committee

The Selection, Appointment and Remuneration Committee consists of Gerard Penning (chair), Annemarie Jorritsma and Menno Snel (as of 17 October 2025). The committee's meetings are always attended by the CEO and the Corporate Secretary, while the CHRO also attends when specific topics are to be discussed.

In 2025, the committee discussed matters such as the change to our senior management structure, succession planning for Management Board and ExCo members, sickness absence, the HR dashboard, the Supervisory Board's self-evaluation, the reappointment of a Supervisory Board member and the recruitment of a new Supervisory Board member and chair. The committee furthermore conducted performance reviews with Management Board members and performed preparatory work for the remuneration report.

Contact with the Works Council

Supervisory Board members attended the Works Council's consultation meetings. Since the members of the Supervisory Board who were appointed based on nominations by the Works Council maintain regular contact with the Works Council's Executive Team, the Supervisory Board stays well informed on organisational and personnel developments. At the annual joint meeting of the Works Council and the Supervisory Board, the members of the Supervisory Board were introduced to the new Works Council members who joined in January 2025. The joint meeting addressed the Works Council's four strategic focus points for the 2025-2027 period. The Supervisory Board greatly appreciates the open and constructive nature of the meetings.

Contact with shareholders

Formal interactions between the Supervisory Board and shareholders take place mainly during the Annual General Meeting of Shareholders. The full Supervisory Board attended the Annual General Meeting of Shareholders (AGM) on 16 April 2025 and the Extraordinary General Meeting of Shareholders on 17 October 2025. Besides these formal occasions, the Management Board had regularly informal consultations with the company's major shareholders in 2025 to discuss things such as the dividend policy update, network congestion, developments around heat infrastructure and the new regulatory method that will take effect from 2027. The Supervisory Board was always briefed on what was discussed.

In addition, the Selection, Appointment and Remuneration Committee consulted with the Committee of Shareholders regarding the implementation of the Management Board remuneration policy. The Committee of Shareholders also received regular updates on the selection process for a new member and prospective chair of the Supervisory Board, as well as on the change to the senior management structure. The Supervisory Board values the open and constructive collaboration with shareholders.

Advice to shareholders regarding the financial statements

The 2025 financial statements, prepared by the Management Board, were discussed and signed by both the Management Board and the Supervisory Board, in the presence of the external auditor. The financial statements and the sustainability statement were audited by PricewaterhouseCoopers Accountants N.V., who issued an auditor's report for the former and an assurance report for the latter.

The Supervisory Board will submit the 2025 financial statements to the AGM for approval in April 2026, along with the dividend proposal. The Supervisory Board also proposes for the members of the Management Board to be granted discharge from liability for the management policy pursued and for the members of the Supervisory Board to be granted discharge from liability for their supervision of that management policy in 2025.

Word of appreciation

Like in previous years, Alliander faced major challenges in 2025. The Supervisory Board is proud of the results achieved and would like to express its appreciation for all employees, the management, the ExCo and the Works Council for their effort and engagement. The Supervisory Board thanks the shareholders for their trust and support.

Finally, the Supervisory Board extends its gratitude to Marlies Visser and Daan Schut for their great dedication and many years of service to Alliander.

Supervisory Board, 6 March 2026

Annemarie Jorritsma-Lebbink (chair)
Frits Eulderink
Marinka Nooteboom
Thessa Menssen
Gerard Penning
Menno Snel (as of 17 October 2025)

Personal details

Management Board

M. J. (Maarten) Otto MMC (1983, Dutch nationality)

Chair and CEO

Maarten Otto has been chair of the Management Board and Chief Executive Officer (CEO) since May 2020. He is also responsible for the business and operations management of network operator Liander. He joined Alliander in 2017 and has held various positions in the company. Prior to that, he worked for the organisational consultancies TEN HAVE Change Management and Twynstra Gudde.

Maarten Otto studied Management, Economics and Law at The Hague University of Applied Sciences and Public Administration at Erasmus University Rotterdam. He has also completed postgraduate courses at VU Amsterdam and the London Business School.

Supervisory Board memberships/relevant other positions

- Member of the Supervisory Board of Nederlandse Waterschapsbank (NWB bank)
- Chair of the Netbeheer Nederland Members Council
- Member of the Board of Directors of Eurelectric
- Chair of the Management Board of WENb Werkgeversvereniging voor de Energie-, Kabel & Telecom- en Afval & Milieubedrijven (Employers' Association for the Energy, Cable & Telecom and Waste & Environment Sectors)
- Member of the Executive Management Board of VNO-NCW

W. T. (Walter) Bien RC (1972, Dutch nationality)

Member of the Board and CFO

Walter Bien joined the Management Board on 7 October 2019, on which date he was also appointed to the position of Chief Financial Officer (CFO). He is also responsible for the business and operations management of network operator Liander. Before joining Alliander, he was CFO at Boskalis Dredging & Inland Infra and prior to that he held various board and management positions at Boskalis. Prior to his time at Boskalis, Walter Bien worked for Ballast Nedam.

Walter Bien earned a degree in Business Economics at the University Amsterdam. He also completed the Senior Executive Programme at the London Business School and a postgraduate controllers programme at the University of Amsterdam.

Supervisory Board memberships/relevant other positions

- Member of the Finance & Audit Board and treasurer of Vereniging Natuurmonumenten (Dutch nature conservation association)

Supervisory Board

A. (Annemarie) Jorritsma-Lebbink (1950, Dutch nationality), Chair

- First appointed: 1 July 2016
- End of current term: 2026
- Alliander committee: member of the Selection, Appointment and Remuneration Committee

Background information

Ms Jorritsma was a member of the Senate of the Netherlands for the Party for Freedom and Democracy (VVD) from 9 June 2015 to 13 June 2023, chairing the parliamentary party in the Senate from 24 November 2015 until the end of her tenure. After starting her national political career as a member of the Dutch House of Representatives in 1982, she served in two successive governments (Kok I and Kok II) as Minister of Transport, Public Works and Water Management, and Minister of Economic Affairs and Deputy Prime Minister respectively. Ms Jorritsma was Mayor of Almere from 2003 to 2015. She also chaired the Association of Dutch Municipalities (VNG) for seven years.

Relevant other positions

- Chairman of the Supervisory Board of Accell Group[1], member of the Supervisory Board of Sandy HoldCo (Roompot)[1], member of the Supervisory Board of Wilgenhaege Capital Markets, member of the Advisory Board of Econowind, chair of the Board of Nederland Distributieland (NDL).

F. (Frits) Eulderink (1961, Dutch nationality)

- First appointed: 26 September 2019
- End of current term: 2027
- Alliander committee: member of the Audit Committee

Background information

Mr Eulderink is an advisor to Royal Vopak. Until 24 April 2024, he was Chief Operating Officer (COO) and a member of Royal Vopak's Executive Board. He previously held various technical and management positions at Shell, including Vice President of Unconventional Oil in Houston (US).

Relevant other positions

Chair of the Supervisory Board of Energie Beheer Nederland[1], member of the Supervisory Board of Dura Vermeer Groep[1], member of the advisory council of the astronomical institute of Leiden University, member of the International Review Board of the Netherlands Research School for Astronomy.

T. (Thessa) Menssen (1967, Dutch nationality)

- First appointed: 26 September 2019
- End of current term: 2027
- Alliander committee: chair of the Audit Committee

Background information

- Ms Menssen was CFO and a member of the Management Board of BAM Group and before that she was CFO and COO of the Port of Rotterdam Authority.

Relevant other positions

Member of the Supervisory Board of Evides Waterbedrijf[1], member of the Supervisory Board of Ecorys, member of the Board of Trustees of the Scheepvaartmuseum (National Maritime Museum), member of the Board of Trustees of the Kröller Müller Museum.

M. (Marinka) Nooteboom (1971, Dutch nationality)

- First appointed: 19 April 2023
- End of current term: 2027
- Alliander committee: member of the Audit Committee

Background information

Ms Nooteboom is CEO of Koninklijke Nooteboom Group. Nooteboom started out her career in the financial sector successively at F. van Lanschot Bankiers and ING, before moving to the Nooteboom Group in 2010.

Relevant other positions

Member of Ace Centre of Expertise Advisory Council

G. R. (Gerard) Penning (1963, Dutch nationality)

- First appointed: 1 February 2021
- End of current term: 2025
- Alliander committee: chair of the Selection, Appointment and Remuneration Committee

Background information

Mr Penning was Chief Human Resources Officer (CHRO) and a member of the ABN AMRO's Executive Committee until 1 December 2022. He previously held various management and executive positions at Shell, including that of Executive Vice President of HR Downstream.

Relevant other positions

Member of the Administrative Board of the international organisation Sustainable Energy for All (SEforALL).

M. (Menno) Snel (1970, Dutch nationality)

- First appointed: 17 October 2025
- End of current term: 2030
- Alliander committee: member of the Selection, Appointment and Remuneration Committee

Background information

Mr Snel is a partner and consultant at communications consultancy FGS Global. Mr Snel was State Secretary for Finance in the Rutte III government from 26 October 2017 to 18 December 2019. Prior to that, he was chair of the Management Board of Nederlandse Waterschapsbank, deputy director-general for fiscal affairs at the Ministry of Finance, director at pensions administrator APG, and administrator at the International Monetary Fund in Washington. After serving as State Secretary, Mr Snel held various positions, including director of ABP pension fund, chairman of the supervisory board of shipbuilder Royal IHC and chair of Element NL.

Relevant other positions

- Chair of the Supervisory Board of Nationale Hypotheek Garantie (NHG)[1], Chair of the Advisory Board of Statistics Netherlands (CBS), Chair of the Supervisory Board of Stichting Nationaal Groenfonds

[1] Supervisory position at a large legal entity within the meaning of Section 142a, Book 2 of the Dutch Civil Code

Remuneration report

This remuneration report sets out the remuneration policy pursued for Alliander's Management Board and Supervisory Board in 2025.

Remuneration policy for the Management Board

General

The current policy for remuneration of members of the Management Board was adopted by the General Meeting of Alliander shareholders in April and June 2023. The aim of the remuneration policy is to create conditions that allow the company to attract, motivate and retain capable directors in order to achieve its task in the context of the energy transition. Each year, the remuneration policy is updated by the Supervisory Board in the implementation policy. The implementation policy is reviewed in the process and, if necessary, adapted to fit amended regulations, social trends and labour market developments.

The Supervisory Board is responsible for the implementation of the adopted remuneration policy for the Management Board. The Selection, Appointment and Remuneration Committee discusses the implementation of the remuneration policy with the Committee of Shareholders every year. The Public and Semi-Public Sector Executives Pay (Standards) Act (WNT), which sets limits for the remuneration of senior executives within the public and semi-public sector, is not applicable to Alliander. However, the Supervisory Board is acutely aware of the evolving perceptions within society regarding remuneration in the public and semi-public sector. Against this background, the Supervisory Board finds the amounts stated in the remuneration policy acceptable. This level of remuneration is expected to be sufficient to maintain the quality of the company's management, which is of vital importance in light of the complex task facing Alliander and the dynamic context in which Alliander has to fulfil that task.

The WNT is applicable to network operator Liander N.V. The members of Alliander's Management Board are also responsible for Liander's business and operational management. In this latter capacity, the members of the Management Board qualify as senior executives of Liander under the WNT. In view of this, the remuneration package for Liander is subject to a statutory pay cap.

Procedure

The Supervisory Board draws up the remuneration policy for the members of the Management Board, based on advice from the Selection, Appointment and Remuneration Committee. Alliander's General Meeting of Shareholders adopts the remuneration policy. Within the set remuneration policy and once again acting on the advice of the Selection, Appointment and Remuneration Committee, the Supervisory Board sets the actual remuneration package for each individual Management Board member.

Remuneration components

The total remuneration package for the Management Board members for 2025 consists of the following components:

- Annual gross base salary
- Pension benefits
- Social security contributions and other benefits

Re 1. Annual gross base salary

Management Board members receive an annual gross base salary, including holiday allowance. The fixed gross annual salary of the members of the Management Board does not exceed 130% of the WNT limit. The fixed gross annual salary is adjusted annually to the current WNT remuneration limit.

Re 2. Pension benefits

Management Board members participate in the pension scheme of Stichting Pensioenfonds ABP as referred to in the collective labour agreement for network companies and applicable to all Alliander employees. Since 1 January 2004, this has consisted entirely of an average-pay scheme. Management Board members pay an individual contribution to participate in the pension scheme. Effective from 1 January 2015, the maximum pensionable salary has been equal to the permitted maximum under tax rules (€137,800 for 2025). This implies that no further pension is accrued over the part of the salary that exceeds €137,800.

Re 3. Social security contributions and other benefits

In addition to the social security contributions that are normally paid by the company, Management Board members are entitled to an employer's contribution towards the premium for the group health insurance plan, contributions to the 'personal budget' scheme and the use of a car provided by the company. In addition, the company has arranged accident and liability insurance for the benefit of the Management Board members. The company does not provide loans, advances or guarantees to members of the Management Board.

A restrictive policy is in place for positions outside the company: the Supervisory Board must approve any supervisory board membership or other paid position, including positions of an advisory or supervisory nature, while other positions outside the company must be reported in advance to the Supervisory Board. A Management Board member cannot hold more than two supervisory positions in large Dutch companies or large foundations. In addition, a Management Board member cannot be the chair of a supervisory body of a large Dutch company or large foundation. Any remuneration received for other positions held pursuant to membership of Alliander's Management Board accrues wholly to the company. Remuneration for other positions not held pursuant to membership of Alliander's Management Board accrues to the Management Board member concerned, who is also liable for any tax consequences.

Other principles

Term of service

All members of the Management Board are employed by Alliander N.V. on the basis of a permanent employment contract.

Notice period and severance policy

Notice periods of three months for the Management Board members and six months for the company have been agreed with the Management Board members. If the company terminates a Management Board member's employment contract, other than for a compelling reason, it is company policy to award a severance payment of no more than one gross annual salary.

Implementation of the Management Board remuneration policy in 2025

General

A decision was made to set the remuneration of the various members of the Management Board at the same level to emphasise the non-hierarchical nature of the management model. Although the total remuneration package of the members of the Management Board is set at a maximum of 130% of the WNT standard[1], there may be differences in salary levels. These differences arise through individual options with regard to fringe benefits, such as the use of a car provided by the company.[2]

1 The WNT standard for 2025 is €246,000.

2 The remuneration data under Re 1, Re 2 and Re 3 were prepared on the basis of the IFRS accounting principles for the financial statements and not according to the definition of the WNT. Although the maximum remuneration of 130% of the WTN standard has been met, this could mean that the total remuneration per individual based on the IFRS principles deviates from this.

Composition of the Management Board

There were several changes to the composition of the Management Board in 2025. Mr D. Schut, CTO and Management Board member, left Alliander as of 1 April 2025. Furthermore, Ms M. Visser stepped down from her position of COO and from the Management Board as of 18 April 2025 and she left Alliander altogether as of 1 August 2025. These departures have reduced the Management Board from four to two members. As of 18 April 2025, the Management Board is made up of Mr M.J. Otto, CEO and chair, and Mr W.Th. Bien, CFO and Management Board member.

Re 1. Annual gross base salary

In the calendar year 2025, Mr Otto's base salary amounted to €288,000, including 8% holiday allowance. Mr Bien's base salary amounted to €289,000, including 8% holiday allowance. The base salary paid to Ms Visser amounted to €167,000, including 8% holiday allowance, while Mr Schut's base salary amounted to €70,000, also including 8% holiday allowance.

Re 2. Pension benefits

Pension costs relate to standard pension contributions, which are based on the annual gross base pensionable salary, up to the permitted maximum of €137,800 under tax rules. In the year under review, €24,000 was paid in pension contributions for Messrs Otto and Bien, €14,000 for Ms Visser and €6,000 for Mr Schut.

Re 3. Social security contributions and other benefits

In 2025, the total amount of social security contributions, the employer's contribution towards the premium for the health insurance plan and allowances as part of the total remuneration per person amounted to €19,000 for Mr Otto, €18,000 for Mr Bien, €11,000 for Ms Visser and €5,000 for Mr Schut.

Notice period and severance policy implementation

Regarding the departure of Ms Visser, the Supervisory Board acted in accordance with the termination and severance provisions of the Management Board Remuneration Policy, as a result of which Ms Visser received a severance payment equal to one year's gross annual salary.

Remuneration ratios

The median of the remuneration for all Alliander employees set against the remuneration for the chair of the Management Board results in the following remuneration ratios:

	2025	2024	2023	2022	2021
Ratio	4.1	4.2	3.7	3.7	3.7

Principles:

- The calculation for both the chair of the Management Board and the employees was based on the following elements: base remuneration, employer's contribution towards pension, social security contributions and other applicable remuneration elements.
- Both full-time and part-time employees were included in the calculation.

Remuneration policy for the Supervisory Board

The remuneration of the Supervisory Board members is fixed and not dependent on the company's results. The remuneration was adopted by the General Meeting of Shareholders in 2011 and consists of a fixed annual gross amount for the chair and a fixed annual gross amount for the other members. The remunerations are adjusted yearly in line with the wage developments under the collective labour agreement for network companies.

The members of the Supervisory Board are also entitled to an expense allowance. Alliander does not provide any personal loans, guarantees and so forth to the members of its Supervisory Board. Directors' liability insurance has been taken out for the members of the Supervisory Board. Pursuant to the WNT, the members of Alliander's Supervisory Board also qualify as senior executives of Liander. The remuneration of the Supervisory Board for its supervisory activities in respect of Alliander is equal to the maximum remuneration for supervisory work for Liander, although this is not required by law. Under the WNT, the maximum remuneration of the Supervisory Board chair and the Supervisory Board members is 15% and 10% respectively of the maximum WNT limit applicable to Liander. The Supervisory Board continues to explore options for appropriate remuneration for the supervisory activities in line with the growing size of investments, risks and social relevance of the company, and the corresponding requirements in respect of quality and time investment by the Supervisory Board members in exercising adequate, good and focused supervision. For an overview of the total remuneration awarded to the members of the Supervisory Board for 2025, see the notes to the consolidated financial statements.

WNT

Alliander is not governed by the Public and Semi-Public Sector Executives Pay (Standards) Act (WNT), but network operator Liander is. The WNT requires companies to report on the remuneration of current and former senior executives. The annual report of the network operator, which is to be published in the second quarter of 2026, will contain disclosures on the WNT requirements.

Statement by the Management Board

Risk Management Statement

Alliander's Management Board is responsible for the design and operation of the internal risk management and control system, in accordance with the principles of the COSO framework and the Three Lines Model. This system is embedded in our governance and strategy, and is periodically evaluated and improved. We further act in line with the Dutch Corporate Governance Code, in particular provision 1.4.3, which stipulates that the board must declare that the internal risk management and control system is adequate and effective.

The system has clearly defined roles: the first line implements control measures, while the second line (Risk & Compliance and other disciplines in the second line) monitors compliance and coordination. The third line (Internal Audit) performs independent assessments. The Audit Committee and the Supervisory Board supervise the function of the system, while the external auditor provides additional assurance (for further explanation, see the Corporate Governance section).

The monitoring and evaluation process consists of various control frameworks, business self-assessments, internal in-control statements, quarterly and half-yearly reports on the most significant risks and follow-up on identified issues and the results of external assurance audits. The risk management and control system is structured in multiple assurance layers and its broad design contributes to the realisation of the strategy and objectives. The system provides insight into the effectiveness of risk management for the various types of risks. Within the system, there are differences in the maturity of the control frameworks. Whereas a robust framework is in place for financial reporting, the framework for sustainability is still under development. Alliander has an implicitly low risk appetite as described in the 'Risks' section of this annual report.

The risk section of this annual report describes Alliander's top-ranked risks and the control activities that have been implemented for them. Following audits of our risk management system, opportunities for improvement were identified. The areas for improvement include non-compliance (with regard to the implementation of network codes and tendering) or issues identified in audits of operational processes. These opportunities for improvement were identified by our control system, and improvement actions were taken that contribute to more demonstrable and effective control of business operations and thus to the realisation of the organisation's strategy and objectives. With the current control mechanisms in place, we are sufficiently confident that key issues have been identified and followed up.

Although the system is robust, it does not offer absolute certainty that all risks will be identified in a timely manner. Unforeseen circumstances and external factors can always influence the achievement of objectives.

In line with best practice provision of Article 1.4.3 of the Dutch Corporate Governance Code, we declare that:

- this annual report and the aforementioned activities provide sufficient insight into the function and any shortcomings of the internal risk management and control system;
- in respect of financial reporting, the system provides reasonable assurance that the financial accounts do not contain any material misstatements;
- the system provides a limited degree of assurance that the sustainability report does not contain any material misstatements;
- the internal risk management and control system provides a limited degree of confidence that the main compliance and operational risks are identified in a timely manner and adequately managed. The board sees no evidence to indicate that our system does not provide sufficient confidence in terms of managing the operational and compliance risks relevant to Alliander in line with the risk appetite;
- based on the current state of affairs, it is appropriate to state that financial reporting was carried out on a going concern basis; and

- that this annual report discloses the material risks and uncertainties that are relevant to the company's expected ability to continue operating as a going concern for a period of twelve months after the report was prepared.

Management Board statement of responsibilities

We state that:

- the financial statements provide a true and fair view of the assets, liabilities, financial position and profit of Alliander N.V. and its consolidated companies;
- the additional information provided by the Management Board, as included in this annual report, provides a true and fair view of the position as at 31 December 2025 and of the business during the 2025 financial year of Alliander N.V. and its group companies, the results of which are included in the financial statements; and
- the key risks to which Alliander N.V. is exposed are described in the annual report.

Arnhem, the Netherlands, 6 March 2026

Maarten Otto
Walter Bien

Financial statements

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Consolidated financial statements

Consolidated balance sheet

€ million	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	3	12,547	11,195
Right-of-use assets	3	149	157
Intangible assets	4	382	317
Investments in associates and joint ventures	5	11	12
Other financial assets	7	45	38
Total non-current assets		**13,134**	**11,719**
Current assets			
Inventories	9	198	197
Trade and other receivables	10	524	536
Cash and cash equivalents	11	307	496
Total current assets		**1,029**	**1,229**
Assets held for sale	33	-	8
Total assets		**14,163**	**12,956**
Equity and liabilities			
Equity	12		
Share capital		684	684
Share premium		671	671
Subordinated perpetual bond loans		991	990
Hedge reserve		2	4
Other reserves		3,566	2,713
Result for the year		289	976
Total equity		**6,203**	**6,038**
Liabilities			
Long-term liabilities			
Interest-bearing debt	13	4,568	3,872
Lease liabilities	19	105	115
Deferred income	14	2,092	2,050
Provisions for employee benefits	15	22	19
Deferred tax liabilities	17	18	6
Other provisions	16	26	30
Total long-term liabilities		**6,831**	**6,092**
Short-term liabilities			
Trade and other payables	18	358	256
Tax liabilities	18	122	108
Interest-bearing debt	13	300	1
Lease liabilities	19	27	25
Provisions for employee benefits	15	65	51
Accruals	8, 18	257	375
Total short-term liabilities		**1,129**	**816**
Total liabilities		**7,960**	**6,908**
Liabilities held for sale	33	-	10
Total equity and liabilities		**14,163**	**12,956**

Consolidated income statement

€ million	Note	2025	2024
Income			
Revenue	21	3,273	3,043
Other Income	22	124	838
Total income		**3,397**	**3,881**
Operating expenses			
Purchase costs and costs of subcontracted work	23	-1,251	-1,286
Employee benefit expenses	24	-1,175	-997
Other operating expenses	25	-349	-304
Total purchase costs, costs of subcontracted work and operating expenses		**-2,775**	**-2,587**
Depreciation and impairments of non-current assets	26	-596	-565
Less: Own work capitalised		447	380
Total operating expenses		**-2,924**	**-2,772**
Operating profit		**473**	**1,109**
Finance income	27	12	14
Finance expense	28	-111	-79
Result from associates and joint ventures	5	2	4
Profit before tax		**376**	**1,048**
Tax	29	-86	-72
Profit after tax from continuing operations		**290**	**976**
Profit attributable to non-controlling interests		-1	-
Profit after tax		**289**	**976**

The profit after tax is almost entirely attributable to the shareholders of Alliander N.V.

Consolidated statement of comprehensive income

The comprehensive income was as follows:

€ million	2025	2024
Profit after tax	**289**	**976**
Other elements of comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Movement in hedge reserve	-2	-1
Comprehensive income after tax	**287**	**975**

The profit after tax is almost entirely attributable to the shareholders of Alliander N.V.

Consolidated cash flow statement

€ million	Note	2025	2024
Cash flow from operating activities	30		
Profit after tax		289	976
Adjustments for:			
- Finance income and expense	27, 28	99	66
- Tax	29	86	72
- Result after tax from associates, joint ventures and third-party non-controlling interests	5	-1	-4
- Depreciation, amortisation and impairment	14, 26	506	476
- Bookresult sales	22	-70	-757
Changes in working capital:			
- Inventories		-2	-3
- Trade and other receivables		-19	-31
- Trade and other payables, accruals and deferred income		66	129
Total changes in working capital		**45**	**95**
Changes in deferred tax, provisions, derivatives and other		-13	28
Cash flow from operations		**941**	**952**
Interest paid		-81	-75
Interest received		1	-
Dividend received		4	3
Corporate income tax paid (received)		-33	-51
Cash flow from operating activities		**832**	**829**
Cash flow from investing activities	30		
Investments in intangible assets	4	-44	-1
Investments in property, plant and equipment	3	-2,071	-1,772
Construction contributions received from third parties	14	136	128
Sale of subsidiaries	22	136	919
GE notes redeemed	6	-7	-1
Repayments of short-term debt	13	-	1
Paid deposits	7	-	47
Cash flow from investing activities		**-1,850**	**-679**
Cash flow from financing activities	30		
Issue of green bonds	13	992	741
Redemption EMTN	13	-	-400
Issue of subordinated perpetual bond loan	12	495	496
Repayment of subordinated perpetual bond loan	12	-500	-
ECP financing issued	13	-	-500
Long-term debt redeemed	13	-	-9
Redemption lease liabilities	19	-31	-45
Reimbursement on subordinated perpetual bond loan	12	-31	-8
Dividend paid	12	-96	-173
Cash flow from financing activities		**829**	**102**
Net cash flow		**-189**	**252**
Cash and cash equivalents as at 1 January		496	244
Net cash flow		-189	252
Cash and cash equivalents as at 31 December		**307**	**496**

Consolidated statement of changes in equity

		Equity attributable to shareholders and other providers of equity						
€ million	Note	Share capital	Share premium	Subordinated perpetual bond loan	Hedge reserve	Other reserves	Profit for the year	Total
As at 1 January 2024		**684**	**671**	**495**	**5**	**2,627**	**267**	**4,749**
Profit after tax for 2024		-	-	-	-	-	976	976
Result interest rate swap		-	-	-	-1	-	-	-1
Comprehensive income for 2024		**-**	**-**	**-**	**-1**	**-**	**976**	**975**
Issue subordinated perpetual bond loan		-	-	495	-	-1	-	494
Reimbursement subordinated perpetual bond loan after tax		-	-	-	-	-6	-	-6
Dividend for 2023		-	-	-	-	-53	-120	-173
Profit appropriation for 2023		-	-	-	-	147	-147	-
Other movements		-	-	-	-	-1	-	-1
Total movements		**-**	**-**	**495**	**-1**	**86**	**709**	**1,289**
As at 31 December 2024		**684**	**671**	**990**	**4**	**2,713**	**976**	**6,038**
Profit after tax for 2025		-	-	-	-	-	289	289
Result interest rate swap		-	-	-	-2	-	-	-2
Comprehensive income for 2025		**-**	**-**	**-**	**-2**	**-**	**289**	**287**
Redemption subordinated perpetual bond loan		-	-	-495	-	-5	-	-500
Issue subordinated perpetual bond loan		-	-	496	-	-	-	496
Reimbursement subordinated perpetual bond loan after tax	12	-	-	-	-	-23	-	-23
Dividend for 2024		-	-	-	-	-	-96	-96
Profit appropriation for 2024		-	-	-	-	880	-880	-
Other movements		-	-	-	-	1	-	1
Total movements		**-**	**-**	**1**	**-2**	**853**	**-687**	**165**
As at 31 December 2025		**684**	**671**	**991**	**2**	**3,566**	**289**	**6,203**

Dividend

Dividend as part of the profit appropriation for the 2024 financial year (€96 million) was paid in April 2025 (€0.70 per share).

Subordinated perpetual bond loans

The subordinated perpetual bond loans are treated as equity under IFRS, since Alliander does not have any contractual obligation to repay the loan. Any periodic payments on the loans are also conditional and depend on payments to shareholders. As and when resolutions are passed making distributions to shareholders, Alliander will also pay any arrears of the perpetual contractual coupon to the holders of the subordinated perpetual bond loans out of the other reserves.

Notes to the consolidated financial statements

Accounting policies

Alliander N.V. is a public limited liability company, with registered offices in Arnhem (Utrechtseweg 68, 6812 AH Arnhem) in the Netherlands.

The 2025 financial statements were signed by the members of the Management Board and the members of the Supervisory Board on 6 March 2026. The Supervisory Board will submit the financial statements for adoption by the General Meeting of Shareholders on 15 April 2026. The accounting policies are based on the assumption of a going concern.

The Alliander group

Alliander N.V. is a public limited liability company, with registered offices in Arnhem, the Netherlands. The principal activities of Alliander and its wholly-owned subsidiaries (also referred to here as 'Alliander', 'the Alliander group', 'the group' or similar expressions) are the operation of electricity and gas networks covering roughly one-third of the Netherlands, and the provision of related services.

The subsidiary Liander owns and manages the regional gas and electricity networks in the provinces of Gelderland, Friesland, Noord-Holland and parts of Zuid-Holland, Flevoland and Noordoostpolder. The Dutch Energy Act entered into force on 1 January 2026, superseding the Electricity Act 1998 and the Gas Act. Under the Energy Act, the construction, management and maintenance of the electricity and gas networks and the transmission of electricity are the exclusive responsibility of the network operator. Qirion provides services relating to the construction and maintenance of complex energy infrastructures. Alliander AG performs network management activities. Alliander Telecom N.V., TReNT B.V., TReNT Infra B.V. and the joint operation Utility Connect B.V. perform data communications activities, both for the group and for third parties. Firan creates local energy solutions and Alliander also works with other subsidiaries, like ENTRNCE, to initiate and facilitate developments and activities aimed at creating a sustainable energy supply for the Netherlands.

Non-controlling interests

There are third-party non-controlling interests in Alliander's activities. As at year-end 2025, this concerned a 5% interest on the part of the Municipality of Nijmegen in Indigo B.V., a 5% interest on the part of the Municipality of Hengelo in Warmtenetwerk Hengelo B.V., a 5% interest on the part of the Municipality of Didam in Warmtenetwerk Didam B.V. and a 25% interest in Warmte-Infrastructuur Limburg Geothermie B.V., all of which are subsidiaries of Firan. See note 12.

IFRS

Alliander's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as at 31 December 2025, as adopted by the European Union (EU), and the provisions of Part 9, Book 2 of the Dutch Civil Code. IFRS consists of the IFRS accounting standards as adopted by the EU and the International Accounting Standards issued by the International Accounting Standards Board (IASB), as well as the interpretations of IFRS and IAS standards issued by the IFRS Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The significant accounting policies used in the preparation of the consolidated financial statements are set out below. The historical cost convention applies. However, certain assets and liabilities, including derivatives, are measured at fair value. Unless stated otherwise, these accounting policies have been applied consistently to the years covered in these financial statements.

The preparation of financial statements requires the use of estimates and assumptions based on experience and considered appropriate by management given the specific circumstances. These estimates and assumptions have an impact on the carrying amounts and presentation of the reported assets and liabilities, the off-balance sheet rights and obligations and the reported income and expenditure during the year. The actual outcomes may differ from the estimates and assumptions used. Note 35 to the financial statements gives further information on the areas and items in the financial statements where estimates and assumptions are used. Unless stated otherwise, all amounts reported in these financial statements are in millions of euros.

Unrealised profits on transactions between the Alliander group and its associates or joint ventures are eliminated pro rata according to the group's interest in the entity concerned. Unrealised losses are also eliminated, unless the transaction gives rise to the recognition of impairment losses. If appropriate, the accounting policies of associates and joint ventures are adjusted to ensure the consistent application of accounting policies throughout the Alliander group.

New and/or amended IFRS standards applicable in 2025

The following IFRS amendments apply in 2025:

- Amendments to IAS 21: 'Lack of Exchangeability.' This amendment provides clarity on situations in which currencies are not freely exchangeable and sets out the associated financial reporting requirements. Alliander's financial statements are not impacted by this change.

These financial statements have been prepared in compliance with this EU-approved amendment.

Expected changes in accounting policies

In addition to the aforementioned amended standard, the IASB and the IFRIC have issued new and/or amended standards and/or interpretations, which will apply to Alliander in subsequent financial years. These standards and interpretations can only be applied if adopted by the European Union.

The following new or amended standards were approved by the EU and are effective as of 1 January 2026:

- Amendments to IFRS 9 and IFRS 7: 'Contracts Referencing Nature-dependent Electricity.'
- Amendments to IFRS 9 and IFRS 7: 'Classification and Measurement of Financial Instruments.'
- Annual amendments: volume 11.

In addition, there are several new or amended standards which have not yet been approved by the EU, with an expected effective date of 1 January 2027:

- IFRS 19: 'Subsidiaries without Public Accountability: Disclosures.'
- IFRS 18: 'Presentation and Disclosure in Financial Statements.'
- Amendments to IAS 21: 'The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency.'

Out of the above amendments, the implementation of IFRS 18 – Presentation and Disclosure in Financial Statements – will have the greatest impact on Alliander. This standard replaces parts of IAS 1 and will apply retrospectively to financial periods beginning on or after 1 January 2027. Voluntary early application is permitted. This new standard aims to improve the reporting of companies' financial performance and achieve better comparability between companies. It deals with the presentation and comparability of the income statement, with rules for the categorisation and breakdown of items in the financial statements and a mandatory explanation of 'management defined performance measures'. Alliander will determine the impact on the consolidated financial statements in the first half of 2026.

The other future amendments to accounting standards and interpretations are not relevant to Alliander and/or do not have any material impact on Alliander, so they will not be discussed further in the financial statements.

Basis of the consolidation

Subsidiaries

The consolidated financial statements comprise the financial data of Alliander and its subsidiaries. Subsidiaries are companies for which Alliander, either directly or indirectly, has control over the financial and operating policies so as to obtain benefits from their activities. In determining whether Alliander has control, actual and potential voting rights that are currently exercisable or convertible are taken into account, along with the existence of other agreements enabling Alliander to control financial and operating policies.

The assets, liabilities and results of subsidiaries are fully consolidated. The results of consolidated subsidiaries that have been acquired during the year are consolidated from the date Alliander obtains control over those subsidiaries. Consolidation of subsidiaries ceases from the date Alliander no longer controls the subsidiary.

The acquisition method is used to account for acquisitions of subsidiaries by Alliander. The purchase price of an acquisition is determined by measuring the fair value of the acquired assets, the issued equity instruments and the assumed or acquired liabilities. The consideration paid includes the fair value of all assets or liabilities arising out of contingent consideration arrangements. The identifiable assets and liabilities and contingent liabilities that are acquired are initially measured at fair value at the date of acquisition, irrespective of the amount that is attributable to non-controlling interests (see also the accounting policies for goodwill). For each business combination, it is determined whether any non-controlling interest in the acquiree is measured at fair value or at the proportionate share of the non-controlling interest in the acquiree's identifiable net assets. The interests of third parties in group equity and the group's profit after tax are presented separately as non-controlling interests and profit after tax attributable to non-controlling interests.

Intercompany transactions, intercompany receivables and payables and unrealised gains on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated, unless the transaction gives rise to the recognition of impairment losses. If appropriate, the accounting policies of subsidiaries are adjusted to ensure the consistent application of accounting policies throughout the Alliander group.

Associates and joint arrangements

Associates are entities where Alliander, directly or indirectly, exercises significant influence, but not control, over the financial and operational policies. Significant influence is assumed when Alliander can exercise between 20% and 50% of the voting rights.

Joint ventures are joint arrangements where the parties having joint control over the arrangement have rights to the net assets of the arrangement. These parties are referred to as investors in joint ventures.

A joint operation is a joint arrangement where the parties having joint control over the arrangement (including Alliander) have rights to the assets and obligations for the liabilities relating to the arrangement. These parties are referred to as participants in joint operations. In a joint operation, Alliander recognises its assets and liabilities and its revenue and expenses arising from the joint operation. A list of the subsidiaries and other associates is included in the 'Subsidiaries and other associates' section.

Investments in associates and interests in joint ventures are measured using the equity method. Initial measurement is at historical cost. The carrying amount of the associate or the joint venture includes the goodwill paid at the date of acquisition of the associate or entering into the joint venture and Alliander's share in the changes in the equity of the associate or joint venture after the date of the transaction. The share in the achieved results of the entities concerned since the date on which they were acquired is recognised in the income statement and the share in the change in unachieved results of the entities concerned since the acquisition date is included in other comprehensive income. If the accumulated losses exceed the carrying amount, they are not recognised unless Alliander has an obligation or has made payments to defray them, in which case, a provision is recognised and charged to income.

Unrealised profits on transactions between the Alliander group and its associates or joint ventures are eliminated pro rata according to the group's interest in the entity concerned. Unrealised losses are also eliminated, unless the transaction gives rise to the recognition of impairment losses. If appropriate, the accounting policies of associates and joint ventures are adjusted to ensure the consistent application of accounting policies throughout the Alliander group.

Scope of the consolidation

2025

In 2025, 100% group companies Firan Waterstof B.V., Firan Decentrale Netten B.V. and Firan Warmteservice Bedrijf B.V. were established and thereby entered the consolidation group.

2024

On 31 January 2024, Alliander sold its shares in its subsidiary Kenter B.V. As of that date, control of Kenter and its subsidiaries was transferred and these entities ceased to be part of the consolidation group. Warmtenetwerk Nijmegen Dukenburg B.V., a 100%-owned group company, was established in 2024 and thus became part of the consolidation group.

Segment reporting

The reporting of segment information reflects the basis on which management information is reported to the Chief Operating Decision-Maker (CODM). Alliander's Management Board is identified as the chief operating decision maker, which is the person or persons responsible for the allocation of resources and for evaluating segment performance. Internal reporting is based on the same accounting policies as are used for the consolidated financial statements. The internally reported results are on a comparable basis, i.e. excluding incidental items and fair value movements. The reconciliation with the reported figures is given in note 2.

Alliander distinguishes the following segments:

- Network operator Liander
- Other

Foreign currency translation

Functional and presentation currency

The items in the financial statements of the entities forming part of the Alliander group are recorded in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are prepared in euros, Alliander's functional and presentation currency.

Translation of transactions and balance sheet items in foreign currencies

Amounts of transactions in foreign currencies are converted into the functional currency at the applicable exchange rate at the time. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates at the balance sheet date. Currency translation differences resulting from the settlement of transactions denominated in foreign currency or the translation at the balance sheet date are recognised in the result, unless these exchange gains or losses are recognised directly in comprehensive income as cash flow hedges or net investment hedges in a foreign entity.

Currency translation differences on monetary investments in bonds are recognised in income when they relate to the translation of the amortised cost in foreign currency.

Impairments

To measure impairments, assets are allocated to the lowest possible level at which they generate separately identifiable cash flows (cash-generating units). Goodwill is allocated to a level that is consistent with the manner in which goodwill is internally reviewed by management. Impairment of cash-generating units is initially allocated to the goodwill of the cash-generating unit (or group of cash-generating units) and is subsequently allocated proportionately to the carrying amount of the other assets of the cash-generating unit.

Under IFRS, goodwill is tested annually for impairment by comparing the recoverable amount and the carrying amount of the cash-generating unit (or group of cash-generating units) to which the goodwill has been allocated. Impairment losses – the difference between carrying amount and recoverable amount – are recognised in the income statement.

A similar calculation is only performed in the case of all other non-current assets if warranted by events or changes in circumstances (triggering event analysis). The results of this calculation determine whether the value of property, plant and equipment, intangible assets or financial assets has been impaired. Each year and when interim results are published, a test is carried out to establish whether such events or changes have occurred.

The new group companies, Firan Waterstof B.V., Firan Decentrale Netten B.V. and Firan Warmteservice Bedrijf B.V., have been added as CGUs. This is also the case for the joint ventures Nijmegen Warmte B.V. and Warmtebedrijf Haarlem B.V. In 2024, Kenter B.V. and its subsidiaries ceased to be a CGU after their disposal on 31 January. Warmtenetwerk Nijmegen Dukenburg B.V. was added as a new CGU following its establishment in 2024.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. In measuring the value in use, the estimated future cash flows are discounted at a pre-tax discount rate. The discount rate reflects the time value of money and the specific risks that are associated with the assets involved. If certain assets do not generate cash flows independently, the value in use is measured for the cash-generating unit to which the asset involved belongs.

If a previously recognised impairment loss ceases to apply, it is reversed to the original carrying amount less regular depreciation and amortisation up to the date of reversal. Impairments of goodwill are not reversed.

Assets held for sale and discontinued operations

Fixed assets held for sale and assets held for sale relating to key operations, as well as the liabilities that can be attributed to these assets, are recognised separately on the balance sheet. Assets are designated as being held for sale if Alliander has committed itself to the sale of the asset involved, if the sales process has started and if the sale is expected to occur within one year of the asset being classified as held for sale. These assets are no longer depreciated, but are recognised at fair value less costs to sell if this amount is lower than the carrying amount. If the sale has not taken place within one year, the asset and associated liabilities are no longer presented separately in the balance sheet unless the failure to meet the one-year time limit is due to events or circumstances beyond Alliander's control and Alliander still intends to sell the asset in question.

Assets held for sale and the associated liabilities are presented as such in the balance sheet from the time that they are designated as held for sale. The comparative figures in the balance sheet are not restated. A discontinued operation is an activity of material significance which has been either discontinued or classified as held for sale. The results from discontinued operations comprise the results for the entire financial year up to the close of the year. The comparative figures are restated in this case.

Property, plant and equipment

The property, plant and equipment item is subdivided into the following categories:

- Land and buildings;

- Networks;
- Other plant and equipment;
- Assets under construction.

The property, plant and equipment is measured at historical cost, less accumulated depreciation and impairment. At the time of the transition to IFRS on 1 January 2004, Alliander decided to use the option in IFRS 1 First-Time Adoption of International Financial Reporting Standards to recognise networks at their deemed cost on that date.

Historical cost includes all expenditure directly attributable to the purchase of an item of property, plant and equipment or the production of an item of property, plant and equipment for own use. The cost of production for the company's own use includes the direct costs of materials used, labour and other direct production costs attributable to the production of the item of property, plant and equipment and the costs required to bring it into its operational condition.

The costs of loans associated with the purchase of an item of property, plant and equipment or assets under construction are capitalised in so far as they can be directly attributed to the acquisition, production or construction of a qualifying asset. This is in line with IAS 23, under which interest on the financing for such assets must be capitalised during the period in which the assets are made ready for their intended use or sale.

Costs incurred after the date on which an item of property, plant and equipment has been taken into use are only capitalised if it can be assumed that these costs will generate future economic benefits and if they can be measured reliably. Depending on the circumstances, these costs form part of the carrying amount of the asset involved or are capitalised separately. The carrying amount of the original asset is derecognised on replacement. Maintenance expenditure is charged directly to the income statement in the year these costs are incurred.

Historical cost also includes the net present value of the estimated dismantling and removal costs and, if applicable, the costs of restoring the site to its original condition insofar as there is a legal or constructive obligation to do so. These costs are capitalised at the time of acquisition or at a later date when the obligation arises. In both cases, the capitalised costs are depreciated over the expected remaining useful life of the asset concerned.

With the exception of gas assets, property, plant and equipment are depreciated using the straight-line method over the expected useful life of the various components comprising the asset in question, taking into account the expected residual value. Gas assets have been depreciated using the variable declining balance method since 2022, due to the expected decline in gas network use. As in previous years, an acceleration factor of 1.2 is used.

The useful lives of the asset categories are as follows:

- Land: not depreciated;
- Buildings: 20-50 years;
- Networks: 5-55 years;
- Other plant and equipment: 3-60 years;
- Assets under construction: not depreciated.

Assets with a short useful life (5 years) forming part of the networks mainly concern electronic equipment. The networks themselves (pipes and cables) generally have a useful life of 40 to 55 years. The expected useful lives, residual values, and depreciation methods are reviewed annually and adjusted as necessary. Gains or losses on disposal are determined from the sales proceeds and the carrying amount on the date of disposal. Gains are recognised in other income.

Changes in estimations

2025

In 2025, the estimation methods remained unchanged.

2024

As CDMA technology will cease to be supported after the end of 2034, the useful lives of smart meters that use this technology has been capped at that date. This change in estimates is being applied prospectively. It will lead to an additional depreciation expense of €3 million per year until 2034.

Intangible assets

Goodwill

Goodwill is the amount by which the consideration paid on transfer of ownership exceeds the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries or associates acquired. Goodwill recognised on the acquisition of subsidiaries or associates is classified under intangible assets. Goodwill recognised on the acquisition of associates is included in the cost of the investment concerned. If the amount paid on transfer is lower than the fair value of the identifiable assets, liabilities and contingent liabilities (negative goodwill), this difference is recognised directly through the income statement.

The carrying amount of goodwill consists of historical cost less accumulated impairment. Impairment tests are performed annually in order to determine whether the carrying amount of the goodwill has been impaired. On the disposal of entities or cash-generating units, the goodwill attributable to the entity or unit is taken into account in determining the result on disposal.

Software and assets under construction

Software is measured at cost less accumulated depreciation and any impairment losses. Expenditure is only capitalised if it is probable that future economic benefits will be derived from the use of the asset. Historical cost includes all expenditures directly attributable to the purchase of software or its development for own use. The cost expenditure of software developed in-house includes the direct costs of materials used, labour and other direct production costs attributable to the production of the software and the costs required for it to be brought into use.

Software is amortised on a straight-line basis, taking account of the expected residual value over the expected useful life of the various components of which the asset is made up. The useful life of software is three to five years. Depreciation begins when the software is taken into use. Until that time, the expenditure is classified within assets under construction and is not depreciated.

Other

Intangible assets which are acquired in a business combination are recognised at cost, which is equal to their fair value at the acquisition date. After initial recognition, assets are amortised on a straight-line basis, taking account of the expected residual value. The useful life of other intangible assets is 20 years.

Financial assets

Classification and recognition

Financial assets – mostly investments in loans and shares – are classified into the categories described hereafter. Financial assets are classified as current if the remaining term to maturity is less than 12 months at the balance sheet date. They are classified as non-current if the remaining term to maturity is longer than 12 months. The category in which a financial asset is placed and measured depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are satisfied:

- The financial asset is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is recognised at fair value through other comprehensive income if both of the following conditions are satisfied:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset must be recognised at fair value through profit or loss unless, in accordance with the above paragraphs, it is recognised at amortised cost or at fair value through other comprehensive income.

On initial recognition, a financial asset is measured at fair value plus, in the case of a financial asset that is not recognised at fair value through profit or loss, the transaction costs directly attributable to the acquisition or issue of the financial asset.

Alliander does not employ any business models where the aim is achieved both by receiving contractual cash flows and by selling financial assets. Alliander's financial assets are therefore measured after initial recognition either at amortised cost or at fair value through profit or loss.

If the fair value of financial assets measured at amortised cost has been hedged, the amortised cost is adjusted for the gain or loss attributable to the hedged risk. These adjustments are recognised in the income statement.

Impairments

A provision for losses is recognised for expected credit losses on financial assets that are measured at amortised cost or recognised at fair value through other comprehensive income. Calculation of the impairment is based on the expected loss. Credit risk is determined individually, taking account of the probability of default by the counterparty as determined partly on the basis of leading credit rating agencies and the resulting average loss. The general approach is that of the expected credit loss (ECL) model, which involves determining the 12-month expected credit loss. In the event of a significant increase in the credit risk on a financial asset, the lifetime expected credit loss is recognised. The amount of the expected credit loss (or reversals) that is required to adjust the compensation for losses as at the reporting date is recognised as an impairment gain or loss in the income statement.

Derivatives and hedge accounting

Derivatives are measured at fair value. The fair values are either derived from quoted prices in active markets or obtained from recent market transactions of a similar nature, or calculated using valuation methods such as discounted cash flow models and option valuation models when there is no active market for the instruments.

Derivatives are classified as current or non-current assets if the fair value is positive and as current or non-current liabilities if the fair value is negative. Derivative receivables and payables with the same counterparty are netted if there is a right to do so and Alliander has the intention to settle the transaction on a net basis.

Accounting for movements in fair value of derivatives

Derivatives are classified as current or non-current assets if the fair value is positive and as current or non-current liabilities if the fair value is negative. Derivative receivables and payables with the same counterparty are netted if there is a right to do so and Alliander has the intention to settle the transaction on a net basis.

Commodity contracts intended for own use by the company

Alliander may use energy commodity contracts for physical purchases of electricity, gas and green certificates (renewable energy certificates – RECs) for network losses occurring in the distribution of electricity and gas. For these contracts, transactions are recognised on the delivery date at the then applicable prices. Contracts are designated as own-use contracts, as contracts for trading or as hedges on the date on which they are entered into.

Hedge accounting

Alliander uses derivatives to hedge foreign exchange risks on assets and liabilities, interest rate risks on long-term loans and price risks arising from energy commodity contracts. These hedge transactions can be divided into two categories:

- Cash flow hedging: these are instruments hedging the risk of movements in future cash flows that may affect profit or loss. The hedges are attributable to a specific risk that is related to a balance sheet item or a future transaction that is highly probable. The effective part of the changes in the fair value of the hedge reserve is recognised in shareholders' equity under the hedge reserves. The non-effective part is taken to the income statement. The accumulated amounts recognised in equity are transferred to the income statement in the period in which the hedged transaction is recognised in the income statement. However, if a forecast transaction that is hedged leads to the recognition of a non-financial asset or liability, the accumulated gains and losses on the hedges are included in the initial measurement of the asset or liability involved. If a hedge ceases to exist or is sold, or when the criteria for hedge accounting are no longer being met, the accumulated fair value movements are held in equity until the forecast transaction is recognised in the income statement. If a forecast transaction is no longer expected to occur, the accumulated fair value movements that were recognised in equity are recognised in profit or loss.
- Fair value hedges: these are instruments hedging the risk of movements in the fair value of assets and/or liabilities, or a part thereof, carried on the face of the balance sheet, or firm commitments, or a part thereof, that may affect profit or loss. A firm commitment is a binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates. Fair value movements of derivatives that are designated as fair value hedges are recognised in the income statement, together with the movements in the fair value of the assets or liabilities or groups thereof, that are attributable to the hedged risk.

At the start of a hedging relationship, and subsequently on an ongoing basis, an assessment is made to establish whether the hedging relationship satisfies the hedge effectiveness requirements. If a hedging relationship ceases to satisfy the hedge effectiveness requirements but the risk management objective of the hedging relationship is unchanged, rebalancing takes place by changing the terms of the hedging relationship in such a way that it again satisfies the criteria. This rebalancing is processed administratively as a continuation of the hedging relationship. Upon rebalancing, the hedge ineffectiveness of the hedging relationship is calculated and recognised.

Other derivatives

Fair value gains and losses on other derivatives are recognised in the income statement.

Leases where Alliander acts as lessor

Operating leases

Alliander has entered into operating leases for district heating networks and energy-related installations. Operating leases are leases that are not designated as finance leases. Risks and rewards incidental to ownership of the assets concerned are not, or not substantially, transferred to the lessee.

The assets that are leased to third parties under operating leases are classified as property, plant and equipment. The proceeds from operating leases are recognised through the income statement as operating income over the lease period. To calculate the credit losses to be recognised in respect of outstanding receivables for operating leases, the simplified approach for trade receivables and contract assets is used. See also the policies for trade and other receivables.

Finance leases

Alliander has entered into a finance lease for a heat transport pipeline. Risks and rewards incidental to ownership of the assets concerned are entirely, or almost entirely, transferred to the lessee.

Finance lease receivables are recognised in other financial assets. The finance benefits over the lease period from finance leases are recognised through the income statement as finance income. For the determination of the credit losses to be recognised in respect of outstanding receivables for finance leases, the accounting policy for impairments on financial assets applies.

Inventories

Inventories are measured at the lower of cost and net realisable value. These inventories consist of raw materials and consumables, inventories in process of production and finished goods. The cost of inventories is determined on the basis of the weighted average cost. Cost is determined on the basis of the inventory held at the start of the period and goods purchased during the period. The resulting remeasurements remain part of the inventories until the inventory item is shipped out. Net realisable value is measured using the estimated sales price in normal operating circumstances, less the estimated costs to sell. In addition to sales to third parties and the use of inventories for maintenance work, inventories are used in internal projects and consequently capitalised as property, plant and equipment.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently at amortised cost less impairment for the default risk. The expected credit loss on trade and other receivables is determined on a collective basis using a graduated scale based on empirical figures, taking account of the risk of default on initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise all liquid financial instruments with a maturity date at inception of less than three months. Cash and cash equivalents include cash in hand, bank balances, money market loans and short-term deposits. Overdrafts are only classified as cash and cash equivalents if Alliander has the right to net debit and credit balances, the debit and credit balances are held with the same bank and Alliander has the intention to exercise this right and also actually does so.

Cash and cash equivalents are measured at fair value on initial recognition and subsequently at amortised cost, which in general equals the face value. Cash and cash equivalents also include cash and cash equivalents to which Alliander does not have free access. Amounts owed to credit institutions are recognised as interest-bearing debt.

Interest-bearing debt

Interest-bearing debt consists primarily of loans and is initially measured in the balance sheet at the fair value of the consideration receivable, less transaction costs. With the exception of derivatives, it is subsequently measured at amortised cost. Where the interest-bearing debt is hedged by means of a fair value hedging instrument, the amortised cost of the interest-bearing debt is adjusted for the movement in fair value attributable to the hedged risk. These adjustments are recognised in the income statement.

Leases where Alliander acts as lessee

When entering into a contract, an assessment is made as to whether it is or contains a lease. A contract is or contains a lease if it grants a right to control the use of an identified asset for a period of time in exchange for consideration. In case of a contract that is or contains a lease, each lease component of the contract is recognised as a lease in the records separately from the contract's non-lease components.

On the effective date, the right-of-use asset is measured at cost. Cost is made up of the amount of the first measurement of the lease liability, the initial direct costs incurred, lease payments made on or before the effective date, less all lease incentives received.

On the effective date, the lease liability is measured at the present value of the lease payments not made on that date. The lease payments are discounted based on the lease's imputed rate of interest, provided it can be estimated reliably. If not, the incremental borrowing rate of interest is used. The incremental borrowing rate is determined on the basis of the risk-free market interest rate plus a risk markup specific to Alliander over a similar period and with the same type of security as the terms on which Alliander would be able to obtain finance to acquire a comparable asset.

The lease term is determined as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if Alliander is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if Alliander is reasonably certain not to exercise that option.

In making this assessment, consideration is given to all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Rights of use are measured at historical cost, less accumulated depreciation and impairment.

After initial recognition, the lease liabilities are measured by increasing the carrying amount to show the interest on the lease liability and lowering it to show the lease payments made.

Alliander uses the exemptions for short-term and low-value leases offered by IFRS.

Construction contributions, government and investment grants

Construction contributions

Construction contributions from customers in connection with investments in the electricity and gas infrastructure for the provision of connection and distribution services are recognised in the balance sheet as contract liabilities (deferred income). Deferred income is amortised over the expected useful lives of the assets involved. The amortisation is recognised through the income statement as revenue.

Government subsidies and investment grants

Government subsidies and investment grants are recognised if there is reasonable certainty that the criteria for receiving the grant are or will be met, and that the grant will be received. Grants received for investments in property, plant and equipment are recognised as deferred income in the balance sheet and are amortised over the expected useful lives of the assets involved. The amortisation is recognised through the income statement as other income.

Government grants and operating subsidies that do not relate to investments in property, plant and equipment or other non-current assets are taken to income when the associated costs are incurred.

Tax

Deferred tax assets and liabilities that arise from taxable temporary differences between the carrying amount in the financial statements and the carrying amount for tax purposes are determined using the corporate income tax rates that are currently applicable or will be applicable, under current legislation, at the time of settlement of the deferred tax asset or liability. Deferred tax assets, arising, for example, from operating losses, are only recognised if it is probable that sufficient future taxable profits will be available – accounting for them at tax group level. Deferred tax assets and liabilities are only offset if Alliander has a legal right of set-off and the assets and liabilities relate to taxes levied by the same authority. Deferred tax assets and liabilities are measured at face value.

The current tax expense is determined using the applicable rates for corporate income tax and is recognised at face value. Permanent differences between the results for tax purposes and financial reporting purposes, and the ability to utilise tax losses carried forward are taken into account if deferred tax assets have not been recognised for these tax losses.

Based on the available financial data, analysis shows that the safe harbour rules (rules to ease compliance obligations) can be used in the reporting year 2025 for all group companies held bij Alliander N.V. in Germany which does not result in a top-up tax.

Alliander N.V. is subject to the 2024 Minimum Tax Rate Act. Analysis shows that, based on the available financial data, the temporary safe harbour rules (rules to ease compliance obligations) can be used in the 2025 reporting year for all group companies held by Alliander N.V. in 2025 in Germany, resulting in zero top-up tax. The Dutch group companies are not allowed make use of the safe harbour rules. An analysis of the position of the Dutch group companies shows that the top-up tax in relation to them would also be nil.

Under IAS 12, a temporary, mandatory exemption applies to the recognition and disclosure of deferred taxes resulting from the introduction of the global minimum tax rate. This is intended to prevent different interpretations in the way Pillar 2 should be applied and the effect this would have on deferred taxes in the financial statements. How long this exemption will remain in force is not yet known. Alliander will continue to assess the impact of the Pillar 2 rules under the 2024 Minimum Tax Rate Act on its future financial performance.

Provisions for employee benefits

Multi-employer plans

Alliander has a number of defined benefit plans and defined contribution plans for which contributions are generally paid to pension funds or insurance companies. The main pension schemes, which are administered by ABP, take the form of multi-employer plans. Although these pension plans are essentially defined benefit plans, these plans are treated as defined contribution plans as Alliander does not have access to the required information *and* because its participation in the multi-employer plans exposes it to actuarial risks that relate to the present and former employees of other entities. The pension contributions due for the financial year are accounted for as pension costs in the financial statements. Where there is an agreement for a multi-employer plan that specifies how a surplus is distributed to the participants or a deficit is to be financed and where the plan is accounted for as a defined contribution plan, a receivable or payable arising from the agreement is recognised in the balance sheet. The resulting gains or losses are recognised in the income statement. The pensions of by far the majority of Alliander's workforce are managed by the ABP pension fund and do not have such contractual agreements.

As a result, no receivable or liability has been recognised in the balance sheet. The contributions paid during the year are recognised in the income statement.

In addition to the above multi-employer pension plans in the Netherlands, Alliander has two defined benefit plans relating to subsidiaries in Germany, although these are not of material importance. These plans are accounted for in accordance with the amended IAS 19.

Pensions and other post-employment benefits

Pensions and other post-employment benefits include, among other things, the medical benefit scheme for retired employees. This scheme has not been transferred to an external insurance company or pension fund. The amount of the liability carried on the face of the balance sheet in respect of the medical and other post-employment benefits is made up of the net present value of the gross liability in respect of the defined medical benefit obligation plus or less actuarial gains and losses and less past-service costs not yet recognised as at the balance sheet date. These components are computed actuarially.

The present value of the medical benefit obligation is determined using the projected unit credit method, which takes into account the accrued entitlements at the balance sheet date and changes in the entitlements. The costs for the medical benefit scheme attributable to the year of service and the accretion of interest to the provision are recognised in employee benefits in the income statement.

Other long-term employee benefits

Other long-term employee benefits include plans, other than pension plans, in which payment does not occur within 12 months after the end of the period in which the employees render the related service. These plans consist of long-term sickness benefits, long-service benefits, payments on reaching retirement age and incapacity benefits for former employees, and additional annual leave for older employees. These obligations have not been transferred to pension funds or insurance companies. The obligation for other long-term employee benefits in the balance sheet consists of the net present value of the vested benefits. If appropriate, estimates are made of future salary rises, employee turnover and similar factors. These factors form part of the calculation of the provision. Changes in the provision resulting from changes in actuarial assumptions and benefits are taken directly to the income statement. The service costs attributable to the year of service and the accretion of interest to the provision are recognised in employee benefits in the income statement.

Termination benefits/restructuring

Termination benefits are benefits resulting from a decision by Alliander to terminate the employment contract before the normal retirement date or the voluntary decision of an employee to agree to the termination of the employment contract. The nature and the amount of the termination benefits are laid down in the Social Plan. The Social Plan is renegotiated periodically. A provision is only recognised if Alliander has drawn up a detailed restructuring plan which has been approved and communicated and it is not probable that the plan will be withdrawn at a later date. The amount of the provision is measured at the best estimate of the amount needed to settle the obligation. If the payment is expected to occur more than 12 months after the balance sheet date, the provision is stated at net present value.

Other provisions

Provisions are recognised when:

- There is a legal and/or constructive obligation at the balance sheet date arising from events that occurred before the balance sheet date; and
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the face value of the amounts deemed necessary to settle the obligation, unless the time value of money is significant. In that case, the provision is stated at net present value. The interest accrual is recognised as finance expense in the income statement.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost. Due to the usually short term of these liabilities, the fair value and amortised cost are generally equal to the face value.

Income recognition

A distinction is made between revenue and other income. All income from contracts with customers is recognised as revenue and all remaining income as other income. Income is measured on the basis of the performance obligations in the contract with the customer. This excludes amounts received on behalf of third parties. The income is recognised at the moment control of the product or service is transferred.

In assessing the customer contracts, separate portfolio-based approaches are used for matters such as the connection, transport and metering services of the distribution system operating activities. Customer contracts for these services are entered into indefinitely, with the customer paying an investment contribution at the inception of the contract, followed by periodical payments for the service provided. These services contain performance obligations satisfied over time. The related revenue is recognised over the period in which the customer receives the service. The transaction price is identified on the basis of the tariffs set by Alliander, which for regulated revenue are based on the permitted income set by the Netherlands Authority for Consumers & Markets (ACM). The upfront investment contribution concerns a payment for a performance obligation to be satisfied over the duration of the contract by providing the

connection and distribution service. Small energy consumers are billed regularly on the basis of standing charges that depend on the capacity of the connection. These amounts are invoiced and collected by the energy suppliers. The amounts collected are paid to Alliander on a regular basis. This contribution is recognised in the balance sheet as a performance obligation to be satisfied – deferred income – which is amortised over the useful life of the assets concerned.

Net revenue

Net revenue is made up of:

- Regulated revenue. This is revenue from the distribution of electricity and gas to customers and from connecting customers, including, on the one hand, fixed components, referred to as the capacity tariff and, on the other hand, the amortisation of the deferred income from customers. Also included is the revenue from providing electricity and gas metering services for small-scale users. Estimates are made of the billable revenue for the provision of these various services in the retail market in the period from the final statement for the year up to the balance sheet date.
- Free domain revenue such as from large-user metering services, the service component of leased installations and maintenance of complex energy infrastructures.

Other income

Other operating income consists of the following and items, among others:

- Rental income (the lease component of rented assets classed as operating leases);
- Amortisation of government and investment grants recognised as liabilities; for details, reference is made to the relevant accounting policies;
- Results on the disposal of property, plant and equipment, i.e. the balance of the net proceeds from the sale and the carrying amounts of the assets disposed of. Gains and losses on the disposal of assets are presented net.

Purchase costs and costs of subcontracted work

This includes the costs of network losses, including the expected effects of reconciliation, the costs of distribution capacity and distribution restrictions and the costs of compensation payments. It also includes the costs of raw materials, consumables and supplies used for the supply of goods and services and the cost of subcontracted work such as billing and payment collection and engagement of subcontractors.

Own work capitalised

This item includes the costs of Alliander staff incurred on investment projects.

Finance income

This item consists of the interest income on financial interest-bearing assets, i.e. loans, receivables, money market loans and deposits, measured using the effective interest method, and income from foreign currency results and movements in the fair value of interest rate derivatives.

Finance expense

This item consists of the following:

- Interest expenses: this includes the interest expenses on interest-bearing liabilities, measured using the effective interest method. Interest-bearing liabilities consist of loans, liabilities under the debt issuance programme, subordinated and green loans and commercial paper, with the exception of the subordinated perpetual bond loan. Also included with interest expenses are other finance-related costs, such as commitment fees, etc. and premiums paid in connection with the early redemption of corporate bonds issued by the company;
- Foreign exchange differences arising from the translation of transactions denominated in foreign currencies, financial assets and liabilities and derivatives in foreign currencies, except for the results of cash-flow hedges, which are initially recognised in equity;

- Fair value movements in interest-rate derivatives that are used to hedge future cash flows and the corresponding adjustment of the amortised cost of hedged financial assets and liabilities for the movement in the value of the hedged risk; and
- Results on the termination of financing contracts.

Policies for the consolidated cash flow statement

The cash flow statement is prepared using the indirect method. The movement in cash and cash equivalents is derived from profit after tax according to the income statement. Exchange differences and all other movements not resulting in cash flows are eliminated. The same applies to the finance income and expense and the corporate income tax recognised in the income statement. These items are replaced in the cash flow from operating activities by the interest paid/received and the tax paid/received, respectively. The financial consequences of the acquisition or sale of associates and subsidiaries are shown separately in the cash flow from investing activities. As a result, the cash flows presented do not correspond to the changes in the consolidated balance sheets.

The definition of cash and cash equivalents in the cash flow statement is the same as that used in the balance sheet.

Note 1 Business combinations

There were no investments in business combinations in 2025 and 2024.

Note 2 Segment information

Alliander distinguishes the following reporting segments in 2025:

- Network operator Liander
- Other

This segmentation reflects the internal reporting structure, specifically internal consolidated and segmented reporting and the business plan, including the annual budget.

Network operator Liander forms the largest company within the Alliander group and is responsible for providing gas and electricity connections and for distributing gas and electricity in Gelderland and parts of Noord-Holland, Flevoland, Friesland and Zuid-Holland. It is Alliander's largest business unit, accounting for almost 96% of the revenue.

The 'Other' segment covers all other operating segments in the Alliander group, such as the activities of Qirion, Alliander AG, Firan, new activities, the corporate staff departments and the service units. Qirion provides services relating to the construction and maintenance of complex energy infrastructures, on behalf of Liander as well as third parties. Alliander AG carries on network operation and public lighting activities in Germany. Established as well as new activities include targeted investments in the infrastructure for electric vehicles, sustainable area development and sustainable housing. The corporate staff departments and service units include Shared Services and IT, which perform activities on behalf of Liander among others. All these activities can be combined into a single segment inasmuch as they do not satisfy the quantitative criteria in order to qualify separately as reporting segments.

Except for the corporate staff and service units, the business of the other operating segments exhibits similar characteristics, depending on the nature of the products and services and the nature of the production processes, i.e. supply, construction, management and maintenance of energy-related products and services. Given the scale of these other operating segments, other characteristics in the sense of customers and distribution channels are not relevant segment reporting distinctions. Furthermore, these operating segments have been aggregated in the Other segment since none of them satisfies the quantitative criteria that would qualify them as separate reporting segments.

Reporting

Alliander produces regular management reports for the Management Board, with quarterly reports for the Supervisory Board as well. Regarding both balance as income statement, these reports use the same accounting policies and classification as the financial information contained in these financial statements. The Management Board assesses the performance of the business on the basis of these reports. The financial reports focus on the consolidated and segment information concerning operating expenses. The operating result is also included on a comparable basis, i.e. excluding incidental items and fair value movements. The operating result is total income less total expenses.

A statement showing the primary segmentation analysis is presented below, including reconciliation with the reported figures.

Notes

The external revenue of Liander mainly comprises income from energy transport, connection and metering services. In the 'Other' segment, external revenue mainly derives from the services provided by Qirion, Firan, telecom activities and new activities, and income from network management activities in Germany. The eliminations result from the internal services provided by corporate staff departments and service units (such as IT and Shared Services). These internal supplies are made at cost.

Primary segmentation

	Network operator Liander		Other		Eliminations		Total		Reclassification to reported and incidental items		Reported	
€ million	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Operating income												
External income	3,135	2,924	178	170	-	-	3,313	3,094	84	787	3,397	3,881
Internal income	10	3	634	508	-644	-511	-	-	-	-	-	-
Total income	**3,145**	**2,927**	**812**	**678**	**-644**	**-511**	**3,313**	**3,094**	**84**	**787**	**3,397**	**3,881**
Operating expenses												
Purchase costs and costs of subcontracted work	1,384	1,383	40	35	-173	-132	1,251	1,286	-	-	1,251	1,286
Operating expenses	1,157	988	838	692	-471	-379	1,524	1,301	-	-	1,524	1,301
Depreciation and impairments	496	477	100	88	-	-	596	565	-	-	596	565
Own work capitalised	-296	-250	-151	-130	-	-	-447	-380	-	-	-447	-380
Total operating expenses	**2,741**	**2,598**	**827**	**685**	**-644**	**-511**	**2,924**	**2,772**	**-**	**-**	**2,924**	**2,772**
Operating profit	**404**	**329**	**-15**	**-7**	**-**	**-**	**389**	**322**	**84**	**787**	**473**	**1,109**
Finance income	-	-	167	190	-155	-176	12	14	-	-	12	14
Finance expense	-156	-176	-110	-79	155	176	-111	-79	-	-	-111	-79
Share in results of associates and joint ventures after tax	4	6	-2	-2	-	-	2	4	-	-	2	4
Tax	-62	-39	-10	-25	-	-	-72	-64	-14	-8	-86	-72
Profit after tax from continuing operations	**190**	**120**	**30**	**77**	**-**	**-**	**220**	**197**	**70**	**779**	**290**	**976**
Profit attributable to non-controlling interests	-	-	-1	-	-	-	-1	-	-	-	-1	-
Profit after tax	**190**	**120**	**29**	**77**	**-**	**-**	**219**	**197**	**70**	**779**	**289**	**976**
Segment assets and liabilities												
Total assets	12,805	11,446	6,025	4,534	-4,667	-3,024	14,163	12,956	-	-	14,163	12,956
Non-consolidated investments in associates	7	8	4	4	-	-	11	12	-	-	11	12
Liabilities (non-current and current)	7,882	8,280	5,453	4,377	-5,375	-5,749	7,960	6,908	-	-	7,960	6,909
Other segment items												
Investments in property, plant and equipment	1,936	1,668	135	104	-	-	2,071	1,772	-	-	2,071	1,771
Number of permanent staff at year-end (fte)	4,486	4,000	4,122	3,482	-	-	8,608	7,482	-	-	8,608	7,482

The profit after tax for 2025, like that for 2024, is almost entirely attributable to the shareholders of Alliander N.V.

Reclassification to reported and incidental items

In April 2025, the Randmeren high-voltage network was sold to TenneT TSO B.V., leading to a one-off gain of €30 million that has been recognised as other income. In June 2025, the free-domain transformers were transferred to Kenter, as agreed in the deal for the sale of Kenter in 2024, delivering a one-off book profit of €54 million that has been recognised as other income.

The sale of our subsidiary Kenter B.V. had a positive impact of €757 million on our operating profit in the comparative figures for 2024. In addition, Liander had concluded a settlement agreement with the State of the Netherlands on the costs of removing gas connections for small consumers during the period from 2 March 2021 to 31 January 2024. After the Code Decision was set aside by the Dutch Trade and Industry Appeals Tribunal on 20 June 2023, network operators were temporarily prevented from offsetting these costs against regular connection charges. As compensation, Liander received a settlement payment of €30 million.

Segment assets

The amounts in the eliminations column against total assets mainly concern the eliminations of the investments in the subsidiaries of Alliander. The eliminations against the liabilities relate to the current-account positions between the subsidiaries and Alliander. Within the Alliander group, there are group financing arrangements, involving central administration of external accounts. All the subsidiaries maintain a current account with Alliander. There are no assets or equity and liabilities that are not allocated.

Product segmentation

In compliance with IFRS 15, the following table discloses net revenue according to distinct products (product segmentation).

€ million	2025	2024
Transport and connection service electricity	2,405	2,236
Transport service gas	343	387
Connection service gas	158	137
Metering service small consumers electricity	106	38
Metering service small consumers gas	71	68
Other activities	190	177
Total	**3,273**	**3,043**

Net revenue in 2025 amounted to €3,273 million (2024: €3,043 million). Other income was €124 million (2024: €838 million). In total, external revenue came in at €3,397 million (2024: €3,881 million).

Seasonal influences

Alliander's results are not materially affected by seasonal influences.

Geographical segmentation

	External income		Property, plant and equipment		Intangible assets		Non-consolidated associates and joint ventures	
€ million	2025	2024	2025	2024	2025	2024	2025	2024
The Netherlands	3,363	3,849	12,483	11,133	382	317	11	12
Rest of the world	34	32	63	62	-	-	-	-
Total	**3,397**	**3,881**	**12,546**	**11,195**	**382**	**317**	**11**	**12**

'Rest of the world' relates entirely to the activities in Germany.

Note 3 Property, plant, equipment and right-of-use assets

Property, plant and equipment

€ million	Land and buildings	Networks	Other plant and equipment	Assets under construction	Total
As at 1 January 2024					
Historical cost	256	14,153	1,946	864	17,219
Accumulated depreciation and impairments	-66	-6,067	-1,114	-	-7,247
Carrying amount as at 1 January 2024	**190**	**8,086**	**832**	**864**	**9,972**
Movements 2024					
Investments	-	985	69	718	1,772
Divestments	-2	-36	-16	6	-48
Depreciation	-7	-337	-146	-	-490
Reclassifications and other movements	14	200	91	-308	-3
Reclassification to assets held for sale	-	-	-8	-	-8
Total	**5**	**812**	**-10**	**416**	**1,223**
As at 31 December 2024					
Historical cost	267	15,251	2,052	1,280	18,850
Accumulated depreciation and impairments	-72	-6,353	-1,230	-	-7,655
Carrying amount as at 31 December 2024	**195**	**8,898**	**822**	**1,280**	**11,195**
Movements 2025					
Investments	-	1,226	55	790	2,071
Divestments	-1	-28	-18	-	-47
Depreciation	-8	-353	-136	-	-497
Reclassifications and other movements	15	366	75	-506	-50
Carrying amount assets sold	-	-58	-7	-61	-126
Total	**6**	**1,153**	**-31**	**223**	**1,351**
As at 31 December 2025					
Historical cost	281	16,648	1,889	1,503	20,321
Accumulated depreciation and impairments	-80	-6,597	-1,098	-	-7,775
Carrying amount as at 31 December 2025	**201**	**10,051**	**791**	**1,503**	**12,546**

Investments

Investments in property, plant and equipment during the financial year totalled €2,071 million (2024: €1,772 million).

Divestments

Divestments in 2024 and 2025 related to the decommissioning of buildings, network assets and other plant and equipment.

New consolidations

No new entities were added to the consolidated companies in 2025 and 2024.

Impairments

There were no impairments in 2025 or in 2024.

Reclassification and other changes

Software, with a carrying amount of €47 million, was reclassified to intangible assets as at 1 January 2025.

Reclassification to assets held for sale

The reclassification to assets held for sale in 2024 relates to Warmtenetwerk Hengelo B.V. For further disclosures with respect to assets held for sale, please refer to note 33.

CBL transactions

In the period from 1998 to 2000, subsidiaries of Alliander used cross-border lease transactions for networks with US investors. The networks were leased to US parties for a long period of time (head lease), and they in turn subleased the assets to the various Alliander subsidiaries (sublease). At the end of the sublease, there was the option of purchasing the rights of the US counterparty under the head lease, thus ending the transaction. The fees earned on the cross-border leases were recognised in the year in which the transaction in question was concluded. On 2 January 2025, the last remaining cross-border lease ended. Consequently, there are longer any gas or district heating networks with an American lease. Alliander fulfilled its conditional and unconditional contractual rights and obligations regarding the financial settlement of the contract at the end of 2025. Consequently, there are no longer any electricity, gas or district heating networks with an American lease at the end of 2025 (2024: €510 million).

No further conditional or unconditional contractual rights and obligations existed in relation to these CBL transactions at the end of 2025 (2024: €674 million).

Since Alliander has no control over the investments and associated liabilities, they were not regarded as assets and liabilities of Alliander at the end of 2024 and the amounts concerned were not recognised in Alliander's consolidated financial statements.

Right-of-use assets

€ million	Land and buildings	Other plant and equipment	Total
As at 1 January 2024			
Historical cost	98	118	216
Accumulated depreciation and impairments	-20	-66	-86
Carrying amount as at 1 January 2024	**78**	**52**	**130**
Movements 2024			
Investments	5	42	47
Divestments	-	-4	-4
Depreciation	-8	-17	-25
Lease adjustments	2	7	9
Total	**-1**	**28**	**27**
As at 31 December 2024			
Historical cost	106	161	267
Accumulated depreciation and impairments	-29	-81	-110
Carrying amount as at 31 December 2024	**77**	**80**	**157**
Movements 2025			
Investments	5	33	38
Divestments	-1	-	-1
Depreciation	-9	-21	-30
Lease adjustments	-15	-	-15
Total	**-20**	**12**	**-8**
As at 31 December 2025			
Historical cost	94	192	286
Accumulated depreciation and impairments	-37	-100	-137
Carrying amount as at 31 December 2025	**57**	**92**	**149**

The greatest part of these assets relates to business premises and lease vehicles. Ground rents and the rental of telecommunication masts and connections are also accounted for in this amount. Lease amendments include a (partial) early settlement of a lease, extensions and indexation.

Note 4 Intangible assets

€ million	Goodwill	Software	Activa in uitvoering	Other intangible assets	Total
As at 1 January 2024					
Historical cost	495	-	-	19	514
Accumulated depreciation and impairments	-191	-	-	-7	-198
Carrying amount as at 1 January 2024	**304**	**-**	**-**	**12**	**316**
Movements 2024					
Investments	-	-	-	1	1
Depreciation	-	-	-	-1	-1
Reclassifications and other movements	-	-	-	1	1
Total	**-**	**-**	**-**	**1**	**1**
As at 31 December 2024					
Historical cost	495	-	-	16	511
Accumulated depreciation and impairments	-191	-	-	-3	-194
Carrying amount as at 31 December 2024	**304**	**-**	**-**	**13**	**317**
Movements 2025					
Investments	-	-	41	-	41
Depreciation	-	-21	-	-1	-22
Reclassifications and other movements	-	76	-29	-1	46
Total	**-**	**55**	**12**	**-2**	**65**
As at 31 December 2025					
Historical cost	495	302	12	16	825
Accumulated depreciation and impairments	-191	-247	-	-5	-443
Carrying amount as at 31 December 2025	**304**	**55**	**12**	**11**	**382**

Reclassification and other movements include a reclassification of software with a value of €47 million from property, plant and equipment as at 1 January 2025.

Goodwill allocation by segment

€ million	2025	2024
Liander	286	286
Other	18	18
Total	**304**	**304**

Of the goodwill allocated to Liander as at year-end 2025, €209 million (2024: €209 million) relates to electricity and gas networks and dates from the contribution of the networks when N.V. Nuon was created in 1999. Of the remainder, amounting to €77 million (2024: €77 million), €61 million relates to the purchase of Endinet in 2010, €7 million to Stam and €9 million to the purchase of AEF B.V. in 2016. The goodwill item in the 'other' line concerns the investment relating to TReNT.

At year-end 2025, impairment tests were performed on the carrying amounts of the Liander networks and the TReNT telecommunications networks, including the associated goodwill recognised. The value in use was taken as the basis for these tests and was measured on the basis of the most recent business plans.

In 2025, Liander used a different discount rate for tax, varying from 4.6% in 2026 to 5.7% for the terminal value (2024: 5.9%). The main assumptions on which the business plans are based are the number of connections, the most recent tariff estimates and estimates of operating expenses and other costs. To a large extent, these assumptions are based on past experience, coupled with the latest information on tariff regulation, including the effects of the new regulatory framework from 2027 onwards. The business plans cover a period of five years and the terminal value is calculated using the projected cash flows at the end of that period. A zero growth rate has been applied. The terminal value for the regulated activities is based on achieving the 'reasonable return' that a network operator can expect to achieve on its standardised asset value. Where appropriate, account will also be taken in 2026 of temporary or structural synergy effects or other departures from the reasonable return. The individual cost plus framework will apply from 2027 onwards. There is such a margin between the value in use and the carrying amount of the Liander networks that the sensitivity to changes in the estimates and assumptions used is limited.

A pre-tax discount rate of 10.1% was applied for the telecom networks (2024: 8.8%). From the impairment test it emerged that the margin between the value in use and the carrying amount, including goodwill, is such that the sensitivity to changes in the estimates and assumptions used is limited.

Note 5 Investments in associates and joint ventures

	Associates		Joint ventures		Total	
€ million	2025	2024	2025	2024	2025	2024
Carrying amount as at 1 January	**-**	**2**	**12**	**10**	**12**	**12**
Movements						
Investments	-	-	1	2	1	2
Share in results	-	-	2	4	2	4
Dividend and other movements	-	-2	-4	-4	-4	-6
Total	**-**	**-2**	**-1**	**2**	**-1**	**-**
Carrying amount as at 31 December	**-**	**-**	**11**	**12**	**11**	**12**

The investments in 2025 and 2024 relate to payments of share premium.

Profit after tax for associates and joint ventures

	Associates		Joint ventures		Total result	
€ million	2025	2024	2025	2024	2025	2024
Share in						
Profit or loss from continuing activities	-	-	2	4	2	4
Profit or loss from discontinued activities	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**2**	**4**	**2**	**4**

Alliander concluded arrangements with associates and joint ventures for granting financing and credit facilities totalling €36 million as at year-end 2025 (2024: €41 million). Under these facilities, an amount of €32 million was drawn down as at 31 December 2025 (2024: €26 million). Additionally, as at year-end 2025, there was a receivable under this heading of €5 million in relation to current account facilities (2024: receivable of €16 million). The amounts granted are indicated in note 7.

Note 6 Investments in bonds

There were no investments in bonds in 2025 and 2024.

Note 7 Other financial assets (including current portion)

€ million	Loans, receivables and other
Carrying amount as at 1 January 2024	**85**
Effective interest rate 2024	3%
Movements 2024	
Loans and interest repaid	-2
Paid security deposits	-47
Other movements	1
Loans granted	1
Total	**-47**
Carrying amount as at 31 December 2024	**38**
Effective interest rate 2025	3%
Movements 2025	
Loans and interest repaid	-4
Paid security deposits	-
Other movements	1
Loans granted	10
Total	**7**
Carrying amount as at 31 December 2025	**45**
Non-current portion of other financial assets	**45**
Current portion of other financial assets	-

The carrying amount of the other financial assets item as at year-end 2025 includes a receivable from the Municipality of Amsterdam relating to the Spaklerweg site (€7 million), a loan issued by Alliander AG to 450connect (€20 million) and a non-current receivable from EDSN (€12 million).

Note 8 Derivatives

No derivatives were recognised in the year-end balance sheet in 2025 or 2024.

Note 9 Inventories

€ million	2025	2024
Raw materials and consumables	180	175
Finished goods	18	22
Carrying amount as at 31 December	**198**	**197**

The impairment of inventories in 2025 amounted to €0.2 million negative. In 2024, the impairment of inventories was nil.

Note 10 Trade and other receivables

€ million	2025	2024
Trade receivables	85	87
Impairment of trade receivables	-12	-12
Trade receivables net	**73**	**75**
Corporate income tax	31	60
Other receivables	40	42
Accrued income and prepayments	380	359
Carrying amount as at 31 December	**524**	**536**

At the year-end, impairment of receivables totalled €12 million (same at year-end 2024). An impairment loss on receivables of €4 million was recognised in the income statement in 2025 (2024: €5 million). For further information, see the credit risk section of note 34.

The other receivables include an amount of €21 million (2024: €19 million) for non-controlling interests. This mainly concerns Reddyn.

Note 11 Cash and cash equivalents

€ million	2025	2024
Cash held at banks	18	38
Deposits	289	458
Carrying amount as at 31 December	**307**	**496**

The effective interest rate on cash and cash equivalents varies from 1.7% to 3.1% (2024: 2.9% to 4.0%). Cash and cash equivalents are held almost entirely in euros. In 2025, the cash and cash equivalents included amounts that were not at the unrestricted disposal of Alliander. This concerns a blocked bank account with a balance of €0.5 million (2024: €0.4 million).

Note 12 Equity

Authorised capital

The company's authorised capital is divided into 350 million shares of €5 nominal value. As at year-end 2025, 136,794,964 shares were in issue (2024: 136,794,964).

Subordinated perpetual bond loan

On 30 January 2018, Alliander issued a subordinated perpetual bond loan of €500 million at a coupon rate of 1.625% and an issue price of 99.144%. On 30 June 2025, this loan was redeemed at its nominal value. The difference between the redemption value and the carrying amount was, net of corporate income tax, debited to the other reserves.

On 27 June 2024, Alliander issued a subordinated perpetual bond loan with a total nominal value of €500 million. The bonds were issued at 99.18% of par value and have a coupon rate of 4.50%. On 2 October 2025, a subordinated perpetual bond loan was issued at a coupon rate of 4.125%. The issue price was 99.048% of par value. Both bond loans are subordinated to all other liabilities of Alliander, with the exception of the subordinated shareholder loans with which they rank equally. Both bond loans are perpetual, i.e. they have no maturity date. These subordinated perpetual bond loans are treated as equity. Alliander has no contractual obligation to repay the loans. Any periodical payments on the loan are conditional and depend on payments to shareholders. As and when resolutions are passed making distributions to shareholders, the Management Board will also pay any arrears in the contractual interest to the holders of the subordinated perpetual bonds from other reserves. The annual coupon payable on the 2018 bond loan was €8 million. Annual coupons of €22.5 million and €20.6 million are payable on the 2024 and 2025 bond loans, respectively.

Hedge reserve

In line with its risk management policy, Alliander implemented measures in 2019, 2022 and 2023 to mitigate the interest-rate risk associated with the new EMTN financing of €300 million (2019) and €500 million (2022 and 2023). As a result, the interest-rate risk was mitigated to a large degree in the run-up to the bond issue.

In 2019, two forward starting interest-rate swaps were entered into for this purpose in the run-up to the bond issue. When the bond loan was issued, both the interest rate swaps were settled. After deducting deferred tax, the loss on settlement of €3 million has been recognised in the hedge reserve in equity. The resulting hedge reserve will be released in the income statement over the term of the EMTN (up to 24 June 2032). The carrying amount at year-end 2025 after deduction of deferred tax was a negative amount of €1 million (2024: €2 million).

In 2022, five forward starting interest-rate swaps were entered into. The swaps were redeemed when the loan was contracted. After deduction of the deferred tax, a positive result of €7 million was achieved, which is recognised in the hedge reserve in equity. The hedge reserve will be released in the income statement over the term of the loan (up to 8 September 2027). The carrying amount at year-end 2025, net of deferred tax, was a positive amount of €2 million (2024: €5 million).

In 2023, three forward starting interest-rate swaps were also entered into. The swaps were redeemed when the loan was contracted. After deduction of the deferred tax, a positive result of €1 million was achieved, which is recognised in the hedge reserve in equity. The hedge reserve will be released to the income statement over the term of the loan (up to 13 June 2028). The carrying amount at year-end 2025, net of deferred tax, was a positive amount of €1 million (2024: €1 million).

The total hedge reserve at the end of 2025 was therefore a positive amount of €2 million (2024: €4 million)

Other

Other reserves include an amount of €0.6 million after tax relating to a defined-benefit pension plan for employees of our activities in Germany.

The hedge reserve and the subordinated perpetual bond loan are not freely distributable.

Non-controlling interest

On 10 July 2012, Alliander acquired a 95% interest in Indigo B.V. This company is a partnership between Alliander and the municipality of Nijmegen (which has an interest of 5%) to construct a heat transport pipeline from the regional waste-to-energy plant Afvalverwerking Regio Nijmegen (ARN) to the district heating network of Vattenfall Warmte N.V. As at the end of the reporting period, the shareholders' equity of Indigo B.V. amounted to €4.0 million. In 2016, Alliander acquired a 95% interest in Warmtenet Hengelo B.V., a company which is developing a district heating network, the first phase of which started operating in 2017. At year-end 2025, this company had negative equity of €2.8 million. In 2017, Alliander acquired a 75% interest in Warmte-Infrastructuur Limburg Geothermie B.V. As at the end of 2025, the equity of this company was nil. Warmtenetwerk Didam B.V. was set up in 2021, with Alliander having a 95% share. As at year-end 2025, the equity of this company amounted to €1.0 million positive. In accordance with the basis of Alliander's consolidation, these companies were consolidated in full, with separate disclosure of a non-controlling interest in the consolidated equity. Given the overall amount of these non-controlling interests (€0.1 million), they have not been visibly disclosed in the balance sheet. This was also the case in 2024.

Note 13 Interest-bearing debt

The movements in new loans, repayments and security deposit repayments during the year gave rise to cash flows. The carrying amount of the non-current and current interest-bearing debt is as follows:

€ million	2025	2024
Carrying amount as at 1 January	**3,873**	**4,038**
Movements		
New loans	1,433	2,391
Loans repaid	-438	-2,556
Total	**995**	**-165**
Carrying amount as at 31 December	**4,868**	**3,873**

Short and long-term interest-bearing debt

€ million	Effective interest rate 2025	Effective interest rate 2024	Short-term portion 2025	Short-term portion 2024	Long-term portion 2025	Long-term portion 2024
Subordinated loans	2.5%	2.5%	-	-	642	640
Private and green loans	1.4%	1.4%	-	1	300	300
Euro Medium Term Notes	2.3%	2.3%	300	-	3,626	2,932
Euro Commercial Paper	0.0%	0.0%	-	-	-	-
Other	0.0%	0.0%	-	-	-	-
Carrying amount as at 31 December			**300**	**1**	**4,568**	**3,872**

In 2021, Alliander issued a convertible subordinated shareholders' loan with a nominal amount of €600 million. Under certain circumstances, Alliander has the right to convert the loan into shares at a conversion rate to be established at the time. Due to the movement in the FFO/net debt ratio (<16% and the reasonable expectation that this ratio will continue to fall in the coming period), the condition for conversion was met as at the balance sheet date. To date, Alliander has not taken any decision to exercise the conversion right. As the conversion ratio for determining the number of shares to be issued has not yet been set, the convertible subordinated shareholder loan is still classified as a non-current liability.

Short-term interest-bearing debt, amounting to €301 million as at year-end 2025 (2024: €1 million), is mostly made up of the current portion of a green bond loan (€300 million).

On 6 May 2025, Alliander issued green bond loans with a total nominal value of €1 billion, comprising €500 million with an eight-year term (issued at 99.113% of nominal with a coupon of 3.00%) and €500 million with a twelve-year term (issued at 99.653% of nominal with a coupon of 3.50%). The proceeds will be used to enable more investments in the power grid for the energy transition. Prior to issuing green bonds, Alliander renewed its Green Finance Framework in April 2025.

As at year-end 2025, a carrying amount of €3,926 million (face value €3,950 million) had been issued under the EMTN programme. The bonds issued under the EMTN programme are listed on Euronext Amsterdam.

As at year-end 2025, no commercial paper was outstanding under the ECP programme (2024: nil).

Maturities of interest-bearing debt

€ million	2025	2024
Less than 1 year	300	1
Between 1 and 2 years	499	300
Between 2 and 3 years	529	498
Between 3 and 4 years	9	528
Between 4 and 5 years	499	9
More than 5 years	3,032	2,537
Carrying amount as at 31 December	**4,868**	**3,873**

Note 14 Deferred income

Deferred income relates to construction contributions, investment grants and subsidies received. The amortisation periods of the construction contributions, investment grants and subsidies are equal to the depreciation periods of the underlying assets (ranging from 10 to 50 years).

€ million	2025 Contributions	2025 Subsidies	2025 Total	2024 Contributions	2024 Subsidies	2024 Total
Carrying amount as at 1 January	**2,045**	**5**	**2,050**	**2,009**	**12**	**2,021**
Contributions received	137	1	138	128	-	128
Amortisation recognised as income	-90	-	-90	-90	-1	-91
Amortisation recognised as income	-6	-	-6	-	-	-
Reclassification to assets held for sale	-	-	-	-2	-6	-8
Carrying amount as at 31 December	**2,086**	**6**	**2,092**	**2,045**	**5**	**2,050**

Reclassification to assets held for sale

The reclassification to liabilities held for sale in 2024 relates to Warmtenetwerk Hengelo B.V. For further disclosures with respect to assets held for sale, please refer to note 33.

Note 15 Provisions for employee benefits

€ million	Short-term portion 2025	Short-term portion 2024	Long-term portion 2025	Long-term portion 2024	Total 2025	Total 2024
Long-term employee benefits						
Post-employment benefits	-	-	1	1	1	1
Other long-term employee benefits	9	8	20	17	29	25
Termination/reorganisation benefits	1	-	1	1	2	1
Total	**10**	**8**	**22**	**19**	**32**	**27**
Short-term employee benefits						
Short-term employee benefits	55	43	-	-	55	43
Carrying amount as at 31 December	**65**	**51**	**22**	**19**	**87**	**70**

Pensions and other post-employment benefits

Prompted by the deterioration of the funding ratio in 2008, ABP introduced a recovery plan in 2009. At the start of each year ABP evaluates the progress of the recovery on the basis of the actual funding ratio at the end of the preceding year. The policy funding ratio was 117% at the end of 2025; the current funding ratio is 122%, while the contribution rate for the retirement and dependants' pension was 27.0% of pensionable pay in 2025. The contribution rate for the retirement and dependants' pension will be 27.1% in 2026. The premium for the ABP incapacity pension (AOP) will be 0.8% in 2025.

Alliander's relative share in the ABP pension scheme based on numbers of participants is approximately 0.4%. The pension contributions payable for the multi-employer plans in 2025 are expected to total €127 million (of which an expected €89 million will be borne by Alliander).

Although the most significant pension plans are, in fact, defined benefit plans, these plans are treated as defined contribution plans, as Alliander does not have access to the required information and because participation in multi-employer plans exposes Alliander to actuarial risks that relate to the present and former employees of other entities. This means that the pension contributions payable for the year are recognised as pension expenses in the financial statements. No receivables or liabilities are recognised at year-end in relation to potential risks.

In addition to the multi-employer pension plans in the Netherlands, Alliander has two defined benefit plans relating to subsidiaries in Germany. These are not material. These plans are accounted for in accordance with the amended IAS 19. This means that, with effect from 2013, actuarial gains and losses and remeasurements are recognised directly. Because of the small amounts involved, however, this is not visible in the consolidated financial statements. The post-employment benefits provision totalled €1 million at the end of 2025 (2024: €1 million), made up as follows:

€ million	Short-term portion 2025	Short-term portion 2024	Long-term portion 2025	Long-term portion 2024	Total 2025	Total 2024
Liability for pensions and post-employment healtcare insurance for retired employees	-	-	1	1	1	1
Actuarial value of obligations as at 31 December	-	-	**1**	**1**	**1**	**1**

Other long-term employee benefits

€ million	Short-term portion 2025	Short-term portion 2024	Long-term portion 2025	Long-term portion 2024	Total 2025	Total 2024
Long-service benefits	1	1	10	10	11	11
Long-term sickness leave and disability benefits	7	6	10	7	17	13
Unemployment benefits	1	1	-	-	1	1
Other	-	-	-	-	-	-
Carrying amount as at 31 December	**9**	**8**	**20**	**17**	**29**	**25**

Alliander offers a number of other long-term employee benefits. The provision covers the following types of benefit:

- Long-term sickness benefits: this benefit covers the obligation to continue paying all or part of an employee's salary during the first two years of sick leave.
- Incapacity benefits: Alliander bears the risk for benefits payable under the Work and Income (Ability to Work) Act (WIA); the relevant provision covers the obligations towards Alliander employees who become wholly or partially unfit for work.
- Unemployment benefits: Alliander is the risk bearer within the meaning of the Unemployment Act (WW). If an Alliander employee becomes unemployed, their unemployment benefit is borne by Alliander for a period of between three and 38 months, depending on the employee's employment history.
- Long-service benefits: the long-service benefits scheme covers long-service benefits payable on attaining 25 and 40 years of service. Employees born before 1 January 1963 retain the entitlement to the benefit after retiring.

Termination/reorganisation benefits

This provision covers payments and/or supplements to benefits paid to employees whose employment contract has been or probably will be terminated. These benefits and supplements are based on the Social Plan operated by Alliander and individual arrangements. The Social Plan is periodically renegotiated and agreed. In 2025, an amount of €2 million was drawn down from the reorganisation provision (2024: €2 million). The provision for employment termination payments and reorganisations totalled €1 million at year-end 2025 (2024: €2 million).

Movements in provisions for long-term employee benefits

The following table shows the movements in the provisions for post-employment benefits, other long-term employee benefits and the termination benefits/restructuring provision.

Movements in provisions for employee benefits

€ million	Post-employment benefits	Other long-term employee benefits	Termination/ reorganisation benefits	Total
Carrying amount as at 1 January 2024	**1**	**29**	**2**	**32**
Movements 2024				
Released	-1	-26	-1	-28
Added	-	29	2	31
Benefits paid	-	-7	-1	-8
Total	**-1**	**-4**	**-**	**-5**
Carrying amount as at 31 December 2024	**-**	**25**	**2**	**27**
Movements 2025				
Released	1	-24	-	-23
Added	-	36	1	37
Benefits paid	-	-7	-2	-9
Total	**1**	**5**	**-1**	**5**
Carrying amount as at 31 December 2025	**1**	**30**	**1**	**32**

Assumptions

The main assumptions used in determining the provisions are given below:

	2025	2024
Mortality tables	AG 2025 Mortality Table / Start year = 2025	AG 2024 Mortality Table / Start year = 2024
Discount rates	3,90% - 4,38%	3,88% - 4,77%
Expected future salary increases	3.9%	4.1%
Expected increase in incapacity benefits	2.0%	2.0%

Short-term employee benefits

Short-term employee benefits relate to all liabilities in respect of employees - other than the current portion of long-term employee benefits - that are expected to be settled within 12 months after the balance sheet date. Short-term employee benefits include salaries still to be paid, accrued holiday entitlement, bonuses and other employee benefit expenses still to be paid. This item amounted to €55 million at year-end 2025 (2024: €43 million). The increase of €12 million mainly relates to the increase in the provision set aside for accrued holiday entitlement and holiday allowances (€12 million).

Note 16 Other provisions

€ million	Other provisions
Carrying amount as at 1 January 2024	**11**
Movements 2024	
Added	21
Utilised	-1
Released	1
Reclassification liabilities held for sale	-2
Total	**19**
Carrying amount as at 31 December 2024	**30**
Movements 2025	
Added	21
Utilised	-21
Released	-4
Reclassification liabilities held for sale	-
Total	**-4**
Carrying amount as at 31 December 2025	**26**

Other provisions at year-end 2025 amounted to €26 million (2024: €30 million). Included in the other provisions at year-end 2025 is a provision of €16 million for gas connection removals (year-end 2024: €20 million). This provision was set up to cover the removal of gas connections where the customer has submitted a request before year-end (without a specific date) and for connections that have been unused for more than a year and there is no prospect of further use. No provision is made for any future removal requests. For more details, please refer to note 20.

The reclassification to liabilities held for sale in 2024 related to the provision for a loss-making contract at Warmtenetwerk Hengelo.

Note 17 Deferred tax

Deferred tax assets and liabilities comprise the following:

Deferred tax assets and liabilities

€ million	2025	2024
Property, plant and equipment	-11	-
Right-of-use-assets	-37	-39
Financial lease liabilities	32	34
Provisions, Treasury, and others	-2	-1
Carrying amount as at 31 December	**-18**	**-6**

The deferred tax liability of €18 million comprises the temporary differences between the carrying amounts of property, plant and equipment and other balance sheet items, including investments and provisions, and the corresponding valuation for tax purposes.

The deferred tax liability of €11 million in respect of property, plant and equipment is the result of differences between the carrying amounts in the financial statements and the valuation for tax purposes. Alliander became liable to pay corporate income tax on 1 January 1998. The carrying amounts of the property, plant and equipment agreed with the Dutch Tax & Customs Administration as at 1 January 1998 have depreciation periods extending ahead as far as 2030. Realisation of the temporary difference relating to these assets is

therefore spread out over this period. In addition, the deferred tax relating to property, plant and equipment refers to the general overhead surcharge that has been capitalised for tax purposes, the effects of implementing IFRS in 2005, and use of the discretionary depreciation scheme for tax purposes. The remainder comprises the differences between the carrying amount and the tax base of right-of-use assets and lease liabilities (€4 million negative) and provisions/investments (€2 million negative).

As at year-end 2025, there was a total unrecognised deferred tax asset of €19 million (year-end 2024: €19 million), made up of:

- tax loss carryforwards from our activities in Germany: €16 million, which have not been recognised due to the projected results for the German entities in the medium term;
- An amount of €3 million relates to a Dutch subsidiary acquired in 2018.

Gross movement in deferred tax assets and liabilities

€ million	Property, plant and equipment	Right-of-use-assets	Lease liabilities	Provisions, Treasury and others	Offsettable losses	Total
Carrying amount as at 1 January 2024	**41**	**-33**	**33**	**1**	**-**	**42**
Movements 2024						
Changed temporary differences current book year	-8	-6	1	-3	-14	-30
Changed temporary differences previous book year	-33	-	-	1	14	-18
Total	**-41**	**-6**	**1**	**-2**	**-**	**-48**
Carrying amount as at 31 December 2024	**-**	**-39**	**34**	**-1**	**-**	**-6**
Movements 2025						
Changed temporary differences current book year	-14	2	-2	-1	-	-15
Reclassification assets held for sale	4	-	-	-	-	4
Total	**-11**	**2**	**-2**	**-1**	**-**	**-12**
Carrying amount as at 31 December 2025	**-11**	**-37**	**32**	**-2**	**-**	**-18**

The reduction of €17 million in 2025 is made up of the reversal of €21 million in new temporary differences, including the full deductibility of IT-related intangible assets in the first year, less €4 million resulting from the sale of the Randmeren high-voltage network to TenneT.

Note 18 Trade and other payables

€ million	2025	2024
Trade payables	281	206
Invoiced instalments on work in progress	3	2
Other payables	74	48
Carrying amount as at 31 December	**358**	**256**

Other payables include €15 million owed to a company in which Alliander has a non-controlling interest (2024: €12 million).

Accruals and deferred income

Accruals and deferred income came to €257 million at year-end 2025 (2024: €375 million). This includes anticipated amounts in respect of the procurement of network losses and energy transmission (2025: €68 million; 2024: €76 million) and invoices still to be received for subcontracted work among other things (2025: €189 million; 2024: €299 million).

Tax liabilities

Tax liabilities amounted to €122 million (2024: €108 million) and comprise wage tax and VAT payables.

Note 19 Leases

Finance lease receivables

Finance lease receivables are as follows:

€ million	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December 2025				
Future minimum lease receivables	-	-	-	-
Unearned finance income	-	-	-	-
Present value of future minimum lease receivables	-	-	-	-
As at 31 December 2024				
Future minimum lease receivables	1	-	-	1
Unearned finance income	-	-	-	-
Present value of future minimum lease receivables	**1**	-	-	**1**

Receivables in respect of finance leases concern the rental of transformers to third parties.

Off-balance sheet operating lease receivables

The total future minimum lease receivables from non-cancellable operating leases not shown on the face of the balance sheet are as follows:

€ million	2025	2024
Less than 1 year	16	15
Between 1 and 2 years	1	2
Between 2 and 3 years	1	1
Between 3 and 4 years	1	1
Between 4 and 5 years	1	1
Over 5 years	4	5
Total as at 31 December	**24**	**25**

The operating leases at year-end 2025 mainly relate to the rental of buildings and the lease of two district heating networks to Vattenfall Warmte N.V., part of Vattenfall N.V.

Lease liabilities

€ million	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December 2025				
Future lease payments of the on-balance lease liabilities	30	80	38	148
Future finance expenses on the on-balance lease liabilities	-3	-7	-6	-16
Present value of the on-balance lease liabilities	**27**	**73**	**32**	**132**
As at 31 December 2024				
Future lease payments of the on-balance lease liabilities	26	70	50	146
Future finance expenses on the on-balance lease liabilities	-1	-3	-2	-6
Present value of the on-balance lease liabilities	**25**	**67**	**48**	**140**

Alliander has lease liabilities in respect of buildings, spaces, telecommunication interconnections and vehicles. Besides the above lease liabilities, there was an undiscounted amount of €12 million in relation to leases which Alliander has entered into but which had not yet incepted at year-end 2025. These leases concern vehicles. At year-end 2024, this amount was €8 million.

Note 20 Contingent assets and liabilities

Rights and obligations arising from leases

Please refer to note 19 for details of rights and obligations arising from leases.

Investments and other purchasing commitments

The outstanding investment commitments and other purchasing commitments at the end of the year were as follows:

€ million	2025	2024
Capital expenditure commitments regarding property, plant and equipment	2,319	2,093
Other purchasing commitments	1,026	1,026
Total as at 31 December	**3,345**	**3,119**

Contracts with purchase or revenue guarantees have also been recognised in both 2025 and 2024. The purchasing commitments include hiring obligations for personnel, procurement for grid losses and IT facilities including SAP contracts.

Contingent liabilities

Legal proceedings and litigation

On and immediately after the balance sheet date, a number of claims were made against Alliander. Alliander was also involved in a number of lawsuits at the balance sheet date, connected with normal business operations. These claims/lawsuits could have a material impact on Alliander's results, should the outcome not go in Alliander's favour. Provisions have been recognised where necessary.

Guarantees issued

As at year-end 2025, Alliander had issued parent company guarantees amounting to €17 million (2024: €17 million), including parent company guarantees of €3 million (2024: €3 million) for non-controlling interests. Bank guarantees amounting to €3.9 million had been issued on Alliander's behalf at the end of the year (2024: €54.8 million).

Convertible subordinated loans were contracted with the shareholders of Alliander in the past and relate to guarantees given on the sale of non-strategic interests. On expiry of these guarantees, the loans were released to income and shares in Alliander were issued in 2006. A number of guarantees are, however, for an indefinite period; in the event that there are any subsequent claims on guarantees in the future, the shareholders concerned have a duty to surrender all or part of their shares.

In 2006, following the declaration of the nullity of a claim, a guarantee provision for the sale of associates was released to income and additional shares in Alliander were issued in 2007. The guarantees which have been given are for an indefinite period. It is therefore still possible for claims to be made on these guarantees in the future. Alliander can again also require the shareholders to surrender some or all of their shares.

Obligation to remove gas connections

Alliander must remove a connection if a customer requests it or if the connection has been unused for more than twelve months and there is no prospect of further use. Where a removal has been requested without specifying a date, a provision is formed (see note 16) and Alliander receives a fee through the tariffs two years after removal. For requests that specify a date, the removal costs are borne by the customer.

Alliander has not made a provision for future removals that have not yet been requested. It is not possible to make a reliable estimation of such future removal costs.

The lack of a reliable estimate is directly linked to the current uncertainty regarding expected/desired energy supply in 2050. Using the input from other energy suppliers and network operators, 'Netbeheer Nederland (NBNL)' published a report in 2025 setting out four possible scenarios, with details of each scenario. These scenarios vary from a situation with widespread electrification in 2050 to a situation in which the current gas network remains largely intact, having been adapted for hydrogen and other sustainable gases. However, the scenarios do not indicate when or where actions will have to be taken or what the potential impact will be on the main network. Given current developments, such as feasibility (capacity), the choices to be made by local authorities under the Heating Act, the nitrogen emissions issue and the political climate, it is currently unclear which scenario is likely. Moreover, there are significant differences between the four scenarios regarding the expected gas removal costs, running from hundreds of millions to several billion euros. This degree of uncertainty is too large for a reliable estimate to be made.

Under the current settlement method, future gas removal costs are compensated after a two-year delay through tariffs. Starting in 2027, a new ‘cost plus’ settlement method will be implemented in place of the current benchmark rule, so that all such costs will be compensated through tariffs within the same year.

Other

Alliander has volume commitments in place with suppliers regarding, for example, the outsourcing of work packages to subcontractors. Alliander is obliged to compensate its suppliers if these commitments are not met. Provisions have been recognised where necessary.

Alliander has taken out liability insurance in the form of a Directors and Officers policy covering the members of the Supervisory Board, the members of the Management Board, the operating company managers and other directors within the Alliander group. In addition to the cover provided by this liability insurance, the members of the Supervisory Board are also legally indemnified. As far as possible, the members of the Supervisory Board are also indemnified by Alliander subject to specific conditions and with strict limitations in respect of costs connected with legal proceedings brought under civil, penal or administrative law in which they may become involved by virtue of their membership of the Supervisory Board.

Alliander, together with its Dutch subsidiaries, forms a tax group for both corporate income tax and value added tax (VAT). Consequently, every legal entity forming part of the tax group bears joint and several liability for the tax liabilities of the legal entities included in the tax group. Alliander has also given a declaration of indemnity to network operator Liander under which its liability in this respect is restricted to the amount for which it itself would be liable if a tax group did not exist.

Note 21 Revenue

€ million	2025	2024
Electricity transport and connection services	2,405	2,236
Gas transport and connection services	501	525
Metering services	177	110
Other revenue	190	172
Total	**3,273**	**3,043**

At €3,273 million, net revenue in 2025 was up €230 million compared to 2024. This was mainly attributable to the €169 million rise in regulated electricity revenue. Tariffs rose by an average of 9%, and there was also an increase in the number of small consumer connections (€15 million revenue) as well as in the transmission volumes for large consumers, leading to an €18 million increase in revenue.

Regulated revenue from gas was €24 million down on 2024, which was due to a fall both in the average tariffs (-4%) and in the number of connections.

The higher revenue from measuring services is due entirely to higher tariffs.

Net revenue for 2025 included €42 million in estimated network fees for large consumers (2024: €37 million), i.e. 1.4% (2024: 1.4%) of total network fee revenue. Estimates made in relation to small consumers are not material. Differences arising on these unbilled revenues are generally small. The estimated revenue concerns the month of December and is largely based on the revenues earned in November.

Note 22 Other income

€ million	2025	2024
Operating contributions and other income	108	822
Lease income from operational leases	16	16
Total	**124**	**838**

Other income in 2025 amounted to €124 million (2024: €838 million).

On 24 April 2025, Liander completed the sale of the Randmeren high-voltage network (held by Nadine II B.V.) to TenneT TSO B.V. This sale is the result of from the legal obligation under the Independent Network Operation Act (*Wet onafhankelijk netbeheer*, or WON) to transfer 110 kV and 150 kV networks to the national grid operator TenneT. When this legislation came into force in 2008, the Randmeren network still came under an ongoing cross-border lease, exempting Liander from the transfer obligation for this network. Termination of this lease in January 2025 meant that Liander had to transfer the network after all.

The sale was effectuated through a share transaction by Nadine II B.V., to which the network in question, the associated customer contracts and a small number of other assets and liabilities had been transferred. Liander received proceeds of €139 million from the sale. The gain on disposal of €30 million was recognised in other income.

As part of the sale of Kenter B.V. as realised in January 2024, Liander and Kenter agreed a deal on the purchase and sale of transformers in the free domain. These transformers could not be transferred from Liander to Kenter at that time because Liander was not yet authorised to do so due to a cross-border lease that was still in effect. When this cross-border lease ended as of 2 January 2025, Liander regained full economic and legal ownership of the transformers and subsequently transferred them to Kenter on 30 June 2025 for a purchase price that was ultimately set at €62 million. The total gross gain on disposal of €54 million was recognised in other income. The net gain, after deducting corporate income tax, was €40 million.

On 31 January 2024, Alliander sold the shares of its subsidiary Kenter, a provider of integrated energy solutions, to a consortium consisting of ABP and OMERS Infrastructure. The consortium also obtained full control of Kenter and its subsidiaries with effect from this date. In previous years, Kenter had grown from a traditional metering company with 95 employees to an integrated energy solution provider with a workforce of over 400. Kenter was part of the Alliander cash pool and had no cash or cash equivalents of its own. Alliander received a total of €919 million in 2024. The gain on the Kenter disposal of €757 million was recognised in other income in 2024.

Together with the other regional network operators in the Netbeheer Nederland association, Liander had concluded a settlement agreement with the State of the Netherlands for the costs of removing gas connections requested by small consumers during the period from 2 March 2021 to 31 January 2024. The Code Decision that took effect on 2 March 2021 stated that regional network operators should fully recharge these costs via the regular connection charge paid by the remaining gas network customers. The Dutch Trade and Industry Appeals Tribunal (CBb) overturned this Code Decision on 20 June 2023. As a result, regional network operators are not permitted to recharge the removal costs for requests made between 2 March 2021 and 31 January 2024 via the regular connection charges. Due to the resulting loss, the regional network operators concluded a settlement agreement with the State of the Netherlands under which the ACM would pay a settlement to the regional network operators. In 2024, Liander received a settlement payment of €30 million, which was recognised in other income.

Note 23 Purchase costs and costs of subcontracted work

€ million	2025	2024
Grid losses	198	243
Transport capacity and restrictions	837	836
Billing and payment collection	40	35
Contractors, materials and other	176	172
Total	**1,251**	**1,286**

Compared to 2024, the cost of procurement and subcontracted work fell by €36 million to €1,251 million. The lower costs were mainly the result of lower energy prices, which reduced the cost of purchasing network losses.

Note 24 Employee benefit expenses

€ million	2025	2024
Salaries	666	550
Social security premiums	88	71
Pension costs:		
- Contributions paid to multi-employer plans that are accounted for as defined-contribution plans	89	73
Termination benefit expenses	-1	1
Other long-term employee benefit expenses	12	4
Other staff costs	42	34
External personnel	279	264
Total	**1,175**	**997**

The staff costs relating to pensions, reorganisations and other long-term employee benefits were as follows:

Employee benefit expenses for pensions, reorganisation and other long-term employee benefits

€ million	Multi-employer plans	Termination/ reorganisation benefits	Other long-term employee benefits	Total
2025				
Contributions paid to multi-employer plans	89	-	-	89
Added to provision	-	1	36	37
Released from provision	-	-2	-24	-26
Total 2025	**89**	**-1**	**12**	**100**
2024				
Contributions paid to multi-employer plans	73	-	-	73
Added to provision	-	2	30	32
Released from provision	-	-1	-26	-27
Total 2024	**73**	**1**	**4**	**78**

Clarification of the reorganisation costs is included in note 15 on provisions for employee benefits. For further details of the other long-term employee benefits, please refer to the disclosures in note 15. External staff costs amounted to €279 million (2024: €264 million) and related to agency workers for specific projects and to fill vacancies. The number of staff employed by Alliander, based on a 38-hour working week (FTEs), was 8,608.

Number of permanent staff (FTEs)

	2025	2024
Employed in continuing operations		
Average during the year	8,047	7,138
As at 31 December	8,608	7,482
- Of which number of permanent staff outside the Netherlands	87	83

WNT

On 1 January 2013 the Act on the Standardisation of Remuneration of Senior Executives in the Public and Semi-Public Sector (WNT) came into operation. The act lays down rules governing the maximum remuneration of senior executives in the public and semi-public sector. The amount is set annually by a ministerial ruling.

WNT reporting

Alliander is not governed by the Public and Semi-Public Sector Executives Pay (Standards) Act (WNT), but Liander N.V. is. The WNT requires companies to report on the remuneration of current and former senior executives. The annual report of the network operator, which is to be published in the second quarter of 2026, will contain disclosures on the WNT requirements.

Remuneration of the Management Board and the Supervisory Board

The Remuneration Report covers the remuneration policy, its implementation and the remuneration of the members of the Management Board and the Supervisory Board (key management). The Remuneration Report can be found in the 'Corporate Governance' section of our 2025 annual report. The following tables disclose the remuneration of the members of the Management Board. The remuneration of the Management Board amounted to €0.94 million in 2025 (2024: €1.23 million). The remuneration of the Supervisory Board amounted to €0.14 million in 2025 (2024: €0.13 million).

Gross fixed remuneration chargeable to the financial year

	Fixed salary	
€ thousand	2025	2024
M.J. Otto	288	272
W.Th. Bien	289	273
M.I. Visser[1]	167	265
F.D. Schut[2]	70	259
Total	**814**	**1,069**

1 Retired 1 August 2025.

2 Retired 1 April 2025.

Fixed remuneration concerns the actual amount paid each year; it does not include amounts set aside for other forms of remuneration.

Settlement of contract obligations

Regarding the departure of Ms Visser, the Supervisory Board acted in accordance with the termination and severance provisions of the Management Board Remuneration Policy, as a result of which Ms Visser received a severance payment equal to one year's gross annual salary. This amount has been charged to 2025.

Pension contributions

€ thousand	2025	2024
M.J. Otto	24	24
W.Th. Bien	24	24
M.I. Visser[1]	14	24
F.D. Schut[2]	6	24
Total	**68**	**96**

1 Retired 1 August 2025.

2 Retired 1 April 2025.

Social security contributions and other benefits

€ thousand	2025	2024
M.J. Otto	19	18
W.Th. Bien	18	17
M.I. Visser[1]	11	18
F.D. Schut[2]	5	17
Total	**53**	**70**

1 Retired 1 August 2025.

2 Retired 1 April 2025.

In addition to the social security contributions that are normally paid by the company, Management Board members are entitled to an employer's contribution towards the premium for the group health insurance plan, contributions to the 'personal budget' scheme and the use of a car provided by the company.

Remuneration of the Supervisory Board

€ thousand	2025	2024
A. Jorritsma-Lebbink, Chairman	36.9	35.0
T. Menssen	24.6	23.3
F. Eulderink	24.6	23.3
G.R. Penning	24.6	23.3
M. Nooteboom	24.6	23.3
M. Snel[1]	5.1	-
Total	**-**	**128.2**

1 Appointed as of 17 October 2025.

Note 25 Other operating expenses

€ million	2025	2024
Added to/released from provisions	20	26
Premises and transport	42	38
Rent and leases	35	29
Corporate staff and IT	134	117
Sufferance tax and other tax	9	8
Other	109	86
Total	**349**	**304**

Other operating expenses amounted to €349 million in 2025 and were therewith €45 million higher compared to 2024 (€304 million). The increase was caused, among other things, by higher digitalisation costs, including a (multi-year) project to future-proof our IT systems.

The Other category includes fees paid to accountants, notaries and consultants, amounting to €63 million (2024: €44 million) with regard to, among other things, the hiring of specialist expertise in digitalisation projects.

The amount recognised for rent and leases in 2025 includes €2 million in short-term leases (2024: €4 million) and €0.1 million in low-value leases (2024: €0.2 million). The remainder of the costs concerns the service costs under the lease contracts.

Auditors' fees

The auditor's fee, as shown below, is recognised in the income statement:

€ million	2025	2024
Fees for audit of financial statements	0.6	0.5
Fees for other control services	0.7	0.7
Total	**1.3**	**1.2**

The above fees relate to the activities carried out by the accountancy firms and external auditors in connection with the parent company and the companies included in the consolidation, as referred to in Section 1(1) of the Audit Firms Supervision Act (WTA), and the fees charged by the entire network of which the accountancy firm is part.

These fees relate to the audit of the annual financial statements, irrespective of whether the work was performed during the financial year itself.

Summary of services provided

During the period to which our financial statements relate, our auditor, PwC Accountants N.V., supplied the following services to Alliander and its subsidiaries in addition to the audit of the financial statements:

€ million	2025	2024
Other control services required by law or regulatory obligations		
Statutory audit of financial statements	0.6	0.5
Audit of grid operator's annual report, WNT accounting and financial statements several subsidiaries (2023)	0.1	0.1
Control of grid operator's regulating data	0.1	0.1
Total	**0.8**	**0.7**
Other control assignments		
Review assignment for sustainability disclosure	0.4	0.4
Review assignment to the semi-annual report	0.1	0.1
Total	**0.5**	**0.5**
Total	**1.3**	**1.2**

Note 26 Depreciation/amortisation and impairment of non-current assets

The divestments include the accelerated depreciation of decommissioned assets.

€ million	Land and buildings	Networks	Right-of-use assets	Networks	Other	Total
2025						
Depreciation	8	353	30	22	136	549
Divestments	1	28	-	-	18	47
Total 2025	**9**	**381**	**30**	**22**	**154**	**596**
2024						
Depreciation	7	337	25	-	146	515
Divestments	2	36	-	-	12	50
Total 2024	**9**	**373**	**25**	**-**	**158**	**565**

Note 27 Finance income

€ million	2025	2024
Other finance income	12	14
Total	**12**	**14**

The decrease in financial income in 2025 is mainly due to the lower amounts invested in liquidity funds.

Note 28 Finance expense

€ million	2025	2024
Loans from third parties	-105	-76
Other finance expense	-6	-3
Total	**-111**	**-79**

The increase in finance expenses in 2025 is mainly due to the interest expense on two long-term bond loans issued in 2025 in order to refinance the maturing EMTN. Finance expenses include €3 million in interest expenses recognised in respect of lease liabilities (2024: €2 million).

Note 29 Tax

€ million	2025	2024
Current tax expense	-71	-23
Movement in deferred taxes	-15	-49
Total	**-86**	**-72**

The tax expense in the 2025 financial year amounts to €66 million. The movement in deferred taxation is €21 million.

The corporate income tax charge for the fiscal unit as disclosed in the financial statements is €57 million. This amount comprises the calculated corporate income tax on the profit for 2025 (€66 million), less the corporate income tax on movements in balance sheet items recognised through other comprehensive income (€9 million negative).

The table below provides a reconciliation between the corporate income tax rate in the Netherlands and the effective tax rate:

Reconciliation of effective corporate income tax rate

%	2025	2024
Enacted corporate income tax rate in the Netherlands	**25.8**	**25.8**
Impact of:		
Substantial holding privilege	-2.8	-18.7
Losses not accounted for	-	-
Other permanent differences	0.1	-0.2
Effective corporate income tax rate	**23.1**	**6.9**

The effective tax rate is the tax burden expressed as a percentage of the profit before tax excluding the profits after tax from associates and joint ventures. The effective tax rate in 2025 amounted to 23.1% (2024: 6.9%). The difference compared to the nominal tax rate of 25.8% is mainly due to the effect of participating interest relief (downward effect of 2.8%) arising from the sale to TenneT of Nadine II B.V., the company holding the Randmeren high-voltage network.

Note 30 Notes to the consolidated cash flow statement

Cash flow from operating activities

The cash flow from operating activities in 2025 amounted to €832 million (2024: €829 million). The €3 million increase relative to 2024 is partly due to a rebate of corporate income tax over previous years. Against this, the working capital position deteriorated as a prepayment was received in 2024 regarding the sale of transformers to Kenter, which went through in 2025.

Cash flow from investing activities

The cash outflow from investing activities in 2025 was just under €1.9 billion, compared to an outflow of €679 million in 2024. This is mainly the result of the cash inflow received on the Kenter disposal in 2024 (€919 million). Capital expenditure also rose by €342 million, leading to a higher outflow. In 2025, one-off cash inflows of €136 million arose from the sale of the high-voltage grid to TenneT TSO B.V. and the transfer of transformers to Kenter B.V. As a result of the above, the cash flow from investing activities was €1.2 billion lower in 2025 than in 2024.

Cash flow from financing activities

The cash flow from financing activities for 2025 amounted to €829 million (2024: €102 million). Cash inflows in 2025 comprised €992 million in proceeds from the EMTN and just under €500 million from the issue of a subordinate perpetual bond loan. Cash outflows included the redemption of the convertible bond loan issued in 2018, the payment of the dividend (€96 million) and the coupon payments on the convertible bond loans (€31 million).

In 2024, a green bond loan of €750 million was issued. A subordinate perpetual bond loan of €500 million was also issued, as was the case in 2025. Cash outflows arose from the redemptions of EMTN borrowings (€400 million) and short-term ECP issues (€500 million). A dividend (€173 million) and the coupon on the subordinated perpetual bond loan (€8 million) were also paid out in 2024.

Note 31 Licences

Liander N.V. owns the networks for the transmission of electricity and gas in the Netherlands. In accordance with the Dutch Electricity Act 1998 and the Dutch Gas Act, Liander N.V. has appointed itself network operator for the gas and electricity networks for a ten-year period (expiry date: 10 December 2030). Liander performs the duties incumbent on it under the Electricity Act and Gas Act and, since 1 January 2026, under the Energy Act.

Note 32 Related parties

As holder of 45% of the shares in Alliander, the Province of Gelderland has significant influence over the company, qualifying the province as a related party. At year-end 2025, the remaining shares were held by 73 shareholders, none of whom are related parties. For a full list of our shareholders, please refer to our website.

The Alliander group has interests in various associates and joint ventures over which it has significant influence but not control or has joint control of operations and financial policy. Transactions with these parties, some of which are significant, are executed on market terms and at market prices that are not more favourable than those that would be negotiated with independent third parties. These associates and joint ventures are consequently designated as related parties.

The following transactions were entered into with related parties for the purchase and sale of goods and services:

Related party transactions

€ million	2025	2024
Sales of goods and services		
Associates	-	-
Joint ventures	202	170
Total	**202**	**170**
Purchase of goods and services		
Associates	41	35
Joint ventures	354	308
Total	**395**	**343**

The transactions involving the Province of Gelderland are not included in these disclosures, owing to the exemption applicable in the case of related parties that are public authorities (IAS 24, paragraph 25). As part of the issue of the convertible shareholders loan, a transaction took place with the Province of Gelderland. There were no material transactions with individuals who qualify as related parties. For disclosures relating to the remuneration of the members of the Management Board, who do qualify as related parties, please refer to note 24.

The following transactions were entered into with related parties for the procurement and sale of goods and services: sale of goods and services to associates at a value of €0 million (2024: €0 million) and to joint ventures at a value of €202 million (2024: €170 million); purchase of goods and services from associates at a value of €41 million (2024: €35 million) and from joint ventures at a value of €354 million (2024: €308 million). As at year-end 2025, Alliander had a receivable of €32 million (2024: €26 million) for loans granted to related parties, a receivable of €9 million (2024: liability of €9 million) in respect of agreed borrowings on current accounts with related parties and a non-current interest-bearing liability of €270 million (2024: €270 million) in connection with the issue of the convertible shareholder loan in 2021.

Note 33 Assets and liabilities held for sale and discontinued operations

2025

At year-end 2025, there were no assets or liabilities held for sale.

2024

Assets held for sale and liabilities held for sale at year-end 2024 all relate to the assets and liabilities of a district heating network in Hengelo. On 14 July 2025, these assets and liabilities were transferred to Ennatuurlijk B.V.; this did not result in a book profit.

Note 34 Information on risks and financial instruments

General

The following financial risks can be identified: market risk, credit risk and liquidity risk. Market risk is defined as the risk of loss due to an adverse change in market prices. Alliander's main exposure is to commodity price risk and interest rate risk. The credit risk is the risk arising in connection with the default of counterparties to trading and sales transactions. The liquidity risk is the risk of the company being unable to meet its payment obligations as they fall due.

This note provides information on these financial risks to which Alliander is exposed, the objectives and policy for managing risks arising from financial instruments as well as the management of capital. Further quantitative information is provided in the various notes in the consolidated financial statements. For more details of the capital management policy, please refer to the 'Being a creditworthy company with solid returns' section.

Market risk

Alliander is exposed to the following potential market risks:

- Commodity price risk: the risk that the value of a financial instrument will fluctuate because of changes in commodity prices; this mainly affects the cost associated with purchasing network losses.
- Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in exchange rates.
- Interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Alliander hedges market risks through the purchase and sale of derivatives and attempts to minimise income statement volatility as far as possible through the application of hedge accounting. All transactions are carried out within the guidelines approved by the Management Board.

Commodity price risk

As regards the cost of network losses, Alliander is sensitive to the effect of market fluctuations in the price of various energy commodities, including but not limited to electricity, gas and green certificates (renewable energy certificates – RECs).

Currency risk

General

Alliander is exposed to currency risk on purchases, cash and cash equivalents, borrowings and other balance sheet positions denominated in a currency other than the euro. The currency risks concern transaction risks, i.e. risks relating to future cash flows in foreign currencies and balance sheet positions in foreign currencies. At year-end 2025, there were no balance sheet positions in foreign currency which would lead to currency risks.

Subsidiaries report currency positions and risks to Alliander's treasury department. These positions and risks are principally hedged back-to-back with external counterparties through spot and forward exchange contracts.

Exposure to currency risk and sensitivity analysis

Alliander operates mainly in the Netherlands and to a small extent in Germany and so has no currency risk on its normal operations.

Exchange rates

The following important exchange rates were applicable as at the balance sheet date:

	2025	2024
USD	1.174	1.035

Interest rate risk

General

Alliander had no interest rate swaps outstanding as at year-end 2025 or 2024.

Maturity date or earlier contractual interest repricing date

€ million	Effective interest rate	Variable/ fixed	Bookvalues			
			Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December 2025						
Assets						
Loans, receivables and other financial assets	0,0%		12	8	25	45
Cash and cash equivalents	1,7% - 3,10%	Variable	307	-	-	307
Total assets			**319**	**8**	**25**	**352**
Loans received						
Subordinated loans	2.5%	Fixed	-	-41	-600	-641
Private and green loans	1.4%	Fixed	-	-300	-	-300
Euro Medium Term Notes	2.3%	Fixed	-300	-1,496	-2,431	-4,227
Euro Commercial Paper	0,0%	Variable/ fixed	-	-	-	-
Other		Variable	-	-	-	-
Lease liabilities	0,0% - 5,1%	Fixed	-27	-73	-32	-132
Total liabilities			**-327**	**-1,910**	**-3,063**	**-5,300**
As at 31 December 2024						
Assets						
Loans, receivables and other financial assets	0,0%		11	7	20	38
Cash and cash equivalents	2,9% - 4,0%	Variable	496	-	-	496
Total assets			**507**	**7**	**20**	**534**
Loans received						
Subordinated loans	2.5%	Fixed	-	-41	-599	-640
Private and green loans	1.4%	Fixed	-1	-	-300	-301
Euro Medium Term Notes	2.3%	Fixed	-	-1,294	-1,638	-2,932
Euro Commercial Paper	0,0%	Variable/ fixed	-	-	-	-
Other		Variable	-	-	-	-
Lease liabilities	0,0% - 4,7%	Fixed	-25	-67	-48	-140
Total liabilities			**-26**	**-1,402**	**-2,585**	**-4,013**

Sensitivity analysis in relation to fixed-rate assets and liabilities

Alliander does not have any fixed-rate financial assets or liabilities carried at fair value through profit or loss.

Sensitivity analysis in relation to cash flows for variable-rate assets and liabilities

Alliander does not have any variable-rate financial assets or liabilities carried at fair value through profit or loss.

Hedging transactions

Fair value hedging

In previous years, Alliander made use of derivative financial instruments as a full or partial hedge against the risks of fluctuations in the fair value of financial assets and/or liabilities and commitments. However, it did not do so in 2025 or 2024.

Credit risk

General

Credit risk is the risk of a loss being incurred because a counterparty is unable or unwilling to meet its obligations. Credit analysis and management are applied throughout the organisation, with the degree of review undertaken varying depending on the magnitude of the credit risk in a transaction.

Surpluses of cash and cash equivalents are placed in the money and capital markets on market terms and conditions with institutions satisfying a list of criteria drawn up by the Management Board, making them approved counterparties, up to the maximum limit set for the party in question. In addition, minimum requirements have been set for the credit ratings of such investments set by credit rating agencies. The portfolio of investments on which Alliander is exposed to credit risks consists mainly of liquidity funds. Credit risk is managed through an established credit policy, regular monitoring of credit exposures and application of risk mitigation tools.

Credit quality

Treasury

The creditworthiness of financial institutions with respect to which Alliander has receivables is monitored using specific credit analyses, CDS data and credit ratings. The greater part of the cash and cash equivalents is placed or invested with parties with a credit rating of A or higher. Of this, 91% (2024: 92%) is placed with parties with an AA rating or higher.

Sales

Alliander is exposed to credit risk; this is the risk of non-payment by customers for services provided. The company has procedures to limit credit exposure to counterparties and to ensure that outstanding positions are covered by collateral, for example, in the form of bank guarantees.

Maximum credit risk

The maximum credit risk is the carrying amount of each financial asset, including derivative financial instruments. The maximum credit risk that Alliander is exposed to in respect of the CBL transactions is nil, as the contracts for all such transactions have now been terminated (2024: $674 million).

Overdue instalments

Receivables which are past due, but for which no provision has been recognised, are without exception trade receivables from normal sales. The provision for bad debts also exclusively concerns trade receivables from normal sales. The ageing analysis of trade receivables was as follows on the balance sheet date (gross amounts):

Ageing analysis of trade receivables

€ million	2025	2024
Not overdue	57	40
0-30 days	5	26
31-90 days	7	7
91-360 days	9	7
> 360 days	7	7
Carrying amount as at 31 December	**85**	**87**

The major part of the provision for bad debts is calculated using a graduated scale based on historical figures. The remainder is based on an assessment of individual accounts. The fair value of collateral obtained relating to overdue accounts and bad debts written off was zero at year-end 2025 and at year-end 2024.

The other receivables and the prepayments and accrued income do not contain any accounts older than one year.

Movements in the provision for bad debt

The movements in the provision for bad debts relating to trade receivables were as follows:

€ million	2025	2024
Carrying amount as at 1 January	12	11
Utilised (trade receivables written off)	-4	-4
Released from/added to allowance account charged to income	4	5
Carrying amount as at 31 December	**12**	**12**

Liquidity risk

Liquidity risk is the risk that Alliander is unable to obtain the financial resources required to meet its financial obligations on time. In this connection, Alliander regularly assesses the expected cash flows over a period of several years. These cash flows include operating cash flows, dividends, interest payments and debt repayments and investments. The aim is to have sufficient funds available at all times to provide the required liquidity. Liquidity and capital requirement planning is performed with a four-year horizon as a minimum. As at year-end 2025, Alliander had a committed credit facility of €900 million (up to 14 December 2028). This facility can be used for general operating purposes, working capital financing or debt refinancing. Alliander also increased the existing bilateral credit lines to €1.5 billion in 2025 (2024: €1 billion). These credit facilities are to be used to cover liquidity requirements.

In addition to the credit facility, which had not been drawn on at year-end 2025, Alliander has an ECP programme totalling €1.5 billion, under which no amount was outstanding at the end of the financial year (2024: nil) as well as a €5 billion EMTN programme, under which €3.95 billion was outstanding as at 31 December 2025 (2024: €2.95 billion). To provide information on liquidity risk, the following table shows the contractual terms of the financial obligations (translated at the balance sheet rate), including interest payments.

The liquidity risk arising in connection with possible margin calls related to foreign currency and interest rate management transactions and commodity contracts intended for own use is closely monitored and limited by ensuring diversity in the number of counterparties with which transactions are entered into as well as ensuring that appropriate thresholds and other terms and conditions are included in ISDAs (International Swaps and Derivatives Association) and CSAs (Credit Support Annexes).

Liquidity risk in 2025 and 2024

€ million	Carrying amount	Contractual cash flows			
		Less than 1 year	1 - 5 years	Over 5 years	Total
As at 31 December 2025					
Loans received					
Principal amounts	-5,168	-300	-1,541	-3,050	-4,891
Interest	-	-113	-364	-917	-1,394
Lease obligations	-132	-30	-80	-38	-148
Accounts payable	-358	-358	-	-	-358
Other payables	-444	-444	-	-	-444
Off balance sheet commitments					
Lease liabilities	-	-3	-9	-	-12
Total	**-6,102**	**-1,248**	**-1,994**	**-4,005**	**-7,247**
As at 31 December 2024					
Loans received					
Principal amounts	-3,873	-	-1,341	-2,550	-3,891
Interest	-	-20	-269	-795	-1,084
Lease obligations	-140	-26	-70	-50	-146
Accounts payable	-256	-256	-	-	-256
Other payables	-534	-534	-	-	-534
Off balance sheet commitments					
Lease liabilities	-	-2	-6	-	-8
Total	**-4,803**	**-838**	**-1,686**	**-3,395**	**-5,919**

Measurement of fair value

The following table lists the financial instruments measured at fair value in descending order of the fair value hierarchy. According to the fair value hierarchy, the input data levels for measuring fair value are defined as follows:

- Level 1: Quoted prices (unadjusted) on active markets for comparable assets or liabilities.
- Level 2: Inputs, other than level 1 quoted prices, observable for a particular asset or liability, either directly (i.e. in the form of prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs not based on observable market data.

Fair value hierarchy

The classification of the instruments by level is based as much as possible on the availability of quoted prices on active markets or other observable inputs. Changes are made only as necessary owing to changes in the availability of the relevant inputs. No such changes were made during the year and there were therefore no transfers from one level of the fair value hierarchy to another.

Methods used for level 2 fair value measurement

Alliander had no derivatives outstanding as at year-end 2025 or 2024.

Fair value of other financial instruments

Alliander had no financial instruments recognised at fair value at year-end 2025 or 2024.

Fair value of financial assets and liabilities measured at amortised costs

€ million	Note	31 December 2025 Fair value		31 December 2024 Fair value	
Non-current assets					
Investments in bonds and other financial assets	6.7	21	2	18	2
Liabilities					
Non-current liabilities					
Interest-bearing debt:					
Euro Medium Term Notes	13	-3,785	1	-2,822	1
Other interest-bearing debt	13	-496	2	-503	2
Total non-current liabilities		**-4,281**		**-3,325**	
Short-term liabilities					
Interest-bearing debt:					
Euro Medium Term Notes	13	-	1	-	1
Euro Commercial Paper	13	-	2	-	2
Other interest-bearing debt		-19	2	-20	2
Total short-term liabilities		**-19**		**-20**	
Total liabilities		**-4,300**		**-3,345**	

Measurement of fair value

Investments in bonds and other financial assets: the fair value of loans granted by Alliander is measured on the basis of the incoming cash flows discounted using risk-free interest rates plus credit spreads for these or similar investments. As regards the current portion of these receivables, it is assumed that the fair value is more or less the same as the carrying amount.

Interest-bearing debt: The fair value of the Euro Medium Term Notes is measured on the basis of market prices quoted by Bloomberg. The fair value of the other loans received is measured on the basis of the outgoing cash flows discounted using risk-free interest rates plus credit spreads applicable to Alliander. As regards the current portion of these liabilities, it is assumed that the fair value is more or less the same as the carrying amount.

The fair value of the following financial assets and liabilities is more or less the same as the carrying amount:

- Trade and other receivables;
- Current other financial assets;
- Cash and cash equivalents;
- Trade and other payables;

Financial policy

Alliander's financial policy, which is part of its general policy and strategy, is to obtain an adequate return for shareholders and to protect the interests of bondholders and other providers of capital, while maintaining the flexibility to grow and invest in the business. For the purposes of Alliander's financial framework, the subordinated perpetual bond loans issued in 2025 and 2024 are treated as 50% equity and 50% borrowed capital. This is contrary to IFRS, under which the subordinated perpetual bond loans are considered to be 100% equity. The bond issued in 2024 serves to replace the subordinated perpetual bond loan issued in 2018, which was redeemed in 2025. In the context of Alliander's financial framework, the convertible shareholder loan issued in December 2021 is treated as 50% equity and 50% borrowed capital. In the context of IFRS, this loan is treated as 100% borrowed capital.

Finance income and expenses

The table below shows the income and expenses in respect of financial instruments recognised in the income statement:

Effect of financial instruments on income statement

€ million	2025	2024
Net result on derivatives held for trading:		
Fair value changes in currency instruments	-	-
Net result on financial liabilities at amortised cost:		
Interest charges on financial liabilities at amortised cost	-105	-76
Interest gains on cash equivalents, loans granted, trade receivables, other receivables and deposits	10	14
Fees paid and received other than for the calculation of the effective interest rate	-4	-4
Net finance income and expense	**-99**	**-66**
Impairments of trade receivables	-4	-5
Other operating expenses	**-4**	**-5**

Note 35 Assumptions and estimates used in the financial statements (critical accounting policies)

Alliander prepares its financial statements in accordance with International Financial Reporting Standards that have been endorsed for use in the European Union by the European Commission. The preparation of financial statements and the measurement of items in the financial statements require the use of estimates and assumptions. These are mainly based on past experience and Alliander's management's best estimate of the specific circumstances that are, in the opinion of management, applicable in the given situation.

The assumptions and estimates used in the financial statements often relate to future developments. As a result, the actual outcome may differ significantly from the current measurement of a number of items in the financial statements. Consequently, the estimates and assumptions used may have a significant impact on equity and the results. The judgements, estimates and assumptions used are tested regularly and adjusted if necessary. Alliander is also developing a number of new activities within the framework of its strategy. Due to the start-up nature of these activities, inherent uncertainties are attached to their valuation. This section sets out an analysis of the main areas where the measurement of assets, liabilities and the results is affected by the estimates and assumptions used.

Determination of the provision for employee benefits

The provision for post-employment benefits and other long-term employee benefits is determined on an actuarial basis, using assumptions on future salary levels, disability benefits (WAO/WIA), health insurance premiums, statistical assumptions on mortality rates, employee turnover and probability of disability. These assumptions, together with the discount rate used, influence the carrying amount of the provision for employee benefits and, consequently, the results. An increase in the discount rate of 1 percentage point, for example, has the effect of reducing the necessary carrying amount of the provision by €3 million.

Useful lives, residual values, and impairment of property, plant and equipment

The measurement of the carrying amount of property, plant and equipment uses estimates regarding depreciation periods, derived from the expected technical and economic lives of the assets concerned, depreciation methods and estimates of their residual value. Technological developments, altered market circumstances and changes in the actual usage of the items of property, plant and equipment involved may lead to changes in the expected technical and economic lives and the estimated residual value of the assets. With regard to the gas networks, there is no reason to shorten the current useful life for these on the basis of existing laws and regulations.

These factors may also trigger recognition of impairment. In measuring the extent of the impairment, estimates are made of the fair value less costs to sell and the value in use. The fair value less costs to sell is derived from assumptions on the possible selling price of a particular item of property, plant and equipment. The actual sales proceeds in the case of a disposal may differ from the estimates used. The value in use is based on the present value of the expected future cash flows, which are derived from the business plans for the coming years relating to the assets concerned. Adverse developments affecting customers that could potentially lead to the recognition of an impairment, such as suspension of payments or bankruptcy/ insolvency, are also taken into account. It is possible that Alliander may be forced to recognise additional impairments in the future as a result of changes in market or other circumstances.

Impairment of goodwill and other assets

Goodwill is not amortised but impairment tests must be performed annually in order to ascertain whether the value of the goodwill has been impaired. Previously recognised impairments of goodwill are not reversed in future years if it is found that the impairment ceases to apply. Other assets are tested if events or changes have occurred that trigger an impairment test. The impairment tests use estimates and assumptions of the fair value less cost to sell and the value in use. The estimate of the fair value less costs to sell is derived from information on quoted prices on regulated markets and other market prices, recent transactions in comparable companies and bids and offers received. Actual proceeds and estimated costs to sell may differ from the estimates. Value in use is estimated using the present value of the expected future cash flows of the subsidiaries and associates involved. Actual cash flows may deviate from the cash flows in the business plans. The discount rates used also affect the ultimate value in use. It is possible that Alliander may be forced to recognise additional impairments in the future as a result of changes in market or other circumstances.

Measurement of trade and other receivables

Alliander regularly assesses the credit risk on its receivables, based on experience as well as developments affecting specific accounts. Impairment losses are recognised on account balances where indicated by this assessment. The actual situation may turn out to be different from the assumptions used in identifying impairment.

Provisions

A characteristic of provisions is that the obligations are spread over several years and management has to make estimates and assumptions at the balance sheet date on the probability that an obligation will arise and the magnitude of the amount that will have to be paid. Future developments, such as changes in market circumstances, changes in legislation and court rulings, may cause the actual obligation to differ from the provision. In addition, Alliander is involved in a number of legal proceedings. Management assesses each individual case and decides whether a provision is necessary, based on the facts. This assessment includes the probability that a claim will be successful and the amount that is likely to be paid.

For specific comments on the circumstances in which a provision is recognised for the removal of gas assets, please refer to note 20.

Network losses: allocation and reconciliation

The allocation process serves to determine estimates of the quantities of electricity and gas supplied and the associated network losses on a daily basis, particularly where standard annual consumption patterns are used for the consumer and SME market. These estimates are reviewed regularly, and quantities allocated to customers are adjusted for actual quantities ascertained through meter readings as part of this process (reconciliation). The legal requirements on reconciliation prescribe settlement within 21 months after the end of the month of supply. This means that the final reconciliation result for the delivery month of December 2025 will not be known until September 2027. The reconciliation result consists of a price and quantity component, the former being determined by the national network operator on the basis of weighted day-ahead prices on a monthly basis (roughly the average spot price of that month). The quantity component derives from the reconciliation runs and is the difference between the initial profile allocations and the actual measurements.

The reconciliation result is included in the financial statements and is based on the result of the reconciliation runs in which the measured data known at the time was processed and of three preliminary reconciliation runs for which the dispute period has not yet expired. This is a preliminary result and may differ from the final result, which does not become known until after 21 months.

Tax

When preparing the financial statements, Alliander devotes considerable attention to assessing all significant tax risks and the current tax position is reflected in the financial statements to the best of its knowledge. Changing insights, for example as a result of final tax assessments for previous years, may lead to additional tax expense or income. In this regard, all software costs capitalised in 2025 were recognised immediately as expenses in the calculation of taxable profit.

New tax risks may also arise. When measuring deferred tax assets, particularly those relating to the differences between the carrying amount in the financial statements and the valuation for tax purposes of property, plant and equipment, assumptions are made about when and to what the extent such tax assets can be realised. This is based in part on business plans. In addition, assumptions on the temporary and permanent differences between measurement for financial reporting purposes and for tax purposes are used in preparing the financial statements. The actual situation may differ from the assumptions used in determining deferred tax positions, due to differences of information, changes in tax rules and so on.

Other

The assumptions with respect to risks and financial instruments are stated in note 34.

Note 36 Events after balance sheet date

No events occurred after the balance-sheet date which should be disclosed.

Company financial statements

Company balance sheet (as at 31 December, before appropriation of profit)

€ million	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	37	254	268
Right-of-use assets	37	114	122
Intangible assets	38	117	68
Investments in subsidiaries and associates	39	5,081	4,149
Other financial assets	40	4,703	4,707
Total non-current assets		**10,269**	**9,314**
Current assets			
Other receivables	41	71	114
Current financial assets	41	-	-
Receivables from subsidiaries	41	896	383
Cash and cash equivalents	42	303	493
Total current assets		**1,270**	**990**
Assets held for sale		-	-
Total assets		**11,539**	**10,304**
Equity and liabilities			
Equity	43		
Share capital		684	684
Share premium		671	671
Legal reserve[1]		37	-
Subordinated perpetual bond loan[1]		991	990
Hedge reserve[1]		2	4
Other reserves		3,529	2,713
Result for the year		289	976
Total equity		**6,203**	**6,038**
Liabilities			
Long-term liabilities			
Interest-bearing debt	44	4,567	3,873
Lease liabilities	45	93	103
Revenue recieved in advance	46	1	2
Provisions	47	26	18
Total long-term liabilities		**4,687**	**3,996**
Short-term liabilities			
Current and accrued liabilities	48	624	247
Lease liabilities	45	25	22
Total short-term liabilities		**649**	**269**
Total liabilities		**5,336**	**4,265**
Liabilities held for sale		-	-
Total equity and liabilities		**11,539**	**10,303**

[1] The statutory reserve, subordinated perpetual bond loans and the hedge reserve are not freely distributable.

Company income statement

€ million	Note	2025	2024
Income			
Revenue		-	3
Own work capitalised		68	63
Other income		577	469
Total income	50	**645**	**535**
Operating expenses			
Costs of subcontracted work and other external expenses	51	-164	-150
Employee benefit expenses	52	-234	-177
Social security premiums	52	-24	-19
Depreciation and impairments of non-current assets	53	-63	-55
Other operating expenses	54	-165	-143
Total operating expenses		**-650**	**-544**
Operating profit		**-5**	**-9**
Proceeds from receivables included in non-current assets and securities	55	171	195
Interest and similar expenses	56	-118	-85
Profit before tax		**48**	**101**
Tax	57	-13	-25
Share of profit/loss from investments in affiliated companies	58	254	900
Profit after tax		**289**	**976**

Notes to the company financial statements

Accounting policies

The company financial statements of Alliander N.V. (Chamber of Commerce company reg. no. 34108286) have been prepared according to the provisions of Part 9, Book 2 of the Dutch Civil Code. The accounting policies used are the same as those used for the consolidated financial statements, in accordance with the provisions of Section 362(8) of Part 9, Book 2 of the Dutch Civil Code, with investments in group companies accounted for on the basis of net asset value.

The company financial statements of Alliander N.V. comprise the company balance sheet, the company income statement, and the company statement of comprehensive income. The notes to the company financial statements constitute an integral part of the company financial statements of Alliander N.V.

The measurement of the entities included in the consolidation is performed at net asset value, whereby the company's economic interest is measured at fair value on initial recognition, with the carrying amount subsequently increased or reduced by the company's share in the results. Dividends received are deducted from the carrying amount.

The functional currency of Alliander N.V. is the euro. Unless otherwise stated, all amounts are in millions of euros. For the detailed policies, reference is made to the accounting policies for the consolidated financial statements.

Note 37 Property, plant, equipment and right-of-use assets

Property, plant and equipment

€ million	Land and buildings	Other plant and equipment	Assets under construction	Total
As at 1 January 2024				
Historical cost	244	316	15	575
Accumulated depreciation and impairments	-61	-266	-	-327
Carrying amount as at 1 January 2024	**183**	**50**	**15**	**248**
Movements 2024				
Investments	-	8	45	53
Divestments	-2	-1	-	-3
Depreciation	-7	-23	-	-30
Reclassifications and other movements	12	24	-36	-
Total	**3**	**8**	**9**	**20**
As at 31 December 2024				
Historical cost	254	331	24	609
Accumulated depreciation and impairments	-68	-273	-	-341
Carrying amount as at 31 December 2024	**186**	**58**	**24**	**268**
Movements 2025				
Investments	11	5	15	31
Divestments	-1	-	-	-1
Depreciation	-7	-15	-	-22
Reclassifications and other movements	4	-12	-14	-22
Total	**7**	**-22**	**1**	**-14**
As at 31 December 2025				
Historical cost	269	113	25	407
Accumulated depreciation and impairments	-76	-77	-	-153
Carrying amount as at 31 December 2025	**193**	**36**	**25**	**254**

Investments

Investments in property, plant and equipment during the financial year totalled €32 million (2024: €53 million). They related to investments in hardware, software and accommodation.

Reclassification

As of 1 January 2025, €25 million was reclassified from property, plant and equipment to intangible assets in respect of software development. The reclassification was made due to the nature and the increasing amount of software.

Right-of-use assets

€ million	Land and buildings	Other plant and equipment	Total
As at 1 January 2024			
Historical cost	92	90	182
Accumulated depreciation and impairments	-17	-54	-71
Carrying amount as at 1 January 2024	**75**	**36**	**111**
Movements 2024			
Investments	5	28	33
Divestments	-	-3	-3
Depreciation	-8	-14	-22
Reclassifications and other movements	3	-	3
Total	**-**	**11**	**11**
As at 31 December 2024			
Historical cost	101	114	215
Accumulated depreciation and impairments	-26	-67	-93
Carrying amount as at 31 December 2024	**75**	**47**	**122**
Movements 2025			
Investments	5	30	35
Divestments	-	-	-
Depreciation	-8	-18	-26
Reclassifications and other movements	-17	-	-17
Total	**-20**	**12**	**-8**
As at 31 December 2025			
Historical cost	89	142	231
Accumulated depreciation and impairments	-34	-83	-117
Carrying amount as at 31 December 2025	**55**	**59**	**114**

These assets relate to business premises and lease vehicles. Reclassifications and other movements include the (partial) surrender of a lease, extensions and indexation.

Note 38 Intangible assets

€ million	Goodwill	Software	Activa in aanbouw	Other intangible assets	Total
As at 1 January 2024					
Historical cost	68	-	-	-	68
Accumulated depreciation and impairments	-	-	-	-	-
Carrying amount as at 1 January 2024	**68**	**-**	**-**	**-**	**68**
Movements 2024					
Depreciation	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at 31 December 2024					
Historical cost	68	-	-	-	68
Accumulated depreciation and impairments	-	-	-	-	-
Carrying amount as at 31 December 2024	**68**	**-**	**-**	**-**	**68**
Movements 2025					
Investments	-	-	39	-	39
Depreciation	-	-15	-	-	-15
Reclassifications and other movements	-	53	-28	-	25
Total	**-**	**38**	**11**	**-**	**49**
As at 31 December 2025					
Historical cost	68	261	11	-	340
Accumulated depreciation and impairments	-	-223	-	-	-223
Carrying amount as at 31 December 2025	**68**	**38**	**11**	**-**	**117**

Goodwill

Intangible assets at year-end 2025, and also at year-end 2024, are largely made up of goodwill relating to the acquisition of Endinet (€61 million), which is allocated to Liander, and goodwill relating to Stam (€7 million), see also note 4.

Software

As of 1 January 2025, €25 million was reclassified from property, plant and equipment to intangible assets in respect of software development. The reclassification was made due to the nature and the increasing amount of software.

Note 39 Investments in subsidiaries and associates

€ million	Investments in subsidiaries	Investments in associates	Total
Carrying amount as at 1 January 2024	**3,243**	**1**	**3,244**
Movements 2024			
Dividends received	-1	-	-1
Result for the year	900	-	900
Issue of share capital	6	-	6
Other changes	-	-	-
Total	**905**	**-**	**905**
Carrying amount as at 31 December 2024	**4,148**	**1**	**4,149**
Movements 2025			
Dividends received	-822	-	-822
Result for the year	254	-	254
Issue of share capital	1,500	-	1,500
Other changes	-	-	-
Total	**932**	**-**	**932**
Carrying amount as at 31 December 2025	**5,080**	**1**	**5,081**

In 2025, Alliander received €822 million (2024: €1 million) in dividends from subsidiaries. The increase in dividends is due to the large profit at the subsidiary Alliander Corporate Ventures B.V., the company which realised the gain on the disposal of Kenter in 2024. The €1,500 million issue of share capital in 2025 relates to a capital contribution to the subsidiary Liander. In 2024, €6 million of capital was contributed to subsidiaries.

The dividends received from subsidiaries and capital contributions invested in them resulted from the capital restructuring of these companies in line with Alliander's policy.

The percentage held in each entity is summarised in the 'Subsidiaries and other associates' section.

Note 40 Other financial assets

€ million	Deferred tax assets	Loans granted to subsidiaries	Other receivables	Total
Carrying amount as at 1 January 2024	**4**	**2,575**	**13**	**2,592**
Movements 2024				
New loans	-	2,118	-	2,118
Loans paid	-	-	-1	-1
Changed temporary differences	-2	-	-	-2
Total	**-2**	**2,118**	**-1**	**2,115**
Carrying amount as at 31 December 2024	**2**	**4,693**	**12**	**4,707**
Movements 2025				
New loans	-	-	5	5
Loans paid	-	-2	-4	-6
Changed temporary differences	-7	-	-	-7
Other	5	-	-1	4
Total	**-2**	**-2**	**-**	**-4**
Carrying amount as at 31 December 2025	**-**	**4,691**	**12**	**4,703**

At year-end 2025, a deferred tax liability exists, which is disclosed under other provisions. See note 47. For more details about the tax position, please refer to note 17 to the consolidated financial statements.

In June 2015, Alliander granted a long-term loan of €2,566 million to Liander, along with other lending. This amount was deducted from the current account at that time. This means that there are two separate financing arrangements between Alliander and Liander, namely a long-term loan agreement, essentially for the purpose of financing network replacement and expansion investments, as well as the existing, separate current account agreement to finance working capital. This provides a closer match between the time horizons of the financing arrangements and the useful lives of the corresponding assets. The long-term loan agreement with Liander runs for 10 years and was increased by €2.1 billion in June 2024. At the end of 2025, the outstanding loans totalled €4,691 million.

The long-term loan agreement with Liander runs for 10 years with automatic annual renewal thereafter for a period of one year on each occasion. The interest rate in 2025 was 2.75% (2024: 2.75%). The interest rate is based on the average cost of borrowing on Alliander's loan portfolio, with a risk markup. The interest rate will be reviewed annually. The principal will be repayable at the latest on the conclusion of the arrangement. At year-end 2025, the fair value was €4,705 million (2024: €4,633 million).

Note 41 Other receivables and receivables from subsidiaries

There is group-wide financing for receivables from group companies within the Alliander group, meaning that the activities of the subsidiaries are part-financed through a current account facility with the holding company. External financing is arranged by the holding company itself. Each year, there is a capital restructuring of these companies in line with Alliander's policy, resulting in the distribution of dividends to the parent company or payments of share premium.

The current account facility is mainly for financing the working capital of Alliander's associates. All income and expenditure is accounted for through the current accounts with the associates. Differentiated interest rates were applied, namely 2.6% (2024: 2.75%) for associates operating in the regulated market, 3.1% (2024: 3.25%) for associates in the free domain with a low risk category, 3.6% (2024: 3.75%) for a medium risk category and 4.6% (4,75%) for high-risk associates. The interest rates are based on the average cost of borrowing on Alliander N.V.'s loan portfolio as at year-end 2024, with a risk mark-up where relevant. Current-account lending is treated as a demand deposit and counts as cash-equivalent.

Note 42 Cash and cash equivalents

At the end of 2025, cash and cash equivalents included amounts that were not at the unrestricted disposal of Alliander. This concerns a blocked bank account with a balance of €0.5 million (2024: €0.4 million).

Note 43 Equity

The statement of changes in equity is included in the consolidated financial statements. A statutory reserve has been recognised within equity for the own labour capitalised in relation to software development.

Note 44 Non-current liabilities

Interest-bearing debt

€ million	2025	2024
Carrying amount as at 1 January	**3,873**	**4,038**
Movements		
New loans	1,433	2,391
Loans repaid	-439	-2,556
Received deposits	-	-
Total	**994**	**-165**
Carrying amount as at 31 December	**4,867**	**3,873**

Long-term loans including the current portion

€ million	Effective interest rate 2025	Effective interest rate 2024	Short-term portion 2025	Short-term portion 2024	Long-term portion 2025	Long-term portion 2024
Subordinated loans	2.5%	2.5%	-	-	641	640
Private and green loans	2.9%	1.4%	-	1	300	300
Euro Medium Term Notes	2.3%	2.3%	300	-	3,626	2,932
Euro Commercial Paper	0,0%	0,0%	-	-	-	-
Carrying amount as at 31 December			**300**	**1**	**4,567**	**3,872**

Subordinated loans

These loans have been made available by shareholders. They are subordinated to all other liabilities.

Maturities of interest-bearing debt

€ million	2025	2024
Less than 1 year	300	1
Between 1 and 2 years	499	300
Between 2 and 3 years	529	498
Between 3 and 4 years	9	528
Between 4 and 5 years	499	9
Over 5 years	3,031	2,537
Carrying amount as at 31 December	**4,867**	**3,873**

Note 45 Finance lease payables

Lease liabilities as at year-end 2025 were as follows:

€ million	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
As at 31 December 2025				
Future lease payments of the on-balance lease liabilities	28	74	31	133
Future finance expenses of the on-balance lease liabilities	-3	-7	-5	-15
Present value of the on-balance lease liabilities	**25**	**67**	**26**	**118**
As at 31 December 2024				
Future lease payments of the on-balance lease liabilities	23	63	43	129
Future finance expenses of the on-balance lease liabilities	-1	-2	-1	-4
Present value of the on-balance lease liabilities	**22**	**61**	**42**	**125**

These are liabilities in relation to leases of business premises and vehicles. Besides the above lease liabilities, there was an undiscounted amount of €12 million in relation to leases which Alliander has entered into but which had not yet incepted at year-end 2025. These leases concern vehicles. At year-end 2024, this amount was €8 million.

Note 46 Deferred income

Deferred income relates to investment grants. The associated amortisation periods are the same as the depreciation periods of the assets in question.

Note 47 Provisions

€ million	Deferred tax	Long-service benefits	Termination benefits	Other provisions	Total
Carrying amount as at 1 January 2024	**-**	**12**	**1**	**7**	**20**
Movements 2024					
Added	-	4	1	24	29
Released	-	-5	-1	-20	-26
Utilised	-	-1	-	-4	-5
Reclassification to short-term liabilities	-	1	-	-1	-
Settlements and other changes	-	-1	-	1	-
Total	**-**	**-2**	**-**	**-**	**-2**
Carrying amount as at 31 December 2024	**-**	**10**	**1**	**7**	**18**
Movements 2025					
Added	-	5	1	28	34
Released	-	-4	-	-20	-24
Utilised	-	-1	-	-5	-6
Settlements and other changes	5	-	-1	-	4
Total	**5**	**-**	**-**	**3**	**8**
Carrying amount as at 31 December 2025	**5**	**10**	**1**	**10**	**26**

The long-service benefits scheme covers long-service benefits payable on attaining 25 and 40 years of service. Employees born before 1 January 1963 retain the entitlement to the benefit after retiring. The provision totalled €9 million at year-end 2025 (2024: €10 million).

This provision covers payments and/or supplements to benefits paid to employees whose employment contract has been or probably will be terminated. These benefits and supplements are based on the Social Plan operated by Alliander and individual arrangements. The Social Plan is periodically renegotiated and agreed. No use was made of the reorganisation provision in 2025 (2024: €1 million). The provision for employment termination payments and reorganisations totalled €1 million at year-end 2025 (2024: €1 million).

The other provisions include provisions for long-term sickness absence.

For more details on deferred tax, please refer to note 17.

Note 48 Current and accrued liabilities

€ million	2025	2024
Amounts owed to suppliers and trade credits	50	22
Tax and social security contributions	138	108
Liabilities in respect of pensions	9	7
Interest-bearing debts	300	1
Other liabilities and accruals	127	109
Total short-term liabilities	**624**	**247**

Interest-bearing debts at year-end 2025 concern the obligation to redeem the EMTN loan in 2026.

Note 49 Contingent assets and liabilities

Lease liabilities

Please refer to note 45 in the notes to the company financial statements for details of lease liabilities.

Contingent liabilities

Pursuant to Section 403, Book 2 of the Dutch Civil Code, Alliander has assumed liability for the obligations arising from the legal acts of several of the subsidiaries listed in the other information. Alliander, together with its Dutch subsidiaries, forms a tax group for both corporate income tax and value added tax (VAT). Consequently, every legal entity forming part of the tax group bears joint and several liability for the tax liabilities of the legal entities included in the tax group. Alliander has also given a declaration of indemnity to network operator Liander under which its liability in this respect is restricted to the amount for which Liander itself would be liable if a tax group did not exist.

As at year-end 2025, Alliander had issued parent company guarantees amounting to €17 million (2024: €17 million), including parent company guarantees of €3 million (2024: €3 million) for non-controlling interests. No bank guarantees had been issued on Alliander's behalf at the year-end (2024: €54.8 million).

Investments and other purchasing commitments

The following table presents the existing investment commitments and other purchase commitments as at year-end.

€ million	2025	2024
Capital expenditure commitments	7	1
Other purchasing commitments	500	473
Total	**507**	**474**

Note 50 Operating income

€ million	2025	2024
Revenu	-	3
Own work capitalised	68	63
Other income	577	469
Total	**645**	**535**

The other income chiefly relates to group-wide activities at holding company level.

Note 51 Costs of subcontracted work and other external expense

€ million	2025	2024
Costs of subcontracted work and other external expenses	164	150
Total	**164**	**150**

Note 52 Employee benefit expense

€ million	2025	2024
Salaries	205	160
Social security premiums	24	19
Pension costs:		
- contributions paid to multi-employer plans that are accounted for as defined-contribution plans	28	22
Termination benefit expenses	-	-
Long-term employee benefit expenses	-1	-7
Other staff costs	19	15
Subtotal	**275**	**209**
Charged to other organisational units	-17	-13
Total	**258**	**196**

The employee benefit expense item mainly concerns the costs of group-wide activities at holding company level.

Nearly all the personnel are on the Alliander N.V. payroll. Employee benefit expenses are charged to the organisational units where these employees work. Employee benefit expenses in the holding company income statement totalled €258 million in 2025 (2024: €196 million), and relate to employees working in the Alliander N.V. corporate staff departments and service units.

The number of employees, based on a 38-hour week (FTEs), was 2,332 at year-end 2025 (2024: 1,924). The proportion of costs attributable to the direct deployment of Alliander staff on projects at other organisational units has been deducted from Alliander's employee benefit expenses.

Remuneration of the Management Board and the Supervisory Board

Please see note 24 for further information.

Note 53 Depreciation/amortisation and impairment of non-current assets

€ million	Land and buildings	Other	Total
2025			
Depreciation	8	55	63
Total 2025	**8**	**55**	**63**
2024			
Depreciation	7	48	55
Total 2024	**7**	**48**	**55**

The Other column shows the depreciation and amortisation of IT assets (including software classified as an intangible fixed asset) and the right-of-use assets.

Note 54 Other operating expenses

€ million	2025	2024
Items charged by subsidiaries	1	1
Premises and transport	7	9
Rent and leases	3	7
Corporate staff and ICT	106	89
Accountancy, notary and consulting expenses	37	22
Other tax	1	1
Other	10	14
Total	**165**	**143**

Other operating expenses were €22 million higher than in the previous year. This was due to higher digitalisation costs and a multi-year project to future-proof our IT systems.

Costs passed on by group companies mainly concerns internal development projects at holding company level.

Note 55 Finance income

€ million	2025	2024
Interest income on money market loans and deposits	9	13
Finance income on loans from group companies	162	182
Total	**171**	**195**

Finance income was €24 million lower relative to 2024, due to the lower interest rate charged on finance provided to group companies.

Note 56 Finance expense

€ million	2025	2024
Loans from third parties	107	76
Other finance expense	11	9
Total	**118**	**85**

The total finance expense was €33 million higher than in 2024. The higher expenses are due to the expansion of the borrowing portfolio. Finance expenses include €2 million in interest expenses recognised in respect of lease liabilities (2024: €1 million).

Note 57 Tax

€ million	2025	2024
Current tax expense	-2	-22
Movement in deferred tax	-11	-3
Total	**-13**	**-25**

The effective tax rate was 26.9%. The difference with respect to the nominal rate (25.8%) is explained by permanent differences between the profit reported in the financial statements and the taxable profit, as recorded for the group as a whole by the holding company, as head of the tax consolidation group.

Note 58 Share in profit/loss from investments in affiliated companies

€ million	2025	2024
Result from interests in subsidiaries and associates after tax	254	900
Share of profit/loss from investments in affiliated companies	**254**	**900**

Coming in at €254 million after tax, the share in the profits of affiliated companies was down €646 million compared to 2024. This is mainly due to the one-off profit at the subsidiary Alliander Corporate Ventures, in which the gain of €757 million on the Kenter disposal was recognised in 2024.

Proposed profit appropriation for 2025

The Management Board has decided, with the approval of the Supervisory Board, that an amount of €100.0 million will be available to the General Meeting of Shareholders. The remaining profit of €189.1 million will be added to the other reserves.

With effect from 1 January 2025, a ceiling has been introduced that caps the total dividend distribution at €100 million. This ceiling will be indexed from the 2026 financial year onwards.

Events after the balance sheet date

No events occurred after the balance-sheet date which should be disclosed.

Subsidiaries and other associates

As at 31 December 2025

Consolidated subsidiaries	Based in	Percentage of control
Liander N.V.* **	Arnhem	100%
Qirion B.V.* **	Duiven	100%
Alliander Digital Solutions B.V.* **	Arnhem	100%
Nuon Elektriciteitsnetwerken I B.V.*	Amsterdam	100%
Nuon Elektriciteitsnetwerken II B.V.*	Amsterdam	100%
Alliander Corporate Ventures B.V.* **	Arnhem	100%
Alliander Telecom N.V.*	Amsterdam	100%
Bellevue Participaties B.V. *	Arnhem	100%
QTERRA B.V.*	Arnhem	100%
Grid to great B.V.*	Enschede	100%
TReNT Infrastructuur B.V.*	Enschede	100%
Twinning Research Netwerk Twente (TReNT) B.V.*	Enschede	100%
Entrnce International Holding B.V.*	Arnhem	100%
Entrnce Nederland B.V.*	Arnhem	100%
Firan Waterstof B.V.*	Arnhem	100%
Firan Decentrale netten B.V.*	Arnhem	100%
Firan B.V.*	Arnhem	100%
Warmtenetwerk Nijmegen Dukenburg B.V.*	Nijmegen	100%
Indigo B.V.	Nijmegen	95%
Warmtenetwerk Hengelo B.V.	Arnhem	95%
Warmtenetwerk Didam B.V.	Didam	95%
Warmte-Infrastructuur Limburg Geothermie B.V.	Venlo	75%
Firan Warmte Servicebedrijf B.V. **	Arnhem	100%
Warmtenetwerk Duiven/Westervoort B.V.* **	Arnhem	100%
Warmtenetwerk Almere B.V.* **	Arnhem	100%
Alliander A.G. **	Heinsberg	100%
Alliander Stadtlicht GmbH	Heinsberg	100%
NetzPartner Heinsberg GmbH	Heinsberg	100%
Alliander Netz Heinsberg GmbH	Heinsberg	100%
Alliander Stadtlicht Rhein-Ruhr	Heinsberg	100%

Joint operations	Based in	Percentage of control
Utility Connect B.V.	Arnhem	50%

Other associates and joint ventures	Based in	Percentage of control
Nijmegen Warmte B.V. ***	Arnhem	75%
Reddyn B.V.	Arnhem	50%
EDSN B.V.	Baarn	26%
Etriplus B.V.	Venlo	25%
Gelders Warmte Infra Bedrijf B.V.	Arnhem	50%
Duurzame Energie Netwerken Gelderland B.V.	Arnhem	50%
Biogas Gelderland 1 B.V.	Arnhem	50%
Warmtenetwerk Lingewaard B.V.	Bemmel	25%
Warmtenetwerk Harderwijk B.V.	Harderwijk	25%
Warmtebedrijf Haarlem B.V.	Arnhem	50%
Duurzame Energie Netwerken Noord-Holland B.V.	Zaanstad	50%
Warmtenetwerk Zaanstad B.V.	Haarlem	31%
Warmtebedrijf Amsterdam Buikslotermeer B.V.	Arnhem	50%
450connect GmbH	Köln	25%
GOPACS B.V.	Arnhem	25%
Veranet B.V. **	Arnhem	33%
BAS B.V.	Amersfoort	17%

* Alliander N.V. has issued a Section 403 statement of liability for these subsidiaries.

** Direct subsidiaries of Alliander N.V.

*** Alliander does not have control, despite the 75% shareholding. The entity is classified as a joint venture.

Other information

Profit appropriation

The profit appropriation is governed by Article 40 of the Articles of Association. The text of this article is as follows:

- Subject to approval of the Supervisory Board, the Management Board determines every year which part of the profit available for distribution - the positive balance of the income statement - is added to the reserves.
- The profit remaining after the addition to the reserves under the previous paragraph is at the disposal of the General Meeting of Shareholders.
- Profit distributions are capped at the distributable part of the shareholders' equity,
- and made after adoption of the financial statements that authorise these distributions.
- The Management Board may decide to distribute an interim dividend, subject to approval of the Supervisory Board and with due observance of clause 3 above and any other provision laid down by law.
- The General Meeting of Shareholders may, following a proposal from the Management Board that has been approved by the Supervisory Board, resolve to make distributions to shareholders chargeable to the distributable part of the shareholders' equity.

Independent auditor's report

This auditor's report is an unofficial translation of the original auditor's report accompanying the original annual report 2025, both stated in Dutch. In case of any conflict between this translation and the original auditor's report, the latter will prevail. The original auditor's report can be found on the website of Alliander N.V.

To: the general meeting and the supervisory board of Alliander N.V.

Report on the financial statements 2025

Our opinion

In our opinion:

- the consolidated financial statements of Alliander N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2025 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Alliander N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2025 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 2025 of Alliander N.V., Arnhem. The financial statements comprise 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 2025;
- the following statements for 2025: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2025;
- the company income statement for the year 2025; and
- the notes to the company financial statements, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU 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 Alliander N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to individual key audit matters and the audit approach to address fraud risk and going concern.

Overview and context

Alliander N.V. heads a group of entities and is a grid company that manages and develops an energy network. The shares of Alliander N.V. are held by provinces and municipalities authorities. Within the group, Liander N.V. is the only subsidiary that is significant for the audit. Liander N.V. has the statutory responsibility to ensure the energy supply in its service area is reliable, affordable and accessible. In total, Liander N.V. has more than 3.4 million electricity and 2.5 million gas connections in the Netherlands. The other companies in the group all have their field of work in energy supply. The group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

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 the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In paragraph 35 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of the valuation of property, plant and equipment and the useful lives of these assets, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

Alliander N.V. assessed the possible effects of climate change on its financial position. In paragraph "Objectives and results" of the management board report the entity has disclosed the risks due to climate change. We discussed Alliander N.V.'s assessment and governance thereof with the management board and evaluated the potential impact on the financial position including underlying assumptions and estimates, for instance for the valuation of the property, plant and equipment and the related useful lives of these assets. The expected effects of climate change are not considered to impact the key audit matter.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a grid company. We therefore included experts and specialists in the areas of amongst others IT and tax in our team.

The outline of our audit approach was as follows:

Overall materiality: €106.000.000 (2024: €97.000.000).

The audit was focused primarily on the group entities Alliander N.V., Liander N.V., Qirion B.V. and Alliander Corporate Ventures B.V. The audit procedures were performed by the audit team itself.

Coverage of audit procedures: 98% of consolidated revenue, 96% of consolidated total assets.

- Valuation property, plant and equipment and useful lives of these assets.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€106.000.000 (2024: €97.000.000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.75% of total assets.
Rationale for benchmark applied	We used total assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that assets is the most relevant metric for the financial performance of the Company. The use of total assets as benchmark is common within the industry.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €90.100.000 and €96.022.000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the audit committee that we would report to them any misstatement identified during our audit above €1.000.000 (2024: €1.000.000) for the income statement and €5.000.000 (2024: €5.000.000) for the balance sheet as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Alliander N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Alliander N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the Group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected Alliander N.V. and Liander N.V to audits of their complete financial information, as those components are considered significant due to risk or size. Additionally, we selected Qirion B.V. and Alliander Corporate Ventures B.V. for audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	98%
Total assets	96%

None of the remaining components represented more than 1% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

We have performed the audit procedures for all group components.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of Alliander N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We performed inquiries with a selection of members of the management board and the internal audit department, finance and legal affairs, the audit committee and supervisory board whether they are aware of any actual or suspected fraud.This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated , fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. 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 risks

The risk of management override of controls

The management board is in a unique position to commit fraud because of the management board's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:

- Journal entries and other adjustments made during the preparation of the financial statements.
- Estimates.
- Significant transactions outside the normal course of business for the entity.

We pay particular attention to tendencies due to possible bias of the management board.

Our audit work and observations

We evaluated the design and implementation of internal control measures and tested the operating effectiveness of these measures in the processes for generating and processing journal entries and estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that this will lead to violations of the segregation of duties.

We have identified deficiencies in the internal control system with respect to processing journal entries. We have reported our findings in writing to the management board.

We performed our audit mainly substantively.

We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also paid particular attention to consolidation and elimination entries, focusing on testing entries that affect revenue and results in the relevant fiscal year.

We did not identify any significant transactions outside the normal course of business.

In addition, we have performed specific audit procedures related to important estimates of the management board including retrospective analysis of management's estimates, including valuation of property, plant and equipment. We specifically paid attention to the inherent risk of bias of the management board in estimates.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

Identified fraud risks

Risk of fraud in revenue recognition due to overstated revenue

As part of our risk assessment and based on the assumption that there are fraud risks related to revenue recognition, we have evaluated which types of revenue give rise to a risk of material misstatement due to fraud.

We see this risk specifically for high volume consumer revenue that possibly is invoiced at incorrect rates.

Our audit work and observations

We see this risk specifically for high volume consumer revenue that possibly is invoiced at incorrect rates.

We have performed our audit mainly substantively.

- the accounted quantity of network connections and the meter readings connected with (external) source registration, such as CAR;
- reconciled the invoiced rates with the method decisions and rate decisions established by the Netherlands Authority for Consumers and Markets ('ACM');
- determined that the underlying network connection, relevant to the rate, has been determined correctly; and
- checked the existence of receivables via subsequent receipt testing and existence verification.

Our work has not led to specific indications of fraud or suspicions of fraud with regard to the accuracy of the revenue recognition.

We incorporated an element of unpredictability in our audit. Furthermore,we reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Audit approach going concern

As disclosed in section 'Accounting policies'' on page 209 of the financial statements, the management board performed its assessment of the Company's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board's going-concern assessment included all relevant information of which we were aware as a result of our audit:
  - The liquidity and financing elements in the 'Alliander Business Plan 2025-2029' and the underlying developments and assumptions for both the short and long term;
  - and Treasury reports 2025; and
  - Most recent credit ratings from Moody's, Scope and S&P

- Through inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment.
- evaluating the management board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry such as investment agenda, funding needs and all relevant information of which we were aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

Based on our procedures performed and evidence obtained, we concluded that the management board's use of the going-concern basis of accounting is appropriate, and that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matter

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 matter to the supervisory board. The key audit matter is not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matter and included a summary of the audit procedures we performed on this matter.

Key audit matter

Valuation property, plant and equipment and right-of-use assets

Refer to Note 3 Property, plant, equipment and right-of-use assets

The tangible fixed assets of approximately €12.5 billion (2024: €11.2 billion) mainly consist of regulated networks (approximately 80%). In addition, it consists of tangible fixed assets under construction (12%), other fixed assets (6%) and company buildings and land (approximately 2%). The valuation and determination of the useful life of the tangible fixed assets concerns a significant estimate in the annual accounts. Given the complexity of the estimate and the time spent on this estimate, we have identified this as a key point.

The management board carries out an annual analysis to determine whether there are indications that point to an exceptional impairment. If the management board concludes that there are indications, the management board is obliged to determine the realisable value and compare it with the book value and, if necessary, to account for an exceptional impairment in the tangible fixed assets.

In these analyses, the management board pays particular attention to the developments in the regulatory framework for the regulated networks, the risks from climate change, the energy transition and other market developments.

The management board also annually evaluates the useful life and (partly degressive) depreciation periods of the tangible fixed assets.

Based on the analysis, the management board has concluded that there are no indications of a permanent decrease in value and that the useful life of the tangible fixed assets is appropriate.

Our audit work and observations

In our audit, we focused on the analyses of Alliander N.V. to identify whether there are indicators that the book value of a property, plant and equipment exceeds the recoverable amount. We performed substantive audit procedures to verify the information used by management in the analyses to identify triggering events (indicators) for an impairment.

We discussed and tested the reasonableness of the estimates and assumptions of management and tested the analyses, among other factors, for relevant developments in the regulations. We received sufficient and appropriate audit information to substantiate these assumptions and estimates.

We agree with the conclusions of the management board that there are no indicators for an impairment.

In addition, we checked the annual impairment calculation for the capitalised goodwill of Liander N.V., which shows that the book value of property, plant and equipment of Liander N.V. can be recovered.

Netbeheer Nederland has published its Scenario Report 2025. This report outlines four scenarios for a future-proof energy system. These scenarios are based on a declining demand for natural gas. This is one of the frameworks against which we have assessed the useful life and (partly declining) depreciation periods of the assets.

Based on internal analyses with regard to the useful lives of the property, plant and equipment, we consider the useful lives of the property, plant and equipment to be acceptable and have not found any material deviations with regard to the valuation of the property, plant and equipment.

Finally, we have assessed the acceptability of the valuation principles and the explanations and the uncertainties mentioned therein.

Compliance with the requirements of the Regulatory Technical Standard of SBR, including the XBRL mark up, not audited

The audit includes the verification that the prepared financial statements comply with the legal provisions in Part 9 of Book 2 of the Dutch Civil Code. Our audit opinion is issued on the prepared financial statements and will be included in the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard of the SBR domain Trade Register (including the applied eXtensible Business Reporting Language (XBRL) mark ups) was not subject to our audit.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report, excluding the sustainability statement, and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board 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 Alliander N.V. on 1 December 2023 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 19 April 2023. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 2 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 25 Other operating expenses to the financial statements.

Responsibilities for the financial statements and the audit

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

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

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

Our 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 and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists.

Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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 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 management board.
- Concluding on the appropriateness of the management board's 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.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Utrecht, 6 March 2026

PricewaterhouseCoopers Accountants N.V.

The original, prevailing Dutch auditor's report has been signed by drs K. Hofstede RA

Limited assurance report of the independent auditor on the sustainability statement

This limited assurance report is an unofficial translation of the original limited assurance report accompanying the original sustainability statement as included in the annual report 2025, 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 Alliander N.V.

To: the general meeting and the supervisory board of Alliander N.V.

Our limited assurance conclusion

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement' of Alliander N.V. ('the Company') for 2025 is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the process, carried out by the Company, to identify the information to be reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 ('the Taxonomy Regulation').

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the sustainability statement of Alliander N.V., Arnhem for 2025, included in section Sustainability statement of the management board report, including the information incorporated in the sustainability statement by reference (hereafter: the sustainability statement).

In the sustainability statement, references are made to external sources or websites. The information on these external sources or websites is not subject to our limited assurance procedures for the sustainability statement. We therefore do not provide assurance on this information.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities under this standard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of Alliander N.V. 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 relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of ethics for professional accountants).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Emphasis of matter

Emphasis on significant measurement uncertainties

We draw attention to section 'Estimates and assumptions' in the section 'Basic principles for the sustainability statement' in the sustainability statement which draws attention to the assumptions, estimates and presumptions in determining the indicators in E1 Climate change and E5 Circular economy.

Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with the ESRS, the management board of the Company is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

The quantification of Greenhouse Gas emissions is subject to inherent limitations because of evolving methods and knowledge underlying emissions factors and other assumptions, including for those sourced from third parties.

Responsibilities for the sustainability statement and for the limited assurance procedures thereon

Responsibilities of the management board and the supervisory board for the sustainability statement

The management board of Alliander N.V. is responsible for the preparation of the sustainability statement in accordance with ESRS, including the development and implementation of the double materiality process, which is a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this process in the sustainability statement.

This responsibility includes:

- understanding the context in which Alliander N.V.'s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The management board is also responsible for preparing the disclosures in compliance with the reporting requirements provided in the Taxonomy Regulation.

The management board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company's sustainability-related impacts, risks or opportunities and for determining that these additional entity specific disclosures are suitable in the circumstances and in accordance with the ESRS.

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

The supervisory board is responsible for overseeing the Company's sustainability reporting process including the double materiality process carried out by the Company.

Our responsibilities for the limited assurance engagement on the sustainability statement

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

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the sustainability statement is free from material misstatements, and to issue a limited assurance conclusion in our report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement. 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 limited assurance engagement is therefore substantially lower than the assurance obtained in a reasonable assurance engagement.

Our responsibilities in respect of the sustainability statement, in relation to the process to identify the information to be reported in the sustainability statement ('the process') include:

- Obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the process is consistent with the Company's description of its process set out in the sustainability statement.

Our other responsibilities in respect of the limited assurance engagement on the sustainability statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of procedures performed

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the sustainability statement, whether due to fraud or error.

We have exercised professional judgement and have maintained professional scepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst others, the following:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources to assess the process to identify the information to be reported carried out by the Company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the information systems and the Company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the Company's activities, determining eligible and aligned activities and preparation of the disclosures provided for in the Taxonomy Regulation, without testing the operating effectiveness of controls.
- Assessing the double materiality process carried out by the Company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. We designed and performed further assurance procedures responsive to these areas.
- Considering whether the description of the process to identify the information to be reported in the sustainability statement made by the management board appears consistent with the process carried out by the Company.
- Evaluating the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates. We do not provide assurance on the achievability of this forward-looking information.
- Analysing, on a limited sample basis, relevant internal and external documentation at the level of the Company (including other entities or value chain from which the information may stem) for selected disclosures.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Our procedures were performed centrally.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives, reconcile with the underlying records of the Company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether anything came to our attention that would cause us to believe that the eligible economic activities do not meet the cumulative conditions to qualify as aligned and the technical criteria are not met, and the accompanying key performance indicators disclosures have not been defined and calculated in accordance with the Taxonomy reference framework, and do not comply with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented.
- Reconciling the relevant financial information to the financial statements.
- Considering the overall presentation, structure and the balanced content of the sustainability statement, including the reporting requirements provided for in the Taxonomy Regulation.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether anything came to our attention that would cause us to believe that the sustainability statement as a whole, including the sustainability matters and disclosures, is not clearly and adequately disclosed in accordance with ESRS.

Calculations to determine information as included in the sustainability statement could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

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

Utrecht, 6 March 2026

PricewaterhouseCoopers Accountants N.V.

The original, prevailing Dutch limited assurance report has been signed by drs. K. Hofstede RA

Opinion of the Alliander stakeholder panel

Dear reader,

This year, Alliander again invited the stakeholder panel in December to participate in reading through and reflecting on the draft version of the annual report. As panel members, we value the openness that Alliander shows towards stakeholders from different sections of society, from financial institutions and industry to the scientific community, social organisations and representatives of households in energy poverty.

The round table discussion focused not only on the annual report, but also on the question of what Alliander's role is – and should be – in an energy system undergoing fundamental change.

The Netherlands and Alliander in motion

The Netherlands is in a period of profound social and economic change. The energy transition is no longer a gradual shift, and is instead developing into a systematic transformation with major consequences for people, businesses and public organisations. Network congestion is no longer a temporary bottleneck, but a structural fact with increasing impacts on society. Businesses are unable to expand, homes are not being connected in good time and households face uncertainty about affordability and reliability.

In these circumstances, rather than merely putting policy into effect, Alliander acts as a key player in the functioning of society. That calls for a fundamental change to how we look at things and get things done, not only from a technical or operational standpoint, but also in terms of society and communication. The panel can see that Alliander is working hard at getting work done, communicating and becoming more agile. At the same time, it became clear in the discussion that a fourth element needs to be added: acceptance. That means accepting that scarcity has become an integral part of the energy system and that choices must inevitably be made. The panel finds that the annual report could make this shift more visible.

Image and role: from compliance to profile

Alliander's annual report meets high standards. It is thorough, complete and highly compliant with laws and regulations, including the ESRS. At the same time, the report prompted the panel to ask, what does Alliander really stand for now?

To the reader, Alliander's role sometimes remains implicit. The report shows what Alliander does, but is less clear about why or what drives it. This creates an image of an organisation that mainly responds to rules and requirements, whereas the reality of our society demands direction, clarity and conviction. The panel believes there is space for a more explicit profile, in which Alliander makes clear where its own responsibilities begin and end, and where it is up to other parties to act. In other words, Alliander needs to stake out its terrain – and have the courage to take a position, without losing its links to other parties in the sector.

Transparency and fairness

The panel appreciates the openness in the report, but pleads for a next step: transparency that might also be somewhat uncomfortable. Transparency about what can be done, but also about what can't. Fairness should play an important role in this. From a variety of perspectives – industry, construction, financial sector and social organisations – the panel finds that the current energy system does not work fairly in practice. It is unfair on struggling businesses, but also on households on the bottom rung of society. In the panel's view, the assumption of 'equal terms' no longer matches up to reality.

A tighter focus on customers is therefore needed, with a view to concrete action. What can customers expect? When can they expect it, and when not? Who bears the consequences of scarcity? Is a 'social network tariff' possible? The panel sees an important role in this regard for Alliander, not only in practical terms, but also in putting these questions on the agenda. Politics follows the market.

Network congestion as a driver of change

Network congestion is the constant underlying theme of the discussion. Rather than just viewing congestion as a problem, the panel believes it is also a catalyst for change. It pushes us towards new choices, new types of contracts, more collaboration and different ways of dealing with reliability and availability.

In view of this, the panel also discussed the inherent tension between reliability and agility. For households, reliability is largely non-negotiable, whereas increased variation and uncertainty might be acceptable for some parts of the business market. The panel appreciates the fact that Alliander raises these dilemmas, but believes there is scope to clarify where differentiation is possible – and where it isn't.

Reflections on the dilemmas

The panel recognises the dilemmas raised in the annual report and appreciates the critical appraisal of Alliander's own organisation, particularly as regards customer focus. At the same time, we find that the dilemmas are rather cautiously formulated and that the extent to which Alliander itself is responsible for them is not always stated out loud. In the panel's view, the supposed trade-off between reliability and availability of the energy supply is a false dilemma. At any rate, we are far from having exhausted the options that exist to resolve congestion.

We also feel that one crucial dilemma is missing from the report: the tension between individual liberties and the collective interest in a safe and reliable energy system. Will we have to limit individual freedoms to prevent a failure of the system as a whole? In the current situation, the answer often appears to be 'no'. For instance, the network operator is currently unable to make use of detailed consumption data provided by smart meters, even though that information could be crucial to better network management and limiting risk. At the same time, businesses can reserve large capacities that remain unused and objections can be raised against virtually any infrastructural decision.

The panel underlines the importance of consultation and privacy, but also points out that a system in which individual interests always prevail might eventually break down.

Recommendations to Alliander for the annual report

Based on the discussions held, the stakeholder panel makes the following recommendations:

1. Make Alliander's role more explicit. Show more clearly what Alliander stands for, what choices it is making and where the limits lie of its own sphere of responsibility and of what it can do.
2. Say what other parties in society can do to help shape the transition.
3. Adopt a clear stance. Be bolder in the report, even if this means saying that not all ambitions are fully achievable at the current time. Be more explicit about making proposals.
4. Link transparency to fairness. Be honest about who bears the costs and benefits, and offer concrete prospects for action.
5. Raise uncertainty explicitly as a social issue. Include the dilemma between individual and collective interests in the report.
6. Communicate more forcefully in the annual report, giving more orientation to the reader and making clearer choices about what is reported and how.
7. Provide more insight into IT resilience, especially as regards dependency on the cloud.

A final word

The stakeholder panel wishes to express its appreciation of the open dialogue and high standard of reporting. Precisely because Alliander plays a central role in an energy system under pressure, we view the annual report as an important instrument for giving traction to social debate. We hope that our reflections will help to give more depth, clarity and recognisability to Alliander's profile.

On behalf of the stakeholder panel,

- Onno Dwars - CEO, Ballast Nedam Development
- Bert Hubert - digital security researcher, adviser and publicist

- Dick Ligthart – Green Bonds and sustainable finance expert, ABN AMRO Bank
- Laetitia Ouillet - heating transition/energy market specialist; Partner, eRiskGroup
- Marije Ruysch-Koster – Director, Energiebank, Arnhem region
- Hanneke van de Vijfeijke - Programme Manager for Circularity & Nature, Royal BAM group
- Wietse Venema - Director, Ernon MVO, Bedrijventerreinaanpak.nl

The stakeholder panel

The stakeholder panel that assists us with the annual report forms part of our ongoing stakeholder dialogue. We shared a draft version of the 2025 annual report with the panel members in December. It was discussed during an online meeting held on 17 December 2025, attended by the CFO Walter Bien and the CTO Joris de Groot. The feedback was used to improve this report, and will also serve to further enhance the quality of our reporting. The stakeholder panel is independent. Perhaps you, too, would like to talk to us about the annual report or the issues confronting Alliander. We are open to dialogue and also regularly organise roundtable sessions with our stakeholders. Please contact us on communicatie@alliander.com.

Response from the Management Board

The Management Board thanks the stakeholder panel for their acute analysis and their open reflections on our social mission and the evolution of our annual report. In a time of structural scarcity, we remain transparent, proactively seek collaboration and are helping to steer public debate on a fair and reliable energy transition. We will be pleased to continue this dialogue, including during the preparation of the next annual report.

We have carefully considered the recommendations and – where possible – incorporated them in the final version of the 2025 annual report.

Our role and position: provide execution and guidance within the limits of the law

We acknowledge the call to take a clearer stance on the structure of the energy system. In our role as a public network operator, we can make the consequences of economic and other choices explicit to society. At the same time, we remain a regulated executive organisation subject to the Dutch Energy Act and other laws. In the annual report, there are various places where we show what we are doing within the scope of what is possible for us, such as our involvement in the National Energy System Plan, the advice we provide to local government in the form of area visions and the active contribution we make, along with the sector as a whole, to improving laws and regulations. All the same, it is true that there are a few prominent points in the report – such as the foreword by the Management Board and the report of the Supervisory Board – where we could set out our steering role more clearly. We will assess these possibilities.

Make dilemmas more explicit – individual versus collective

We agree with the idea that network congestion can be a driver of change. However, the tension between reliability and availability will be a real dilemma for Alliander for as long as the full potential of anti-congestion measures cannot or will not be utilised. The panel did not recognise the dilemma between individual freedom and the collective interest in a robust system. Within our legal framework, we are not free to set priorities or refuse service. Our main role is therefore to make the consequences of choices transparent and help frame those choices better: for instance, through energy planning, area management and area visions. We do this for and alongside municipalities, provinces and partners in the value chain. That way, we provide direction without deviating from our independent, executive position.

Transparency, fairness and affordability

Specifically with regard to energy poverty, we are intensifying our contribution where it has the greatest effect, within the scope of our role and within the chain we are part of: in 2025, for instance, we affirmed our cooperation with Energiebank Nederland. In this year's report, we are giving more space to affordability from both an investment and social perspective, and we are working within the sector on a new policy for vulnerable households.

Resilience and digital dependencies

Lastly, we agree on the importance of (digital) resilience. Our crisis management organisation has been beefed up in the past few years. The panel rightly notes that cloud dependency is an issue that deserves to be mentioned in the report, and we have added it. We are working on a policy vision for cloud services and we adhere closely to the relevant laws and regulations on critical infrastructure, such as NIS2. Where appropriate, we refer to these points explicitly in the report.

Five-year summary

€ million	2025	2024	2023	2022	2021
Result					
Revenue	3,273	3,043	2,725	2,150	2,120
Total income	3,397	3,881	2,779	2,213	2,181
Total operating expenses	-2,924	-2,772	-2,347	-1,903	-1,827
Operating profit	473	1,109	432	310	354
Profit after tax	289	976	267	198	242
Balance sheet					
Net working capital	-80	-57	9	-90	-132
Property, plant and equipment	12,547	11,195	9,972	9,091	8,501
Total assets	14,163	12,956	11,646	10,692	10,209
Equity	6,203	6,038	4,749	4,570	4,470
Total interest-bearing debt	4,868	3,873	4,038	3,426	3,111
Total financing	11,071	9,911	8,787	7,996	7,581
Capital expenditure on non-current assets	2,115	1,773	1,411	1,228	1,014
Cash flows					
Cash flow from operating activities	832	829	724	572	664
Cash flow from investing activities	-1,850	-679	-1,179	-1,175	-639
Cash flow from financing activities	829	102	494	184	301
Free cash flow	-1,018	150	-455	-603	25
Ratios					
FFO/Net debt	15.0%	17.9%	21.1%	19.2%	25.8%
Solvency	49.3%	48.1%	46.1%	49.0%	53.8%
Shares (as at 31 December)					
Number of shares issued (thousand)	136,795	136,795	136,795	136,795	136,795
Dividend to be paid	100	149	120	82	101
Other					
Electricity					
Active connections as at 31 December (x 1,000)	3,449	3,414	3,379	3,343	3,276
New connections (x 1,000)	44	45	45	45	43
Gas					
Active connections as at 31 December (x 1,000)	2,506	2,521	2,535	2,549	2,539
New connections (x 1,000)	2	2	2	4	4
Volumes transported					
Electricity (GWh)	48,376	46,542	39,838	25,651	27,262
Gas (million m^3)	5,241	5,064	4,343	4,672	6,056
Percentage grid losses[1]	4.17%	4.24%	4.43%	4.53%	4.21%
Other					
Number of disconnections (consumer and business market)	1,825	3,004	5,895	5,791	3,210
Facilitated supplier switches (x 1,000)	993	872	745	526	918
Annual electricity outage Liander (minutes)	23.6	24.6	23.2	21.3	20.9
Average number of permanent staff (fte)	8,047	7,137	6,504	6,102	5,936

1 An estimate has been made for the last two years.

Other non-financial information

Staff turnover[1]

		2025		2024	
	Age	**Male**	**Female**	**Male**	**Female**
Number of Alliander employees by age category as at 31/12[2]	< 30	980	298	850	241
	30 - 50	3,920	1,294	3,332	1,078
	> 50	1,923	467	1,833	399
		6,823	**2,059**	**6,015**	**1,718**
Staff turnover - Alliander employees by age category	< 30	67	18	84	19
	30 - 50	183	69	321	116
	> 50	162	30	270	53
		412	**117**	**675[3]**	**188[4]**
Staff turnover % - Alliander employees by age category	< 30	7%	7%	11%	9%
	30 - 50	5%	6%	10%	11%
	> 50	9%	7%	15%	14%
		6%	**6%**	**12%[3]**	**12%[4]**
Number of Alliander employees by period-of-service category as at 31/12	< 10	4,874	1,592	4,005	1,246
	10 - 20	1,149	302	1,166	310
	> 20	800	165	844	162
		6,823	**2,059**	**6,015**	**1,718**
Staff turnover - Alliander employees by period-of-service category	< 10	278	96	444	142
	10 - 20	45	9	89	24
	> 20	89	12	142	22
		412	**117**	**675[3]**	**188[4]**
Staff turnover % - Alliander employees by period-of-service category	< 10	6%	7%	12%	13%
	10 - 20	4%	3%	7%	8%
	> 20	11%	7%	16%	13%
		6%	**6%**	**12%[3]**	**12%[4]**

1 For comparative figures from 2023, please refer to the other non-financial information in the 2024 annual report.

2 The total number of own employees in 2025 was 8,884, including two whose gender was not known. The total number of own employees in 2024 was 7,736, including three whose gender was not known.

3 Of the 675 male employees who left the company in 2024, 306 worked at Kenter and ceased to be part of Alliander's workforce after the sale of Kenter. Without this sale, the staff turnover rate would have been 6% instead of 12%.

4 Of the 188 female employees who left the company in 2024, 84 worked at Kenter and ceased to be part of Alliander's workforce after the sale of Kenter. Without this sale, the staff turnover rate would have been 7% instead of 12%.

Other information

	2025	2024
Annual report publication date	11/03/2026	05/03/2025
Environment		
Total value of financial sanctions imposed on account of non-compliance or inadequate compliance with environmental legislation and regulations	€ 0	€ 0
Water consumption (m^3)[1]	15,940	13,805
Office waste – non-hazardous (tonnes)	314	234
Office waste – hazardous (tonnes)	1	0.1
Industrial waste – non-hazardous metal (tonnes)	9,359	7,682
Industrial waste – non-hazardous wood (tonnes)	245	230
Industrial waste – non-hazardous plastic (tonnes)	700	814
Industrial waste – non-hazardous soil (tonnes)	3,107	2,700
Industrial waste – other non-hazardous (tonnes)	5,574	4,277
Industrial waste – hazardous (tonnes)	943	816
Total office and industrial waste (tonnes)	20,243	16,753
Certificates		
ISO 9001	ISO 9001	ISO 9001
ISO 14001	ISO 14001	ISO 14001
ISO 45001	ISO 45001	ISO 45001
ISO 55001	ISO 55001	ISO 55001
Requirements for a safety, quality and capacity-management system for electricity and gas network management	NTA 8120	NTA 8120
HSE Checklist	HSE Checklist	HSE Checklist
CO_2 Performance Ladder	CO_2 performance ladder	CO_2 performance ladder

1 Reporting of water consumption is always one year behind. 15,940 m^3 is the consumption in 2024 and 13,805 m^3 is the consumption in 2023.

Terms, abbreviations and definitions

ACM

ACM is the Dutch initialism for the Netherlands Authority for Consumers & Markets, the regulator charged with supervision of competition, industry-specific market surveillance and consumer protection. As part of its remit, ACM oversees compliance with the Electricity Act and the Gas Act.

Gross investments

Expenditure during the year on the expansion or replacement of property, plant and equipment, and intangible assets.

CBL (cross border lease)

A cross-border lease is a structured finance transaction by virtue of which a business sells the rights of use for certain property, plant and equipment to a foreign company, only to lease these assets back.

Circular procurement

The percentage of circular procurement in kilograms relative to the total of the following core assets: pipes, cables, meters, transformers and switchgear.

CO_2 equivalent

The effect of greenhouse gases other than CO_2 converted into CO_2 values.

Carbon emissions from own operations

Carbon emissions from own operations are direct and indirect emissions from activities under our operational control. This includes Scope 1 and Scope 2 emissions, as well as Scope 3 emissions related to operations, such as mobility. These are processes and operations under the direct influence of the organisation, irrespective of whether they are performed internally or by third parties.

Committee of Shareholders

The Committee of Shareholders as referred to in Section 158(10), Book 2 of the Dutch Civil Code, if this has been appointed by the General Meeting of Shareholders.

Congestion management

Congestion management is the system used at times when the electricity grid has insufficient capacity for customers who consume or feed in electricity. This system ensures that the available transmission capacity is spread as fairly and efficiently as possible. In an area where a shortage of capacity is imminent, parties participating in the system are asked to consume less power or to return more power to the grid for a fee. These measures can prevent the impending shortfall from occurring.

Eco-costs

Eco-costing is a method of expressing the environmental burden of a product. It is based on the costs that will be incurred in preventing that burden.

ECP

Euro Commercial Paper is a short-term debt instrument issued on the international money market.

EMTN

Euro Medium Term Notes are long-term debt instruments issued on the international capital market.

Energy transition

The transition away from generating energy from fossil fuels to sourcing power from renewables, like the sun, wind or water, for example.

Guarantee of Origin

A Guarantee of Origin (GO) is a certificate proving that electricity was generated from renewable energy sources, such as wind power, hydropower, solar power or biomass plants.

Green bond loan

A financing instrument, the proceeds of which are used exclusively to finance assets that are defined in detail in the Green Finance Framework.

Green finance

This refers to the issuing of bonds and ECP where the proceeds are used exclusively to finance assets that are defined in detail in the Green Finance Framework.

High-voltage network (HV)

Network intended for the transmission of electricity at a voltage greater than 35 kV and operated as such.

Feed-in

The supply of electricity fed into the electricity grid from power generating sources.

Supply chain responsibility

A situation in which a company assumes responsibility for the entire value chain involved in its activities and for the impact these activities have in social, ecological and economic terms, and renders account accordingly, including engaging in a dialogue with stakeholders. The whole process is result-driven.

Customer convenience

The degree to which customers experience convenience. We use the Customer Effort Score (CES) method to measure the convenience of service processes from the customer's point of view. The CES represents customer convenience, i.e. the degree of effort (expressed as a percentage) the customer had to put into getting things arranged with respect to their grid connection. We distinguish between different customer groups: Private Customers, Maintenance & Outages, Business Customers and Large Corporate. Business Customers refers to customers who need to be physically connected for the first time or whose connection needs to be upgraded or removed. This concerns the entire journey from the offer phase to execution and delivery. Large Corporate concerns the management of existing large corporate customers, such as contracting, contract amendments, relocations and other customer administration processes.

Climate Agreement

The Climate Agreement (i.e. the Dutch Climate Agreement) aims to cut greenhouse gas emissions in the Netherlands by 49% compared with 1990 levels by 2030. These targets stem from the climate agreements made by the international community in 2015 in the Paris Agreement and are set out officially in the Climate Act in the Netherlands. The climate agreement is therefore not a law itself, but gives substance to the objectives of the Dutch Climate Act.

Credit rating

An assessment by independent rating agencies, such as Moody's and S&P, of Alliander's creditworthiness.

Low-voltage network (LV)

Network intended for the transmission of electricity at a voltage less than or equal to 1 kV in the case of an AC voltage network, and less than or equal to 1.5 kV in the case of a DC voltage network, and operated as such.

LTIF (Lost Time Injury Frequency)

The number of work-related accidents during the financial year in which internal employees (Alliander and agency/contract worker) were involved and which led to sickness absence after the accident, expressed per million of man-hours worked. For an accident to be considered a lost-time accident, it must have led to at least 24 hours of sickness absence.

People with poor employment prospects

The number of employees who meet the requirements for the target group register under the Dutch Quota Act for Persons with Poor Employment Prospects.

Employee survey: enthusiasm and engagement

An employee survey conducted according to the Effectory methodology in which employee engagement and enthusiasm are measured. Alliander wants to know how its employees feel in relation to work. We measure this by investigating employee engagement and enthusiasm. Enthusiastic and/or engaged employees are a key success factor within an organisation. Engaged employees feel connected to the organisation they work for. Enthusiastic employees are committed to getting the best out of themselves and their work.

Medium-voltage network (MV)

Network intended for the transmission of electricity at a voltage level greater between than 1 kV, but less than or equal to 35 kV, and operated as such.

Net investments

Gross investments less contributions to these investments received from third parties.

Net debt

The sum of long and short-term interest-bearing liabilities less cash and cash equivalents and investments.

Net debt/(net debt + equity)

Net debt position divided by equity including the result for the period and the net debt position.

Grid losses/network losses

There are two components to grid losses or network losses: technical losses and administrative losses. Technical grid losses refers to the electrical energy that is dissipated in overcoming the inherent resistance of cables, transformers and other components in the network. Administrative grid losses refers to losses due to fraud and theft of electricity and loss of potential income due to empty properties.

Unresolved valid voltage-related complaints

The number of complaints about under- or overvoltage that have been found to be justified, but have not yet been resolved.

Position on the Safety Culture Ladder

The position on the Safety Culture Ladder defines the level of safety awareness and safe behaviour within an organisation across five steps. It measures the extent to which safety is embedded in business culture. The higher the step on the ladder (from 1 to 5), the greater the extent to which safety forms a self-evident part of daily work processes, attitudes and behaviour.

Smart meter

The smart meter enables remote reading of electricity and gas meters to obtain information on consumption and status. In addition, a smart meter can execute remote instructions. The communication with the meter takes place via the cable network (Power Line Communication) or via GPRS.

Solvency ratio

The solvency ratio is obtained by dividing equity including the profit for the period less the expected dividend distribution for the current financial year by total assets less deferred income.

Stakeholders

Stakeholders are individuals and groups who have any form of interest in Alliander such as employees, shareholders, customers, financiers, suppliers and public authorities.

Regulation of tariffs

With respect to public utilities, the process whereby the government sets the maximum rates that network operators are permitted to charge for their services.

Transmission restrictions

Due to the rapidly growing demand for electricity and the increase in feed-in, in more and more places the electricity grid has reached its full capacity. In these areas, when generators of green electricity and large companies that consume large volumes of electricity request more capacity on the power grid, they are subject to transmission restrictions. This means they are placed on a waiting list and can only access the extra capacity once there is again sufficient capacity on the grid. This additional capacity is created when the network operator expands the grid or can deploy a smart solution.

Electricity outage duration

The average number of minutes during which a connected party was without power due to an unplanned service interruption, measured as the number of minutes per connection per year.

- The concept of usage minutes can be defined in greater detail as the product of the number of connected parties affected and the duration of an (unplanned) service interruption in minutes.
- The total number of minutes can be defined as the sum of all minutes of all (unplanned) service interruptions in the financial year.
- The number of connected parties is defined in detail as all active connections with a capacity of more than 6A, regardless of whether they have an accommodation function, other than public lighting.

Replacement of brittle gas pipes

The number of kilometres of grey cast-iron and asbestos cement pipes that have been replaced.

Employee absenteeism

The moving average sickness absence over a 12-month period (short, medium and long duration) for Alliander staff, not including absence on account of pregnancy.

Free domain

The activities that are carried out in competition and/or arise from the statutory tasks and are offered at the customer’s request. This includes the construction, maintenance, renewal, and management of connections to the electricity network with a load of 10 MVA and above for specific customer groups, including public transport and public lighting.

Free cash flow

Cash flow from operating activities less net investments in non-current assets.

Women in managerial positions

Refers to the number of women holding a leadership position (all employees who manage other employees), expressed as a percentage of the total number of employees with an employment or agency contract.

Working capital

Inventories plus trade receivables and other receivables, less short-term non-interest-bearing debt and other liabilities.

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This report is a translation of the Dutch annual report 2025 of Alliander N.V. Although this translation has been prepared with the utmost care, misinterpretations or deviations as a result of the translation process from the Dutch annual report may nevertheless occur, such that the information in this report may be misinterpreted or different conclusions may be drawn. In such cases, the Dutch annual report 2025 will prevail.

Publication Alliander N.V.